



**Islamic Relief**  
Worldwide

Islamic Relief Worldwide

## INGO Accountability Charter Report

Accountability Period 2014

## Table of Contents

<b>Profile Disclosures</b>		
<b>Item No.</b>		<b>Page No.</b>
<b>1</b>	<b>Strategic Commitment to Accountability</b>	<b>4</b>
1.1	Statement from the most senior decision-maker	4
<b>2</b>	<b>Organisational Profile</b>	<b>4</b>
2.1	Name of the Organisation	4
2.2	Primary Activities	4
2.3	Operational Structure	5
2.4	Location of organisations headquarters	6
2.5	Number of Countries	6
2.6	Nature of Ownership	6
2.7	Target Audience	6
2.8	Scale of the reporting organisation	7
2.9	Significant changes	8
2.10	Awards received	8
<b>3</b>	<b>Report Parameters</b>	<b>8</b>
3.1	Reporting period	8
3.2	Date of most recent report	8
3.3	Reporting cycle	8
3.4	Contact person	8
3.5	Process for defining reporting content and using reporting process	9
3.6	Boundary of the report	9
3.7	Material content limitations	9
3.8	Basis for reporting	9
3.10/3.11	Significant changes	10
3.12	Reference Table	10
<b>4</b>	<b>Governance Structure and Key Stakeholders</b>	<b>10</b>
4.1	Governance structure and decision making process at governance level	10
4.2	Division of powers	11
4.3	Number of members of the highest governance body	11
4.4	Mechanisms for internal stakeholders to provide recommendations to the highest governance body	11
4.5	Compensation	12
4.6	Processes in place for the highest governance body to ensure conflicts of interest are identified and managed responsibly	12
4.10	Process to support the highest governance body's own performance	12
4.12	Externally developed environmental or social charters subscribed to	13
4.14	Stakeholder groups of the organization	13
4.15	Process for identification, selection and prioritization of key stakeholder groups	13

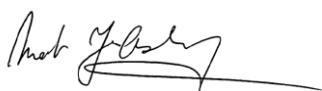
<b>Performance Indicators</b>		
<b>Item No.</b>		<b>Page No.</b>
<b>I</b>	<b>Program Effectiveness</b>	<b>14</b>
NGO1	Involvement of affected stakeholder groups to inform the design, implementation, monitoring and evaluation of policies and programmes	14
NGO2	Mechanisms for stakeholder feedback and complaints to programmes and policies in response to policy breaches	15
NGO3	System for programme monitoring, evaluation and learning	18
NGO4	Measures to integrate gender and diversity into programme design and implementation, and the monitoring, evaluation and learning cycle	20
NGO5	Processes to formulate, communicate, implement, and change advocacy positions and public awareness campaigns	22
NGO6	Process to take into account and coordinate with other actors	22
<b>II</b>	<b>Financial Management</b>	<b>23</b>
NGO7	Resource allocation, tracking and control	23
NGO8	Sources of funding by category	25
<b>III</b>	<b>Environmental Management</b>	<b>26</b>
EN16	Report on the total direct and indirect greenhouse gas emissions	26
EN18	Initiatives to reduce greenhouse gas emissions	27
EN26	Initiatives to mitigate environmental impacts of activities and services	27
<b>IV</b>	<b>Human Resource Management</b>	<b>27</b>
LA1	Size and composition of total workforce	27
EC7	Procedures for local hiring and proportion of senior managers hired from the local community at significant locations of operation	29
LA10	Workforce training to support organisational development	29
LA12	Performance reviews and career development plans	29
LA13	Diversity in your organisation displayed in the composition of governance bodies and employees	30
NGO9	Mechanisms for your workforce to raise grievances and get responses	30
<b>V</b>	<b>Responsible management of Impacts on Society</b>	<b>31</b>
SO1	Impact of activities on the wider community	31
SO3	Risk analysis, systems and practices to prohibit, prevent, detect and report instances of corruption, bribery, nepotism, fraud and conflicts of interest	32
SO4	Actions taken in response to incidents of corruption	33
<b>VI</b>	<b>Ethical fundraising and communication</b>	<b>33</b>
PR6	Programmes for adherence to laws, standards and voluntary codes related to ethical fundraising, including advertising, promotion and sponsorship	33

## Profile Disclosures

### 1. Strategic Commitment to Accountability

#### 1.1 Statement from the most senior decision-maker

Islamic Relief Worldwide (IRW) embraced the need for greater accountability in 2006 with the approval of the IR Accountability Framework – Enabling Poor People to Shape their future. The policy lays out how our staff should understand and communicate standards, ensure participation, measure performance and handle complaints. Since then IRW has worked towards accountability in other dimensions, improving transparency in our human resource management, transparency of information and agreeing to embrace the UK Fundraising Standards Board standards for its UK operations and in the future as a guide for our globally agreed IR Family standards. Joining the INGO Charter represents an attempt to create an additional driver to build IRW's accountability to our stakeholders.



Chief Executive Officer  
Islamic Relief Worldwide

### 2. Organisational Profile

#### 2.1 Name of the Organisation

Islamic Relief Worldwide

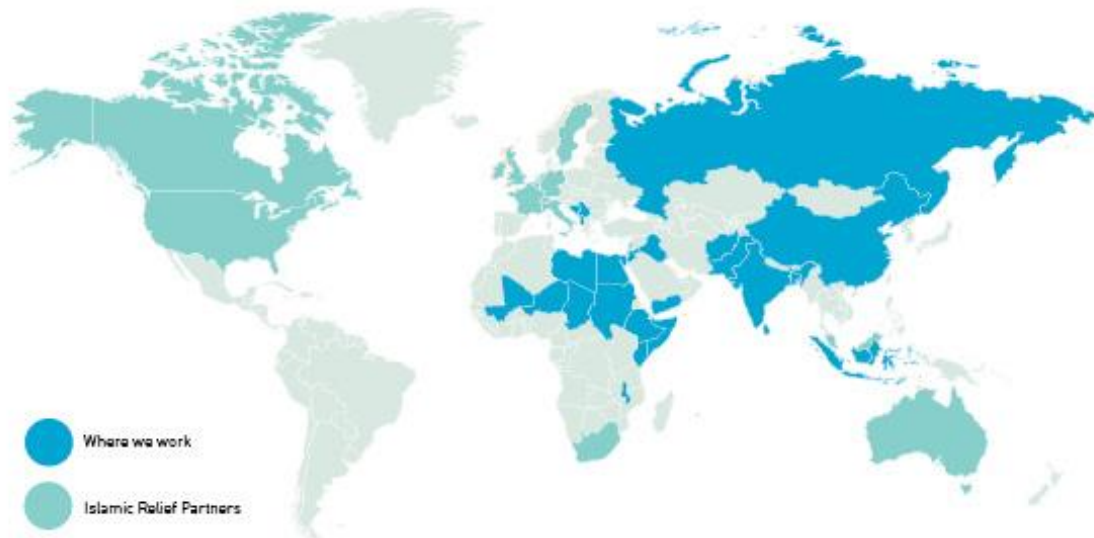
#### 2.2 Primary Activities

Islamic Relief Worldwide is an independent humanitarian and development organisation established in 1984. Our overarching aim is to work towards the alleviation of poverty. Having a presence in over 40 countries globally, we work with vulnerable communities by providing humanitarian assistance, building preparedness and resilience, empowering communities through building capacity for integrated and sustainable routes out of poverty. We advocate and campaign for change, supporting the vulnerable in addressing the root causes of poverty and suffering and voicing their needs.

As an organisation we have a conviction that the approach we follow of building preparedness and resilience, capacity building communities, working in integrated ways and leveraging our often unique access and understandings to bring about lasting change and social justice is effective.

## 2.3 Operational Structure

### Organisational Structure



#### The Islamic Relief global family

We are based in Birmingham, UK, and are the global implementing and coordinating partner of the Islamic Relief family. Together with Islamic Relief national partner offices, we raise funds and awareness of the family's work.

Here are the Islamic Relief national partner offices that focus largely on raising funds for overseas projects and are registered as independent legal entities. In these accounts, we have only included funds that are transferred to us:

- › Australia
- › Belgium
- › Canada
- › Germany
- › Italy
- › Malaysia
- › The Netherlands
- › South Africa
- › Spain
- › Sweden
- › Switzerland
- › USA

We have also registered branches in:

- › Ireland
- › Mauritius

Affiliated Implementing Partners deliver projects on behalf of the Islamic Relief family. Some of these are independent legal entities. These include:

- › Islamic Relief Chechnya
- › Islamic Relief India
- › Islamic Relief Kenya
- › Islamic Relief Pakistan

Countries in which we deliver projects through implementing country offices are:

- › Afghanistan
- › Albania
- › Bangladesh
- › Bosnia and Herzegovina
- › Chad
- › Ethiopia
- › Haiti
- › Indonesia
- › Iraq
- › Jordan
- › Kosovo
- › Lebanon
- › Libya
- › Malawi
- › Mali
- › Niger
- › Occupied Palestinian Territories
- › The Philippines
- › Russian Federation (North Caucasus)
- › Somalia
- › South Sudan
- › Sudan
- › Tunisia
- › Turkey
- › Yemen

Countries in which we work through other partners to deliver projects include:

- › Central African Republic
- › China
- › Guinea
- › India
- › Myanmar
- › Sierra Leone
- › Sri Lanka
- › Syria

## 2.4 Location of organisations headquarters

19, Rea Street South, Birmingham, B5 6LB, United Kingdom

## 2.5 Number of countries where IR operates

As indicated in 2.3 the Islamic Relief global family has a wide global presence. We have 12 National Partner offices, 2 registered branches, 4 affiliated implementing partners, 25 Country offices and deliver projects through partners in a further 8 countries.

## 2.6 Nature of ownership

IRW is a company limited by guarantee at Companies House in England and Wales under registration number 2365572 and registered as a charity with the Charity Commission of England and Wales under registration number 328158.

## 2.7 Target audience

Below is the total coverage of beneficiaries (direct and indirect) globally from our various international programmes during 2014.

Direct Beneficiaries*	Indirect Beneficiaries**
4,477,475	371,234

Below is a breakdown by Country of our target audience

Country	Direct Beneficiaries	Indirect Beneficiaries
Afghanistan	60,630	9,200
Bangladesh	1,104,273	0
Bosnia & Herzegovina	12,070	0
Central African Republic	8,000	0
Chad	5,400	0
China	4,156	0
Egypt	2,200	1,200
Ethiopia	31,286	0
India	21,790	1,500
Indonesia	3,750	0
Jordan	1,276,466	0
Kenya	67,163	250,600
Kosova	100	0
Lebanon	8,422	0
Mali	40,851	30,000
Multiple Countries (DFIA PPA)	41,019	0
Myanmar	63,941	0
Niger	8,670	12,984
oPt (Gaza)	1,915	0
oPt (West Bank)	3,967	4,160
Pakistan	378,285	51,590
Russian Federation (Chechnya)	1,240	0
Somalia	110,000	0
South Sudan	8,400	0
Sudan	304,877	10,000

Syria	37,070	0
Various (Seasonal Programmes)	356,900	0
Yemen	514,634	0

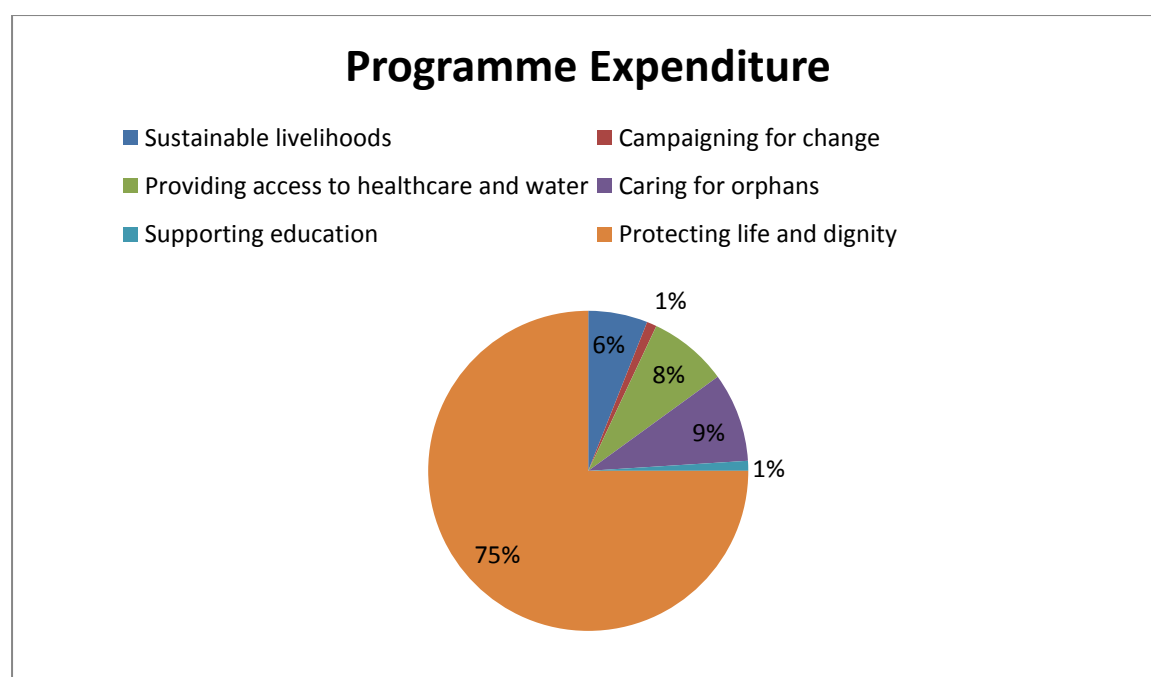
## 2.8 Scale of the reporting organisation

Islamic Relief Worldwide has over 30 years' experience in working to alleviate world poverty and suffering in over 40 countries globally.

During the reporting period our financial status was as follows:

Global Income	£182m
Global Programme Expenditure	£160m
UK Reporting Organisation Income	£99,142,152
UK Reporting Organisation Programme & Trading Expenditure	£81,549,147
UK Reporting Organisation Assets	£53,925,841
UK Reporting Organisation Liabilities	£9,384,483
UK Reporting Organisation Net Assets	£44,541,358
Net Assets Represented By	
Restricted Funds	£31,591,949
Unrestricted Funds	£7,115,994
Endowment Funds	£5,833,415
UK Reporting Organisation Total Expenditure	£92,387,946
Employees	2996

During the reporting period our expenditure on global programme activity was £160m which was an increase of 3% on 2013.



Our current strategy (2011-15) has focused our work into four main strategic focus areas:

- Protecting life and dignity
- Empowering communities
- Campaigning for change
- Strengthening the Islamic Relief Partnership

Our annual report 2014 reports our progress against these priorities during the reporting period <http://www.islamic-relief.org/annual-report-published-2/>

### **2.9 Significant changes during the reporting period**

The main significant changes in 2014 were the launch of the Islamic Relief Learning Academy where the function of learning and development was transferred to a separate independent facility (Further reported in LA10) and the Board announced its plans in April 2014 for a governance reform project.

### **2.10 Awards received in the reporting period**

In an event held by the Governor of Nusa Tenggara Barat province on 17 December 2014, Islamic Relief joined senior government officials and development partners in the city of Mataram. During the session, H.E. Governor Dr TGH Zainul Majdi highlighted Islamic Relief's contribution to the province's poverty reduction agenda – in particular, our project to give 10,000 poor people in East and West Lombok access to safe water and sanitation facilities. In recognition of our work, the governor conferred an award of excellence to our area coordinator for Nusa Tenggara Barat province, which is one of the country's poorest areas. Other international NGOs, UN agencies, and local government officials also took part in the event

Islamic Relief USA has won the 'Best Charity of the Year' award. The Golden Minaret Awards are a project of the Academy of Muslim Achievement

We became members of the Organisation of Islamic Cooperation (OIC) and were chosen to sit on its advisory council.

## **3. Report Parameters**

### **3.1 Reporting period**

2014

### **3.2 Date of most recent report**

This is Islamic Relief's first report

### **3.3 Reporting cycle**

Annual

### **3.4 Contact person**

Atallah FitzGibbon, Head of Strategy, Policy and Processes, [Atallah.fitzgibbon@irworldwide.org](mailto:Atallah.fitzgibbon@irworldwide.org)

**Telephone No:** +44(0)121-622-0722

**Address:** 19, Rea Street South, Birmingham, B5 6LB, UK



### **3.5 Process for defining reporting content and using reporting process**

The process for collating the report content was initiated by identifying the relevant departments within the organisation who would need to contribute. The CEO contacted the Directors to reintroduce the INGO Charter process and encourage their participation and co-operation as there had been changes in staffing since the original Charter work had begun at the initial application stage in 2012. The post that had initiated some of the original charter work in 2012 had unfortunately been vacant until May 2014 so the report process was started later than anticipated. Relevant stakeholders were provided the sections of the reporting requirements and examples of other organisations good practice examples in order to ascertain the format, level of information and ideas of the various ways of presenting the information. Stakeholders were given deadlines to adhere to in order to submit their contributions in writing. Follow up meetings to discuss the information provided were conducted. Throughout the process there were some areas of responsibility that were difficult to define ownership over. In areas such as this we tried to utilise the institutional knowledge of longer serving members of staff or refer to policy documents and publications. The report process has highlighted the need for thorough preparation in advance, the need for the collection and collation of thorough data, has identified gaps in certain areas and the need for greater transparency and information sharing inter-departmentally. Already the process has helped us identify significant areas for improvement which will be further enhanced when the feedback from the charter panel is received. This together with the areas we have identified will form the basis of a quality improvement plan, which we will present at director level in order obtain the required level of internal accountability and ownership over their respective areas of responsibility which can be further aligned with our forthcoming 2016-20 global strategy.

### **3.6 Boundary of the report**

This report predominantly concentrates on the operations of Islamic Relief Worldwide and global governance and the programmes delivered by our field offices and implementing partners. We are not reporting on our trading subsidiaries or the activities of our partners outside the scope of the financial data in relations to funds raised to deliver our programmes.

As work continues on developing our license agreements with our national partners, ongoing governance reform, and forthcoming 2016-20 global strategy, one of our strategic key success indicators of federation building will allow us to have greater control over the uniformity and compliance of a universal set of quality and assurance standards which will include compliance with our charter accountability commitments.

### **3.7 Material content limitations**

While the Global Impact Measurement Framework (GIMF) was rolled out for measurement and aggregation of our programme impact in 2014, the first carbon footprint measurement was completed in December 2013 and was not repeated in 2014 while we attempted to put in place our climate change policy and carbon footprint management policy.

### **3.8 Basis for reporting**

At the present time Islamic Relief has shifted in 2015 to a more federated and franchised structure with most of our IR Partners worldwide having signed the license agreement developed. That license agreement does not presently contain reference to minimum standards or have an agreed framework for assuring quality and accountability. This is planned for 2016. This report does represent the overseas programme administration and global governance arrangements for the federated members who administer the bulk of their programmes through the IRW secretariat which manages our work in over 36 countries worldwide.

### **3.10/3.11 Significant changes**

During 2014 the main significant changes within the organisation were the launch of our learning and development facility the IR Academy, which is an independent entity which separated our training function away from the main headquarters. In April 2014 the Trustees announced their plans for governance reform

## **4. Governance Structure and Key Stakeholders**

### **4.1 Governance structure and decision making process at governance level**

Islamic Relief Worldwide is governed by a Board of (currently) 6 trustees, four of whom were elected in 2015 from the newly constituted General Assembly of affiliate members.

Islamic Relief operates through separate legal entities in the UK (IRW), USA, Switzerland, Germany, Sweden, Canada, Malaysia, South Africa, Pakistan, India, Kenya, the Russian Federation, Australia and Spain.

In other countries where Islamic Relief family members operate, the legal registration is such that Islamic Relief Worldwide is the foreign NGO registered in that country. In addition, there are operations in Mauritius and Ireland that are registered as branches of the UK entity Islamic Relief Worldwide.

The global organisation of Islamic Relief Family:

Islamic Relief independent national entities. In the past, their main activity was funds development for international humanitarian projects. This has expanded to include advocacy, implementation of local projects and other activities.

Field offices in Africa, Middle-East, Asia and Southern Europe which mainly implement humanitarian projects and which have expanded to raise funds and engage in advocacy.

IRW, based in Birmingham, UK, is the International office that overseas global standards has the following functions:

- Coordinates and monitors programme implementation.
- Identifies new areas for fund development.
- Overseas the response to emergencies and disasters by the Islamic Relief family.
- Supports family members with marketing and other media materials as needed.
- Protects the organisation's reputation and intellectual property by registering the name and logo in different countries and maintaining a watch service.
- Fundraising from other countries where there is no Islamic Relief office.
- Coordinates multi-lateral institutions relations such as ECOSOC (UN Economic & Social Council), ECHO, UN (including the WFP, FAO, WHO, UNICEF, and UNHCR) and other international institutions.
- Represents the Islamic Relief family in international forums.
- Develops and coordinates the global strategy.

#### **4.2 Division of powers**

Islamic Relief's international operation is based on the Multiple Association model where all entities work in conjunction with each other on a consensual basis with an international association.

The International Board of Trustees represents the interests of the IRW, IRUK and Field offices. They direct the governance process by planning the future mission, performance and strategic direction. Day to day decision making is delegated to the Board of Directors headed by the Chief Executive Officer. The board consists of the directors of the International Programmes Division, Human Resource and Organisational Direction, Finance and Services, Communications, Chief Operating Officer and the IR UK Director. This structure ensures progress against strategy is measured and monitored and reported to the Board of Trustees. Working groups and committees support the Board of Directors in this function along with satisfying regulatory requirements and ensuring our responsibilities and obligations to stakeholders are fulfilled.

The General Assembly are the highest decision making authority of the organisation in relation to matters of governance, policies regarding business strategy, field programmes, financial policies, budgets and defining and evaluating the performance of the organisation. The International Assembly ratify the decisions of the Board of Trustees. It is composed of representatives from each affiliate entity who undertake to fulfil Islamic Relief's vision, mission, strategy and standards and have previously been an associate member for 3 years. Their function is to approve matters concerning membership, the electing and removal of directors and ratifying the appointment of Chief Executive Officer.

#### **4.3 Number of members of the highest governance body**

During 2014 there were 6 members of the highest governance body all of whom were non-Executive.

#### **4.4 Mechanisms for internal stakeholders to provide recommendations to the highest governance body**

The principle consultative process for the IRW governing Board is the Strategy consultation which takes place every five years and takes around 12 months to complete. Between those times annual reviews of strategic progress are held of the Family Council made up of CEOs which is reported back up to the Board. The Board is also made up of national representatives who represent their constituency and can be approached for representation. The Governing body also delegates down to the representative working groups the responsibility of establishing key policies and approaches.

In order to keep staff members up to date we regularly update on our extranet site which is an internal mechanism to share and store organisational information and news. Our internal communications department send out emails on a daily basis which keeps staff updated on new initiatives, policies, programmes, campaigns and day to day changes within the organisation such as new starters, leavers, opportunities to participate in surveys, provide feedback and contribute to new initiatives. We have "Brown Bag" meetings which are video recorded which started off as the opportunity for staff at IRW to be connected and updated by attending a presentation or gathering over lunch, hence the name brown bag. These have since evolved into constructive gatherings where staff can use the opportunity to showcase or highlight new areas of work and update on progress. These are generally shared within the Islamic relief family and occasionally posted on our website for external viewing. Departments have regular team or departmental meetings which then in turn feed into the Board of Directors meetings where issues can be discussed and escalated to Board of Trustees meetings. We also have working groups which are internal and external, depending on the nature of the matter in hand include staff from the field, Partner offices and external stakeholders.

#### **4.5 Compensation**

Our staff and trustees are committed to Islamic relief and our core values of sincerity, excellence, custodianship, compassion and social justice.

Currently there is no specific remuneration policy for trustees other than the British Charity Commission guidelines which are followed. The trustees have an executive assistant based within IRW who deals with the logistics of trustees meeting and duties, expenditure currently is administered via the executive assistant and costed to the Board of Trustees project code therefore trustees do not generally incur out of pocket expenses. This is something that will be addressed in the ongoing governance reform project.

In respect of salaries, benefits and terminations there is a remuneration panel of 2-4 members which meets once a year or more if necessary, which normally consists of the treasurer and a Board member with expertise in HR matters. They consider any fundamental changes to the principles of remuneration for staff worldwide looking at equivalent roles and job specifications and remuneration packages of other peer NGO organisations. This information is supplied by HROD who act as a secretary to the remuneration panel. We have an established payscale which was developed with the support of an external rewards consultant which maps out the pay range for each grade from 1 to 11. Step increases can happen through negotiation during appointment or based on end of year performance.

Director appointments are made by a panel of trustees, the CEO and a HR Representative who also make decisions on salaries, however the starting salary for directors is £55k. The salary of the Chief Executive Officer is based on an appraisal of the CEO's performance and a recommendation is made to the chair by the panel on appropriate remuneration. This is then taken to the Board of Trustees and then ratification by the general assembly.

#### **4.6 Processes in place for the highest governance body to ensure conflicts of interest are identified and managed responsibly**

Section 62 of our Memorandum of Articles outlines the need for members of the executive or those connected to them to declare the nature of the conflict and extent prior to a meeting of the executive or committee. They will not form part of any discussion where it is possible that their actions could leave them unable to perform their duty to act in the best interests of the company. This is not limited solely to financial interests. They cannot form part of the quorum for the meeting and not vote or be present for the voting process. Under s63 this does not apply if the member is not and cannot reasonably be expected to know of the conflict, is not reasonably regarded as a conflict or if the executive are already aware. Under S64 Members of the executive are expected to avoid transactions or arrangements not authorised by the executive or the Charity Commission.

S65 denotes the process to follow should a conflict of interest arise and is only applicable where the conflict does not involve a direct or indirect benefit to the member concerned. Due diligence and screening measures are undertaken through our screening process such as criminal records checks, web presence and the recruitment process of trustees mitigate against the risk of conflicts prior to member's appointment.

#### **4.10 Process to support the highest governance body's own performance**

The performance monitoring of the International Board of Trustees at present is currently based on the completion of the following goals and criteria:

- Approving budgets on an annual basis for Islamic Relief Worldwide

- Approving the long term business and financial plans for the organisation
- Approving the appointment of the auditors for forthcoming fiscal years
- Approving the financial statements and Auditors reports
- Approval or determining of matters required by statute, certificate of incorporation, By-laws of the organisation or license agreements

As part of the governance reform project the Board have recognised that they need a system of KPIs and an effective method to measure their performance. In 2015 KPMG were successful in their tender to devise a system and provide training to the trustees which will be delivered in 2016. The board has also created a post of Governance and Compliance Officer who will support the Board in areas such as this. Currently the monitoring of the boards performance is conducted by annual retreats where the trustees evaluate and review their own performance and record their conclusions in the formal minutes. Currently BOT minutes are not for general dissemination throughout the organisation.

#### **4.12 Externally developed environmental or social charters subscribed to**

IRW subscribes to: The Red Cross code of Conduct, is a signee and contributor to the CHS and a member of People in Aid.

#### **4.14 Stakeholder groups of the organization**

Our main stakeholder groups are:

- The rights holders we provide humanitarian and development services to
- Governments as duty bearers who we partner with in our humanitarian and development work
- The partner organizations in civil society who we partner with and fund
- Our supporters who provide both financial and in-kind donations
- Our paid employees
- Our volunteers
- The institutions (bi-lateral, multi-lateral) who we partner and work with to provide services
- The networks and movements we participate in and support

#### **4.15 Process for identification, selection and prioritisation of key stakeholder groups**

Stakeholders are identified and partnerships built on the basis of their relevance to the achievement of our mission in:

- Being those who we aim to serve and deliver positive humanitarian and development outcomes to
- Helping us to deliver our humanitarian mission and policy change
- Being part of communities of practice with whom we can increase our effectiveness

Identification forms part of:

- The strategic planning of campaigns
- Programme planning
- The strategic planning of our service infrastructure (i.e. field office and service delivery)
- Planning the resource mobilisation needed to fund services
- Building access to, and protection of, humanitarian space (i.e. Governments)

## Performance Indicators

### I. Program Effectiveness

#### **NGO1 Involvement of affected stakeholder groups to inform the design, implementation, monitoring and evaluation of policies and programmes**

The aim of Islamic Relief's participation framework is based upon the following:

'Participation is an end and not simply a means; the central point of development is to enable people to participate in the governance of their own lives'

The involvement of local stakeholders within learning is strongly encouraged. Islamic Relief has an accountability framework which has a large section on participation of stakeholder groups. A toolkit called 'Participation for Accountability' is also available for colleagues, and which provides advice about when and with which local stakeholders to participate at different stages of the project cycle by listing the different stages of the project cycle: situation analysis, project design, financing, implementation, monitoring, and evaluation, and finally programme and strategic review, at which local stakeholders could be engaged. The toolkit also advises on appropriate materials available to help in the design of methodologies.

Seven levels of participation are identified in the accountability framework:

- Information giving
- Consultation
- Participation for material incentive
- Functional participation
- Joint planning
- Decision making, and
- Empowerment/social mobilisation.

As such proposals are measured on the extent to which the local community had been involved in the planning, delivery and management of the project, with where possible local partnership preferred to direct delivery.

#### Participatory Monitoring & Evaluation

The key features of our PM&E are as follows, and all staff are encouraged to consider these when designing monitoring and evaluation systems.

- PM&E aims to empower local people
- Community members are fully involved in the process
- Community members identify their own indicators of success
- Methods are simple, open, with immediate sharing of results
- PM&E is built in from the start of a project
- PM&E is flexible to fit the local context

Examples of the above, as taken from external evaluations conducted of projects and programmes abound. Evaluations conducted in Bosnia, Kenya, and the Philippines, for example, all showed how beneficiaries were being directly involved in needs assessments, project design, and also in beneficiary selection. Beneficiaries in the project evaluated in Kenya were reported to have fully understood the selection criteria as a result of their having been involved in the selection. An 'awareness of child rights' project was reported to have successfully increased awareness of their

rights such that the number of complaints pertaining to child abuse, made to the village Chief, had increased as a result of the intervention.

As a result of another such intervention in Pakistani Kashmir, all villagers were not only aware of their rights but they were active in preserving them. Where a teacher was absent from school as can be common, the children themselves went to their house to shame them. In this same project, children were on their own initiative seeking to register their village child rights club with the authorities, because they felt that this would give them more power when seeking to advocate for their rights.

A livelihoods project in Baluchistan, Pakistan, allowed beneficiaries in the design phase of the project to select a specific breed of buck to be provided to them. Although not native to their area, the villagers were aware of its specific qualities and wanted it; they got it.

A project in Sudan also, part of which aimed to combat the practice of FGM, worked with the health ministry and with local religious leadership to educate them about the issue. At the end of the project, the Health Ministry themselves had an intelligence system in place to inform them where FGM was being conducted, and they immediately acted upon such information. The local imam was also vehemently opposed to the practice and used his influence to tell his congregation that the practice should not be performed; 82% of women interviewed as part of this evaluation also reported that they were now opposed to the practice.

In Mali, for a seasonal food distribution project, a local representative of the disabled was involved in the design of the project and in one location, was physically present throughout the distribution to ensure that things were as they should be. The evaluation of this project did still reveal some issues requiring action, for example, that the elderly and disabled should not have to travel for miles to pick up a food pack; it should be taken to them. But this was included in the after action plan for the evaluation.

In India, IR responded to Cyclone Phailin in Indian administered J & K and Odisha regions from October 2014 to February 2015. Beneficiaries were consulted at needs assessment phase and also during implementation. Community volunteers were trained and with their help, distribution of foods and NFIs were done. The volunteers also cleared the grounds around school buildings and then chlorinated them to tackle contamination, they disseminated beneficiary entitlements, trained volunteers also ran child friendly spaces.

## **NGO2 Mechanisms for stakeholder feedback and complaints to programmes and policies in response to policy breaches**

Transparency, participation and evaluation are insufficient mechanisms to ensure that the voice of beneficiaries and other field-based stakeholders are heard at an organisational level. In almost all other industries, not just in the west but globally, users or customers have the right and the opportunity to complain about services that they utilise. In the humanitarian and development world, our 'customers' are often not empowered to realise this right, even if it were available.

The provision of complaints and response mechanisms to beneficiaries is important to redress power imbalances that exist, quite naturally, through the relationship between donor and recipient. Unlike the commercial world, beneficiaries rarely have an alternative choice to the aid that is offered to them, and NGOs rarely have the commercial incentive to respond to user dissatisfaction. The fact remains that without the opportunity to voice concerns over the experience and service that beneficiaries receive from us, they are passive, powerless recipients.

Indeed there is often the fear that complaints against aid workers may bring reprisal action in the form of cutting off of aid or worse. Very often the means of how to complain is not communicated to beneficiaries and communities and those handling complaints for an organisation may be those about whom the complaints are directed. This creates real barriers for those with grievances to actually make complaints to the organisation. Islamic Relief has, through experience gained in many of our offices as well as through recent international initiatives, developed a complaints and response mechanism to increase the accountability to beneficiaries of its staff and operations. Details of this policy and advice as to how to implement it are given in the toolkit 'Complaints and Response Mechanisms'. The Complaints Handling Policy forms part of the Islamic Relief Handbook which every new staff member should read upon joining the organisation.

Islamic Relief considers a complaint to cover the following:

- IR activities, even if they were sub-contracted to another organisation or company
- IR staff members, including those staff members who no longer work for IR

Under the complaints policy, each IR country office is required to appoint a trained member of staff to deal with complaints; the post can be placed under an existing M&E unit, or carried out by the finance officer reporting to the CD, for smaller offices. The complaints should be regularly logged, collated, and then submitted to the management committee. If the complaint refers to a member of the management committee then they are required to withdraw from the meeting when discussing and making decisions about that particular complaint. If the complaint is implicating senior management as a whole, then the complaint should first be considered by the committee and responded to; if the complainant is not happy with the response, then they have the right to further pursue the issue and should be able to redirect their complaint directly to the Internal Audit office.

All communication between the complainants and IR must go through the person responsible for handling complaints; but if the complaint is about the complaints officer, then his or her line manager must manage all communication for that case. In the event of Internal Audit having to conduct an investigation they may choose to communicate with the complainant directly.

Lastly, the Standards Officer prepares a six monthly overview of complaints for the Country Director or Board of Trustees and Regional Auditor. At HQ, the Standards Officer is accommodated within the Internal Audit Unit. In each of the other IR offices, the Country Director appoints the Standards officer or allocates the duties involved.

### Complaint Collection

If a complaint is made, it should be confirmed by IR staff that it is an official complaint and that it will be processed in accordance with the policy (which should already be communicated to relevant communities at project initiation).

Complaints should be recorded in the presence of the complainant and read back to them to confirm that the content is correct. Name and contact details should also be taken. Where complaints are made about IR staff to the staff member in question, where possible, another IR staff member should be called to receive the complaint. Where this is not possible, all methods such as written and phone complaints should be employed. Complainants contacting IR by phone should also be informed of the IR Complaints Policy and provide confirmation that a formal complaint is being lodged. The same information should be collected as for complaints made in person.

Written complaints can be received by post. However, to reduce costs, a drop box is often installed at project sites and IR offices to enable written complaints to be left in a secure place. Drop Boxes



are required to be regularly collected and ensure that only authorised persons can access the complaints deposited. If a complainant is illiterate, country offices are required to have the facility for digital recording of complaints. Every country office is required to translate their complaints policy into the local language, and ensure that they are accessible, including their being publicly displayed in an appropriate format at each country office and project site. IR will accept complaints from supporters, beneficiaries and partner organisations up to one year (12 months) after the event, unless the complaint is criminal in nature, in which case there is no formal time limit.

Upon receipt of a complaint, the complaints handler must decide whether there is merit in the complaint; if not, then a response is prepared within two working days. If the complaint is accepted then this is presented to the senior management team at the next available meeting; a response must then be sent to the complainant including details of response. If an investigation is deemed to be warranted, the accused and their head of department is sent details and to which they must respond within 14 days and which is required to be considered by the complaints handler and their line manager. The complaints manager then writes a report which is then delivered to the complainant, the accused, and the line manager within 5 days of a response to the complaint being received.

If the complainant is unhappy with the response, they have a 30 day right of appeal to the Country Director who must review existing documents and prepare a report; their decision is final. If the complaint is about the Country Director or about the way the office is run then the Regional Manager would further investigate the complaint, and their decision is final.

The policy is detailed and although some country offices do collect details of numbers of complaints received, others do not do so as a matter of course. It is our endeavour to ensure that this is systematically carried out. Despite the complaints policy laid out, beneficiaries often still don't complain and issues are therefore identified during evaluations when a rapport between evaluator and beneficiary can give someone the confidence to complain, and through which complaints have previously been identified. Further efforts will be undertaken to ensure that beneficiaries are empowered to complain outside of the evaluation process.

### NGO3 System for programme monitoring, evaluation and learning

Islamic Relief’s evaluation framework details the level, requirements, and responsibility for evaluations of Islamic Relief operations both internal to each country office, and external from Head Office. This is in addition to evaluations required for institutionally funded activities.

Internal to field office				External to field office	
Level	Contains the following	Minimum standards for Internal Field Office Review How often?	Led by	Minimum standards for External Evaluation to the IR Field Office How Often?	Led by
Project	Project outputs, Impact & effectiveness	Quarterly Project Progress Reviews (QPPR) (or as appropriate)	Project & Programme Managers	Projects with budgets between 100,000-500,000 Euros over three years must be evaluated at least once in their lifetime	Regional Programme Team to organise externally to the project team
				Emergency operations costing over 150,000 Euros must be monitored and evaluated within three months of inception.	Regional Programme team or relevant emergency department to organise jointly with PIU. Evaluation must be led by someone external to implementing team.
		At least one Annual Project Impact Review (APIR) or End of Project Impact Review (EPIR)	Country Director	Projects over 500,000 Euros over three years	External evaluator either to IR or from PIU (Performance Improvement Unit) or another Field Office
Programme	Collective evaluation of groups of similar projects either by sector (ie water Programme), geographic area or by full programme (if small)	Annual Programme Review (APR)	Country Director/ RPM ideally to attend	Full Field Office Appraisal (FFOA) Every two years. FFOAs contain a rapid Programme Evaluation	Organised by RPM, led by PIU

Country	Field Office Management Appraisal including IR financial audit	Field Office Annual Performance Review (FOAPR) of the Office Quality Assurance Plan	Led by RPM/RPC	Full Field Office Appraisal (FFOA) can be combined with Programme Review. Could be combined with a programme Evaluation	Organised by RPM, led by PIU.
Regional	Looking at an integrated strategy for regional effectiveness, co-ordination and impact. Facilitated cross learning Inclusion of relevant Fundraising offices	Regional Strategic Review (RSR) between senior country staff within the region at least every three years.	Led by RPM	If external evaluation is deemed necessary then minimum every three years	Organised by RPM, led by PIU or External Evaluator, either External RPM, CD, or external to IR
Sectoral	Review of a particular sectoral activity, i.e. Qurbani, Micro-credit, Orphans, Shelter Effectiveness & impact, cost/benefit analysis Cross learning	Internal sectoral Review called for When required by demand. If departmental (such as orphans) then should be minimum every three years.	Organised by Departmental Heads, led by expert in the sector	External departmental/sectoral review	HPFOD
Global	Review of global impact on all strategic aims and Objectives contains a stakeholder survey	Global Strategic Impact Review at the end of each Strategic planning period	Performance Improvement Dept.	External to IR only if Trustees or BOM feel it necessary	External

Not all of this is systematically implemented as yet due to capacity, but the organisation is endeavouring to do so.

The results of evaluations are presented to the International Programmes Department monthly meeting at which all desk officers, and others, are present. The learning is thus disseminated. Lessons learned are captured and a register produced and shared up and down the organisation. The proposals for two projects in Bangladesh, for example, were developed after consulting learning registers for their precursor projects; some activities were removed, others added, and then approval given. For a major programme across five countries, funding was ring fenced to allow for a lessons learning workshop to be held at the end of the project: key programmes staff from each

country will meet in one country where they will share their experiences, lessons learned, and best practice, allowing them to return back to their countries with greater capacity.

Various tools are used during evaluations, including one to one interviews, focus group discussions, transect walks, meetings with government agencies and peer organisations, and others, for the purpose of triangulation of findings. The findings are shared with country office management prior to departure to ensure that they are aware of any immediate issues to rectify, as well as to ensure that any misunderstandings have been captured prior to the finalisation of the report.

Islamic Relief Worldwide has started to measure impact and a guide has been produced to help country and field offices in capturing appropriate baseline data to allow the impact to then be measured. This is in its early stages but the organisation is endeavouring to increase capacity in this area, and with a view to producing project and programmatic impact studies. Impact studies have also been developed for four projects; in Pakistan, Bangladesh, Niger, and Yemen and are ongoing.

#### **NGO4 Measures to integrate gender and diversity into programme design and implementation, and into the monitoring, evaluation, and learning cycle**

Islamic Relief's measures to integrate gender and diversity into programme design and implementation, and the monitoring, evaluation, and learning cycle are provided by IR policies, being a signatory to accountability charters, respect for international humanitarian law and benchmark sectoral standards the IR Quality Management System, and M&E frameworks. Our gender justice policy statement is absolute in promoting and protecting diversity.

Inspired and guided by our faith values, Islamic Relief is fully committed to upholding the dignity of all people and eradicating poverty and suffering through the promotion of justice, equity, and equal value, especially of women, as well as promoting family as the cornerstone of society. In supporting the achievement of holistic wellbeing and the fulfilment of human potential, we endeavour to integrate gender perspectives that promote justice for males and females into all of our humanitarian, development, and advocacy work.

In practice, Islamic Relief deploys a robust beneficiary selection process and criteria to ensure that the issues of social exclusion of any group are addressed. Islamic Relief staff are regularly sensitised on gender and diversity issues, including age and disability, through trainings and workshops. The Sphere standards, IASC, Gender in Humanitarian Action Standards all inform our programmes development process. Islamic Relief has set out a Gender Action Plan which translates policy commitments into practice. Our target is to have all of our field offices and programmes to be gender-just. Baselines are yet to be conducted for this, however, Islamic Relief is gradually rolling out this commitment to all offices over three phases.

As part of our monitoring and evaluation, many questions are asked about the diversity of programming depending on the specific nature of the project/programme although the following are some guiding questions sometimes used:

- What criteria were used to select the project location?
- Did you target the most vulnerable areas where the needs are the highest?
- What criteria were used to select the project Beneficiaries?
- Was the process of beneficiary identification & ensuring that this targeting was appropriate?
- How many beneficiaries did the project target in relation to the total number of deserving beneficiaries?
- Did the project meet the targets?
- Are the beneficiaries aware of why they have or have not been targeted?

- Was a gender-specific target group analysis/ description carried out?
- To what extent was special attention paid to the needs of women, children, elderly, disabled or other vulnerable groups?
- Was there any group/people excluded?

Where issues are identified, they are always fed back into the organisation through lessons learning registers and through after action plans. Learning is also shared with all Programmes Colleagues via the monthly Programmes Meeting.

Islamic Relief's measures to integrate gender and diversity into programme design and implementation, and the monitoring, evaluation, and learning cycle are provided by IR Policies, signatory to accountability charters, respect for International Humanitarian Law and benchmark sectoral standards, IR Quality Measurement System and M&E frameworks. Our gender justice policy statement is absolute in promoting and protecting diversity:

"Inspired and guided by our faith values, Islamic Relief is fully committed to upholding the dignity of all people and eradicating poverty and suffering through promoting justice, equity and the equal value and importance of women, girls, men and boys, as well as ensuring the protection and promotion of the family as the cornerstone of society. In supporting the achievement of holistic wellbeing and the fulfilment of human potential, we endeavour to integrate gender perspectives that promote justice for males and females into all our humanitarian, development and advocacy work in a faith literate and culturally-sensitive way. We will continue to expand our important programmes focused on providing justice, protection and empowerment, ensuring equitable impact, and the effective access, participation, recognition and voice of both males and females."

Our programmes aspire to adherence to the Sphere Project Standards, IASC Gender in Humanitarian Action Standards and some are adopting to the GBV Guidelines. These principles inform IR programme planning, implementation and evaluation. In situational analysis and needs assessment we increasingly deploy gender analysis and other analysis of targeted population. This informs the activities and outcomes of our programmes that in the result respond to the differentiated needs of women, girls, men and boys of different age, ability, ethnicity, race religion, and other backgrounds.

Islamic Relief set out Global Gender Action Plan (attached) which translates policy commitments into practice to promote gender inclusivity. Our target is to have all our field offices and programmes gender-just (deploying gender analysis, gender indicators, gender targets and measuring gender impact), for this we are yet to conduct the baseline, however we are gradually rolling-out this commitment to all offices (in 3 phases).

During 2014, IR has signed up to a consortia project "Age and Disability Capacity Programme" headed by Help Age International and funded by DFID through Start Network. Under this project IR has committed to strategy, policies, project implementation and capacity and skills change to become inclusive friendly so any humanitarian response programming is inclusive for older people and people with disabilities. The project started implementation during 2015 and we can report further during 2015.

## **NGO5 Processes to formulate, communicate, implement, and change advocacy positions and public awareness campaigns**

IRW has only formally introduced advocacy programmes into our global mission statement in 2011 when we agreed a set of three key performance outcomes for policy and advocacy development. The main themes for external facing policy development were agreed by consultation as part of the 2010 strategy consultations as gender justice, conflict transformation, child protection, climate change, Islamic microfinance and building a theological understanding of human development.

No agreed themes for global advocacy were achieved as part of the 2010 consultation and it was left to the Communications Steering Group to agree the two global themes that were stipulated as part of the targeted outcome. Work began on the two themes of GBV and Post 2015 engagement in early 2014.

Work was completed on an IRW policy for approving policy positions amongst the family and classifying and structuring policy documents in 2014. Work also began on a policy document to clarify process for identifying and managing advocacy. Although this work is not completed and needs much more work, IRW has set up a new Global Advocacy Working Group in late 2014 to manage decision making in a consensual and participatory manner amongst its partners and field offices.

## **NGO6 Process to take into account and coordinate with other actors**

Local country and field offices are responsible for ensuring that not only is there no duplication, but that we also identify opportunities to engage with others. This is achieved primarily through networking conducted in-country as part of the cluster groups; there is however not yet any systematic process of ensuring that this has been carried out prior to the project being agreed. IRW does however engage with stakeholders through meetings and other channels, and strategise and align our activities in line with their priorities. Colleagues from within the sector are invited to, and do engage in the development of our organisational strategy; and the organisation is also a member of networks, including BOND, through which we seek to learn and remain at the forefront of our industry.

Islamic Relief does sometimes implement through external partners, and a very rigorous due diligence process is in place to ensure that they are appropriate for us to do so, including checks of their finances, directors, trustees, and others. IRW has identified and built working partnerships governed by formal MOUs with a range of agencies including CAFOD, LWF, World Vision, who share similar goals, values and aspirations. This has included joint funding and grant support as well as joint policy and advocacy work.

Islamic Relief participates in the executive board meetings of the WFP and UNHCR as well as in annual partners' consultations, and also participates in various other meetings and panel discussions where our expertise and specific areas of concern may be requested, including at Davos. The organisation is a member of ECOSOC and various working groups within conflict sensitivity, gender, protection, and otherwise. We have also been working on developing various MOUs with UN agencies. Islamic Relief Worldwide is also a member of BOND Conflict Policy Group, Conflict Sensitivity sub-group and I understand that Legal also sit on the Proscription & Counter terrorism sub-group and IR is a founder and funder of the Joint Learning Initiative and co-chair of the Hub on Local Faith Communities, Peace & Conflict

With regards to governments, our operations are always directly linked in to the planning by local governments and local communities. In Bangladesh for example, our interventions have always been linked to national plans for emergencies and development, including a Health project that was designed to integrate into the Bangladeshi government's 'Every citizen has the basic right to

adequate healthcare' plan. MOUs were signed with both the provisional and local governments in The Philippines, and beneficiaries were also directly involved in the design of the model shelters that were to be provided to them, so as to ensure their appropriateness.

## II. Financial Management

### **NGO7 Resource allocation, tracking and control**

#### Annual Financial Report

Islamic Relief Worldwide (IRW), although a charity, is constituted as a Private Company Limited by guarantee without share capital. Due to its size the charity is required to produce comprehensive Annual Report and Financial Statements which have to be audited. IRW's accounts follow the requirements laid down by the Charities Commission in the Statements of Recommended Practice (SORP). The charity's 2014 financial reports were produced under the prevailing SORP issued in 2005. However, the subsequent financial reports will need to adhere to the new SORP (FRS 102) guidance and the organisation has proactively ensured, through training, that the accounting staff are fully conversant with the new requirements.

In line with good practice the organisation changes its auditors periodically. However, part of the selection criteria is always that the audit firm should be experts in the field who can offer constructive advice to the Directors and Trustees. Currently the auditors are Crowe Clark Whitehill who are well known in the sector. The Annual Report and Financial Statements can be found here:

<http://www.islamic-relief.org/annual-reports/>

IRW looks upon the publication of its Annual Report and Financial Statements not simply as meeting a statutory obligation; but as a means of accounting for its activities in a sincere and transparent way to all its stakeholders. This is witnessed by the organisation's accounts having won a couple of awards from the Institute of Chartered Accountants in England & Wales in the past.

The organisation promotes staff development and accordingly of the 17 UK-based finance personnel; 5 are qualified accountants, 3 are finalists and 6 are part-qualified. This level of attainment in the Department ensures the quality and reliability of the financial figures produced by the organisation for its various stakeholders. Accordingly, as complex and as large as the charity is – its statutory accounts have never been “qualified” by its auditors.

#### Effective Resource Allocation

The organisation ensures the effectiveness of its resource allocation in achieving key strategic objectives by having in place an annual process which results a budget; informed and driven by its strategy.

The annual budgeting cycle, which is set out in detail in Section 10 of the organisation's Financial Procedures Manual, consists of:

- I. Draft budget preparation by Directors (Sep/Oct each year)
- II. Review of draft budgets by Finance Director and Chief Executive (Oct/Nov)
- III. Approval by the Budget Approval Committee consisting of Directors & Trustees (Nov/Dec)
- IV. Monitoring of actual financial results against budgets by Divisional Directors on a monthly basis
- V. Presentation of actual financial results against budgets to Board of Trustees on a quarterly basis
- VI. Amendments to budgets in view of unexpected events of a material magnitude

The first three steps are all undertaken with reference to the organisation's strategy. IRW has implemented Microsoft's Dynamics Enterprise Resource Planning software and this is key in ensuring

the effectiveness of the organisation's resource allocation. Utilising the software; accurate and timely reports can be generated which help the Directors and Trustees in this endeavour.



### Tracking the Use of Resources

IRW fully utilises the capabilities of the Microsoft Dynamics Enterprise Resource Planning (ERP) software in order to track the use of resources. The system has an integrated accounting system which logs costs & income into Cost Centres and within these; further into categories.

Directors are responsible for particular Cost Centres; the division of costs & income into categories within the Cost Centres facilitates the comparing of actuals against budgets. In this way progress can be monitored and any errors in posting become apparent.

The ERP system is comprehensive and flexible enough to enable the organisation to track cash transactions and in-kind contributions. Accordingly, such transactions are all logged and tracked within the software. This makes financial reporting easier since all relevant items are maintained in the same accounting system.

Cash items are logged/tracked to Cost Centres and to categories within these; as are in-kind contributions whose value is rigorously established by the Procurement Department at fair value. The system can generate an audit trail (tracking) of each item of income and expenditure which is booked to it; giving details of the person who input the data, it's origin (bank, cash etc), the persons who authorised it, any amendments that have been made to the original entry etc.

### Internal & External Controls

IRW has a formal Financial Procedures Manual which must be followed by all staff. This manual sets out internal controls, policies, procedures and practices which ensure that;

- I. All income and expenditure is recorded completely and accurately
- II. The assets of the organisation are safeguarded
- III. Staff act in an ethical way

The internal control framework can be summarized as consisting of:

#### Authorization and Approval

Written documentation on levels of authority are maintained and enforced, whereby IRW ensures that all transactions undertaken conform to its objectives.

#### Documentation and Accurate Recording

IRW has specific and detailed procedures (desk-top procedures) to ensure that all transactions are correctly and accurately recorded in the appropriate accounts. These controls guard against the recording of unauthorized transactions.

#### Computer Security

IRW has sufficient passwords and security controls in place in order to provide a secure environment for paperless transactions and other sensitive areas of information.

#### Reporting

In the event that one or more of the accounting controls are breached the reporting system, e.g. a timely and regular review of budget versus actuals, is such that it facilitates the highlighting of unauthorized transactions.

#### Segregation of Duties

Different personnel are assigned the responsibilities of authorizing transactions, recording transactions and maintaining custody of assets. This limits the opportunity for unauthorized and fraudulent transactions and makes their detection far easier.

### Conflict of Interest and Ethics Statements

IRW staff are required to declare conflicts of interest in order to ensure that all procurement of goods and services are on an arm's-length basis.

### Cash & Bank Controls

Cash balances and bank accounts are routinely and regularly reconciled and the reconciliations reviewed by a Finance Manager.

### Physical Controls

Where appropriate; physical controls are in place in order to safeguard IRW property and equipment against loss and damage and to maintain them in good order.

### Anti-Money Laundering and Counter-Terrorism Compliance

IRW complies with all rules and regulations issued by the UK Government as well as by foreign governments and UN bodies in this regard. The organization screens potential donors, cash beneficiaries, staff, volunteers, suppliers and potential partners as well as any other person or organization whose interaction with IRW might give rise to such risks.

The charity has a well-resourced Internal Audit Department, answerable to the Audit Committee, which checks to ensure that controls and policies are in place and being adhered to. Additionally, the organisation holds regular training sessions to facilitate awareness of and adherence to internal controls. This is further re-enforced during staff/department meetings.

### External Controls

IRW appoints external auditors, via a tendering process, to undertake its annual statutory audits. The auditors must be a reputable and well established firm and should have the capacity and expertise to undertake the audit of a large and complex organization. In line with good practice the organization changes its auditors periodically.

In addition; many of our large institutional donors require an independent audit of the programmes that they have funded and IRW is always happy arrange to have these undertaken.

## **NGO8 Sources of funding by category**

### Sources of Funding

IRW is fortunate to have a variety of sources of income; this variety brings with it an element of stability – as seen when comparing the 2014 income with that of 2013. Over the two years the total amount received increased, however; some sources reduced but these were more than made up for by those that increased:

	<b><u>2014</u></b>	<b><u>2013</u></b>
UK Voluntary Income	26,808,583	19,705,760
DEC	1,584,867	359,124
International Fundraising	2,954,260	3,424,545
IR Partners	47,414,470	34,154,566
Trading Income	4,145,420	3,599,194
Investment Income	377,363	332,420
Institutional Income	15,857,189	30,577,259
<b><u>TOTAL</u></b>	<b><u>99,142,152</u></b>	<b><u>92,152,868</u></b>

IR Partners are those organisations based around the world which are separate entities from IRW but which use the 'Islamic Relief' name in order to raise funds – such as Islamic Relief Australia and Islamic Relief Malaysia.

The International Fundraising funds arise out of IRW itself undertaking such activities outside the UK.

#### Largest Donors

The 4 of the 5 largest donors are all IR Partners -

	<b><u>2014</u></b>
IR USA	22,055,923
IR Deutschland	6,426,871
IR Sweden	4,816,775
IR Canada	4,386,483
Islamic Development Bank	4,100,656

Outside of the IR Partners, the 5 largest donors are all institutions:

Islamic Development Bank	4,100,656
ECHO	1,236,461
DfID	1,234,644
Sheikh Abdullah Charity	1,008,609
Bill & Melinda Gates Foundn	870,489

### III. Environmental Management

#### **EN16 Report on the total direct and indirect greenhouse gas emissions**

In December 2013 we commissioned a Carbon Model analysis report by Atkins Ltd to gather baseline data in order to ascertain an initial overview of our carbon footprint and develop a Carbon Management Plan by identifying possible carbon reduction options. From this report Islamic Relief decided that we would not concentrate on indirect emissions but look at reducing the highest areas of direct carbon generation. The carbon emissions from IRW activities were dominated by the field office activities who were responsible for 91% of the total carbon emissions.

<b>Activities</b>	<b>kgCO<sub>2</sub>e</b>	<b>Proportion of Carbon Emissions</b>
Electricity	6,679,583	53.6%
Diesel	3,548,190	28.5%
Natural Gas	1,460,151	11.7%
Air Travel - International - Long-haul (Economy)	377,456	3.0%
Car - 1.4-2.0 litres – Petrol	122,635	1.0%
Petrol	107,653	0.9%
Shipping - Container (>8000TEU) - 70% Laden	82,202	0.7%
Freight - HGV - Articulated (>3.5-33t) - 100% Laden – Diesel	82,165	0.7%
Air Travel - International - Short-haul (Economy)	7,933	0.1%
Air Travel - Domestic (Average)	217	<0.01%
<b>TOTAL:</b>	<b>12,468,185</b>	

### EN18 Initiatives to reduce greenhouse gas emissions

2014 saw the groundwork for our Environmental Management System. A carbon monitoring plan has been developed where we will concentrate on direct energy use, staff travel and cargo shipments. The plan outlines that we will collect data on electricity and gas usage, use of generators, car, rail and passenger flights and cargo shipments by road rail and sea. The data would be gathered initially from the field office locations of Pakistan, Indonesia, Chad, Mali and Sudan and from IRW’s Rea Street operation as these were the locations identified in the analysis with the highest footprint. A carbon reduction strategy has been formulated with a view to implementing a 5 year staged approach to monitoring, reducing and offsetting our emissions.

### EN26 Initiatives to mitigate environmental impacts of activities and services

In 2014 we worked and developed a Climate change policy based on our experiences in human development and poverty reduction. The objective of our policy has been to provide guidance for the IR family on the role we can play in addressing climate change and to advocate to political forums and external audiences on what IR believes the issues are, and what should be done about them whilst linking this to our faith values and Islamic perspective on environmental balance in living in harmony with our surroundings and not over exploiting them. In 2014 IRW also developed an environmental toolkit for working with Muslim communities of faith to harness faith teachings in bringing about environmental protection within our programmes and mitigate any dangers.

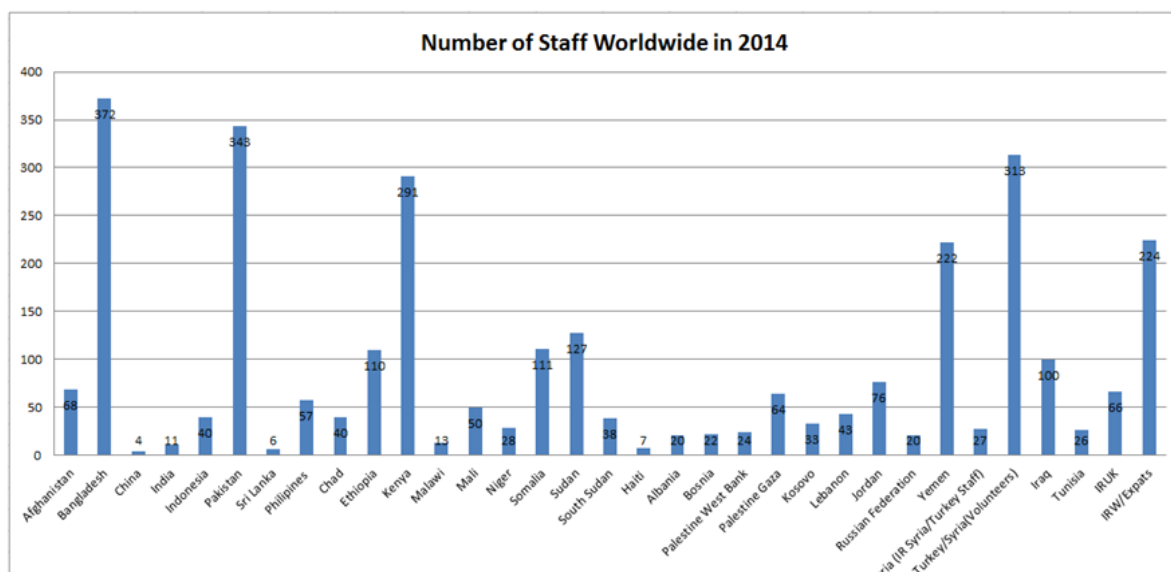
## IV. Human Resource Management

### LA1 Size and composition of total workforce

Chart 1 illustrates the number of staff worldwide by country. In 2014 the total number of staff Worldwide was 2996. Chart 2 is an overview of the current organisational structure. We do not have figures on the number of volunteers for the reporting period, however are collecting this data from July 2015.

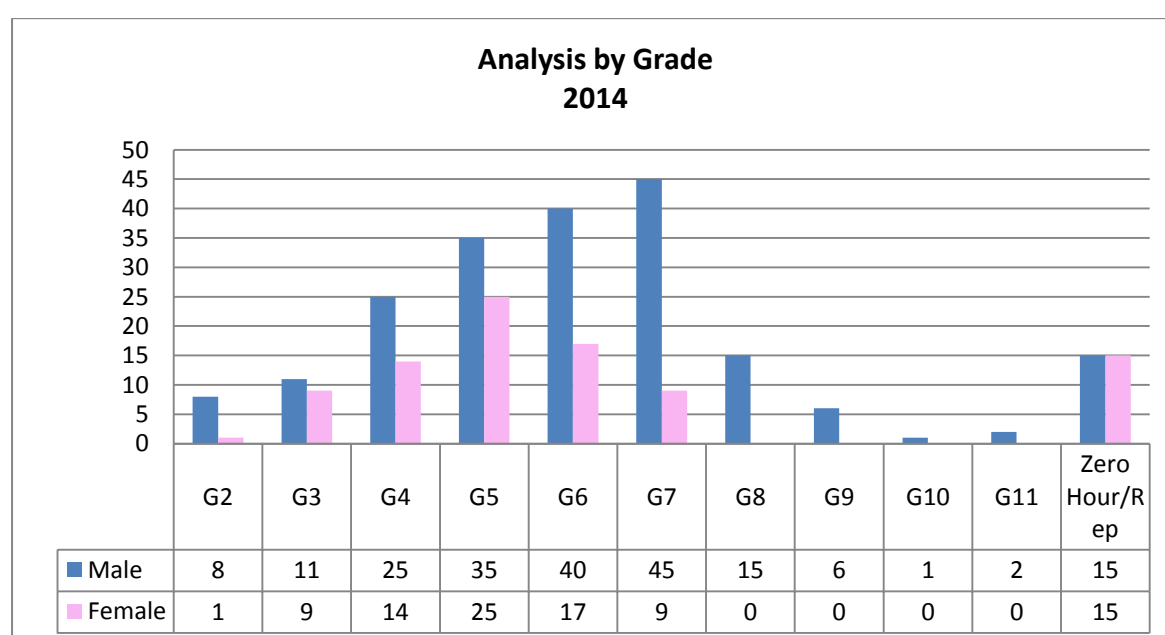
#### LA1

In 2014 the number of staff we had worldwide was 2996.





We do not collate the information of all staff in terms of their responsibility levels by geographical areas however for IRW and IRUK we do have a chart which illustrates the level of grades for staff. Please see Chart 3 which gives a breakdown of staff by grade and a key to indicate what level of responsibility the grades are commensurate with. You will see from the key that supervisory/ management responsibility commences at Grade 6 and typically increases as the grades increase.



**Key**

Grade	Nature of Job
11	CEO
10	Dir/Deputy Dir / Sr Fellow
9	Head of Dept / Fellow
8	Sr Manager / Sr Specialist
7	Manager / Specialist / Sr Partner
6	Supervisor / Jr Manager / Sr Coordinator / Partner
5	Coordinator
4	Sr Admin / Officer
3	Admin
2	Support Staff
1	Manual Staff

### **EC7 Procedures for local hiring and proportion of senior managers hired from the local community at significant locations of operation**

Each country has its own local hiring policies and processes but have access to our central HR policies here at HQ which is based on UK employment law and HR best practice as outlined by the Arbitration and Conciliation Service (ACAS) and HR governing body the Chartered Institute of Personnel and Development (CIPD). With the roll out of the global HR model, we introduced HR Managers at a regional level (Middle East, Africa and Asia) and they seek to influence and support local offices to mirror our policies and procedures as much as possible but individual offices adapt their policies to ensure they are commensurate with local laws and circumstances.

### **LA10 Workforce training to support organisational development**

In 2014 We established the IRW Academy. This is the Learning and Development facility or 'Think Tank' of Islamic Relief. Our mission is to build and improve capacity throughout the Islamic Relief family, whilst making a significant contribution to the whole sector, by offering a credible Islamic perspective on emergency relief and development.

Our experience in humanitarian aid, disaster relief and development work, spans over three decades, positioning us as one of the most innovative, unique and experienced providers in the sector and our principal message is 'Acquiring Knowledge Through Learning and Sharing'.

The IR Academy has drawn upon this vast body of experience and harnessed its diverse knowledge base, skills and expertise, to provide a centre for excellence in the development of humanitarian sector professionals. Furthermore we will enhance our communities and the wider humanitarian sector as a whole, by identifying and developing emerging and graduate talent.

In respect of internal training, IR training in the main is now delivered through our Academy. We use a range of methodologies according to the circumstances and appropriateness. Face-to-face is commonly used (either within a training room or virtually using new conferences. All of these methods are what is usually regarded as training but we also make use of guided reading and, in the next couple of years, will be greatly developing the use of coaching and mentoring by line managers. Training needs are identified currently from employee's personal development plans. In 2014 76% of staff completed a personal development plan. In 2016 we plan to conduct a needs Analysis. The intention is to combine top-down planning with bottom-up. For top-down, we will tap into the IR strategy/business planning process for a steer on priority and emerging needs and regular dialogue with Country Directors. Bottom-up, we will liaise with Learning and Development champions in each Country and division in order to collate their training needs for assimilation into a global picture. E-learning and blended learning is starting to be used and will be used a lot more, especially for knowledge transfer. All of these are delivered directly within IR but learning is also achieved by sending employees to university, college and externally provided courses, seminars and conferences.

The budget for Learning and Development for the Academy during 2014 was £300K. Internally at IRW a further £100,338 was spent cross departmentally for staff development in areas such as specialist courses in accountancy and finance, law, HR, language courses, child protection, IT and business analysis.

### **LA12 Performance reviews and career development plans**

Since last year we've been building a talent management strand to our work which seeks to attract and retain talent. We have developed creative recruitment adverts and engaged in headhunting and outreach via social media and external events. Last year our annual appraisal system asked line managers to rate their employees as Achievers, High Achievers (HA's), Top Achievers (TA's) or Low Achievers. This rating system allows us to identify which of our staff are performing at a high level.

In 2014, 24% of staff were rated as HA's and 8% of staff were rated TA's. In 2015 we are introducing a recognition and certification event for top and high performers and are intending to scheduling in career and professional development one-to-ones with them to support the retention of high calibre employees.

During the reporting period 70% of appraisals were completed and 76% of staff completed a Personal Development Plan. The information from the development plans is then forwarded to our learning Academy which informs our training priorities

### **LA13 Diversity in your organisation displayed in the composition of governance bodies and employees**

Islamic Relief is a very diverse organisation especially in terms of ethnicity and age. Religious affiliation is understandably mostly Muslim (over 90%), but we are proud to also have colleagues from Christian, Jewish, Hindu and Sikh backgrounds. It has however become clear from our data that there is an imbalance in gender and representation of women, and a lack of senior female leaders hence a gender equality project has been launched (since 2014) to address this in order to improve representation and seniority. It involves a lot of positive action, awareness and education. We are also headhunting female talent. Directionally the aim is to move from the current percentage of female staff in upper 20s (25-27%) to well into the 30s by year end 2016 and the 40s in 2017/18, percentage wise.

Efforts are also being made to ensure more senior female representation in governance and executive bodies such as the Board of Directors and Board of Trustees. We have now managed to bring in a female Trustee who is the vice chair, but the BOD remains male at present. Some success is being seen at Head of department level as well (e.g. Head of Legal), and these roles also have governance level influence and responsibilities.

### **NGO9 Mechanisms for your workforce to raise grievances and get responses**

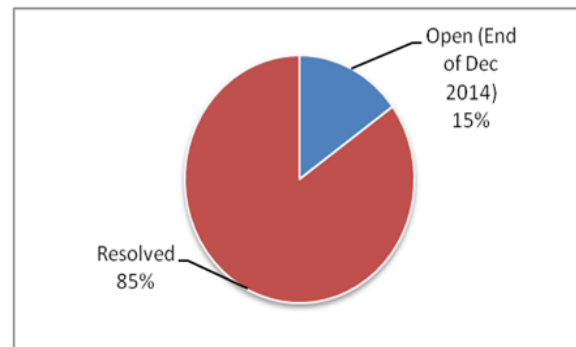
IRW has a Grievance Policy which allows staff to raise any concerns. The purpose of this policy is to support Islamic Relief's commitment to promoting a healthy working environment where individuals are treated with respect and dignity. In the event that an employee has a problem or concern with their work, working conditions or relationships with colleagues the policy provides guidance on what to do. The policy is in line with the values of the organisation and outlines the procedure of how staff can raise a grievance, receive a fair hearing and have it settled as promptly and as is reasonably practicable. The policy draws on the recommendations made by the ACAS code of practice on handling grievances.

IRW encourages using an informal route to resolving workplace disputes in the first instance through mediation. The Mediation is a confidential form of dispute resolution involving an independent, impartial person helping two or more individuals or groups reach a resolution that is agreeable to all parties. Islamic Relief endorses this approach as an early intervention to helping to resolve workplace issues before they reach a formal stage.

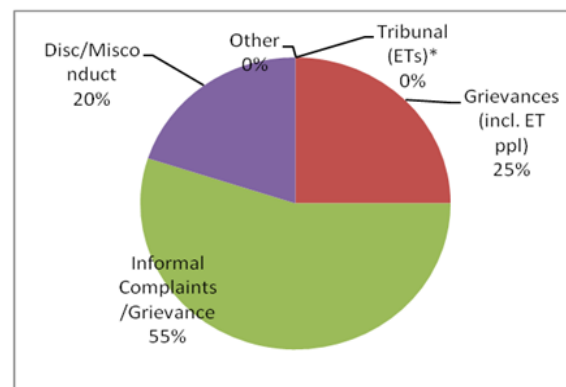
We also keep an investigation tracker which tracks all grievances and concerns and records the outcomes of the cases. This helps us to ensure that cases that were raised were addressed and resolved.

## Investigation Metrics Jan 2014- Dec 2014

Investigation Status	
Open (End of Dec 2014)	3
Resolved	17
<b>Total</b>	<b>20</b>



Investigation Type	Open	All
Tribunal (ETs)*	0	0
Grievances (incl. ET ppl)	2	5
Informal Complaints/Grievance	1	11
Disc/Misconduct	0	4
Other	0	0
<b>TOTAL</b>	<b>3</b>	<b>20</b>



## V. Responsible management of Impacts on Society

### SO1 Impact of activities on the wider community

In order to manage the impacts of our interventions upon the communities we serve, the process requires that needs assessments, situation analyses, problem analyses, stakeholder analyses, and baselines be done prior to every intervention, with details included in the proposal. The envisaged project impact is also required to be included in the project proposal; there is a specific section on this, including the requirement to develop a logic model/results chain to illustrate this. A detailed risk matrix is required to be completed for each proposal, whilst the proposal writers are also required to demonstrate how they have considered the accountability and performance management frameworks in the development of their proposal. Not only this, but each proposal is required to demonstrate what learning from past interventions has been taken and incorporated into the new project proposal, to improve this intervention as compared to the previous one.

Learning is also required to be considered as part of every proposal as follows:

- How is learning gathered and systematised?
- How are staff encouraged to use and promote learning?
- How the learning is shared .e.g. communities of practice; internal processes and external connections.
- Whether this project has incorporated learning from a similar project in the past, including from peer organisations, and how this learning was incorporated into the current project to deliver better results.



Not only this, but a beneficiary feedback mechanism is also a requirement of every proposal and requiring of the following to be addressed:

- The choices made about whether, when and how to conduct beneficiary feedback in a way that adds value to programme management and to beneficiaries. Outline the choices made.
- The methodology, sampling and how feedback received will be acted upon (closing the feedback loop).
- Where the target group may not be the end beneficiaries (e.g. policy development work or capacity building training), an outline is required about how the project will seek feedback from intermediate beneficiaries (such as policy makers), or proxies (such as civil society representatives) and how these in turn reach out to end beneficiaries depending on the purpose for conducting beneficiary feedback in the programmes.

Whilst responding to the question, it may be useful to consider three levels of beneficiaries, immediate, intermediate and ultimate.

- Proximate: individuals, organisations or institutions that you work directly with. Every agency should be able to collect feedback from this group.
- Intermediate: institutions, organisations, governments, groups or individuals where/with whom you aim to bring about change but may not be working directly with.
- Ultimate: see this group as their ultimate beneficiaries and in many cases programmes or projects may work directly with this group: Households, communities and individuals in focus countries. All agencies should.

In addition to all of the above, consideration is required to be given in the proposal about sustainability and the exit strategy; they are two separate sections as part of which the proposal writers must demonstrate that they have been adequately considered to warrant the project being funded. All of these then form part of the monitoring and evaluation plans for the office, and also for the evaluators from HQ, to regularly check progress of the project.

Eight Islamic Relief offices have been trained in, and have the capacity to undertake proper conflict sensitivity/do no harm analysis, and which are used to inform programmes development. O1 Impact of activities on the wider community

### **SO3 Risk analysis, systems and practices to prohibit, prevent, detect and report Instances**

Islamic Relief has a no tolerance approach to bribery and corruption and in accordance with our humanitarian values and that of our affiliates worldwide, all employees and staff are required to adhere to the Anti – fraud, corruption and bribery policy and to be familiar with the complaints procedure in accordance with the UK Bribery Act 2010.

From our audit planning, one of the weights involved in prioritising audits is fraud risk (e.g. incidents of fraud/corruption) and scoring on Transparency International Indices. The internal audit programme includes a review of whether the Anti - Bribery Act training has taken place, and whether the 'no fraud/no corruption' posters are displayed in the offices. The anti-bribery course is delivered online via blackboard and face to face on a quarterly basis as it is mandatory for staff. It is delivered to IRW, IR-UK, and field offices. In 2014 38 participants were trained in the area of Anti-bribery.

## SO4 Actions taken in response to incidents of corruption

ID	Case description	Country	Date	Status	Actions
1	Nepotism in staff recruitment in the field.	Pakistan	May-14	Investigated	Various actions taken including disciplinary action taken (e.g. Staff dismissal), review of recruitment process and further action pending
2	Procurement favouritism	Bosnia	Sep-14	Investigated	Disciplinary action taken

In both instances of the reported incidents, these were raised by Country office employees via the complaints policy to the Country Directors who reported to the Head of Region

## VI. Ethical fundraising and communication

### PR6 Programmes for adherence to laws, standards and voluntary codes related to ethical fundraising, including advertising, promotion and sponsorship

Islamic Relief has an approved media policy which contains clear guidelines as to the use of photographic media in fundraising. Islamic Relief UK is a member of the UK Fundraising standards Board which lays down strict guidelines for adherence to legal and industry standards in fundraising. We are currently working to develop agreed standards with all our national members of the IR federation.

Islamic Relief has been collecting funds for those in need for over 30 years. In the process of doing so Islamic Relief values the dignity of the beneficiaries and strives to ensure that serving them is always at the forefront of our work. This can be seen through our organisational values we carry at Islamic Relief.

In order to do this it is essential to know what the cause you are raising the funds for is clear before organising any kind of fundraising event. This is done by discussing the ongoing or latest projects Islamic Relief is delivering on within the field offices, and the best point of contact for this would be the Programmes Advisor or the Regional Desk Coordinators. They provide a concept note for the project, supplying the basic facts about the project and what the funds collected can go towards. Further discussions are always able to be arranged so the Fundraisers are aware of exactly what they are sharing with the public and potential donors. If a third party organisation has offered to hold a fundraising event on behalf of Islamic Relief the same information should be sought. It is the responsibility of the Fundraiser to decide whether the information is sufficient or if the third party representative should meet with the Regional Desk Coordinators.

The Regional Desk Coordinators will always ensure that the projects most in need are highlighted, bearing in mind the type of event and target of income for the project. They will also provide information as and when needed to ensure that fundraisers can carry the correct message. It is understandable that a few events may need to be conducted before a full project can be funded and such an understanding can be made with the field offices to ensure that all parties involved understand the time frames of the project.

Islamic Relief also encourages its staff members, including fundraisers and core volunteers, to regularly travel to the field and see how projects are delivered. Not only will this motivate them in their work, but will also allow them to understand the full cycle of a project from raising the funds to the delivery and impact on the beneficiaries. It may be through a field visit that a fundraising team see a project similar to that which they wish to fundraise for giving them the full picture of how beneficiaries are impacted. However, on such visits it is highly important that promises are not made to the beneficiaries but rather discussions take place with the field office and Regional Desk Coordinators.

Once funds have been raised it is up to each fundraising team to discuss within their Project Allocation Committee (PAC) where the funds will be sent and confirm with the desk officers. These meetings are a formality that should take place in order to assure that the whole team understands what is being funded and an opportunity to discuss new projects for future potential fundraising events. These meetings should be minuted and if needed, regional desk coordinators should be present.

Gifts in kind for use by the charity are included in the accounts at their approximate market value at the date of receipt. Gifts in kind for distribution are included in the accounts at their approximate market value at the date of distribution. We have a policy document for In Kind Donations which looks at aspects such as Islamic Relief's moral obligation to give feedback to donors and respect beneficiaries. On accepting an in-kind donation, the receiving Field Partner automatically agrees to provide feedback to Fundraising Partner in a timely manner by providing two documents: a budget for the implementation of the project and a report to be submitted at the end of the distribution process, matching the donor's specific requirements. However, such requirements must be in line with our policy document, and respect the wishes and values of beneficiaries and be in accordance with policies and guidelines of government of recipient country. The policy outlines the methodologies for basing valuations such as valuing in the country where it will be distributed, by estimated realisable value in cash of the same or similar items based upon:

- Quoted market price
- Independent professional evaluation
- Other available evidence

In most cases, this would mean that the approximate wholesale price not a retail price paid by an individual purchaser. We are primarily concerned with the usability of In Kind donations within our humanitarian programmes, therefore both usability and marketability are joint considerations in determining fair values. If Goods in kind that are impaired and that limits their usability, we value them less than those that are not impaired. The reduction in value must reflect the seriousness of the impairment.

The value is the monetary worth of the goods in kind at a specific time, and valuation is the act of determining the value. In determining the value other factors would need to be taken into consideration such as the current economic environment, the location and condition of the goods.

The fair value should be determined in context of the following guidelines:

- The fair value should be closer to the wholesale value of the goods rather than the retail value because in most cases Islamic Relief will receive sizable quantities of the donated goods in-kind.
- Islamic Relief should ascertain the basis of the donor's valuation and determine whether it is reasonable. If the valuation is not reasonable, or if valuation cannot be obtained from the donor, then Islamic Relief must use a verifiable method for determining an appropriate value. In this regard, Islamic Relief Worldwide will use an ABC rating as explained below:
- A rating: is used when the declared in-kind donation value is deemed very reliable and above any reasonable doubt. This is usually the case of in-kinds received from UN agencies where the declared value is provided by them and based on their own procurement or from another Organisation with supporting documents that provide sufficient transparency to levy any reasonable doubt on the valuation methods. Any valuation methodology made by an independent third party whose expertise is recognised in determining value for such type of in-kind donation will also be A rated.

- B rating: is used when the methodology is deemed reliable. Declared value is clearly mentioned or very detailed that enable us verifying the valuation method used and see if declared value is close to a wholesale price.
- C rating: is used for any value of in-kind donations that does not meet either A or B criteria. Further details may be necessary from the Donor in order to levy any reasonable doubts on the valuation method. If the value provided is closer to retail value, then the IKD coordinator will have to try to get further information from the Donor, or use a like-kind analysis (see following bullet point) to try to determine a fair market value. Also supporting documents will have to be recorded for audit purposes. If sufficient information is gathered to ascertain a fair market value, the rating will then be changed to B rating.

Like-Kind analysis can be utilised on the basis that reasonable values for similar volumes and quality of the goods exist. Such an analysis can be based on past donation histories and sales in the current market place. The value that the donor states for tax or excise purposes is not necessarily the value that Islamic Relief should record. The usability of the goods should be considered in determining the fair value.

The policy does not cover complaints or breaches and there have been no recorded instances relating to fundraising or communication activities during the reporting period. The In Kind Donation Policy is due to be reviewed in 2016 to incorporate breaches and complaints.

<https://extranet.irworldwide.org/inkinddonations/default.aspx>