

Oxfam Hong Kong Accountability Supplement 2009

The International Non-Governmental Organisations (INGO) Accountability Charter was born out of deliberations of a number of prominent civil society leaders brought together annually since 2003 by the International Advocacy Non-Governmental Organisations (IANGO) Workshop. The Workshop idea itself was a result of conversations between the Hauser Center for Non-Profit Organisations at the Kennedy School of Government at Harvard University, CIVICUS: World Alliance for Citizen Participation and several NGO leaders. At the 2004 workshop, the decision was made to develop a clear charter, and a working group consisting of Greenpeace International, Oxfam International, Amnesty International and the International Save the Children Alliance was charged with the task.

The resulting INGO Accountability Charter was launched in 2006. A supervisory group for the development and implementation of the charter consists of the above organisations plus Transparency International and CIVICUS.

At its launch, eleven leading INGOs comprising ActionAid International, Amnesty International, CIVICUS World Alliance for Citizen Participation, Consumers International, Greenpeace International, Oxfam International, International Save the Children Alliance, Survival International, International Federation Terre des Hommes, Transparency International and the World YWCA held a press conference in order to publicly declare their adoption of the Charter.

Oxfam Hong Kong became a separate signatory in addition to Oxfam International in May 2008 after having completed arrangements for tracking Greenhouse Gas Emissions, which it considered necessary for reasonable compliance.

Oxfam Hong Kong (OHK) is committed to report annually on compliance to the INGO Accountability Charter. Its submission will consist of the Annual Review plus this Accountability Supplement which we believe together covers all key aspects of required reporting.

While we aim to maintain OHK's broad compliance with the INGO Accountability Charter, we believe that in common with all cases of organisational social responsibility, we should continue to seek ways for further improvement. This supplement therefore indicates both current measures and improvement measures moving forward.

OHK's Compliance with the INGO Accountability Charter

1. Respect for Universal Principles

INGOs are founded on the rights to freedom of speech, assembly and association in the Universal Declaration of Human Rights. We seek to advance international and national laws that promote human rights, ecosystem protection, sustainable development and other public goods. Where such laws do not exist, are not fully implemented, or abused, we will highlight these issues for public debate and advocate appropriate remedial action. In so doing, we will respect the equal rights and dignity of all human beings.

OHK's commitment to a Rights-based approach in our Strategic Plan and in Oxfam International advocacy work references a wide range of international conventions, declarations, charters and covenants in the area of humanitarian principles, equal opportunities and rights, the environment etc.

OHK's project approval documents require an explanation of the contribution the project will make to the achievement of rights and also the project's impact on gender.

FURTHER ACTION: There is potential for environmental impact to be embedded more fully in planning and approval documents.

- **Mission Statement (public)**
- **OHK Strategic Plan (public)**
- **OI Strategic Plan (public)**
- **Programme Summary and Appraisal Document (PSAD) standard format.**

2. Independence

We aim to be both politically and financially independent. Our governance, programmes and policies will be non-partisan, independent of specific governments, political parties and the business sector.

Founding documents and governance principles make it clear OHK must remain free of governmental, political or religious affiliation or control. The governing body (Council) oversees this independence. Potential donations / sponsorship from the business sector are screened to ensure that the business is not involved in activities that act against OHK's mission.

- **Memorandum and Articles of Association (M&A)**
- **Mission Statement**
- **Governance standards**
- **OI Code of Conduct clauses 3h. and 4i**
- **Corporate Fundraising Policy and Guidelines**

3. Responsible advocacy

We will ensure that our advocacy is consistent with our mission, grounded in our work and advances defined public interests. We will have clear processes for adopting public policy positions, (including for partners where appropriate,) explicit ethical policies that guide our choices of advocacy strategy, and ways of identifying and managing potential conflicts of interest among various stakeholders.

All advocacy and campaign policy positions are subject to a rigorous policy development process which involves senior management input and testing against ethical criteria. Plans for advocacy issues and positions are laid out in planning documents which are signed off by senior management. New departures in advocacy work need approval from Council.

- **OHK Advocacy Policy**
- **Terms of Reference: OHK Advocacy Coordinating Group**
- **OHK and OI Sign-Off Procedures**

4. Effective Programmes

We seek to work in genuine partnership with local communities, NGOs and other organisations aiming at sustainable development responding to local needs.

Our core values involve working with a sense of equal partnership with local organisations during the needs appraisal, design, implementation, monitoring and evaluation stages of our work. Details of the practical application of this collaboration and participation are required in programme planning documents.

- **Operational Guidelines for Grants Administration (OGGA): sections 2.2 & 4.1b**
- **OI Programme Management Standards**
- **OI Code of Conduct clause 3i**
- **OHK Strategic Plan: Core Values and Ways of Working**
- **Programme Summary and Appraisal Document (PSAD) standard format.**

5. Non-Discrimination

We value, respect and seek to encourage diversity, and seek to be impartial and non-discriminatory in all our activities. To this end, each organisation will have policies that promote diversity, gender equity and balance, impartiality and non-discrimination in all our activities, both internal and external.

OHK is an equal-opportunities employer with supporting policy documents. A statement of our commitment as an equal opportunity employer is displayed in recruitment advertisements.

‘Impact on Women/Gender relations’ is required information on external projects.

- **Policy of Equal Opportunities on Gender and Diversity**
- **M&A: Article 3(b)**
- **Policy on Sexual Harassment**
- **Cross-reference: No. 2 of OI Governance Standards**
- **OI Code of Conduct clause 4h.**
- **Programme Summary and Appraisal Document (PSAD) standard format.**

6. Transparency

We are committed to openness, transparency and honesty about our structures, mission, policies and activities. We will communicate actively to stakeholders about ourselves, and make information publicly available.

Both the OHK and the OI current Strategic Plans emphasise a commitment to transparency and accountability in our work, and lay out processes and activities for achieving these. Several areas of financial and governance reporting in the Annual Review have been strengthened, in addition to this Accountability Supplement.

All regular donors and volunteers are invited to an Annual Supporters Gathering at which the Chair and management account for activities in the past year, and answer questions in plenary and in small groups.

- **Website content**
- **Annual Review 2007/08: mission (p.3); activities (pp.5-30); Financial Report and Highlights (pp. 27-30)**
- **Work reports in media ads, e.g. emergency appeals, China Development Fund and Oxfam Trailwalker**
- **OHK Strategic Plan: Core Values and Ways of Working**
- **Oxfam Express also publishes financial info regularly**

6.1. Reporting

We seek to comply with relevant governance, financial accounting and reporting requirements in the countries where we are based and operate. We report at least once a year on our activities and achievements. Reports will describe each organisation's:

- *Mission and values;*
- *Objectives and outcomes achieved in programme and advocacy;*
- *Environmental impact;*
- *Governance structure and processes, and main office bearers;*
- *Main sources of funding from corporations, foundations, governments, and individuals;*
- *Financial performance;*
- *Compliance with this Charter; and*
- *Contact details.*

The OHK Annual Review, as well as this Accountability Supplement, forms the core of our structured accountability reporting. However the other publicly-available policies and documents detailed in the next column also form part of this process.

- **Annual Review: mission (p.3); objectives and outcomes (pp.5-15, 29); governance structure (p. 33); sources of funding (p.30); financial performance (pp.27-30); contact details (p.34)**
- **Environmental impact – to be covered in AR's 'OHK as an INGO and socially responsible agency'**
- **Website content**
- **Carbon Footprint Assessment**
- **Cross-reference: refer to Nos. 1, 2, 6, 7 of OI Governance Standards**

6.2. Audit

The annual financial report will conform to relevant laws and practices and be audited by a qualified independent public accountant whose statement will accompany the report.

Our annual audit is carried out by a major auditing company to their standards. In addition, programmes with a value over HK\$400,000 and country offices in Vietnam, Timor Leste, South Africa and China (Kunming) are audited by external auditing companies.

- **Accounts audited by Ernst & Young**
- **Hong Kong Accounting Standards**
- **Hong Kong Financial Reporting Standards**
- **Oxfam International Financial Standards**
- **M&A: art. 60-64**
- **AR 2007/08: Financial Report and Financial Highlights (pp.27-30)**

6.3. Accuracy of information

We will adhere to generally-accepted standards of technical accuracy and honesty in presenting and interpreting data and research, using and referencing independent research.

Research conducted by consultants will be referenced and sourced.

The majority of research is conducted by independent consultants, e.g. CSR Asia on Transparency Report, HKU POP (Public Opinion Programme) on CSSA and image survey, and HKU Research Centre on the donor survey.

- **OHK Advocacy Policy**
- **Terms of Reference: OHK Advocacy Coordinating Group**
- **OHK and OI Sign-Off Procedures**

7. Good Governance

We should be held responsible for our actions and achievements.

We will do this by: having a clear mission, organisational structure and decision-making processes; by acting in accordance with stated values and agreed procedures; by ensuring that our programmes achieve outcomes that are consistent with our mission; and by reporting on these outcomes in an open and accurate manner. The governance structure of each organisation will conform to relevant laws and be transparent. We seek to follow principles of best practice in governance. Each organisation will have at least:

- *A governing body which supervises and evaluates the chief executive, and oversee programme and budgetary matters. It will define overall strategy, consistent with the organisational mission, ensure that resources are used efficiently and appropriately, that performance is measured, that financial integrity is assured and that public trust is maintained;*
- *Written procedures covering the appointment, responsibilities and terms of members of the governing body, and preventing and managing conflicts of interest;*
- *A regular general meeting with authority to appoint and replace members of the governing body. We will listen to stakeholders' suggestions on how we can improve our work and will encourage inputs by people whose interests may be directly affected. We will also make it easy for the public to comment on our programmes and policies.*

Our governing body, the Council, is required to accord with the formal Memorandum and Articles of Association (M&A) of OHK which covers their appointment, authority and meeting procedures. Oxfam International Governance Standards add further requirements of conduct, quality and independence of our governance structure and our achievement of these standards have been subject to external review.

Above the Council is a body of 'Members of the Association' who meet for the Annual General Meeting, and who approve the membership of the Council. There are currently 29 Members of the Association. Their authority and rules of procedure are also covered in the M&A.

- **Oxfam International Governance Standards**
- **M&A**
- **Hong Kong Companies Ordinance**
- **Declaration of Interest form**
- **Policy on Disclosure of Malpractice in the Workplace**
- **OGGA: section 4.2**

8. Ethical Fundraising

8.1. Donors

We respect the rights of donors: to be informed about causes for which we are fundraising; to be informed about how their donation is being used; to have their names deleted from mailing lists; to be informed of the status and authority of fundraisers; and to anonymity except in cases where the size of their donation is such that it might be relevant to our independence.

We are accountable to our individual and corporate donors through a mixture of regular communications, some of which are pro-actively sent directly to them, and some made available on our websites. Published newspaper advertisements contain the financial and other details of certain major fundraising events. In addition, all donors are invited to an 'Annual Supporters Gathering', at which senior management report on the year's activities and management and staff are then available in small workshops to present information and answer questions.

For institutional donors, such as the Hong Kong SAR Government Disaster Relief Fund and Oxfam International Affiliates, reports and audited financial statements are submitted upon project completion. Field visits are arranged, upon request.

- **AR 2007/08: pp.27-30**
- **Oxfam Express (a newsletter to donors and volunteers)**
- **Oxfam Corporate Express (a newsletter to corporate donors)**
- **Personal Data (Privacy) Ordinance**
- **Cross-reference: No. 7 of OI Governance Standards**
- **O.N.E. (Oxfam News E-magazine)**
- **Fundraising Guidelines**
- **Guidelines on refund policy; scripts on seeking donation information by phone.**

8.2. Use of Donations

In raising funds, we will accurately describe our activities and needs. Our policies and practices will ensure that donations further our organisation's mission. Where donations are made for a specific purpose, the donor's request is honoured. If we invite the general public to donate to a specific cause, each organisation will have a plan for handling any shortfall or excess, and will make this known as part of its appeal.

Public fundraising appeals make clear the intended use of donations and the scope of use of these funds. Where these have been specified at the time of appeal, these are indicated as restricted funds in the accounts of the organisation in accordance with Oxfam International Financial Standards. Where individual donors specify the use of their donations, these are also held in restricted funds. Audits are held for major fundraising events and the results of certain events are made public in newspaper advertisements.

- **AR 2007/08: pp.27-30**
- **Reserve Policy**
- **Guidelines and Procedures for Donation Refunds**
- **OI Financial Standards**
- **OI Common Norms, Standards and Objects in Ledgers (CONSOL) sections on restricted funds**

8.4. Agents

We seek to ensure that donations sought indirectly, such as through third parties, are solicited and received in full conformity with our own practices. This will normally be the subject of written agreement between the parties.

OHK does not use third party fundraisers. Our face-to-face donor recruiters are employed directly by OHK. We have written document stating the terms and conditions which apply to any events for which we are a named beneficiary.

FURTHER ACTION: It would be beneficial for the organisation to develop a written policy on handling donations received through third parties for future use.

- *Managing Private Sector Interactions*

9. Professional Management

We manage our organisations in a professional and effective manner. Our policies and procedures seek to promote excellence in all respects.

The organisation strives for professional management through a process of regular management meetings and training as well as formal performance management by supervisors. 'Upward appraisal' by the supervisees of managers as well as a staff opinion survey on management performance are also in place to ensure managers as well as managers of managers receive both formal and informal feedback on the quality of their performance. We encourage peer exchanges among Oxfams and other comparable NGOs to further enhance management professionalism.

- *Performance Management System Staff Manual*
- *Annual Performance Review and Planning Form*
- *Upward Performance Feedback Form*
- *Staff opinion survey (on line)*
- *Management Job Descriptions*
- *Unit Mandates*
- *Strategic Framework 2007-2012*
- *Strategic Operational Plan 2007-2012*

9.1. Financial controls

Internal financial control procedures will ensure that all funds are effectively used and minimise the risk of funds being misused. We will follow principles of best practice in financial management.

A broad range of policies, procedures, checks and balances are in place to ensure proper financial controls. Finance colleagues are embedded in offices in major countries of grant-making operation and are matrix managed by the Finance Director in the head office. A full time Internal Control Manager regularly reviews compliance with procedures as well as the procedures and policies themselves, and is available to receive queries and complaints.

In addition, finance colleagues from other Oxfams carry out a peer review of financial systems and procedures on a bi-annual basis and compile a report with recommendations for strengthening financial systems.

The annual timetable of Council and Exco (a sub-group of Council) includes a review of bank accounts, signatories and grants approval authority, investment and reserves strategies.

- ***Finance Manual***
- ***Risk Register***
- ***Oxfam Peer Financial Review reports***
- ***Compliance Reviews***
- ***Monthly Reports from Internal Control Manager***
- ***Table of bank accounts, signatories and grants approval authority levels.***
- ***Investment and reserves strategies***
- ***OI Financial Standards***
- ***OI Common Norms, Standards and Objects in Ledgers (CONSOL)***

9.2. Evaluation

We seek continuously to improve our effectiveness. We will have defined evaluation procedures for our boards, staff, programmes and projects on the basis of mutual accountability.

A comprehensive range of evaluation processes cover programmes, advocacy and education work.

Strategic and annual plans contain built-in evaluation processes. Governance, management and other policies, terms of reference and procedural documents have a review timetable and identified 'owners' responsible for leading periodic reviews and keeping these current.

All programme proposals as well as advocacy and education work have monitoring and evaluation built in to initial planning processes.

- **Strategic planning process (five year) and Mid-term Review**
- **Annual planning review and mid-year review of progress**
- **Annual review of compliance with OI Governance Standards and INGO Accountability Charter**
- **Annual Review of Terms of Reference of Executive Committee, Roles and Responsibilities of Chair, Vice-Chair and Treasurer**
- **Annual and mid-year Performance Management Review for all staff**
- **Programme monitoring and evaluation:**
 - **Operational Guidelines for Grants Administration (OGGA)**
 - **Programme Summary and Appraisal Document (PSAD) standard format.**

9.3. Public Criticism

We will be responsible in our public criticisms of individuals and organisations, ensuring such criticism amounts to fair public comment.

All advocacy and campaign policy positions are subject to a rigorous policy development process which involves senior management input and testing against ethical criteria. New policy issues are discussed by the governing Council. Published materials and other communications of a policy nature are subject to sign-off by senior communications or policy staff.

Management is obliged to bring any issues deemed to be specially controversial or sensitive to Council for consideration.

- **Communications Guidelines**
- **Sign Off Procedures**
- **OHK Advocacy Policy**
- **Terms of Reference: OHK Advocacy Coordinating Group**
- **OHK and OI Sign Off Procedures**

9.4. Partners

We recognise our that organisational integrity extends to ensuring that our partners also meet the highest standards of probity and accountability, and will take all possible steps to ensure that there are no links with organisations, or persons involved in illegal or unethical practices.

In addition to the initial appraisal of partners, the evaluation of projects includes partner performance. For projects with a value above HK\$400,000 an audit will take place. Our malpractice policies include whistle blowing on the conduct of partners and consultants in addition to OHK staff.

- **Operational Guidelines for Grants Administration**
- **OI Programme Management Standards.**
- **Policy on Disclosure of Malpractice in the Workplace**

9.5. Human Resources

We recognise that our performance and success reflect the quality of our staff and volunteers and management practices, and are committed to investing in human resource development.

Remuneration and benefits should strike a balance between public expectations of voluntary-based, not-for-profit organisations and the need to attract and retain the staff we need to fulfil our mission. Our human resources policies seek to conform fully [to] relevant international and national labour regulations and apply the best voluntary sector practices in terms of employee and volunteer rights and health and safety at work. Human resources policies will include procedures for evaluating the performance of all staff on a regular basis.

Personnel Policies have been developed around core principles of decent employment while ensuring prudent use of resources. Beyond this, terms and conditions may vary for different jurisdictions with consideration of their respective local law, customs and practices. At a minimum they meet but frequently they exceed the standards required by local labour laws.

A Pay Structure Review, including benchmarking against comparable organisations, was conducted in early 2009.

A non-management staff union is independently registered in Hong Kong, and there are also staff representatives (員工小組代表) in Mainland China.

A quarterly meeting is held between senior management, Human Resources colleagues and the HK union executives.

The HK Staff union executives have the right to meet during work time, and the Union has an allotted number of hours in which to hold staff events during work time.

A monthly staff meeting is arranged and managed by staff and attended by staff and management.

A full performance management system (PMS) for work planning and appraisal is in place for all staff with annual and half-yearly performance reviews. The PMS system includes objective setting, performance measures and assessment of core competencies.

A weighted point marking system against work plan achievements and demonstration of competencies is linked to salary increment awards.

- **Personnel Policies**
- **Staff Development Policy**
- **Performance Management System Staff Manual**
- **Annual Performance Review and Planning Form**

9.6. Bribery and Corruption

Human resources policies will specifically prohibit acts of bribery or corruption by staff or other persons working for, or on behalf of, the organisation.

Personnel policies are clear that bribery and corruption constitute gross misconduct. Our Policy on Disclosure of Malpractice in the Workplace covers staff, consultants, contractors and partners. The Internal Control Manager's review of policies also seeks to identify weaknesses in control systems that might lead to corrupt or other illegal practices.

FURTHER ACTION: It is suggested that we extend the policy on malpractice to develop a broader anti-fraud and corruption policy. This would assign staff responsibilities for checking systems and link this work to the Risk Register.

A full performance management system (PMS) for work planning and appraisal is in place for all staff with annual and half-yearly performance reviews. The PMS system includes objective setting, performance measures and assessment of core competencies. A weighted point marking system against work plan achievements and demonstration of competencies is linked to salary increment awards.

- **Personnel Policies**
- **Annual Declaration of Interests**
- **Policy on Disclosure of Malpractice in the Workplace**
- **Oxfam Peer Financial Review reports**
- **Compliance Reviews**
- **Monthly Reports from Internal Control Manager**

9.7. Respect for Sexual Integrity

We condemn sexual exploitation, abuse and discrimination in all its forms. Our policies will respect sexual integrity in all our programmes and activities, and prohibit gender harassment, sexual exploitation and discrimination.

We maintain policies on sexual harassment and equal opportunities. In the Personnel Policies, we strive to take account of both heterosexual and non-heterosexual relationships.

- **Policy on Sexual Harassment**
- **Policy of Equal Opportunities on Gender and Diversity**

9.8. Whistle-blowers

Staff will be enabled and encouraged to draw management's attention to activities that may not comply with the law or our mission and commitments, including the provisions in this Code.

We believe serious violations of mission and purpose are covered by our Policy on Disclosure of Malpractice in the Workplace.

- **Policy on Disclosure of Malpractice in the Workplace**