

Danish Refugee Council

Recertification Audit – Summary Report DRC 2021/07/17

This is the Stage One Report of the Recertification Audit. It includes the findings from the first phase of the audit process, which scope is limited to the open non-conformities (CARs) and relevant policy-level requirements. If no major non-conformity is identified at Stage One, the HQAI certificate is renewed.

Stage Two of the Recertification Audit will include site assessments of two samples of country programmes and remote assessments of five samples of country programmes. Upon completion of Stage Two, a final audit report will present all the complete findings of the audit and final conclusions on the performance of the organisation against all commitments of the CHS.

If major non-conformities are identified at Stage 2 of the audit process, the certificate will be suspended, possibly withdrawn following HQAI established procedure (PRO116 – Issuance, suspension, reinstatement and withdrawal of certificates).

1. General information

1.1 Organisation

Type	Mandates	Verified				
<input checked="" type="checkbox"/> International <input type="checkbox"/> National <input type="checkbox"/> Membership/Network <input checked="" type="checkbox"/> Direct Assistance <input type="checkbox"/> Federated <input checked="" type="checkbox"/> With partners	<input checked="" type="checkbox"/> Humanitarian <input checked="" type="checkbox"/> Development <input checked="" type="checkbox"/> Advocacy	<input checked="" type="checkbox"/> Humanitarian <input checked="" type="checkbox"/> Development <input checked="" type="checkbox"/> Advocacy				
Head office location	Copenhagen, Denmark					
Total number of country programmes	40	<table border="1"> <thead> <tr> <th>Total number of staff</th> <th></th> </tr> </thead> <tbody> <tr> <td>8,885</td> <td></td> </tr> </tbody> </table>	Total number of staff		8,885	
Total number of staff						
8,885						

1.2 Audit team

Lead auditor	Jorge Menéndez Martínez
Second auditor	Camille Guyot-Bender
Third auditor	--
Observer	--
Expert	--
Witness / other	--

1.3 Scope of the audit

CHS Verification Scheme	Certification
Audit cycle	Second Audit Cycle
Phase of the audit	Recertification
Extraordinary or other type of audit	

1.4 Interviews conducted during Stage 1

Position / level of interviewees	Number of interviewees		Onsite or remote
	Female	Male	
Head Office			
Management	9	11	Remote
Staff	6	2	Remote
Total number of interviewees	15	13	

1.5 Opening meeting

Date	2021/05/21
Location	Remote
Number of participants	28
Any substantive issues arising	None

2. Background information on the organisation

2.1 General information

Danish Refugee Council (DRC) is a humanitarian, non-governmental, non-profit organisation founded in 1956 by Danish organisations to integrate Hungarian refugees in Denmark. DRC is an umbrella organisation, that includes 25 member organisations and volunteer groups. National or humanitarian organisations are eligible to be part of the Danish Refugee Council. All member organisations must be non-political. In 1991, DRC started its first international programme assisting displaced persons in countries of former Yugoslavia.

Danish Demining Group (DDG), a separate organisation, was established in 1997 to provide efficient community-oriented solutions to human security problems caused by mines and other explosive remnants of war. DRC and DDG united as an organisation in 2007 and adopted the DRC name.

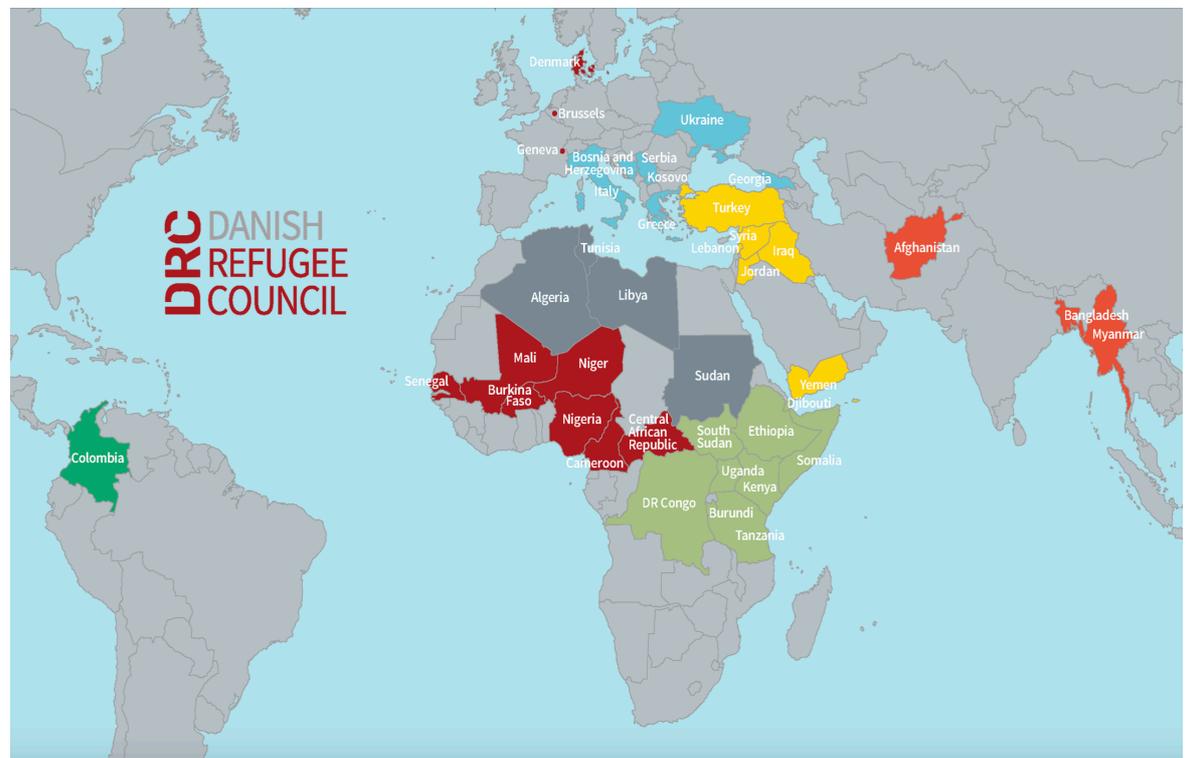
In 2020, DRC was operational in 40 countries in Europe, America, Africa, and Asia, with 8,885 employees. Of these employees, 7,424 were national employees in country operations, 569 were expatriate staff, 672 were employed in Denmark, and 41% of employees were women. Its five largest country operations were: Iraq, Yemen, Somalia, Greece, and Afghanistan. According to the 2020 financial statements, the total income reached was 3.2 billion Danish Krone (DKK). Profit reached 1 million DKK which was an improvement compared to 2019's loss of 30 million DKK.

The DRC Strategy 2021-2025 focuses on protecting the most marginalised and including the most excluded, with four strategic priorities:

- Programmatic Innovation
- Advocacy and evidence
- Partnerships and alliances (see also 2.4)
- Financing and value for money

Along with these priorities, DRC has identified the following organisational principles: go local, go green, go digital, be accountable, and be inclusive.

DRC Offices in the World



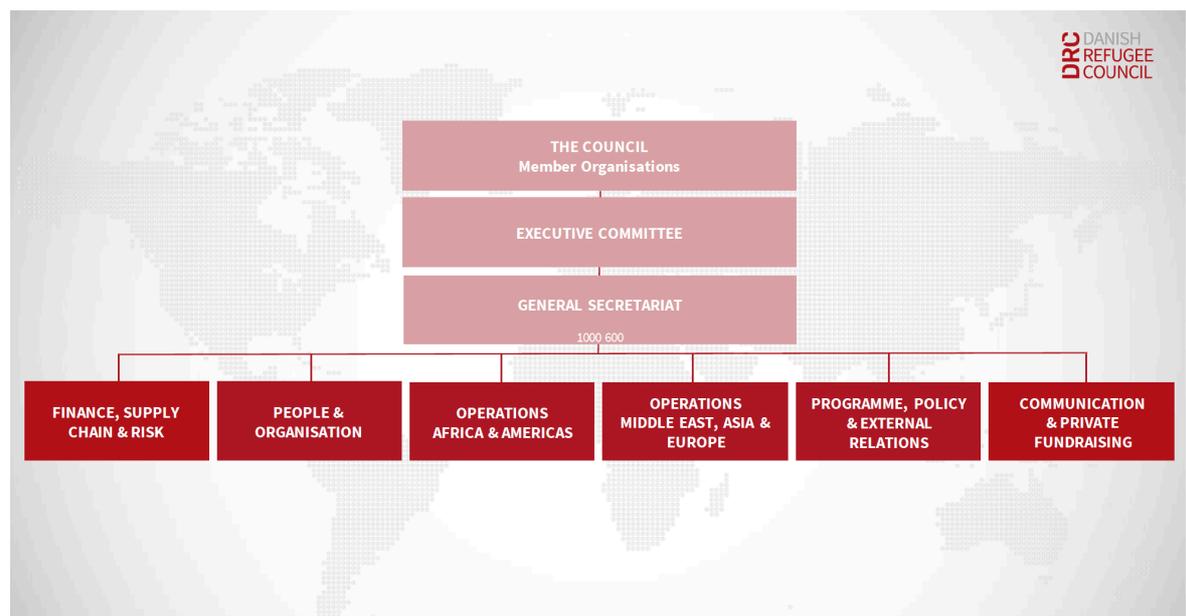
2.2 Governance and management structure

DRC's governance and management structure are detailed in the DRC's Statutes, which were revised in November 2019 and published in several languages on its website (Spanish, English, French, Arabic and Danish).

The Council is the DRC's highest authority. The Council includes the following: up to three representatives from each member organisation (25 organisations), six representatives from volunteer groups, counselling entities cooperating with the DRC as well as the DRC's Council. Under the Council sits the Executive Committee, which has overall responsibility for the management of the DRC. The Executive Committee consists of a President, a Vice President and six members elected by the Council; neither the President nor the members are remunerated. The Executive Committee is responsible for appointing the Secretary General.

The Secretary General and the Executive Management Team are responsible for running the daily business. The current Secretary General was appointed in 2019 and since then has implemented a number of changes to the management structure. To begin, DRC's national operations are no longer separated from the international one – they are considered one entity. This merger has also motivated a reorganisation of its departments. DRC now has six departments: Finance, Supply Chain and Risk; People and Organisation; Operations in Africa and Americas; Operations in the Middle East, Asia, and Europe; Programme, Policy and External Relations; and Communication and Private Fundraising. The Executive Management Team is comprised of the Executive Directors of these six departments. DRC's key sectors include protection, economic recovery, humanitarian disarmament and peacebuilding, shelter and settlements, and camp coordination and management.

DRC Organigram



2.3 Internal quality assurance mechanisms and risk management

The second Maintenance Audit (MA2) (2020) noted that DRC had strengthened its internal quality assurance mechanisms by upgrading the Monitoring, Evaluation, Accountability and Learning (MEAL) team to a division termed Effectiveness, Knowledge and Learning, and by increasing its staff, including assigning a new manager. This new structure has reinforced autonomous evaluation and learning processes, and reporting on these processes is done directly to the Executive Director of Programme, Policy and External relations. The team operates at full capacity in all technical areas, and has in place the Monitoring, Evaluation and Learning, Minimum Operational Procedures (MELMOPs) which provide guidance and support to DRC operations.

In 2019, DRC started implementing an Enterprise Resource Planning (ERP) system called Dynamics, which enables integrated business management that supports functional areas and operations. In 2020, DRC performed a learning exercise to identify existing gaps in Dynamics.

According to the results, an action plan was developed to address the areas of the ERP that need improvements. As of June 2021, Dynamics was fully functional in all the Country Offices (COs).

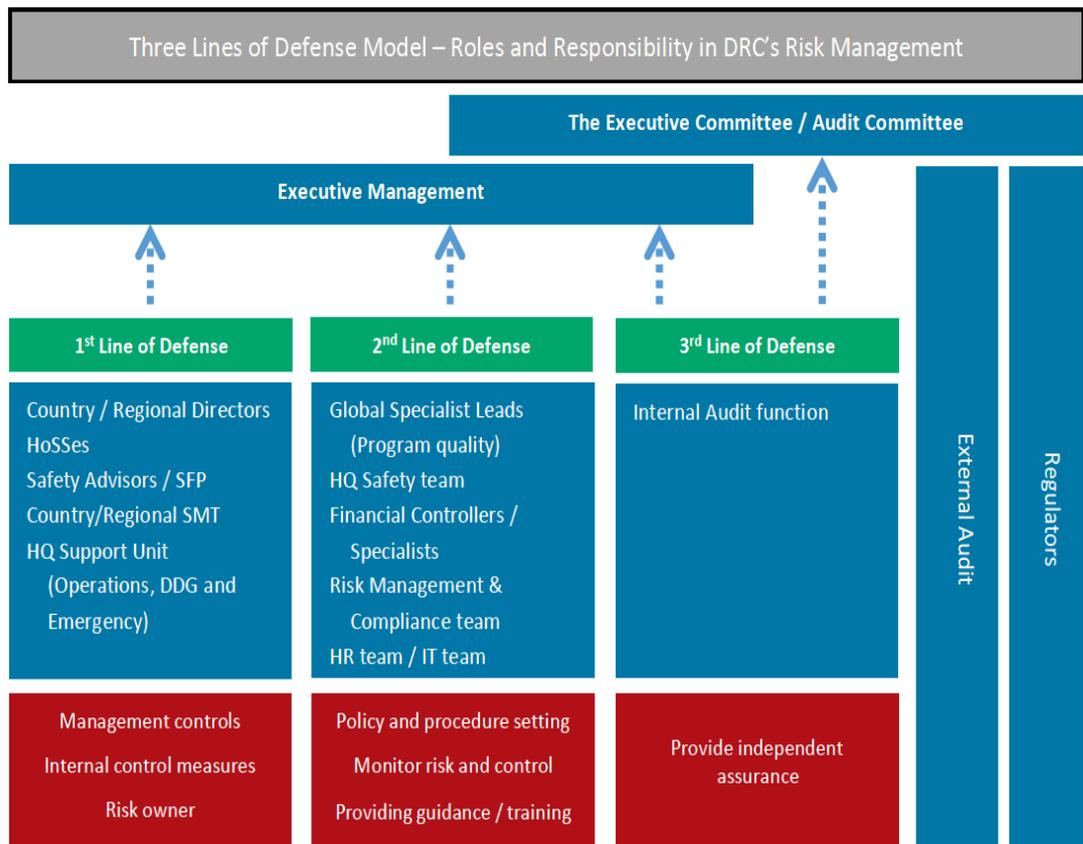
In 2021, DRC has performed a staff survey called DRC Voices that measures the best practices for understanding staff engagement, features, and broader organisational health indicators.

The DRC's Risk Management Framework describes the process and methods that DRC uses to manage its risks. DRC consider three types of risks:

- Contextual risks are the range of potential adverse outcomes that could arise in a certain context.
- Programmatic risks include two kinds of risk: 1) the potential for an aid programme failing to achieve its objective; and 2) the potential for the programme to cause harm in the external environment.
- Institutional risks are the internal risks that DRC has as an organisation.

DRC risk management is based on the following principles: a) it is essential to the organisational process and for decision making; b) it facilitates, rather than hinders, the achievement of objectives; c) it is coordinated between responsible entities to avoid gaps and silo thinking; d) it is transparent and inclusive; e) it is an ongoing and dynamic process, and f) allows for decision making based on a balance between control and effect.

To ensure a holistic view is taken on managing risk, a Risk Management Committee is established within the Executive Management of DRC. DRC also applies "the Three Lines of Defence model", described below, to ensure clarity on the structure.



The Country Director and Regional Director have the responsibility of ensuring that the risk management process is functioning. This includes facilitating an open culture about risk identification and risk-taking. For all the risks identified, there has to be an identified risk owner, who is responsible for ensuring the implementation of the actions to ensure the effective management of the risk. Country Offices are also required to report risks on a quarterly basis.

Before starting a new country operation, DRC performs the risk assessment to ensure that all the risks that DRC might face are identified and that opening in a new country is based on an informed decision.

DRC's internal audit division conducts onsite and remote audits of the Country Offices. The selection of Country Offices to be audited each year is determined on main risks identified and their level of priority.

2.4 Work with partner organisations

DRC recognises partnerships as a strategic priority: within DRC's new strategy (see also 2.1), partnerships are one of the four strategic priorities. Its focus is on seeking partnerships to foster local capacities and strengthen the abilities of institutions and people to deliver and safeguard the rights of people affected by conflict and displacement. The DRC Policy Statement on Partnerships indicates DRC's commitment to operating in different operational modalities: through direct assistance, in partnership with other organisations, or through a combination of both, depending on the context. DRC distinguishes between three dimensions of partnerships: states (authorities), civil society, and the private sector. DRC can partner with actors from all three dimensions of society and at local, national, and international levels.

Regarding implementing partners, the Implementing Partner Policy is an integral part of the DRC Operations Handbook. It outlines central DRC positions and principles related to collaboration with implementing partners and sets out nine quality standards and related minimum operational requirements, which apply to all implementing partnerships in DRC's international operations. The quality standard #8: Accountability and the Core Humanitarian Standard (CHS) includes an obligation for DRC to explain and extend, as much as is feasibly possible, its commitment to the CHS to implementing partners. This means seeking an understanding of how its partners will approach the CHS nine commitments and identifying ways that DRC can work with the partners to implement the commitments. DRC partnerships are usually with local and national civil society organisations, are guided by the humanitarian imperative, and have a strong commitment to accountability. DRC's Country Directors are primarily responsible for the selection of, and the relations with partner organisations. DRC identifies potential partner organisations through the Partner Relevance Tools. When the partner is identified, the partners' capacities and risks are assessed through the Partner Capacity Tool. Based on these results, capacity building plans are implemented to increase the partners' capacities and mitigate their main risks. The Country Director has to appoint a Partnership Coordinator who will be in charge of leading the partnership process, including coordination requirements from the supporting sector and engaging directly with the partner. As noted in the previous audit, DRC still implements less than 10% of its programmes through partners.

The new strategy puts special emphasis on engagement with national and local partners to allow DRC to be as responsive as possible to the priorities and needs of affected populations and to ensure capacity development at the local level.

3. Summary of non-conformities on Organisational Responsibilities

Note: this summary is based on the Stage 1 assessment results only and forms the basis for the Stage 2 assessment. The conclusions can potentially change after onsite visits are conducted, as a result of new evidence identified.

Corrective Action Requests (CAR)*	Type	Resolution due date	Date closed out
2019-4.1 DRC does not provide information to communities about the principles it adheres to and the expected behaviours of its staff.	Minor	2021-06-20	Open
2019-4.2 DRC does not consistently ensure communities have access to information that is easily understood and in a variety of formats.	Minor	2021-06-20	Open

2019-5.2 Information on how to access, and the scope of the CoCRM and FCRM is not systematically provided to communities and stakeholders.	Minor	2021-06-20	Open
2019-5.4 DRC does not ensure that all country offices have an FCRM which is in place and ensures that it covers programming, sexual exploitation and abuse of people, or other abuses of power.	Minor	2021-06-20	Open
2019-5.6 DRC does not yet systematically implement existing CoCRM policies, practices and tools to ensure that communities are fully aware of DRC organisational commitments on the prevention of sexual exploitation and abuse.	Minor	2021-06-20	Open
Total Number	5		

4. Stage 2 recommendation

Stage 2 is recommended	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Explanation / pre-conditions	Stage 1 of the recertification audit focused on the non-conformities identified in the previous audit report. Findings are limited to desk review of the Progress Report and Head Office (HO) documents and HO interviews. The work with partners and communities will be assessed during Stage 2.
Recommended timeframe for Stage 2	October 2021 field visits to Jordan and Colombia. October 2021 remote assessments of: Democratic Republic of Congo, Libya, Nigeria, Afghanistan, and Kosovo

4.1 Sampling* recommendation for Stage 2

Randomly sampled country programme sites	Included in final sample	Replaced by	Rationale for sampling and selection of sites	Onsite or remote
Jordan	Yes		Jordan represents a programme from the Middle East region, giving geographical coverage.	Onsite
Central Africa Republic	No	Colombia	Colombia was included instead of Central Africa Republic to include a programme from Latin America and the Caribbean Region, ensuring a better geographical coverage. All seven regions where DRC operates will therefore be represented.	Onsite
Democratic Republic of the Congo	Yes		Democratic Republic of the Congo represents a programme from the East Africa & Great Lakes region, giving geographical coverage.	Remote
South Sudan	No	Libya	Libya was included instead of South Sudan to include a programme from North Africa Region, ensuring a better geographical coverage.	Remote

Nigeria	Yes		Nigeria represents a programme from the West Africa region, giving geographical coverage.	Remote
Vietnam	No	Afghanistan	Afghanistan was included instead of Vietnam because the Vietnam programme is closed and Afghanistan is one of the largest country operations from the Asia Region, ensuring a better geographical coverage.	Remote
Myanmar	No	Kosovo	Kosovo was included instead of Myanmar because Myanmar was visited at the Mid-Term Audit and to include a programme from the Europe Region, ensuring a better geographical coverage.	Remote

Any other sampling performed for this audit:

None

Sampling risk:

DRC is at the beginning of its second 4-year audit cycle with HQAI. Over the first cycle, 2017-2021, DRC has worked steadily through each audit and has demonstrated improving performance over time. DRC has internal quality assurance and control systems in place to address requirements of the CHS, and other strategic commitments. These give the auditors sufficient confidence to recommend that DRC be recertified. Further checks will be applied through Stage 2 activities, including the country visit to Jordan and Colombia.

**It is important to note that the audit findings are based on a sample of an organisation's country programmes, its documentation and observation. Findings are analysed to determine an organisation's systematic approach and application of all aspects of the CHS across different contexts and ways of working.*

5. Lead auditor recommendation

In our opinion, Danish Refugee Council has demonstrated that it continues to conform with the requirements of the Core Humanitarian Standard on Quality and Accountability.

Based on the evidence obtained at this Stage 1, we confirm that we have received reasonable assurance that the organisation has demonstrated that it meets the requirements of the Core Humanitarian Standard on Quality and Accountability.

We recommend re-certification.

Name and signature of lead auditor:


Jorge Menéndez Martínez

Date and place:

Buenos Aires, 17 July 2021

6. HQAI approval of report and validation for Stage 2

Report approved	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	Closing of CARs shall be checked at stage 2. Re-certification confirmed
Stage 2 approved	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	
Sampling recommendation approved	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	
Name and signature of HQAI Executive Director: Pierre Hauselmann 	Date and place: Geneva, 2021-07-21	

7. Acknowledgement of the report by the organisation

Space reserved for the organisation	
Any reservations regarding the audit findings and/or any remarks regarding the behaviour of the HQAI audit team: <i>If yes, please give details:</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Acknowledgement and Acceptance of Findings: I acknowledge and understand the findings of the audit I accept the findings of the audit <i>*on the condition that DRC's feedback on this report will be considered by HQAI.</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Name and signature of the organisation's representative: Joanna Nevill 	Date and place: Auckland, New Zealand 23 July 2021

Appeal

In case of disagreement with the decision on certification, the organisation can appeal to HQAI within 14 days after being informed of the decision. HQAI will investigate the content of the appeal and propose a solution within 10 days after receiving the appeal.

If the solution is deemed not to be satisfactory, the organisation can inform HQAI in writing within 30 days after being informed of the proposed solution, of their intention to maintain the appeal.

HQAI will transmit the case to the Chair of the Advisory and Complaint Board who will constitute a panel made of at least two experts who have no conflict of interest in the case in question. These will strive to come to a decision within 30 days.

The details of the Appeals Procedure can be found in document PRO049 – Appeal Procedure.

Annex 1: Explanation of the scoring scale*

Scores	Meaning: for all verification scheme options	Technical meaning for all independent verification and certification audits
0	Your organisation does not work towards applying the CHS commitment.	<p>Score 0: indicates a weakness that is so significant that the organisation is unable to meet the commitment. This leads to:</p> <ul style="list-style-type: none"> • Independent verification: major weakness; • Certification: major non-conformity, leading to a major corrective action request (CAR) – No certificate can be issue or immediate suspension of certificate.
1	Your organisation is making efforts towards applying this requirement, but these are not systematic.	<p>Score 1: indicates a weakness that does not immediately compromise the integrity of the commitment but requires to be corrected to ensure the organisation can continuously deliver against it. This leads to:</p> <ul style="list-style-type: none"> • Independent verification: minor weakness • Certification: minor non-conformity, leading to a minor corrective action request (CAR).
2	Your organisation is making systematic efforts towards applying this requirement, but certain key points are still not addressed.	<p>Score 2: indicates an issue that deserves attention but does not currently compromise the conformity with the requirement. This leads to:</p> <ul style="list-style-type: none"> • Independent verification and certification: observation.
3	Your organisation conforms to this requirement, and organisational systems ensure that it is met throughout the organisation and over time – the requirement is fulfilled.	<p>Score 3: indicates full conformity with the requirement. This leads to:</p> <ul style="list-style-type: none"> • Independent verification and certification: conformity.
4	Your organisation's work goes beyond the intent of this requirement and demonstrates innovation. It is applied in an exemplary way across the organisation and organisational systems ensure high quality is maintained across the organisation and over time.	<p>Score 4: indicates an exemplary performance in the application of the requirement.</p>

* Scoring Scale from the CHSA Verification Scheme 2020