

Danish Red Cross Renewal Audit – Summary Report – 2022/10/25

1. General information

1.1 Organisation

Type	Mandates	Verified
<input checked="" type="checkbox"/> International <input type="checkbox"/> National <input type="checkbox"/> Membership/Network <input type="checkbox"/> Direct Assistance <input checked="" 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 type="checkbox"/> Development <input type="checkbox"/> Advocacy
Legal registration	Private, non-profit organisation in Denmark	
Head Office location	Copenhagen	
Total number of organisation staff	436 (75 in the International Department)	

1.2 Audit team

Lead auditor	Nik Rilhoff
Second auditor	Elisabeth Meur
Third auditor	-
Observer	-
Expert	-
Witness / other participants	

1.3 Scope of the audit

CHS Verification Scheme	Certification
Audit cycle	Second
Coverage of the audit	International Department, humanitarian mandate

1.4 Sampling*

Total number of Country Programme sites included in the sampling			5
Total number of sites for onsite visit			2
Total number of sites for remote assessment			3
Name of Country programme site	Included in final sample (Y/N)	Rationale for sampling and selection / de-selection decision	Onsite or Remote
Random sampling			
Malawi	Y	Represents a programme in Southern Africa, giving geographic diversity. Security levels are acceptable and community access is feasible from the main office.	Onsite
Somalia	N	This is a new programme and there was no Country Manager in situ at the time of sampling.	
Kenya	N	Included in a previous audit sample.	
Niger	Y	Represents a programme in West Africa, giving geographic diversity. Security levels are acceptable within	Onsite

		Niamey, and community access were feasible from the main office.	
South Sudan	Y	Represents a programme in East Africa, giving geographic diversity.	Remote
Afghanistan	N	Resumption of programming is not complete, with no staff at the time of the sampling process and DRC funding through IFRC and ICRC.	
Palestine	Y	Represents a programme in the Middle East, giving geographic diversity.	Remote
Bangladesh	Y	Represents a programme in South Asia, giving geographic diversity.	Remote

Purposive sampling

Any other sampling performed for this audit:

Nil

Sampling risks identified:

Based on the representative sample achieved for the audit of DRC's humanitarian mandate, the auditors have confidence in the findings and conclusions.

**It is important to note that the audit findings are based on a sample of an organisation's activities, programmes, and documentation as well as direct 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.*

2. Activities undertaken by the audit team

2.1 Locations Assessed

Locations	Dates	Onsite or remote
Denmark (HQ)	2022/06/13-14	Onsite
Malawi	2022/07/18-24	Onsite
Niger	2022/07/24-28	Onsite

2.2 Interviews

Level / Position of interviewees	Number of interviewees		Onsite/ Remote
	Female	Male	
Head Office / Regional Office			
Management	3	7	Onsite & Remote
Staff	8	2	Onsite
Country Programme / Project Sites / country-office(s)			
Management	2	0	Onsite & Remote
Staff	2	6	Onsite & Remote
Partner staff	2	16	Onsite & Remote
Others (local government representatives, federation of disability organisation)	0	4	Onsite & Remote

Total number of interviewees	17	35	52
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2.3 Consultations with communities

Type of group and location	Number of participants		Onsite or remote
	Female	Male	
Group discussion #1 – Village Health Committees, COMREP programme, Malawi	3	7	Onsite
Group discussion #2 – Community Based Health First Aid, Malawi RC volunteers, Malawi	5	12	Onsite
Group discussion #3 – Water Point Committee, COMREP programme, Malawi	6	4	Onsite
Group discussion #4 – Community Based Childcare Center, COMREP programme, Malawi	8	4	Onsite
Group discussion #5 – Mother group, COMREP programme, Malawi	7		Onsite
Group discussion #6 – Mother group, COMREP programme, Malawi	6		Onsite
Group discussion #7 – Students receiving school support (male), COMREP programme, Malawi		4	Onsite
Group discussion #8 – Students receiving school support (female), COMREP programme, Malawi	9		Onsite
Group discussion #9 – Out-of-school Youth club (male), COMREP programme, Malawi		6	Onsite
Group discussion #10 – Out-of-school Youth club (female), COMREP programme, Malawi	12		Onsite
Group discussion #11 – International Migrants (female), PRECO programme, Niger	7		Onsite
Group discussion #12 – International Migrants (male), PRECO programme, Niger		8	Onsite
Group discussion #13 – Host community (female), PRECO programme, Niger	8		Onsite
Group discussion #14 – Host community, men, PRECO programme, Niger		8	Onsite
Group discussion #15 – IDPs (female), PRECO programme, Niger	6		Onsite
Group discussion #16 – IDPs (male), PRECO programme, Niger		6	Onsite
Total number of participants	77	59	138

2.4 Opening meeting

Date	2022/06/13
Location	Copenhagen
Number of participants	18
Any substantive issues arising	None

2.5 Closing meeting

Date	2022/08/16
Location	Online
Number of participants	28
Any substantive issues arising	None

3. Background information on the organisation

3.1 General information

As a National Red Cross Society, DRC is a member of the Red Cross and Red Crescent (RCRC) Movement. Linked with a well-established network of 192 National Societies (NS) globally, whose role as auxiliaries to public authorities can provide access to locations that other humanitarian organisations may not reach. Through this global network of National Societies, staff and volunteers, DRC is supporting people in need according to the seven Fundamental Principles.

DRC focuses its action on people and communities in need of assistance, in situation of vulnerability, or who are marginalised and excluded. It also commits to promoting humanitarian principles, providing humanitarian aid, and supporting people and communities in coping with the long-term consequences of crises, protracted situations of displacement and marginalisation around the world.

DRC draws its international legitimacy and credibility from its strong volunteer base of more than 35,000 volunteers anchored in more than 200 local branches in Denmark. DRC positions itself as a major civil society actor that delivers results on alleviating humanitarian problems in Denmark. This base and results at the national level are a foundation for DRC's global engagement, promoting humanity nationally and globally.

DRC works towards the vision of a world in which societies are bound by a spirit of community aiming to turn humanity into everyone's concern. According to this vision, people and communities are the point of departure for all DRC actions.

A new *International Strategy, Ready to Act* for the 2022-2025 period is in place alongside country programme strategies. DRC entered in a new Strategic Partnership Agreement with the Danish Ministry of Foreign Affairs (MoFA) in 2022. The *International Strategy 2022-25* commits to put communities and people at the centre of its work and to build on its experience and strengths. Accountability to people and communities and learning from experience are at the core of DRC strategy. In its international action, DRC is recognised as a fast and agile emergency responder worldwide, including in epidemic and pandemic preparedness and response. DRC seeks to develop new solutions and work within a global framework to tackle humanitarian challenges that align with the IFRC 2030 Strategy, and represent key areas in which the Danish Red Cross has a special role to play:

- Health, and especially mental health and non-communicable diseases in emergencies;
- Disaster, conflict and crises;
- Migration, displacement and exclusion.

DRC seeks to influence the humanitarian agenda and to lead action in key areas where the organisation has technical knowledge and experience. To further its strategic ambitions, DRC relies on partnerships and the RCRC Movement as a global platform to drive change.

In countries of operation, DRC engages with Host National Societies (HNS) and/or other movement members in order to work in a particular country as a Partner National Society (PNS). In this new 4-year strategic period, DRC concentrate geographically in East and West Africa, the Middle-East and selected countries in Asia and Europe.

In 2021, DRC's income was USD198 million, up from USD180 million in 2020, with international relief work comprising approximately 45% of total spending (USD86.5 million).

3.2 Governance and management structure

DRC is a democratic membership organisation, consisting of more than 200 local Danish branches, each with its own board of directors. Every second year, representatives of the local branches meet at the General Assembly and elect a Governing Board for a term of four years. Between General Assembly meetings, this Governing Board has overall responsibility

for the governance of DRC. The Board is focussed on learning in DRC as well as meeting ethical and accountability standards, and receives reports on CHS audit outcomes. One of the four Board-level working groups, the International Working Group, is responsible for monitoring DRC's international operations.

Under the overall responsibility of the Secretary General (appointed by the Board) international operations are managed by the International Department (ID) and led by the new International Director appointed in 2021.

The *International Strategy 2022-25*, identifies three key changes DRC will work towards: healthy lives, disasters damage fewer lives, and 'included and safe' communities. It also outlines priority initiatives required to deliver the strategy: advocacy, including data-informed decision-making and action, strategic partnership, increased financing and localisation. Country strategies and theories of change are in place and align with *International Strategy 2022-25*, which makes direct reference to the Core Humanitarian Standard (CHS), including in its performance management plan where compliance with internal project management standards, as well as with the CHS indicators, will be measured annually.

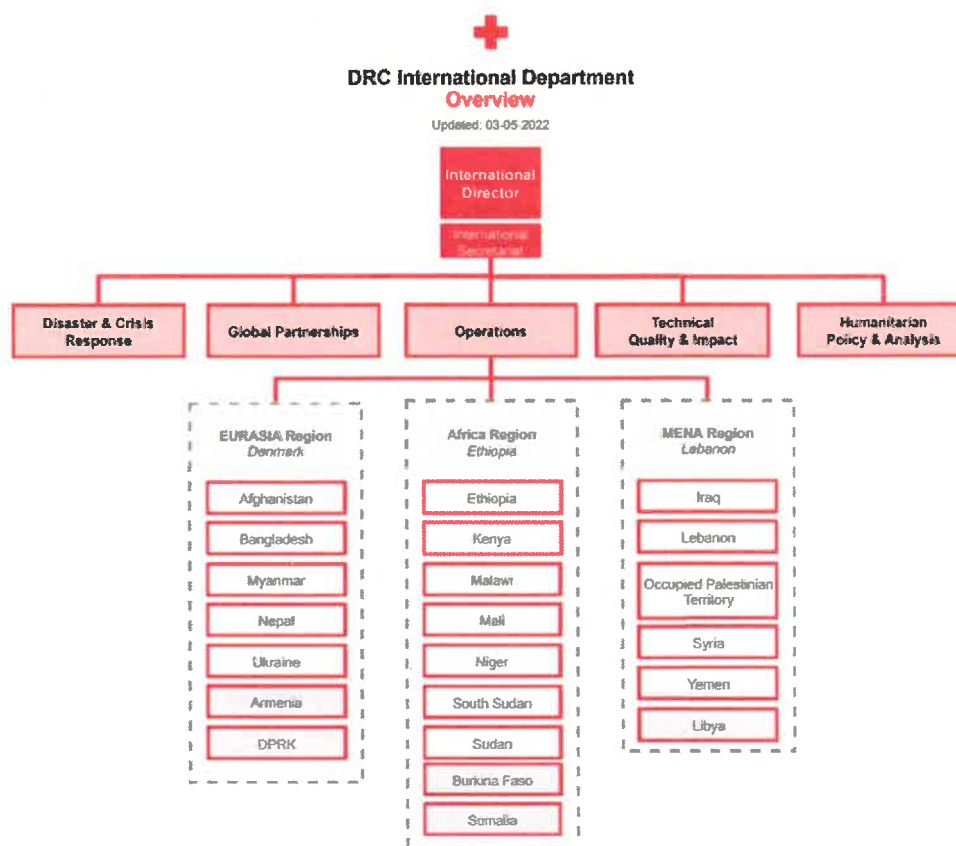
A cross-departmental Community Engagement and Accountability (CEA) working group continues to support delivery of the CHS commitments and the implementation of actions to resolve Corrective Action Requests (CARs), although management envisages these responsibilities eventually resting with individual staff. The new strategy places people and communities as the point of departure for DRC's work, and challenges staff at all levels to operationalise this. Unit and country strategies and project management tools, support staff to take responsibility for improving, by delivering CHS commitments that align with their role.

In support of DRC's *International Strategy 2022-25*, the International Department (ID) went through a fit-for-purpose (FFP) restructure in early 2022, focussed on grant and risk management, clear accountabilities and decision-making responsibility, as well as increasing access to senior managers. The FFP exercise was initiated as a review the 2018 restructure in relation to roles, division of work and responsibilities between head, regional and country offices, and the effectiveness of the 2018 matrix structure. It was based on processes including staff consultations and surveys and a MoFA capacity analysis of DRC in 2019.

The International Director now oversees five units, each of which has their own Head of Unit, with additional support provided from two separate departments within the national headquarters, for finance and human resources.

1. **Global Partnership:** Institutional partnership, donor management and liaison and innovative finance.
2. **Humanitarian Policy and Analysis:** International humanitarian law, policy and advocacy, research, information management, learning and accountability. Coordinates the CHS certification process and follow-up action plan, takes direct responsibility for selected core accountability issues (complaint handling code of conduct, etc). Sets overall planning, monitoring, evaluation, accountability and learning (PMEAL) standards and leads in reporting to the Board and senior management.
3. **Technical Quality and Impact:** Sets the framework for core competencies (linking to staff technical capacities), technical sector and cross-cutting issue advisors and matrix leads;
4. **Disaster and Crisis Response:** Emergency response; surge capacity roster and training; supply chain and greening; warehousing.
5. **Operations:** Supports regions and country programmes to deliver the *International Strategy 2022-25* through grant and portfolio management; operationalisation of CEA and working with youth; oversees and monitors high risk programmes, sets the overall risk framework and advises on risk and security management.

The structure of the International Department is shown below:



3.3 Internal quality assurance mechanisms and risk management

One of the driving imperatives for DRC's 2022 FFP restructure was strengthened risk management, given the organisation's commitment to work in fragile contexts. This includes ensuring clear lines of responsibility and accountability, establishing thresholds for escalation of risk issues from country office (CO) to region to headquarters (HQ), and strengthening a culture of risk consideration in decision-making. Risk analysis processes have been strengthened, and responsibility for risk management has been clarified and linked to DRC's anti-corruption and counter-terrorism approaches.

DRC's *Risk Management Framework* (2021) outlines its approach to manage and mitigate risk in partnerships and programmes, including those linked to competencies and leadership capacity that could hinder the implementation of programmes and the achievement of intended outputs and outcomes.

It is mandatory for programme-, country-, partnership-, and senior-managers to develop and maintain risk assessments using standardised tools, and completion of these are tracked and monitored in country and risk register dashboards. HQ's Operations Unit meets bi-monthly with country CO teams, seeking to alternate the agenda between project- and risk-related discussions. A Security Advisor in this unit is responsible for advising on security related risk assessment, mitigation and management.

DRC's Integrity Committee, led by the Chief Financial Officer, inputs into DRC's organisation-level risk analysis, coordinates all anti-corruption tasks and has oversight of the feedback and complaint mechanism, preparing summary reports annually to the Board and for publishing on DRC's website. The committee is responsible to ensure organisation-level learning from cases, in particular corruption. Its 2022 annual workplan includes an overview

and consolidation of all accountability policies, including the *Guidelines for the Prevention of Corruption* and policies on *Counter-Terrorism Measures* and *Whistleblowing*, and assigning review dates to ensure coherence throughout DRC.

The Performance Plan for the *International Strategy 2022-25* and the strategic results framework under the MoFA Strategic Partnership Agreement (SPA) set the organisation-level outcome and impact level indicators, which all country strategies align to. DRC's quality assurance mechanisms are located within the Humanitarian Policy and Analysis Unit in the new FFP structure. The unit sets the ID's MEAL standards, develops tools, guidance and capacity, and supports operational evaluations and learning. The unit also defines the ID's evaluation and learning strategies and leads on global evaluations, research and reporting based on the global results framework, annual Country Programme Progress Reports (CPPRs) and quarterly Programme Progress Reports (PPRs). The unit Coordinates DRC's CHS certification and action plan, as well as the framework for CEA and safeguarding, including Code of Conduct issues and complaint handling.

External audits are mandatory for all MOFA and most humanitarian projects with the exception of some smaller projects funded by DRC's own funds. DRC's domestic programme has a standardised process of internal audits, and new staff resources have been allocated to the international finance function to systematise an internal audit schedule in international programmes, as well as specifying risk-based selection criteria for the *Checklist for Financial Monitoring Visits*. HQ's Supply Chain team carry out their own schedule of internal risk-based audits.

Quarterly financial reporting of expenditure against budgets is systematically completed by DRC country offices (COs), using the new ERP, KOMPAS, that allows for real-time financial information. Portfolio teams in the Operations Unit follow up on potential problems and flag risk in a process that can trigger reviews or an evaluation. CO staff apply a variety of controls to ensure accountability, including preventative (e.g. separation of duties), detective (e.g. audits) and corrective (e.g. disciplinary procedures).

3.4 Work with partner organisations

DRC works through HNS of the RCRC Movement as their main partner in each country. DRC cooperates with other partner National Societies (PNS) to work strategically with the HNS, for example by reducing programmatic and reporting duplication and increasing efficiency, impact and localisation. Through coordination, PNS contribute complementary skills and share compliance support functions such as finance management, procurement, audit, monitoring and evaluation, reporting etc.

DRC seeks to ensure accountability to communities by supporting HNS partners through multiple approaches including the following:

The **Agenda for Renewal** is an IFRC initiative to frame country-level cooperation around HNS needs as a top priority, applying a pooled funding approach to national society development (NSD). DRC Country Managers support organisation-wide mainstreaming and development of risk management and accountability measures, and DRC country strategies include support for HNS' achievement of strategic goals.

The **localisation strategic initiative** outlined in the *International Strategy 2022-25* includes institutional strengthening, and leadership and capacity building to enable locally defined actions and decision-making. This also includes supporting and working with local and community organisations to impact the local level and address local fragilities, for example disability inclusion groups, mothers' clubs, climate change groups.

The **FFP restructure** placed DRC's NSD and CEA advisory resources within the Operations Unit to ensure systematic approach to NSD, and that programmes are consistently achieving CEA expectations and developing HNS capacity in CEA, including ensuring community participation and complaint and feedback mechanisms. Country budgets and strategic goals include NSD, which is monitored and reported against.

DRC's counterpart approach pairs DRC local and international staff with HNS staff to support leadership and decision-making based on dialogue, learning-by-doing and

reflection. HNS staff feel that the relationship is equal and mutual, and they appreciate vigorous discussion and healthy debate.

Partnership Reviews are conducted based on nine partnership parameters that both DRC and the HNS will rate for each other. Discussions are forums for issues not addressed through programme steering committees and day-to-day interactions.

DRC has included anti-corruption clauses in all partnership *Platform Agreements* with HNS. These include the risk of suspension or reduction of funding, or of termination of the agreement, in the event of fraud, corruption, conflicts of interest or other misuse of funding. *Platform Agreements* include a specific annex that addresses audit requirements. They also commit both DRC and partners to timely monitoring of project activities and regular sharing of project-related information, including in relation to issues of concern in order to facilitate solutions.

DRC's *PMEAL Guidance & Minimum Standards - Project Reviews & Evaluations* set out guidance for internal project reviews and external project evaluations. Both support learning, accountability and project adaptations to improve project effectiveness. HNS staff report monitoring data in monthly, quarterly and annual project reporting and DRC Delegates carry out monitoring visits and debrief with HNS staff.

4. Overall performance of the organisation

4.1 Effectiveness of the governance, internal quality assurance and risk management of the organisation

DRC's governance, internal quality assurance and risk management systems have all contributed to the resolution of previous audit issues. A cross-departmental CEA-PGI (protection, gender and inclusion) working group continues to support delivery of the CHS commitments and the implementation of actions to resolve Corrective Action Requests (CARs). Senior management expects responsibility for delivering the CHS to eventually rest with the new units in the FFP restructure, as well as individual staff. Unit and country strategies and project management tools support staff to take responsibility for results through improving and delivering on the CHS indicators that align with their role.

Since the previous audit, and under a new Director, the ID has undergone significant change processes. While the impact of the ID's new strategy and restructure have yet to be fully realised, DRC's focus on unit- and staff- responsibility and accountability, as well as risk management at all levels, are important in ensuring compliance with key areas of control.

Staff consultations and external reviews determined that prior to the FFP restructure, decision-making lines were unclear and lines of communication with management were not systematically available. The new structure emphasises clear accountabilities and responsibilities, from country programmes, where the country strategy is implemented (and thus the *International Strategy 2022-25* will be realised) to Regional Offices, the HQ Operations Unit and others that will support or quality assure the implementation of the strategy. For example, the Technical Quality Unit is responsible to set the framework for, and ensure, core technical competencies, while learning (from monitoring, evaluation, research and CHS audits) and information management are the responsibility of the Humanitarian Policy and Analysis Unit.

Within DRC's Risk Management Framework, organisation-level risks are assessed annually, but followed up in a weekly management team meeting and a longer risk-focussed monthly meeting, where managers conduct an in-depth risk review, assign responsibility to ensure mitigation, and follow up. The framework has changed how risk is perceived in DRC, although staff indicate that systematic documentation, learning and transparent decision-making linking risks to resource prioritisation are still improving.

It is mandatory for programme-, country-, partnership-, and senior-managers to develop and maintain risk assessments using standardised tools. Completion of these are tracked and monitored in country and risk register dashboards. HQ's Operations Unit meets bi-monthly with country programme (CO) teams, seeking to alternate the agenda between project- and risk-related discussions.

The Integrity Committee is responsible to ensure organisation-level learning from cases, in particular corruption (although there is a concern that corruption is under-reported in the RCRC Movement and in DRC, and in response, the ID is increasing information sharing and awareness raising to encourage reporting). Financial risk management through the KOMPAS software has been a priority step toward digitalisation in DRC, identified through a needs assessment and defined as one of the enablers identified in the *International Strategy 2022-25*. The risks associated with digitalisation are acknowledged, as is the threat from human error. DRC is currently investing in training and coaching to ensure the system is understood and used correctly.

Financial reporting and grant management at the country level is monitored by HQ Finance and Operations staff in Project and Portfolio Follow Up (PPFU) meetings that follow up on potential problems and flag risk in a process that can trigger reviews or an evaluation. CO staff apply a variety of controls to ensure accountability, including preventative (e.g. separation of duties), detective (e.g. audits) and corrective (e.g. disciplinary procedures). KOMPAS tracks and regulates mandatory processes and internal controls, reducing the risks of fraud and corruption and ensuring guidelines and policies are followed and implemented.

The strategic coherence between the ID's strategy and the country strategies, the Theories of Change, the performance management plan and monitoring frameworks create a clear "red thread" of quality assurance and of understanding impact. An ID 'must win' in 2021 was the establishment of a systematic learning environment, including matrices and working groups. As part of the 2022 FFP re-structure, learning has been prioritised in the new Humanitarian Policy and Analysis unit that will integrate evaluation, analysis, evaluations and learning with policy development and will develop an integrated DRC PMEAL approach (across HQ and field) to support the implementation of the new strategy. The forthcoming PMEAL approach will also support evidence-based decision-making based on data, learning and adaptation. A good quality programming guide (also under development) will prompt practical inclusion of cross-cutting priorities, mandatory tools and learning processes. These improvements have been in response to weaknesses identified in the previous CHS audit cycle, including that DRC did not systematically learn, innovate and implement changes on the basis of monitoring and evaluation, and that outcomes and impact were not included in monitoring. The *International Strategy 2022-25* embeds quality assurance and impact monitoring in department, country and programme expectations.

4.2 Level of implementation of the CHS and progress on compliance

DRC remains strongly committed to implementing the CHS through its work with HNS. Planning, implementation and monitoring processes have been revised with specific focus on improving accountability, and a department-wide focus on HNS development and capacity. There is a strong culture around the different components of accountability, and the language of CEA, PGI and safeguarding is both common and comfortable among DRC HQ and field staff, demonstrating the degree to which the International Department has internalised these commitments.

The DRC Board is focused on learning in DRC as well as meeting ethical and accountability standards. It is committed to the CHS and receives reports on CHS audit outcomes as part of the ID's annual reporting.

DRC's level of integration of the CHS in the ID is both strategic and purposeful. The CHS is consistently referenced and integrated into the *International Strategy 2022-25* and the language of specific CHS indicators is included in key working documents and templates. As part of the performance monitoring of the ID strategy, certification against the Core Humanitarian Standards, and performance at the CHS indicator level, are used as measures

of accountability to, and quality for, communities. The annual certification audit is used to signal both achievements and areas for improvement. CHS compliance is monitored in the extended management group.

DRC has made targeted efforts in several areas of weakness highlighted in the MTA. There is evidence of strategic and systemic improvements at policy and practice level, notably in areas of safeguarding, the approach to partnership and strengthening localisation through consistent and systematic support (including through CO Focal Points for complaint handling mechanisms (CHMs)), in staff capacity, safety and wellbeing, and in the alignment of various quality- and accountability-related policies and processes. The CARs in Commitment 5 led to a CEA PGI survey of HNS partner capacity, with the results (forthcoming in Q3 of 2022) to form a baseline for targeted capacity building support in the strategic period of the *International Strategy 2022-25*.

DRC is also aware of gaps in systematically assuring CHS standards, particularly in operationalising CEA and the CHS at the community level, with the application of procedures, processes and expectations. CEA and PGI are effective in terms of individual attitudes in HNS, however they have not yet reached formalisation at the governance level in all sampled countries. This is expected to shift as DRC's NSD work becomes systematic at the organisation level, and disentangled from the project approach.

PSEA mainstreaming: DRC is committed to ensuring that risks of harm to people and communities are identified and mitigated. Overall DRC performs quite well on the CHS indicators relating to prevention of sexual exploitation and (PSEA), with systems in place to protect people from sexual exploitation and abuse. The mainstreaming of mental health and psychosocial support (PSS) and the roll-out of the PGI approach in programmes, linking the Do No Harm approach and protection activities, ensure that internal protection mechanisms are in place for child safeguarding, for the prevention of SEA, and to avoid any unintended consequences of programmes. The Movement wide commitment to CEA is widely understood, even if country-level policies and procedures enabling its operationalisation are not yet adopted in all contexts. CEA facilitates raising concerns by involving communities across the project cycle. However, community members are not all engaged and their current participation in risk analysis is limited. Protection risks, for different groups and vulnerabilities, are not systematically included in DRC's programmes.

While CHMs are in place in most contexts, they are not systematically documented. DRC supports its partners to develop complaints mechanisms but the information and communication to communities about the process and its scope are not yet thorough. Communities are not consistently aware of expected behaviour of staff and are not consulted on the design and implementation of the CHMs.

The number of non-conformities related to PSEA has decreased from previous audits, and risks are now partially mitigated by DRC's active role in supporting the roll out of the CEA approach with HNS. Future audits will focus on the strengthening of HNSs' capacities regarding policies and procedures related to CHM. The challenge is in the full and systematic operationalisation of CEA and PGI in communities, alongside securing HNS leadership commitment to CEA, PGI and PSEA. DRC is actively supporting HNS capacity development through participation in working groups on protection and gender-based violence, but also through trainings on PSS, PGI, CEA, PSEAH, and child protection.

Localisation: DRC scores strongly on localisation, in line with its mandate and the RCRC model. DRC is strategically and operationally committed to further NSD and local leadership in their capacity as first responders. The organisation works through HNS, local volunteer structures as well as community-based structures to improve resilience of communities and people affected by crisis. The organisation is actively engaged in NSD, pursuing the objectives of strengthening civil society and achieving the localisation agenda. DRC's commitment to localisation is reflected in systematic support to HNS, branches and locally based volunteers' structures and the prioritisation of youth engagement and youth volunteer development in programmes. DRC also supports HNS to engage with local and national

authorities and other key stakeholders. Programme plans include climate smart activities and activities that improve resilience and strengthen local capacities, such as health trainings, income generating activities (IGAs), and cash assistance. While these activities contribute to localisation, the lack of systematic exit or transition plans and consideration of the impact on the environment represent risk areas for attention at the next audit.

Gender and Diversity: DRC performs well on gender and diversity in line with its commitments to PGI and to its guidance for programmes on Minimum Actions for PGI, PSS and CEA. DRC has procedures and tools ensuring the mainstreaming of diversity across the project cycle, including consideration of gender and diversity, as well as vulnerable and marginalised groups, and to analysing the specific vulnerabilities. However, these tools are not consistently and systematically used to ensure the inclusive participation and engagement of communities and people affected by crisis at all stages of the work. At country-level, PGI indicators are inconsistently included in monitoring reports or in evaluations, where participants are disaggregated by gender, sometimes with consideration of disabilities, but not age. DRC programmes do not consistently ensure an understanding of the vulnerabilities of different groups in designing programmes and assessing risks. DRC does not systematically work with HNS to ensure that programmes pay particular attention to the gender, age and diversity of those giving feedback. Different vulnerabilities are not analysed across all programmes and DRC is striving to make vulnerability and capacity assessment systematic. The implementation of the gender and inclusion tools and methodologies will be examined in future audits.

4.3 Performance against each CHS Commitment

Commitment	Strong points and areas for improvement	Feedback from communities	Average score*
<p>Commitment 1: Humanitarian assistance is appropriate and relevant</p>	<p>The <i>International Strategy 2022-25</i> identifies key strategic initiatives to achieve goals, including data-informed decision-making to ensure that action is relevant, timely, does no harm and is based on the needs and capacities of communities. Guidance commits to impartial assistance based on data about needs and capacities.</p> <p>CEA upholds the requirement to understand diverse needs, vulnerabilities and capacities; and to provide safe and equitable access and opportunities for communities to actively participate in decisions that affect them.</p> <p>Inconsistent risk assessment and vulnerability analysis for different groups, including for sexual exploitation and abuse (SEA), child safeguarding and the specific needs of the elderly, inhibit appropriate activities based on those analyses.</p> <p>Ongoing context and stakeholder analyses are prompted in new report and strategy templates and there is evidence of adapting programmes to changing context and needs.</p>	<p>Most community groups sampled feel consulted on whether activities meet their needs, and confirm that activities are responsive to changing needs. However, one group felt very strongly that their food security and livelihood needs were not being met.</p> <p>Communities had mixed responses about the appropriateness and utility of training: one felt it was useful and built capacity and another indicated that livelihood-related trainings were neither innovative, nor supporting professional skills, nor contributing to longer-term resilience. Manual activities had not been adapted to be suitable for elderly people, and parents felt that children’s</p>	<p>2.7</p>

		development was not taken seriously.	
Commitment 2: Humanitarian response is effective and timely	<p>DRC seeks to be a rapid, agile and reliable responder, with timely, efficient and dignified assistance. The timeliness of decision making is a strong point at this audit. Staff indicate the FFP restructure has clarified roles and responsibilities for decision-making, including for emergency declarations and response, surge and go-no-go processes.</p> <p>HNS staff have mapped and use referral pathways and give examples of referring beneficiaries to other organisations that provided services they do not.</p> <p>Programme commitments are in line with organisational capacities, especially as country strategies are articulated and aligned with the <i>International Strategy 2022-25</i>, including theories of change, programming priorities and funding plans.</p> <p>The <i>Risk Management Framework</i> requires risk assessments for country- and programme-levels, including staff and leadership competency and capacity. However, programme-level risk identification primarily considers programmes and partners and not community safety and the current risk management framework does not easily integrate protection risks.</p> <p>Programmes take account of possible constraints including security, safety and access in project documents, including needs and field assessments, gender analyses, proposals and monitoring reports. However, constraints raised indicate that communities are not systematically considered based on the vulnerabilities of different groups.</p>	Communities appreciate timely support in crises and in particular, DRC's support for health system responsiveness to COVID and other outbreaks.	2.9
Commitment 3: Humanitarian response strengthens local capacities and avoids negative effects	<p>The <i>International Strategy 2022-25</i>, the country strategies, and the <i>new Local Leadership Strategy</i> commit the organisation to strengthen community resilience and develop capacities of HNS in relation to Do No Harm.</p> <p>DRC works through HNS local volunteer structures as well as affected communities to ensure that responses are based on local knowledge and capacities and address the specific needs of the affected populations. Sampled programmes have strong resilience components.</p>	<p>Communities confirmed aspects of increased resilience from programme activities, such as trainings and IGAs. Community volunteers and local community- based organisations were more capacitated and better equipped to act as first responders.</p> <p>Community and volunteer consultations reported that people with disability were</p>	2.4

	<p>DRC has policies, guidance, and project management standards that enable the organisation to identify and prevent any negative effects of programmes. Both PGI and CEA approaches mainstreamed in DRC programmes represent leverage to further the inclusion and the protection of marginalised and disadvantaged groups. However, those approaches are not systematically and consistently operationalised yet.</p> <p>DRC has developed new exit plans for countries and partnerships, but the operationalisation and the communication of transition plan or exit strategy are not systematically achieved.</p> <p>DRC's support to HNS is thorough and systematic, based on assessments of HNS' strengths and weaknesses. However, DRC does not support HNS to develop systems to safeguard personal information.</p>	<p>not represented in decision-making.</p> <p>Some community members expressed uncertainty and concern about the future of the programme and others are expecting the same level of activities and support as received during past programmes.</p>	
<p>Commitment 4: Humanitarian response is based on communication, participation and feedback</p>	<p>Aligned with the CEA approach, DRC is committed to open and accurate communication with communities, its partners but also externally. In contractual documents with partners, both parties agree to be transparent and to develop information sharing plans that communicate staff expected behaviour to communities and people affected by crisis.</p> <p>Despite the policies and procedures in place regarding communication, participation and feedback, there are gaps at the operational level: DRC does not ensure that its partners consistently provide information to communities about SEA, programme activities, and timeframe and DRC does not systematically use its tools to ensure the inclusive participation and engagement of communities and people affected by crisis at all stages of the work.</p> <p>DRC encourages feedback, however, the feedback mechanisms at programme level do not routinely capture the gender, age and diversity of those giving feedback and ensuring that communities and people affected by crisis receive answers to their feedback.</p>	<p>Communities have a good level of awareness about the organisation and its principles. Their knowledge about expected staff behaviour is mainly about non-discrimination and financial transactions, and less specific regarding SEA, programme activities, and project timeframes.</p> <p>Different groups felt free to give feedback, but some community members were not aware of the feedback mechanism and the modalities to give feedback. Also, some community members reported not receiving answers to their feedback.</p>	2.6
<p>Commitment 5: Complaints are welcomed and addressed</p>	<p>DRC made progress both at policy and operational levels. DRC has an organisational culture in which complaints are welcomed and addressed. The organisation has now a whistle blower scheme and a complaints mechanism</p>	<p>Community members have different levels of knowledge about the CHM, its presence, its scope and process. While they were not all consulted</p>	1.9

	<p>advertised and accessible on its website. Partner staff are not informed about DRC’s CHM.</p> <p>At country level, all but one of the sampled countries have a CHM in place, and DRC is supporting action to address that remainder. The gaps are now related to the robustness and thoroughness of those CHMs: information and communication to communities about HNSs’ PSEA commitment and expected staff behaviour, investigation capacities and consistent referral pathways for out-of-scope complaints. These issues are located in processes of systematisation and operationalisation.</p> <p>DRC and HNS staff uptake and application of PGI and CEA approaches are effective, however these approaches have not yet been endorsed and embedded at the HNS governance level in all sampled countries.</p>	<p>about the design of the mechanism, they feel that the channels proposed to complain are satisfactory. Community members consider that the mechanism ensures confidentiality but they do not know about the investigation process and the timeframe for resolution.</p> <p>Some community members perceive a risk of service withdrawal if they complain.</p>	
<p>Commitment 6: Humanitarian response is coordinated and complementary</p>	<p>DRC continues to perform well on this indicator both at organisational responsibilities and key actions levels.</p> <p>DRC considers that the achievement of its strategic breakthroughs depend on its ability to leverage the full potential of partnerships across the RCRC Movement and with other partners from the private sector, governments, academia, civil society, and funding agencies.</p> <p>DRC has tools to map and coordinate its action with different stakeholders, and DRC’s responses are well coordinated and complementary. Coordination happens at different levels: within and outside the RCRC movement, with other NGOs, with PNS, with HNS, with local NGOs, with INGOs, with government structures at local and national levels.</p> <p>DRC is perceived to be a transparent partner that manages good relationships with a diversity of actors. HNS feel supported by DRC and they appreciate a trustful relationship based on the counterpart approach.</p>	<p>Communities confirm that there is no duplication and that HNS activities supported by DRC are implemented in different areas or sectors.</p>	<p>3</p>
<p>Commitment 7: Humanitarian actors continuously learn and improve</p>	<p>DRC remains committed to supporting learning across the RCRC Movement, evidenced by research reports published in partnership with academia and specialist organisations.</p> <p>Innovation is a priority for all departments, with leadership expressing a willingness to take informed risks, accept failure and learn from</p>	<p>Partner workshops/seminars and working group meetings are deeply appreciated, as they facilitate the exchange of project experiences for staff to learn from each other, gain new insights and skills for future projects and to</p>	<p>2.8</p>

	<p>doing. Innovation is also mentioned in country strategies, in terms of financing, and learning based on innovations</p> <p>An ID ‘must win’ in 2021 was the establishment of a systematic learning environment, that includes matrices and working groups. The FFP re-structure designates responsibility for organisational learning in a new HQ unit that will integrate evaluation, analysis and learning with policy development. DRC has defined a learning framework that describes its approach to learning across its international operations.</p> <p>There are examples of good practice in learning and implementing changes from monitoring, evaluation, feedback and complaints.</p> <p>The use of complaints mechanisms is systematically incorporated into DRC and HNS processes for lesson learning, innovation and implementation of changes. Application of lessons learned is reflected in project reports and proposals and post-distribution monitoring (PDM).</p> <p>DRC PMEAL Guidance & Minimum Standards require that findings from end of project reviews or evaluations are shared with communities in a manner that is accessible and useful to them. This is not yet achieved, although DRC gives guidance and support to HNS to share learning with communities and people affected by crisis, and with other stakeholders.</p>	<p>identify ways to improve ongoing activities.</p>	
<p>Commitment 8: Staff are supported to do their job effectively, and are treated fairly and equitably</p>	<p>DRC’s Fit for Purpose restructure aims to ensure that DRC can deliver on the <i>International Strategy 2022-25</i>. Regional Offices and COs have more decision-making power and have been strengthened through the allocation of additional competencies, including HR functions. HQ units provide support and training to solve practical tasks at regional or country levels.</p> <p>DRC has the staff management, the policies and procedures in place to ensure it has the capacities and capabilities to deliver its programmes and to ensure compliance with employment law. Policies and procedures are transparent and non-discriminatory, consistent with the seven principles of the Movement.</p> <p>DRC has a new <i>Competence Development Framework</i> but does not yet implement all the procedures that will enable its</p>	<p>Communities feel that staff and volunteers are professional and competent to achieve their mission.</p>	<p>2.4</p>

	operationalisation. An appropriate budget for competence development for all field staff is not consistently set aside. In addition, DRC does not ensure that staff have updated job descriptions and that employees' conversations on performance are consistently conducted.		
Commitment 9: Resources are managed and used responsibly for their intended purpose	<p>DRC HQ receives quarterly financial reporting of expenditure against budgets while DRC country finance staff monitor expenditure in monthly reports. The new ERP, KOMPAS, allows for real-time financial information.</p> <p>At the programme level, staff describe inter-departmental quarterly reviews of budgets and workplans, with revisions and reallocations agreed between programme and finance staff.</p> <p>DRC's risk management framework outlines its approach to manage and mitigate risk in partnerships and programmes. Within the ID FFP restructure, risk analysis processes have been strengthened, and responsibility for risk management has been clarified. Risk management is linked to DRC's anti-corruption and counter-terrorism approaches to ensure that DRC's resources are used appropriately.</p> <p>Informal HQ initiatives have not yet impacted environmental resource use in country programmes and DRC does not provide formal guidance to staff on the use of resources in an environmentally responsible way. DRC does not systematically consider the use of local and natural resources and their impact on the environment.</p>	<p>HNS staff feel supported by DRC and other Movement partners to develop consolidated risk management frameworks and replace their current project-by-project level assessments.</p> <p>Communities know what funds have been invested in their community and believe that the HNS use their resources well.</p>	2.5

* *Note: Average scores are a sum of the scores per commitment divided by the number of indicators in each Commitment, except when one of the indicators of a commitment scores 0 or if several scores 1 on the indicators of a Commitment lead to the issuance of a major non-conformity/ weakness at the level of the Commitment. In these two cases the overall score for the Commitment is 0.*

5. Summary of open non-conformities


Corrective Action Request (CAR)	Type	Resolution due date	Status	Date closed out
2022-1.2: DRC programmes do not consistently ensure an impartial assessment of risks, and an understanding of the vulnerabilities of different groups in order to design and implement appropriate programmes.	Minor	2025/09/07	New	
2022-3.4: DRC staff do not systematically plan a transition or exit strategy in the early stages of humanitarian programmes.	Minor	2025/09/07	New	

2021-3.6: DRC does not follow up when potential or actual negative effects are not included in design, monitoring and reporting templates	Minor	2022/07/08	Closed	2025/09/07
2018-5.1: DRC does not support partners to ensure communities are consulted on the design, implementation and monitoring of complaints handling processes.	Minor	2022/07/08	Closed	2025/09/07
2022-5.2: DRC does not systematically communicate how DRC's or HNS' complaint mechanism can be accessed and the scope of issues it can address.	Minor	2025/09/07	New	
2020-5.4: The complaints-handling process for communities and people affected by crisis is not systematically documented and in place	Minor	2022/07/08	Closed	2025/09/07
2022-5.4: Complaints handling processes for communities and people affected by crisis are not consistently documented.	Minor	2025/09/07	New	
2021-5.6: DRC's partners do not systematically provide information to communities about how staff are expected to behave.	Minor	2022/07/08	Closed	2022/09/07
2020-5.7: DRC does not systematically work with partners to ensure out-of-scope complaints are referred to a relevant party in a manner consistent with good practice.	Minor	2022/07/08	Closed	2022/09/07
2021-7.2 DRC and HNS partners do not systematically learn, innovate and implement changes on the basis of complaints.	Minor	2022/07/08	Closed	2022/09/07
2020-8.8: DRC does not have a policy in place to support staff to improve their skills and competencies.	Minor	2022/07/08	Closed	2022/09/07
2022-9.4: DRC does not systematically consider the use of local and natural resources and their impact on the environment.	Minor	2025/09/07	New	
Total Number of open CARs	5			

6. Recommendations for next audit cycle

<p>Specific recommendation for sampling or selection of sites or any other specificities to be considered</p>	<p>Key risks to be considered are the operationalisation of DRC guidance and tools, including but not limited to: the <i>Good Quality Programming Guide</i>; the <i>Project management tool</i>; the <i>Protection Risk Framework</i> and/or aspects of the <i>Risk management framework</i> pertaining to risk identification at the community level.</p> <p>Human Resource processes that have not been fully addressed include the implementation of the recent <i>Competence Development Policy</i>, a <i>Wellbeing Policy</i> and up to date job descriptions.</p> <p>Risks have also been identified with data protection at the HNS level, and consistent information sharing with communities and HNS staff about CRMs.</p>
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7. Lead auditor recommendation

<p>In our opinion, Danish Red Cross has demonstrated that it continues to conform with the requirements of the Core Humanitarian Standard on Quality and Accountability.</p> <p>We recommend maintenance of certification.</p>	
<p>Name and signature of lead auditor:</p> 	<p>Date and place: 2022/09/07 Radium Hot Springs, Canada</p>

8. HQAI decision

<p>Certificate renewed:</p>	<input checked="" type="checkbox"/> Issued <input type="checkbox"/> Preconditioned (Major CARs)
<p>Next audit: before 2022/10/25</p>	
<p>Name and signature of HQAI Executive Director:</p> 	<p>Date and place: 25th October 2022</p>

9. Acknowledgement of the report by the organisation

<p>Space reserved for the organisation</p>	
<p>Any reservations regarding the audit findings and/or any remarks regarding the behaviour of the HQAI audit team:</p> <p><i>If yes, please give details:</i></p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>Acknowledgement and Acceptance of Findings:</p> <p>I acknowledge and understand the findings of the audit</p> <p>I accept the findings of the audit</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>Name and signature of the organisation's representative: PETER KLASØ, INTERNATIONAL DIRECTOR</p> 	<p>Date and place: 26th October 2022</p>

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 issued 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