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Taiwan Fund for Children and Families Independent Review Panel Feedback

**Accountability Report 2016
Review Round December 2017**



Taiwan Fund for Children and Families Feedback from the Independent Review Panel

Review Round December 2017

21 December 2017

Dear Betty Su-chiou Ho,

Thank you for submitting your Accountability Report. We, the Independent Review Panel of Accountable Now, appreciate your efforts to continuously strengthen accountability to communities, local partners, supporters, staff, donors, or other key constituencies. Our key focus is on accountability to those you serve. It is against this background that we critically discussed your report and came to the individual assessment below.

Taiwan Fund for Children and Families' (TFCF) second accountability report is complete and comprehensive. CEO Betty Su-chiou Ho's opening statement demonstrates the organisation's **institutional commitment**, with accountability underpinning TFCF's strategy.

The Panel's questions from its last feedback letter were mostly answered, and there is in general more **evidence** and examples provided. However, this is still an area to be improved – the Panel would like to see more evidence about how the changes TFCF is making to strengthen its accountability are implemented, and their outcomes. The Panel would also appreciate the provision of direct links to documents on TFCF's website (e.g. financial report, accountability report) where these are mentioned.

Main **weaknesses** include: the evaluation process for the Board of Directors (4.10), external initiatives to which TFCF subscribes, how MEL processes have led to positive change and management response (NGO3), details on how TFCF actively seeks to include diverse stakeholders (NGO4), and managing impact on local communities (SO1). The Panel has summarised these issues in the enclosed **Improvement Analysis**.

The Panel identifies TFCF's innovative approach to saving energy and reducing carbon emissions through a staff competition and quarterly savings initiatives as a **good practice**.

It is appreciated that the organisation has published membership with Accountable Now, including the new logo, on their [website](#).

Our intention is that this feedback letter, and any response you may wish to provide, is made publicly available on the Accountable Now website along with your report – as it is the case with all previously reviewed reports. However, should there be errors of fact in the feedback above or in the note below; we would of course wish to correct these before publication. Please share any comments or amendments by 15 January 2018.



If you have any other feedback or comments on our work, please share them with us by sending them to the Accountable Now Secretariat.

Yours sincerely,

Mihir Bhatt

Rhonda Chapman

John Clark

Louise James

Jane Kiragu

Nora Lester Murad

Saroeun Soeung



Cover Note on Taiwan Fund for Children and Families' Accountability Report 2016

Review Round December 2017

PROFILE DISCLOSURES

I. Strategy and Analysis

1.1	<p>Statement from the most senior decision-maker <i>Fully addressed</i></p> <p>In her opening statement, CEO of TFCF Betty Su-chiou Ho explains how accountability is central to the organisation's strategy, underpinning the six dimensions of the strategic framework. As the Panel requested last year, TFCF's engagement with stakeholders, citizens and volunteers is addressed, in addition to with donors.</p> <p>Reference is made to management decision-makers utilising accountability by evaluating the impact of TFCF's programmes and considering how to improve these. The fact that the results of this evaluation were published for stakeholders and conveyed to the general public through a press conference is commended by the Panel.</p> <p>TFCF appears to be expanding both their programmes (with new projects in Myanmar, Laos and Jordan) as well as their visibility as a CSO (by conducting research and sharing findings at a regional conference). These are exciting developments for TFCF and the Panel looks forward to hearing about how accountability continues to be part of these new endeavours.</p>
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II. Organisational Profile

2.1 – 2.2	<p>Name of organisation / Primary activities <i>Fully addressed</i></p> <p>A detailed overview of TFCF's primary activities – broadly under the categories of child protection and ending poverty – is provided. These activities are supported by advocacy campaigns and are aligned with TFCF's mission, vision, and values.</p> <p>The Panel's question from the previous report, regarding what happens when a child is placed in a new home, was answered: TFCF provides</p>
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	<p>support to ensure a stable life with a sense of home and security, and arranges mental health and psychological counselling.</p>
2.3	<p>Operational structure <i>Fully addressed</i></p> <p>All TFCF offices and affiliates are not for profit, except for the charity shop, which supports families from the TFCF social enterprise programme to make a living. As requested by the Panel in the previous report, the separation of powers and responsibilities amongst the central office and country offices is explained.</p> <p>What is TFCF's relationship with ChildFund Alliance (formerly CCF)? Until a few years ago TFCF was listed as one of 12 members of CFA, but now CFA only lists 11 members, not including TFCF. The report refers to TFCF's links with CFA many times and the TFCF email address is still CCF Taiwan - so has there been a change in the relationship and why?</p>
2.4-2.7	<p>Headquarter location / Number of countries / Nature of ownership / Target audience <i>Fully addressed</i></p> <p>Regarding the countries where TFCF operates, other than the head and branch offices, the Panel would still request more clarification on the nature of the relationship with ChildFund Alliance. The report states that funding is provided for service delivery – but are the services designed together, or does TFCF have any influence over the work in those countries?</p> <p>A very comprehensive overview of the target audience and affected stakeholders is provided. The visualisation of these along the lines of the UN SDGs is helpful.</p>
2.8	<p>Scale of organisation <i>Fully addressed</i></p> <p>The expenditure on overseas programmes was 0.03% of total expenditure in 2016 – this seems rather small when considering that TFCF operates in 35 locations outside of Taiwan.</p> <p>The Panel's question from the last report about Advisory Committee members was answered: these members are successful professionals who offer their knowledge, skills, and influence to help TFCF raise funds and gain traction. They are also officially fee-paying members. It does</p>



	not appear that they actually provide advice on high level strategic or operational decisions.
2.9 – 2.10	<p>Significant changes to previous reporting / Awards received</p> <p><i>Fully addressed</i></p> <p>The central office underwent some structural changes in 2016, with some divisions moved under new departments and the International Development Division now tasked with overseeing all international programmes.</p> <p>Why was the Training and Education division moved from the Social Work Department to the Human Resources Division? Does this division deal with training and education for staff rather than stakeholders?</p> <p>The Panel congratulates TFCF on one of its Branch Office directors' receipt of a Purple Ribbon Award in recognition of service workers, awarded by the Ministry of Health and Welfare.</p>
III. Report Parameters	
3.1 – 3.4	<p>Reporting period / Date of most recent report / Reporting cycle / Contact person</p> <p><i>Fully addressed</i></p> <p>The Panel notes that the most recent report was actually on the calendar year 2015, rather than 2014.</p>
3.5	<p>Reporting process</p> <p><i>Addressed</i></p> <p>A detailed explanation of the reporting process – including the role of senior management as requested by the Panel in their last feedback letter – is provided. It is a cross-departmental effort – but is there the opportunity for those who provided input to provide feedback before the report is finalised?</p> <p>The 2015 accountability report is available on TFCF's website. Is the report and the Panel's feedback also circulated amongst relevant staff and to the Board?</p> <p>The Panel notes positively that its feedback is used to discuss areas for improvement with the relevant departments within TFCF.</p>



3.6 – 3.8	<p>Report boundary / Specific limitations / Basis for reporting</p> <p><i>Fully addressed</i></p> <p>An Environmental Management System (EN18) remains the only part of the report which is missing. It is stated that progress on this has been sped up after the Panel's last feedback letter. Is there an estimated timeframe for completion?</p> <p>The report covers the TFCF headquarters, branch offices, and affiliates.</p>
3.10 – 3.12	<p>Significant changes in reporting parameters / Reference table</p> <p><i>Not applicable</i></p>

IV. Mission, Values, Governance, and Stakeholder Engagement

4.1	<p>Governance structure</p> <p><i>Addressed</i></p> <p>Comprehensive details of the governance structure are provided, with distinction made between the roles of the Board and Management Team. There is also more information provided on how the Board supports TFCF's mission and strategic plans.</p> <p>However, it appears that some changes in the Board's responsibilities have reduced their power of oversight. The Articles describe the role of the Board in appointing and firing the CEO - but this has been deleted in the list of Board responsibilities cited in the report. Similarly, the Articles state that the Board can dismiss the CEO (if two-thirds of directors so vote) but this power has been deleted in the report. How now is the CEO appointed and, if necessary, dismissed? Does the Board or other body also regularly appraise the CEO? And how is the remuneration of CEO (and other senior staff) determined? The report states that the CEO reports to the Board, but the apparent changes to the Articles suggests that this power has been withdrawn.</p> <p>What is the difference between the five Standing Directors and the other ten Directors? Do the Standing Directors also have three-year term limits? Do these rather short term limits result in a lack of continuity amongst the Board? Furthermore, how many of the Directors actually attend Board meetings every three months? This could also potentially pose a challenge to continuity.</p> <p>The nature of the Advisory Committees is also clarified – these being volunteer supporters of the Branch offices.</p>
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	The Panel repeats its question as to the level of authority the Branch offices have.
4.2 – 4.3	<p><i>Division of power between the governance body and management / Independence of Board Directors</i></p> <p><i>Addressed</i></p> <p>By the apparent withdrawal of the Board's power to appoint the CEO and hold them accountable (as mentioned in 4.1 above) the division of power is no longer clear. Please elaborate on this in the next report.</p>
4.4	<p><i>Feedback from internal stakeholders</i></p> <p><i>Fully addressed</i></p> <p>There are no formal mechanisms for internal stakeholders to provide recommendations to the Board, but channels of communication are open, with Board Directors' contact information available to all staff.</p> <p>An example is provided of how bottom-up communication between The Articles describe the role of the Board in appointing and firing the CEO - but this has been deleted in the list of Board responsibilities cited in the report. Similarly, the Articles state that the board can dismiss the CEO (if two-thirds of directors so vote) but this power has been deleted in the report. How now is the CEO appointed and, if necessary, dismissed? Does the board or other body also regularly appraise the CEO? And how is the remuneration of CEO (and other senior staff) determined? The report states that the CEO reports to the Board, but the apparent changes to the Articles suggests that this power has been withdrawn. Staff and the Board resulted in consensus on a strategic goal. Is this a common occurrence? And is there evidence that staff do feel comfortable contacting Board Directors via email or phone to provide feedback? Without encouragement to do so, staff may feel hesitant.</p>
4.5	<p><i>Compensation for members of highest governance body</i></p> <p><i>Addressed</i></p> <p>Salaries are submitted to a governmental agency at the end of each fiscal year, and have been approved to date.</p> <p>TFCF's salary scale for employees (Board Directors and Advisory Committee members are not compensated) is provided.</p>



	<p>Furthermore, do employees in all offices (headquarters and branches in Taiwan and the 5 programme countries) receive the same salary, paid in US dollars? It would be expected that salaries are adjusted according to local salaries and living expenses.</p> <p>Non-salary benefits which are used to attract good personnel are also mentioned.</p>
4.6	<p>Managing conflicts of interest <i>Addressed</i></p> <p>TFCF has created a Code of Conduct for Board Directors and senior management, which includes a section on declaring possible conflicts of interest as well as impartiality. The Panel welcomes this development.</p>
4.10	<p>Process to support highest governance body's own performance <i>Partially addressed</i></p> <p>The Panel repeats its question from its last feedback letter about Board evaluations. An annex to the report showed an external evaluation of the Board of Directors from 2014, but this was not explained in the report. How frequently are such evaluations undertaken, and by whom? The evaluation appeared to be based solely on fulfilment of Board obligations. Examination of Board processes more broadly would be recommended, including opportunities for improvement.</p>
4.12	<p>Social charters, principles or other initiatives to which the organisation subscribes <i>Partially addressed</i></p> <p>This question refers to external initiatives to which TFCF subscribes, rather than initiatives created by the organisation. Membership of the Christian Children's Fund would be an example.</p>
4.14-15	<p>List of stakeholders / Basis for identification of stakeholders <i>Fully addressed</i></p> <p>TFCF's main stakeholders are children and their families suffering from poverty or children suffering from or at risk of violence or deprivation. Other stakeholders include partner organisations and networks, academia, funders, and volunteers. These stakeholders are prioritised into groups.</p>



PERFORMANCE INDICATORS

I. Programme Effectiveness

<p>NGO1</p>	<p><i>Involvement of affected stakeholder groups</i></p> <p><i>Addressed</i></p> <p>TFCF invites affected stakeholders to join in programme policy development, as well as project design and implementation. The Panel appreciates the inclusion of examples to highlight stakeholder engagement processes, and notes positively that end-of-programme feedback is used to adjust and improve future projects. Are there opportunities for stakeholders to provide feedback during the programmes, so that they can also benefit from any necessary adjustments?</p> <p>The Panel commends TFCF on its approach to young people in the Youth Self Reliant Program, who are seen not just as passive service recipients but also active participants in shaping programme design and implementation.</p> <p>It was still not completely clear how the E system tracks stakeholder and partner engagement, and the Panel requests more information on this – or the CSO ERP if that is in use by the next report.</p>
<p>NGO2</p>	<p><i>Mechanisms for feedback and complaints</i></p> <p><i>Addressed</i></p> <p>The report states that there are clear processes in place which guide the submission of feedback and complaints – a helpful diagram depicting the process is provided. However it isn't clear whether the process depicted is restricted to appeals by individual programme claimants or applies to all categories of suggestions and complaints. It is stated that Submissions can be made online, through social media, by phone, and in person, and a response must be made within 10 days. However TFCF's website gives no information about complaint processes, and in the "Contact" section the options offered are just: donations, comments and other. How are stakeholders informed about the process whereby they can offer suggestions or complaints?</p> <p>The example of a complaint by a foster family depicts how complaints are handled and resolved – and used to improve TFCF's work more broadly. In this case, branch offices were reminded of their duty to promptly and proactively assist foster families. This approach to learning from complaints is noted positively by the Panel.</p>



	<p>Was this the only complaint received in the reporting period? The Panel requests an overview of the number of all complaints received and resolved in the next report. If this was the only complaint - is there evidence that the feedback and complaints process is well known?</p> <p>Is it possible to submit anonymous complaints (the feedback and complaints process states that an ID card is required to submit a complaint)?</p>
NGO3	<p>Programme monitoring, evaluation and learning <i>Partially addressed</i></p> <p>TFCF conducts MEL for its programmes in both a top-down and bottom-up approach – by directors and headquarters on the strategic level as well as by branch offices at the implementation level. An overview of MEL from programme design to evaluation is provided in a table. Examples, like those provided in NGO1 and NGO2 above, would better illustrate how these processes work in practice.</p> <p>A number of systems for tracking information and monitoring programmes are mentioned, but it is not clear how the results of evaluations have actually led to changes or response by management. Are the results used in planning future activities, projects and programmes? Furthermore, are the results of evaluations published? Restless Development is a good example in this regard.</p>
NGO4	<p>Gender and diversity <i>Partially addressed</i></p> <p>It is stated that there is no exclusion of stakeholders by TFCF on the basis of gender, diversity or being part of a minority. It is evident that there are active efforts to include those with disabilities, with specific services tailored to those children. However, even though other groups aren't excluded from programmes, does TFCF make an effort to actively include them? Do these considerations inform the planning of TCFC's work?</p> <p>The Panel repeats its questions from its previous feedback letter: is there a specific anti-discrimination or inclusion policy in place, apart from the governmental regulations? And are there any improvement targets or benchmarks to track progress?</p>
NGO5	<p>Advocacy positions and public awareness campaigns <i>Addressed</i></p> <p>TFCF's advocacy positions are evidence-based, and are supported by their data bank on children and youth in poverty, White Paper on children's rights, on-site observations and practical experiences.</p>



	<p>A process for designing and implementing advocacy campaigns is presented, and staff can raise public policy issues to be adopted by TFCF (a detailed process is outlined).</p> <p>How does TFCF ensure its public criticisms are fair and accurate? Information on exit strategies is also requested.</p> <p>The Panel refers TFCF to good practice examples from ActionAid and Oxfam.</p>
NGO6	<p>Coordination with other actors</p> <p><i>Addressed</i></p> <p>An overview is provided of how TFCF chooses its partners and evaluates the need to collaborate with other NGOs on service provision. How does TFCF track which other organisations are doing similar work, and ensure their activities aren't duplicated, but support each other?</p> <p>A cross-organisational cooperation network on Central and South America is described, where TFCF cooperates with ChildFund Alliance to provide community service programmes. How are the two organisations' efforts divided here?</p> <p>TFCF supports organisations without the management capacity to implement strong accountability processes, by telling them about the standards of accountability, providing a self-management structure, and regularly auditing the organisation. Are these kinds of arrangements codified in written agreements? What are the criteria or standards TFCF holds its partners to?</p>
<p>II. Financial Management</p>	
NGO7	<p>Resource allocation</p> <p><i>Fully Addressed</i></p> <p>Comprehensive systems for resource allocation and tracking are described. These need to comply with internal standards as well as governmental regulations, and TFCF is independently audited twice a year, as well by the government annually. These external audits help combat the risk of funds being misused, and TFCF has a system of financial checks on all office, branches and homes to minimise this risk internally.</p> <p>Graphs of income and expenditure are provided in the report, and the audit report was supplied – is this also available to the public on TFCF's website? If so, a link to the website would be appreciated in the next report.</p>



	The accountability section of the website does list revenues and expenditure, but these figures differ from those provided in the report. What is the reason for this?
NGO8	<p>Sources of Funding <i>Fully addressed</i></p> <p>The list of five largest donors does not include the Taiwanese government, which however appears to be the largest single source of funding. Do other governments or international bodies contribute substantially (i.e. over \$200,000) to TFCF?</p>
III. Environmental Management	
EN16	<p>Greenhouse gas emissions of operations <i>Addressed</i></p> <p>An overview of TFCF's greenhouse gas emissions from water and electricity consumption from 2014-2016 is provided. The Panel notes positively that consumption of both commodities has reduced in each year. Were these figures just for the headquarters or for all offices in Taiwan and overseas?</p> <p>As most staff travel is by road and rail rather than air, TFCF stated that it is difficult to calculate emissions for this point. The Panel suggests it should be easy for TFCF to track the number and distance of trips that staff take for work (including, especially, air travel), and observe any trends in that way.</p> <p>Does TFCF plan to measure greenhouse gas emissions in other country offices?</p>
EN18	<p>Initiatives to reduce emissions of operations <i>Addressed</i></p> <p>TFCF has initiatives to reduce greenhouse gas emissions by using energy saving appliances and equipment, keeping printing to a minimum and using tablets instead, using conference calls in the place of face to face meetings, and reducing waste generation.</p> <p>The Panel commends TFCF's organisation of a staff competition for proposals to save energy and reduce carbon. This together with the idea of conducting a quarterly energy saving and carbon reduction initiative is identified as a good practice.</p>
EN26	<p>Initiatives to mitigate environmental impact of activities and services <i>Fully addressed</i></p> <p>The main environmental impacts of TFCF's activities are greenhouse gas emissions. In addition to the efforts to reduce these as mentioned in EN18,</p>



	<p>several further initiatives to mitigate negative environmental impacts are described.</p> <p>The Panel is pleased to see that the use of an energy saving service provider in one location has reduced electricity consumption by 40-50% in a trial, and that this service will be adopted elsewhere.</p>
<p>IV. Human Resource Management</p>	
LA1	<p>Size and composition of workforce</p> <p><i>Addressed</i></p> <p>The staff in Taiwan and overseas offices is provided, broken down by region and part-time vs. full-time contract. The number of senior staff is also identified – it would be interesting to know their geographical locations as well. Furthermore, regarding overseas offices, how many of the employees are local and how many are expatriates?</p> <p>As stated in section 2.8 of the report, there are 7160 volunteers.</p>
EC7	<p>Procedure for local hiring</p> <p><i>Addressed</i></p> <p>There is no specific local hiring policy, but locals tend to have an advantage in interviews. At the senior level, personal fit and performance are the main factors, rather than being a local hire – most senior staff are promoted internally. Figures on how many staff at which levels are local hires would provide a better picture of the proportion of local hires.</p> <p>TFCF sets salaries with reference to local NGOs as well as INGOs operating in the country, and the middle class pay level, in order not to undermine the local public sector.</p>
LA10	<p>Workforce training</p> <p><i>Fully addressed</i></p> <p>All employees are entitled to receive on-the-job training at TFCF. Training courses are designed based on the needs of the employee, determined through feedback and discussion.</p> <p>In 2016, 0.34% of the budget was spent on training. The average training time per employee was 42.2 hours – 8 hours more than in 2015. Return on investment, calculated with the Brogden-Cronbach-Gleser model, was 88%.</p>



LA12	<p>Global talent management</p> <p><i>Fully addressed</i></p> <p>TFCF branch offices examine human resources needs annually, and training programmes help staff develop their own career plans. This also helps with succession planning.</p> <p>All employees except for those who were on maternity leave received appraisals in 2015 – in response to the Panel's question from its last feedback letter. TFCF should provide these figures for each reporting period, to track whether all staff are consistently receiving appraisals.</p>
LA13	<p>Diversity of workforce and governance bodies</p> <p><i>Addressed</i></p> <p>A breakdown of staff by disability, aboriginal background, and gender is provided. It would also be interesting to know the split of gender amongst directors and supervisors (figures were provided for the board and total workforce). This would help the Panel better understand whether management positions are held predominantly by men, although 80% of the total workforce is female.</p>
NGO9	<p>Mechanisms to raise grievances</p> <p><i>Addressed</i></p> <p>TFCF appears to take the wellbeing of their staff seriously, reviewing workloads and offering psychological consultations. One grievance raised by an employee in 2016 is still being processed. There was also one complaint in 2015, which was resolved after an open investigation. Was the director involved given training, or monitoring of their work, to ensure they improve their working style?</p> <p>Were there any grievances lodged with management directly (rather than with the government as in the case above) and if so, how were these addressed?</p> <p>The Whistleblower Policy mentioned in the previous report was not mentioned. The Panel repeats its request for a link to this policy.</p>
<p>V. Responsible Management of Impacts on Society</p>	
SO1	<p>Managing your impact on local communities</p> <p><i>Partially addressed</i></p> <p>A comprehensive overview of TFCF's programmes and services is provided. Child protection is a large part of this, and it appears that support is extended to families, support structures and the wider communities of the children. Residents in those communities are also involved through volunteering opportunities.</p>



	<p>During programmes, assessments and evaluations are carried out, including a sample survey of the serviced community. It would be valuable to see examples of the kinds of feedback received from the communities, and how these are responded to.</p> <p>TFCF's exit strategies are also explained. These mainly seem based on internal evaluations of the situation. Are stakeholders and the community also consulted on the exit process?</p>
SO3	<p>Anti-corruption practices</p> <p><i>Addressed</i></p> <p>The TFCF Financial Risk Management Policy was provided to the Panel. This does not seem to be exhaustive however (there is no mention of bribery, for example, and there could be more guidance on how to recognise instances of corruption) – are there further policies and documents on corruption related issues?</p> <p>The Panel repeats its question about evidence that staff is aware of the relevant policies. Whilst new staff are introduced to the policies in their induction, and an annual reminder is sent to staff about fraud, money laundering and whistle blowing – how does TFCF know that staff read and retain this information?</p>
SO4	<p>Actions taken in response to corruption incidents</p> <p><i>Fully addressed</i></p> <p>No legal cases were brought against TFCF regarding incidences of corruption in 2016. Does this mean that there were also no allegations of possible incidents raised within TFCF?</p>
<p>VI. Ethical Fundraising</p>	
PR6	<p>Ethical fundraising and marketing communications</p> <p><i>Fully addressed</i></p> <p>TFCF complies with the fundraising regulations set by the government. All major institutional gifts and gifts-in-kind are published on the website – a link to the direct location on the website would be helpful in the next report.</p> <p>Children are portrayed in fundraising campaigns with the use of fake names, or pixeled out to protect their privacy when needed.</p> <p>The process for complaints relating to fundraising and communication activities is outlined – complaints will be responded to on the same or the next day. Is the complaints process available to stakeholders on the TFCF website?</p>



	A complaint regarding a spokeswoman's endorsement of TFCF was received and the public's concerns responded to. Were there any other complaints received regarding fundraising activities or communication?
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