

## Feedback from the Independent Review Panel Review Round April 2014

Berlin, 11 June 2014

Dear Cobus de Swardt,

Thank you for submitting your accountability report to the Charter's Independent Review Panel for assessment. As in previous years we found that the quality of reports is generally improving, demonstrating greater institutional commitment and more evidence that mechanisms are working in practice. Before providing individual feedback on your organisation's report, allow us however to highlight three areas of general concern:

### **1.) *Accountability is a pro-active tool to develop and deliver on key value propositions of an organisation (3.5)***

Accountability is all too often perceived as a defensive tool, when it is really a mechanism to pro-actively define what an organisation wants to be held accountable for i.e. delineating key parameter of its identity and drive organisational development accordingly. The profile disclosure 3.5 looks like a rather technical question on how the report is compiled; but it covers a lot more by asking: how do you use the report as an opportunity for a cross functional systematic and critical reflection on how accountability is best implemented and underpins the legitimacy and quality of your organisation's work. Please describe under 3.5 how you use the reporting process to embed accountability into your organisation. Against this background Members are also strongly encouraged to place the Charter logo prominently on their website and to further link to the Charter website, so that stakeholders know what to hold you accountable against.

### **2.) *Complaints Handling Mechanisms (NGO2)***

Having a fully functioning complaints handling mechanism in place is the only Minimum Standard for Charter Members so far. The Panel is very concerned about rather slow progress by many Charter Members to comply with this. We have therefore decided to ask the Charter Board to look into implementing a timeline policy for compliance. In our view the leeway should be no longer than two to maximum three years after a Minimum Standard has been adopted. You find examples of well-functioning complaints handling mechanisms in the Good Practice document on the Charter website, capturing good examples from this and previous reporting rounds.

### **3.) *Succinctness and communication quality***

There is a danger that accountability standards develop a life of their own and become increasingly complex and detached. We have noted that Charter reports tend to get longer without necessarily providing more relevant information. It is important however to use these reports to actively communicate internally and externally how accountability is an integral part of your organisation and strengthens the quality of your work. In order for these reports to be read, we suggest that they should have a maximum of 40 pages. For each GRI indicator it is sufficient to report three things:

- a) Do you have policies and processes in place to address the issue?
- b) Do you have evidence that it is embedded in systematic practice?
- c) Is there evidence to show that this has led to improved quality of work?

Sometimes the Panel asks for more information. We are aware of this and try to limit it. But with all questions we encourage you strongly to be as succinct as possible, and take the above three parameters as guidance. Also try to avoid repetition and where illustrations are given, please keep these brief. Plain language and a minimum of acronyms are also welcome. Organisations who wish to merge their accountability report with the annual report are

encouraged to additionally provide a separate and more reflective addendum relating to the Charter if the annual reports do not embrace that due to a desire to be more promotional.

#### Organisation-specific feedback to Transparency International:

*This is the organisation's fifth report. While it provides complete information on all reporting indicators, progress with regard to improved accountability practice is not visible. The report is intended as a means to drive continuous improvement with regard to good accountability practice. To this end, it is important that organisations set themselves ambitious and well laid out targets and report on progress against them. The targets should be captured in the **GAP Analysis Table** which is mandatory for each report, but was not submitted by TI. The Panel also noticed that a number of passages were copied from previous reports. While it is acceptable to restate certain policies, it is important to provide annual evidence that they are used in practice and led to positive management response in the actual year. Real life examples would also help support the multitude of statements that are very aspirational in nature. Progress on some commitments made in earlier reports has nevertheless been noticed (see GAP Analysis Table completed by the Panel at the end of this document).*

*Another remaining weakness is the report's sole focus on the interface of TI's international secretariat (TI-S) with its National Chapters (as key stakeholders). The Panel feels that TI-S also has a responsibility for the overall brand and work done in its name at the national level – in particular where TI-S initiates and coordinates programmes across regions. TI reports that National Chapters have to provide information on Charter compliance in regular re-accreditation processes. Providing some more information on how this process works and incorporating national level examples would also improve the report in regard to being more concrete and reader friendly. A clearer overarching statement about the different stakeholders and a more considered analysis of these relationships would be useful to the reader – in particular given the National Chapters' enshrined independence in TI's complex governance structures.*

*The Panel commends TI for **Good Practice** with regard to the diagram on your governance structure (4.1), mainstreaming gender issues into your anti-corruption work (NGO4), a comprehensive approach to formulating advocacy positions and a thorough process for conducting regular staff performance and career development reviews (LA12).*

*With regard to **institutional commitment** it has to be mentioned that the report was handed in 13 weeks past the deadline despite several reminders. The Panel acknowledges, however, that you have the Charter logo as well as a link to the Charter homepage on your website, allowing stakeholders to take note of your commitments and holding you to account.*

Our intention is that this letter, and any response you may wish to provide, is made publicly available on the Charter website, along with your report. You can find the reports that were previously reviewed on the Charter website. However, should there be errors of fact in the feedback above or in the note below we would of course wish to correct these before publication. Please share these comments or corrections by 10 July 2014.

If you have any other feedback or comments on our work, please share with us by sending them to the Charter Secretariat. We would very much like to hear your views.

Yours sincerely,



Richard Manning · Louise James · Wambui Kimathi · Michael Röskau · Janet Kiragu · Rhonda Chapman

**Review Round April 2014  
Cover Note on Accountability Report**

## Transparency International

*Reporting period: Calendar year 2012*

PROFILE DISCLOSURES	
I. Strategy and Analysis	
1.1	<p><b>Statement from the most senior decision-maker</b> <i>Fully addressed</i></p> <p>Very good statement linking the organisation's new people centered strategy to the necessity of becoming even more accountable. The statement provides good examples of specific improvements like MEL, diversity of staff and areas for further attention like understanding where increased real term CO<sub>2</sub> emissions come from. Additionally, it would be interesting to know more about how attention to accountability has translated into strategic decisions; using more appealing language in TI's work seems to be one - presumably there are others.</p>
II. Organisational Profile	
2.1	<p><b>Name of organisation</b> <i>Fully addressed</i></p>
2.2	<p><b>Primary activities</b> <i>Fully addressed</i></p> <p>The answer given provides very succinct examples and a good overview on Transparency International's primary activities. Brief information on the reasons for choosing the listed priorities would be welcome, saving readers the time to read the documents on the linked webpage in full.</p>
2.3	<p><b>Operational structure</b> <i>Fully addressed</i></p> <p>The description of the National Chapters and their role is very good. The organisation is asked to add a sentence on the division of work between the National Chapters and the International Secretariat and on the services the International Secretariat provides to the Chapters. Information on Board Directors, the Annual Membership Meeting (AMM) and Individual Members (IMs) would be better placed under the governance indicator 4.1 in this report.</p>
2.4 – 2.6	<p><b>Headquarter location / Nature of ownership</b> <i>Fully addressed</i></p>
2.7	<p><b>People served</b> <i>Partially addressed</i></p> <p>More information on the groups of people whose lives TI wants to improve and a clearer statement about why TI-S considers the National Chapters as their only stakeholders is welcome in the next report, particularly given references to broader stakeholder groups at various points in the report.</p>

2.8	<b>Scale of organisation</b> <i>Partially addressed</i> Please indicate if the number of 170 employees is for the international secretariat only and if you have any volunteers at all. More content and not just financial information on the scope and scale of activities is welcome.
2.9 – 2.10	<b>Significant changes to previous reporting / Awards received</b> <i>Fully addressed</i> Transparency International can be commended for having received a large number of awards in the reporting period.
<b>III. Report Parameters</b>	
3.1 – 3.4	<b>Reporting period / Date of most recent report / Contact person</b> <i>Fully addressed</i>
3.5	<b>Reporting process</b> <i>Partially addressed</i> This indicator asks for the specific way in which TI uses the reporting and vetting exercise to mainstream accountability across functions and regions in the entire organisation. It would be interesting to know how this has been used internally as a process for improvement, reflection and learning. Other organisations put together cross-functional and cross-regional teams to determine the scope of the report, collate and edit the content, ensure that it is well targeted, disseminated to key stakeholder groups and meet continuously during the entire year to monitor progress on commitments. Who is the target audience for TI's report and how do you reach them?
3.6 – 3.7	<b>Report boundary / Specific limitations</b> <i>Fully addressed</i>
3.8	<b>Basis for reporting</b> <i>Partially addressed</i> This indicator also asks for information on TI's National Chapters. The organisation mentions under 4.15 that its accreditation process follows the blue print of the Charter. TI is encouraged to present a clearer indication on how it ensures National Chapters also adhere and contribute to the achievement of the accountability commitments TI has made on the global level. What kind of information in regard to accountability practices is provided by the Chapters to TI-S and how is this processed and acted upon?
3.10 – 3.11	<b>Reporting parameters</b> <i>Fully addressed</i> The information provided is interesting and well received. However, for the reader it would be better placed in the section on environmental impact.
<b>IV. Mission, Values, Governance, and Stakeholder Engagement</b>	
4.1	<b>Governance structure</b> <i>Fully addressed</i> The answer provides a very good and well-visualised overview of TI's governance structure. The diagram can be seen as <b>Good Practice</b> – describing structure, relationship and process. It would be helpful to report the number of Individual Members TI has in comparison to National Chapters, and

	to clarify if they have equal voting rights in the Annual Membership Meeting. Information on how this governance structure supports TI's mission attainment and where it poses challenges is welcome in the next report
4.2	<b><i>Division of power between the governance body and management</i></b> <i>Fully addressed</i> The Panel would be interested in knowing how the separation of duties functions in practice given the complex governance structure. The section could profit from concentrating on the most important duties of the Board, leaving out No. 2, 10, 11, or 12. Doubling of information with indicator 2.3 should be eliminated.
4.3	<b><i>Independence of Board Members</i></b> <i>Fully addressed</i>
4.4	<b><i>Feedback from internal stakeholders</i></b> <i>Fully addressed</i> The answer provides a good description on how internal stakeholders have ample opportunities to engage with the Board and the Annual Membership Meeting as the highest decision making body. Good evidence is given on how this has influenced the Annual Membership Meeting agenda. The Panel would be interested in knowing <i>how</i> Members can meaningfully influence processes or have input to the agenda (actively vs. passively). The second part of the indicator, describing the Works Council should be covered under NGO9 asking for work-related grievances mechanisms.
4.14	<b><i>List of stakeholders</i></b> <i>Fully addressed</i> TI-S lists relevant stakeholder groups and links to its website for further information on institutional relationships.
4.15	<b><i>Basis for identification of stakeholders</i></b> <i>Fully addressed</i> The answer provides very well laid out information on how national partners, potentially growing into Chapters, are selected, accredited and re-accredited. A succinct overview on criteria for further stakeholder selection would be welcome.

PERFORMANCE INDICATORS	
I. Programme Effectiveness	
NGO1	<b>Stakeholder involvement</b> <i>Fully addressed</i> The answer, mostly copied from the previous report, provides a good description of the great influence National Chapters have on the work of TI-S. However, the Panel would like to see more effort in articulating the various stakeholder relationships and processes and understand how TI-S brings the different elements together to ensure their strategic and policy consistency more broadly for the organisation and with the Charter.



NGO2	<p><b>Mechanisms for feedback and complaints</b></p> <p><i>Partially addressed</i></p> <p>The information provided focuses on how staff can raise grievances. However, this section looks at how open an organisation is to having its programmes and activities constantly scrutinised through internal and external feedback/complaints, how it takes this feedback into account and potentially adapts its work accordingly. A fully functioning complaints and feedback mechanism is so far the only Minimum Standard for Charter Members and the Panel advises TI to progress swiftly in devising and implementing one. A commitment to accountability is only strong if people know what to hold an organisation to account for and have easy access to do so. There must be a possibility to easily file a complaint or give feedback to TI-S on the work they do, including programme work for which they organise funding at the national level. National Chapters should have separate complaints and feedback mechanisms. TI can find examples for well managed complaints and feedback mechanisms on the Charter Website in the Good Practice database.</p>
NGO3	<p><b>Programme monitoring, evaluation and learning</b></p> <p><i>Partially addressed</i></p> <p>The Panel asked for more information in the last report which TI followed up on. The answer now provides information on a well laid out Monitoring and Evaluation mechanism that could further profit from a graphical depiction. Moreover, it would be interesting to know what evidence TI has that works well in practice and where it has led to significant management response. The Panel regards the description about learning as very good and would be interested to read what is <i>actually</i> done including some examples of learning events.</p>
NGO4	<p><b>Gender and diversity</b></p> <p><i>Partially addressed</i></p> <p>The answer provides very good information on how the question of disproportionate effects of corruption on women is mainstreamed into research and programming of TI's work. This can be regarded as <b>Good Practice</b> in this specific aspect of the indicator. However, diversity is more than gender. Corruption is also likely to disproportionately affect disabled people, certain ethnic minorities etc. It would be appreciated if TI shares more information on how the organisation defines diversity more broadly and identifies other groups which are particularly affected by corruption and should therefore be included in their work in a specific way. This was already mentioned in the Panel's last year's feedback.</p>
NGO5	<p><b>Advocacy positions and public awareness campaigns</b></p> <p><i>Partially addressed</i></p> <p>Very good information is provided on clear and inclusive processes to choose, formulate and disseminate public advocacy positions. As mentioned in the Panel's last feedback letter, more information would be welcome on the instruments in place for a right of reply, corrective action where this becomes necessary, and the exit strategy for campaigns.</p>
NGO6	<p><b>Coordination with other actors</b></p> <p><i>Fully addressed</i></p> <p>The answer provides well laid out information about TI's coalition and partnering approach. The organisation is asked to provide some evidence and practice based examples that coordinating and leveraging TI's impact through systematic</p>

	partnership works well in practice. The Panel also encourages TI to be more reflective in describing the different approaches TI has taken to entering into partnerships and what they learnt from this. It would furthermore be interesting to know how TI ensures that its partners do not engage in illegal or unethical practices.
<b>II. Financial Management</b>	
NGO7	<b>Resource allocation</b> <i>Fully addressed</i> The answer provided gives a good indication on budgeting and resource allocation process as well as accounting practices used.
NGO8	<b>Sources of funding</b> <i>Fully addressed</i> Open information is provided on the five largest single donors. There is a strong dependency on agency money, in particular from DFID. It would be interesting to know how TI ensures full independence for Transparency International from this specific donor.
<b>III. Environmental Management</b>	
EN16	<b>Greenhouse gas emission by weight</b> <i>Fully addressed</i> As noted in the opening statement of TI's CEO CO <sub>2</sub> emissions have increased quite substantially, but decreased in relation to overall staff. The Panel welcomes that TI now provides differentiated figures for total direct emissions.
EN18	<b>Initiatives to reduce greenhouse gas emission</b> <i>Fully addressed</i> The answer provides well laid out information on changes in the CO <sub>2</sub> emissions. The commitment on further progress to minimise the environmental impact relative to the size of the organisation would profit from an explicit Environmental Management Policy with senior management support, clear targets and a monitoring system administered by a person who takes visible responsibility and championship within the organisation.
<b>IV. Human Resource Management</b>	
LA1	<b>Total workforce</b> <i>Fully addressed</i> The answer provides well laid out information on the workforce composition by region, employment type and contract, and pay grade. Following up on the Panel's previous feedback, the answer now includes data on volunteers/interns.
EC7	<b>Local hiring</b> <i>Fully addressed</i> TI shows a good commitment to a diverse and local workforce. With staff at the International Secretariat being mainly hired in Berlin, it is obvious that there is a strong European bias.
NGO9	<b>Mechanisms for workforce feedback and complaints</b> <i>Fully addressed</i> TI-S does not directly frame it as NGO9 but provides under 4.4 (p.10) a good insight on the Works Council giving TI staff very good opportunities to raise grievances in

	the organisation. The whole answer would profit from being more succinct, however, and providing some indication as to whether this instrument is used and where it led to positive management response.
LA10	<b>Workforce training</b> <i>Fully addressed</i> The answer given shows a good overview on training opportunities offered to TI staff. The organisation can be commended for the overall increase in training hours per staff. The section would profit from an indication how training needs are identified, how much of the overall budget is spent on training and if TI has evidence of training effectiveness.
LA12	<b>Performance and career development reviews</b> <i>Partially addressed</i> The answer describes a very thorough process for conducting regular staff performance and career development reviews. TI is commended for giving reviews to all employees (100%). This can be seen as <b>Good Practice</b> . An indication on how this is systematically linked to TI's strategy would be helpful. Further evidence that TI's talent management is working well in practice is welcome in the next report.
LA13	<b>Composition of workforce and governance bodies</b> <i>Fully addressed</i> The answer provides well laid out gender and age representation within staff and Board of Directors. Information on any targets for development with regard to ensuring diversity in TI's staff and governance for the future is welcome in the next report.
<b>V. Responsible Management of Impacts on Society</b>	
SO1	<b>Impact of operations on communities</b> <i>Partially addressed</i> While the organisation reports that TI's National Chapters engage directly with communities and are supported in this by the International Secretariat, there is no indication on how TI assesses and sensitively manages the impact of this work on communities. Information, e.g. on consequences for whistleblowers once they have witnessed, or how authorities react upon the detection and publication of corrupt practices, and how it is ensured that this does not endanger innocent people is welcome in the next report.
SO3	<b>Anti-corruption training</b> <i>Addressed</i> The answer provided describes a sound process of familiarising TI staff with anti-corruption practices. Evidence that these are well known in practice and have led to concrete instances of prevention or detection is welcome in the next report. Information on the systematical identification of the risks of corruption in the work TI does and on the systematic approach to risk assessment and management undertaken by the Board would be additionally helpful.
<b>VI. Ethical Fundraising</b>	
PR6	<b>Ethical fundraising and marketing communications</b> <i>Fully addressed</i> The answer describes a well laid out procedure on fundraising. A link to the Donations Policy is provided. It would be further interesting to know whether there



	were any donor complaints in regard to non-fulfilment of TI's own donor policy and Charter commitments to ethical fundraising.
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## Transparency International Gap Analysis Table – Areas of Commitments and Progress achieved

Accountability is a process of continuous improvement. Each year Charter Members in their accountability reports identify and prioritise areas for improvement and corrective actions they plan to take. As of reports submitted in 2014, Members are asked to capture these commitments in this Gap Analysis Table. The Independent Review Panel may suggest the Member to add further issues when reviewing the Member's report. Each year following, the table shall be submitted along with the accountability report and will then be used as a basis to demonstrate progress. The table will be published on the website along with the accountability report and the feedback from the Panel. Please note that the rows where commitments cannot be identified can be deleted from the table.

GRI – Performance Indicators	Reporting year 2010	Reporting year 2011	Reporting year 2012	Reporting year 2013
<b>Programme Effectiveness</b>				
NGO1: Processes for involvement of affected stakeholder groups.	<i>“TI is in the early stages of developing a Monitoring, Evaluation and Learning (MEL) Framework. The MEL Matrix (See NGO3) will ensure that National Chapters as our key stakeholders are involved more systematically and explicitly in the design, implementation, monitoring and evaluation of all TI-S policies and programmes.”</i>	<i>“TI is developing a Monitoring, Evaluation and Learning (MEL) Framework. The MEL Matrix (See NGO3) will ensure that National Chapters as our key stakeholders are involved more systematically and explicitly in the design, implementation, monitoring and evaluation of all TI-S policies and programmes.”</i>	<i>“TI-S has developed a Monitoring, Evaluation and Learning (MEL) Framework.” (See NGO3)</i>	
NGO2: Mechanisms for feedback and complaints.			<i>“(…), work was undertaken in late 2012 to further develop clarity, capacity and scope of complaints mechanisms, which results will be outlined in our following report.”</i>	
NGO3: System for programme monitoring, evaluation and learning.	<i>“[...] over the next year TI-S will be taking its MEL commitments further by developing a more comprehensive MEL system</i>	<i>“(…) over the next year TI-S will be taking its MEL commitments further by developing a more comprehensive MEL system which,</i>	TI-S has developed a MEL framework for the National Chapters.  <i>“(…) the organisation developed in 2012</i>	

	<i>which, over time, will seek to include greater parts of the Movement.”</i>	<i>over time, will seek to include greater parts of the Movement.”</i>	<i>a quarterly reporting cycle to be institutionalised as of 2013, whereby all programmes and functions report through filing in a form that is then made available to all (...) in the (...) intranet.”</i>	
NGO4: Measures to integrate gender and diversity into programme.	<i>“In 2011/12 Gender mainstreaming at TI-S will fall within the purview of a strategic Organisational Development Unit which will hold responsibility of Monitoring, Evaluation and Learning.”</i>	<i>“In 2012 Gender mainstreaming at TI-S will be clearly affected within the purview of the newly established Monitoring, Evaluation and Learning function.”</i>	In 2012, TI-S introduced gender data in the Global Corruption Barometer 2013, a Recruitment Policy ensuring more diversity, and mandatory Gender Sensitivity Trainings for all staff.	
NGO6: Coordination with other actors.	<i>“TI engages in numerous coalitions through de facto arrangements, Memoranda of understanding, memberships, etc. [...] These relationships are kept track of in an internal database, part of which is planned to be published on our new website, upon its launch toward the end of this year.”</i>	No progress - exactly the same promise as in report covering 2010.	TI's institutional relationships are now reported on their <a href="#">website</a> .	
<b>Economic</b>				
NGO7: Resource allocation.	<i>“We are aware that [the] figures [in our budget report] are not as easy to understand as we would like it to be, thus we are seeking ways to present these numbers in a more easily understandable manner to the general public.”</i>	No progress reported.	<b>In report covering 2012:</b> TI-S provides the <a href="#">link</a> to its International Financial Reporting Standards (IFRS) Statements. However, this does not make the figures more easily understandable to the general public.	
<b>Environmental</b>				
EN18: Initiatives to reduce greenhouse gas emissions and reductions achieved.	<i>“(...) we try to minimise the number of trips and seek to find the most environmentally friendly flight routes in planning travel, incorporating as many visits and</i>	No progress - exactly the same promise as in report covering 2010.	<i>“[In 2012], the TI Green Task Force (or TIGRE) had formed and successfully introduced substantially improved waste and paper management systems. (...) We shall continue to seek decreasing</i>	

	<i>meetings in any single trip."</i>		<i>our environmental impact."</i> No report on decreasing travel and flights in particular.	
<b>Labor</b>				
LA12: Percentage of staff receiving performance/career development review.		<i>"The 360° Feedback process was not pursued in 2011 as it was not deemed helpful by many in the way it was conducted. We have been seeking to update that particular process of broader input gathering on behaviour and performance to a more reliable framework, but have not yet satisfactorily tackled that need."</i>	No progress - same promise as in report covering 2011.	
<b>Society</b>				
SO3: Percentage of employees trained in organization's anti-corruption policies and procedures.	<i>"We are working to further our own anti-Corruption capability in light of these (anti-corruption guidelines for NGOs produced by TI-UK with BOND), to be operational in 2013."</i>	<i>"Our National Chapter in the UK (TI-UK) has developed together with BOND comprehensive anti-corruption guidelines for NGOs. We are working to further our own anti-Corruption capability in light of these, to be operational in 2013."</i>		
<b>Ethical Fundraising</b>				
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