

Tearfund's People In Aid Compliance Survey Report

AUDITOR'S STATEMENT

December 2009

AUDITOR'S REMIT, INDEPENDENCE AND QUALIFICATIONS

I have been appointed by People In Aid to carry out audits of the reports submitted by member agencies on their performance against the People In Aid Code of Good Practice in the Management and Support of Aid Personnel.

The auditor is otherwise independent of both People In Aid and the member agencies and their stakeholders.

Richard Evans, the auditor, the Director of ethics etc.... is a Certified Member of the Institute of Social and Ethical AccountAbility. He has extensive experience of development (Intermediate Technology Development Group, Traidcraft, Christian Aid, Irish Agency for Personal Service Overseas) and has been involved in developing the AccountAbility AA1000 standards and the GRI Sustainability Reporting Guidelines.

PURPOSE OF THE AUDIT

The main purpose of my audit is to form an opinion as to whether Tearfund's *People In Aid Compliance Survey Report* gives an accurate and balanced view of the organisation's performance against the People In Aid Code of Good Practice, and whether there is adequate evidence to support the claims made.

In evaluating the content of the report I am seeking to apply the three principal tests set out in AccountAbility's AA1000AS Assurance Standard. As they relate to the People In Aid Code, these are:

- **Materiality** – Is the information relevant to staff's concerns and interests and will it help them make informed judgments about Tearfund's performance in managing and supporting their work?
- **Completeness** – Does the report provide sufficient evidence that Tearfund has understood and reported on all its significant social, ethical and economic impacts in relation to the seven People In Aid Code Principles?
- **Responsiveness** – Does the report demonstrate Tearfund's responses and commitment to improving its performance?

As well as examining and testing the claims made in the report I also evaluate the scope of the people management policies in place and the systems for implementing and for monitoring performance of these policies.

The aim of the audit process is to help managers reflect on their people management and support systems, to give them an independent opinion as to whether they are in compliance with the People In Aid Code Principles and to provide an independent report to

People In Aid, on the basis of which it decides whether to award the organization the Quality Mark verifying compliance with the People In Aid Code.

AUDIT METHOD

I received Tearfund's report on 27th May 2009. I acknowledged receipt on 27th May and fixed dates for the audit visit. I sent my initial comments on 29th June. We arranged the date for the audit visit to Tearfund's office in Teddington for 10th July.

The audit to date has been limited to examining Tearfund's reports, and subsequently, reviewing supporting documentation. I interviewed Tearfund's then Acting Head of International Human Resources, Phil Saunders and Richard Taylor, an independent consultant involved in planning the survey and preparing the report.

On 10th July I also had a lunchtime conversation with four Programme Managers, from North Sudan, South Sudan, DRC and Afghanistan. I have not visited any field operations and have not, at this time, verified any of the performance data in the report.

As a result of discussions between Tearfund and People In Aid, and with my agreement, a revised version of the report was produced following my audit visit in July. The revised report was sent to me on 2nd October. I also received, on 21st October, the Dec '08 People and Organisational Culture Survey, findings from which had been incorporated in the revised report.

All the findings and references in this statement relate to the second revised version of the Tearfund report.

FINDINGS – Issues with the “full staff survey” disclosed during the audit visit and their impact on the audit process.

As stated in the above sections on the purpose of the audit and the method used, the audit is based on the report as presented to me by Tearfund and on interviews and the examination of relevant documentary evidence for claims made in the report.

On reading the original *People in Aid Compliance Survey Report* I was unable to determine the timing and scope of the staff surveys reported. Most of the discussion on 10th July was spent clarifying what had been done by whom and when.

There had been a number of structural and staff changes in HR since work started on the report, and the original managers of the process were no longer available.

When, during my visit, the sequence and processes for the surveys became clear, I expressed my concern about the reliability of the findings of the web based 'full survey' of mainly international staff and the absence of any evidence in the report of the inclusion of UK based staff in the process.

In the week following my visit to Tearfund, I wrote to People In Aid and Phil Saunders about my concerns namely:

1. UK staff was excluded (with the exception of 'international staff' based at Teddington)

2. The survey of overseas staff was effectively spread over 9 months in two phases initiated 4 months apart.
The first was in December 2007. The response was considered too low so the survey was 'extended' in April 2008 with a new launch initiative and a closing date in August.
3. In the original report, the two sets of results had been conflated.

Given that the response rate for the web based 'full survey' was low, I considered it important to ensure the responses portrayed a consistent and accurate view from staff at the time. During a period of time in which many changes were occurring in the organisation, inducing a good deal of uncertainty among staff, the context in which the two surveys took place is likely to have been different. Two separate launches of the survey four months apart, and the much extended time the survey was open (9 months) raised doubts about whether consistent results were possible.

I proposed that Tearfund base a revised report on the second survey (April-August 2009) on condition that the third party processing the data could give assurances that the responses matched the intended sample frame. This they did, and the new data was supplied to me on 24th September. The response rate for this phase of the survey was claimed to be 35% i.e. 85 responses out of 241 eligible staff. The report, p. 5 states, 'A total of 241 employees were asked to complete the Full Survey between 1st April and 22nd August 2008. In total 85 people completed the survey, a 35.3% response rate.'¹

FINDINGS - Employee engagement surveys - outcomes

A critical part of the People In Aid audit process, or any social audit process, is to find out what employees think about the HR policies and the effectiveness of the organisation in implementing them and providing support for its employees in delivering the mission of the organisation.

The analysis in the report combines responses from all three surveys.

Short Survey – overseas staff (Graded B4-D4)

There was no problem with the Short Survey administered, between 1st April and 22nd August 2008, to a total of 631 employees working in overseas programmes. 370 people completed the survey, a 58.6% response rate.

The long period the survey was 'open' was reasonable considering the need to organise employees mainly in remote field settings where location, literacy and language were issues. This survey was conducted in groups led by trained leaders following a written protocol.

'Full Survey' – international staff (Graded A1-B3) - 2nd phase April-August 2008

¹ However, with regard to the full survey, the report does not define what 'eligible' means in this context and the numbers given in different sections of the report are confusing:

- p.5 states that there are 350 staff in Teddington and 1241 staff overseas
- the Executive Summary, p.2, states: *The current audit is based on a total of 500 completed questionnaires. Well over half of eligible Tearfund staff responded (500 out of 872 staff; c. 57%) comprising mainly expatriate and national operational disaster management staff along with a smaller proportion of regional staff who work with Tearfund partners.*
- p.11 states that: *'100% of overseas staff were asked to complete the Full Survey'*
- p.11 also states that: *'The full survey would also be sent to Regional Team Staff and UK-based staff.'*

I have already commented above on the poor response to the web-based Full Survey administered to 241 'international' staff. Only 45 (18%) responses were received in the 4 months between 30th November 2007 and 31st March 2008.

The survey was re-launched or extended, with an active and high level promotional campaign, on 1st April 2008 and remained open for five months. 85 people responded in this period, which is 35%, assuming the questionnaire was administered to the same number of people.²

However, in my opinion, the process for the 'Full Survey' of grade A1-B3 international staff was flawed. Even the second phase of the survey, used in the revised version of the report, was open for too long, given the report's own acknowledgement of low morale, uncertainty and instability in the organisation at the time of the survey, and the 35% response rate still disappointing.

Organisation & Culture Survey, December 2008

A total of 436 employees were asked to complete the 'Organisation and Culture Survey' in December 2008. In total 332 people completed it, a 76% response rate. 291 of these staff were 'UK-based', 41 were '*senior overseas staff on UK-owned contracts*'.

Responses to the Organisation and Culture survey are included in the report's analysis in four out of six areas identified as overall organisational strengths and three out of six areas identified as overall organisational weaknesses. This suggests that the Organisation and Culture survey does not cover all the seven People In Aid Principles and their associated indicators.

This impression is confirmed when reading the questions and detailed analysis of the December '08 Organisation and Culture Survey.

In future Organisation and Culture surveys it would be helpful to ensure that all the People In Aid Principles are included in the questionnaire. Alternatively UK staff should participate in the 'full survey' based on the People In Aid Code.

I am satisfied that a representative range of staff across the organisation have been able to express their opinions freely and that their views have been adequately reported.

The analysis of the results of the 'Full' and 'Short' surveys was carried out by Agenda Consulting. I am satisfied that the surveys were analysed properly.

The report contains, in Sections 9 & 10, a summary of responses to the three surveys set out under the perceived organisational strengths and weaknesses. This analysis does not include references to relevant Tearfund policies or to the seven People In Aid Code Principles and the suggested performance indicators.

While the analysis in the revised report is incomplete, it nonetheless provides a reasonable and balanced view, based on the responses to the surveys, of Tearfund's employees' assessment of Tearfund's HR management practices.

FINDINGS - People management policies

² This compares rather poorly with a People In Aid Survey conducted by another member organisation, using the same external consultants/analysts, between 5th September and 1st October 2008. The survey was administered to 406 employees in the UK and overseas and elicited a response of 90%.

My statement has already referred to changes in the organisation and in the personnel managing the People In Aid Code compliance and reporting process during the period covered by the report. The report itself states:

“In the last few years Tearfund has completed an organisational cultural review. One of the outcomes was a major organisational development project being conducted in the International group, with the deconcentration of Tearfund’s work with partners. This has had a significant impact, which resulted in a number of staff within Tearfund’s International Group’s Regional Teams being made redundant. This occurred during the period of the survey and the resulting instability and morale amongst staff will have affected the survey results.

In addition to this Tearfund has undergone a major review of its overseas salary policy in an attempt to standardise salaries across all of Tearfund’s overseas staff. This involved re-evaluation of current salaries, again creating some uncertainty for staff.

Changes in staffing in the International HR Team. Planning for the survey started in November 2007 and was overseen by Christine Williamson as Project Manager and assisted by Beth Bowen, Administrator. Both members of staff left their posts before the survey was conducted and Gary Colvin assumed the role of Project Manager from January 2008, with Jennie Marshall taking over as Administrator. Yvette Persaud then replaced Jennie Marshall as Administrator in April 2008 and then moved within the team. The third Project Manager is Phil Saunders who took over from Gary when he left Tearfund in February 2009.”

A major part of the People In Aid audit process is to test the organisation’s HR policy framework for completeness in relation to the People In Aid Code and relevance to the needs of all employees. In assessing the effectiveness of Tearfund’s policies, the audit requires evidence that:

- a. a range of employees are involved in policy development;
- b. that policies are effectively communicated to all employees and those working alongside them;
- c. that training is provided where necessary to managers who are required to implement Tearfund policies; and
- d. that implementation is monitored, recorded and reported.

The body of the revised report contains no analysis or commentary as to how policies were developed; how policies were communicated to staff; whether training was needed or provided and how compliance was monitored, recorded and reported. As most of the day’s audit visit was taken up with discussing the survey processes, I was not able to ascertain this during the on-site audit. A follow up visit is required to conclude this element of the audit and to assess compliance with the People In Aid Code.

The People in Aid ‘Implementation Manual’, Stage 2, page 3, describes the process of organisational and management review and cites Tearfund as a case study and refers to Tearfund’s 1997 ‘*Mapping organisational objectives against the Code*’ matrix, which is reproduced in Stage 2 – Practical Tools.

I received (25.08.09) a separate document listing policies under development in 2009/2010 and a generic description of consultation and implementation processes.

I also received. at the same time, (Appendix 6) a matrix of Tearfund’s HR Policies (titles) against the seven People In Aid Code Principles (listed by number without title or description). This table lists Tearfund policies relevant to the People In Aid Code Principles. However, there are some gaps:

- i. Principle 1 Human Resource Strategy

- three policies are listed to demonstrate Tearfund's compliance with Principle 1, namely: 'Grading Structure and Salary Policy', 'Job Description Policies (sic)' and 'Performance Management Policy'. However, the report contains no information about or evidence of corporate or personnel strategy that suggests "*Human resources are an integral part of our strategic and operational plans.*"
- ii. Principle 3 Managing People - three policies are listed to demonstrate Tearfund's compliance with Principle 3, namely: 'Disciplinary and Grievance Procedures', 'Performance Management Policy' and '3-step Appraisal Process'. However, there is no listing for management and leadership training, which is the first indicator for Principle 3
- iii. Principle 4 Consultation and Communication – there is no specific policy listed for communication and consultation. The two policies Tearfund lists to demonstrate its compliance with Principle 4 are 'Induction' and 'Policy Approval Process'

Aside from the list of policies and how they relate to the Code principles mentioned above, the report does not contain any commentary on their effectiveness. An analysis of Tearfund's policies against the detailed descriptions of the Code Principles and the suggested performance indicators would be helpful in order to conclude the audit.

I have not looked at the policies. Key metrics are included in the table for March 2009 for five out of twenty two policy areas listed. I have not verified this data though it appears to be consistent with the data in two other documents (see below).

In July I was also sent two single page tables:

- i. 'Management Information 2008-2009 – Human Resources'. Of the 13 topics, 5 covered recruitment; 2 drafting, approving and publishing new policies (though the data seems to be incomplete); 2 on 'serious staffing issues requiring more than 21hrs of HR advice; 1 on meetings with team leaders 'to address team issues and personal development plans' and 3 on H&S.
- ii. 'Human Resources Group – PI 2008-2009' covering the first two quarters of 2009. This has some useful data including 20 outcome performance indicators.

Apart from in Appendix 6 (Headline metrics for March 2009), this material has not been incorporated in the report.

Overall, there is insufficient evidence in the revised report to evaluate the scope, completeness and materiality of the people management policies in place and the systems for implementing and monitoring performance of these policies.

FINDINGS - Responsiveness and action plans

I have been impressed during some recent audits of People In Aid members' reports with descriptions and evidence of management involving employees in assessing the findings of staff surveys and deciding appropriate responses immediately after the surveys were completed.

However, and in contrast, there is no evidence in Tearfund's report of any post-survey consultation with staff. Nor is there any information about how and when the results of the surveys and management responses were/ are to be communicated to staff.

Furthermore, there is no description of who was involved in analysing and internalising the results of the surveys or who drew up the action plan in section 11. The action plan has a column headed "Progress", but this is blank throughout.

There is no evidence in the report that the People In Aid Code is "embedded" in the managers' thinking and planning in relation to employees or that appropriate efforts are being made to involve staff and to communicate effectively throughout the organisation. It is inconceivable that none of these are happening, at least to some extent, but the content and presentation of the revised report and the way it has evolved from the report I received in May gives the impression of a paper exercise.

Given the lack of transparency about the process of analysing the survey results and producing an action plan, I will not comment at this stage on the findings and actions beyond saying that they appear to be consistent with employees responses captured by the surveys.

FINDINGS – Other sources of evidence

Tearfund has recently undertaken a compliance process with HAP (Humanitarian Accountability Partnership). While this focuses primarily on 'field activities', Benchmark 4 'Staff Competency And Improvement' requires that: *The agency shall determine the competencies and attitudes of staff and their development needs required to implement its humanitarian quality management system.*

However, the revised report does not contain any information or evidence arising from the HAP audit.

It is also highly probable that Tearfund has internal audit processes that could provide additional evidence (or performance data) demonstrating Tearfund's compliance with the People In Aid Code, or otherwise. However, there is no reference to this function or its findings in the revised report.

In future People In Aid compliance reports, I would encourage Tearfund to incorporate evidence from a HAP audit as well as from any internal audit processes.

MY OPINION

On the basis of the report, the documents I examined and my interviews with Tearfund staff, I believe the report fails to present a *complete* and reliable view of Tearfund's implementation of the People In Aid Code of Good Practice. While I am satisfied that staff across the organisation have been able to express their opinions freely and that their views have been adequately reported, I have not been able to determine a management view on the effectiveness of key HR policies and practices, and nor have I seen robust evidence of post-survey consultation or joint action planning.

RECOMMENDATIONS

It is not my responsibility to award the People In Aid Quality Mark; that responsibility lies with People In Aid.

My role is to provide People In Aid with an independent opinion on Tearfund's performance against the People In Aid Code and whether or not the claim that it complies is substantiated to assist them in their decision making.

On this occasion, and on the basis of my audit and the evidence I have been presented, I am unable to state that Tearfund is compliant with the People In Aid Code.

I believe it would be possible to reach a point where I could make such a statement but it would be dependent on a satisfactory conclusion to the audit process. A satisfactory conclusion to the audit process would require:

1. **a new report** which takes full cognizance of the comments I have made in this statement;
2. **a follow up audit**, during which the claims made in the new report could be verified through on-site interviews with the relevant managers and staff and documentary evidence of performance could be reviewed.

For future Tearfund People In Aid compliance audits I would strongly recommend that, given the size and complexity of the organisation, these are done without the production of a full report but through an audit of the policy management and monitoring systems and the evidence from performance data and employee surveys. This audit approach has worked effectively with SC UK, World Vision UK and Concern.

Richard Evans

ethics etc...

Alnwick, 21st December 2009

Tearfund's Response

The report submitted by Richard Evans on 21st December 2009 is understood and accepted. This is not to say that there is full agreement on all the content therein, but that there is acknowledgement of the criticisms of the process that was followed with regards to the surveys and the content of the subsequent report. Tearfund would want it acknowledged that these shortcomings were the responsibility of Tearfund and other parties also.

Tearfund remain committed to the PIA Code, as evidenced by our strong historic links with PIA, and by our strong HR practices. Tearfund believe we are compliant with the code and have policies, practices and imbedded principles and values across the organization that demonstrate this, but we accept that there were issues in the audit process which have made it difficult to fully express this.

Tearfund values its accreditation with People in Aid and is committed to a re-audit process within the next 12-18 months.

People In Aid's response

People In Aid accepts the audit statement provided by Richard Evans (the auditor), and acknowledges Tearfund's management response.

We accept the auditor's view that the report did not contain sufficient evidence of Tearfund's compliance with the People In Aid Code and consequently, he was not able to give People In Aid a positive recommendation.

However, we note that the issue here is one of 'insufficient evidence', rather than 'evidence of non-compliance', and so in response to the auditor's first recommendation, while we did not ask Tearfund to prepare a new report (we considered it too costly, too time consuming and not feasible due to capacity constraints within Tearfund itself), we did challenge Tearfund directly to provide us with additional evidence of their compliance with the People In Aid Code.

This they did, and the additional information which Tearfund subsequently provided us, (and which we have corroborated), has enabled us to reach a decision regarding their certification status.

- We are satisfied that the additional management information Tearfund provided demonstrates that human resources are an integral part of their strategic and operational plans; and provides an indication of the effectiveness of their HR management policies, systems and practice.
- We are satisfied that the updated policy matrix Tearfund provided (i.e. a review of Tearfund's policies against the People In Aid Code), demonstrates how and where Tearfund's policies comply with the People In Aid Code and when considered alongside the management information referred to above, we are satisfied that there is sufficient evidence of leadership and management training; internal consultation and communication; and the overall effectiveness of their HR policies, and we are satisfied that Tearfund has policies in place and the systems for implementing and monitoring performance of these policies.
- We are satisfied that the action plan is being implemented consultatively and the panel has corroborated the comments contained within Tearfund's updated action plan through telephone conversations with key personnel.

With regard to the auditor's second recommendation, namely that there be a follow up audit, we agree that this is desirable and we welcome Tearfund's commitment to be re-audited within the next 12-18 months.

Taking all the above into consideration, together with Tearfund's response to the audit statement, we believe that we have now seen sufficient evidence of Tearfund's commitment to, and compliance with the People In Aid Code.

As a result, and with the auditor's agreement, People In Aid decision is to maintain Tearfund's 'Verified Compliant' status until their next audit.

Jonathan Potter
Executive Director
People In Aid, January 2010