

Assessment of
HRHFs
administrative capacities
and competencies



Final Report

Project: Assessment of HRHF's administrative capacities and competencies
Client: Human Rights House Foundation
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Consultant:

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Abbreviations

HRHF	Human Rights House Foundation
ILO	International Labour Organisation
MFA	Ministry of Foreign Affairs
NGO	Non Governmental Organisations
NRS	Norwegian Accounting Standard (Norsk regnskapsstandard)
ODA	Official Development Assistance (around 150 eligible countries)
OECD/DAC	Organisation for Economic Co-operation and Development – Development Assistance Committee
PwC	Price Waterhouse Coopers, auditing company

Executive Summary

Human Rights House Foundation (HRHF) was established in 1992. The mission is to protect, empower and support human rights defenders and their organisations. To accomplish this HRHF brings organisations together in Human Rights Houses and unites the Houses in an international network. The work is to a large extent funded by the Norwegian Ministry of Foreign Affairs (MFA) who has requested that this assessment takes place. The assessment has looked at the administrative capacities and competence of the Human Rights House Foundation.

The assessment has found that HRHF complies with the requirements in the MFA agreement, with a few easily amendable exceptions. The HRHF is found to have adequate administrative capacities and competence in place to undertake financial management, hereunder budgeting. There was some to and fro with both the budget and the financial report delivered by HRHF to MFA in relation with the core support agreement. From what this assessment has found, the confusion seems to have been based on misunderstandings rather than on lack of capacities or competence on HRHF's part.

In 2017, HRHF developed a risk management policy, and a risk register that will be updated every two years. Risk management is regularly reported to the Board. HRHF was found to have followed up all the mitigation measures they have listed in their risk register. Not implementing the prescribed mitigation measures might render the organisation more prone to risks without noticing.

This assessment has found that the HRHF organisational culture is one of mutual respect, transparency, accountability and ethical performance. There is a high awareness of financial risk, and the organisation has put important measures in place to prevent financial mismanagement and corruption. HRHF does not have an anti-corruption policy. There are described procedures of whistle blowing, grievance system and staff disciplinary action in place. Both corruption and corruption among partners is mentioned as risks in the HRHF risk register, where there are mitigation measures listed. With the exception of "sound administrative and financial routines documented in a manual" and "an anti-corruption policy", all other anti-corruption mitigation measures appear to be in place.

There is high awareness of anti-sexual harassment, but the issues might not have been talked about internally as much as it perhaps could have.

HRHF appears to have adequate systems in place for results based management.

Recommendations:

- 1) Ensure that the budget and financial reporting format for the MFA core support shows all income, that the financial report follows the set-up of the agreed budget, and that deviations between actual spent funds compared to budgeted funds for HRHF as a whole are visualized. Make notes for every overall HRHF budget line where the deviation between budgeted costs and actual costs is higher than 10%.

- 2) Develop a routine to alert MFA if a budget line on aggregate level will be deviated by more than 10%. Such alert can be in the form of sending a revised budget to the MFA core support contact person and briefly explain the reasons behind the changes.
- 3) Become acquainted with the UNSCR 1325 on Women, Peace and Security and include a section in the narrative report to MFA on how HRHF implements the intentions of this resolution.
- 4) To avoid vulnerability, make sure to update, and maintain updated, the financial and administrative manual.
- 5) Make sure that all new employees are socialized with all requirements and procedures as described in the Employment Handbook, such as filling in the travel plan and risk assessment form ahead of travelling.
- 6) HRHF is discouraged from introducing judgement-based compliance of requirements in the Employment Handbook.
- 7) Make sure that new staff is introduced to the risk management system and the current risk register and mitigation measures.
- 8) Make sure to be loyal to own mitigation measures listed in the risk register, and implement everything that has been prescribed on a regular basis.
- 9) Consider developing an anti-corruption policy, making explicit the implicit anti-corruption culture and the working procedures in place. It is deemed beneficial if such a process could be as participatory as possible, as this will promote dialogue about culturally sensitive issues in a constructive way. Once developed, make the document a living document that is used as a management tool, followed-up, and regularly updated.
- 10) Continue the efforts of talking about sexual harassment; what is it, where the borders go, how to prevent it, and how to tackle it when it appears, both internally in HRHF and with all partners and all Houses. Becoming acquainting with the UNSCR 1325 on Women, Peace and Security (see above) might also be a constructive way of talking about sexual abuse with partners.

1 Introduction

Human Rights House Foundation (HRHF) was established in 1992. The mission is to protect, empower and support human rights defenders and their organisations. To accomplish this HRHF brings organisations together in Human Rights Houses and unites the Houses in an international network. A Human Rights House is a collaborative project of non-governmental organisations working in partnership to promote and advance human rights at home and abroad. Each Human Rights House is an independent institution, whose member organisations are individually and jointly involved in a wide range of activities and projects, and where there is room for debates, diversity of opinion and difference in methods. A Human Rights House is usually a physical structure, a building or an office facility, hosting the member organisations. Currently there are 16 Human Rights Houses in 11 countries in Europe, which are home to more than 100 independent NGOs.

HRHF advocates with partner organisations to promote the freedoms of assembly, association and expression, and the right to be a human rights defender, utilizing its consultative status in the UN and participatory status at the Council of Europe. The foundation is located in Oslo (main office), Geneva, Brussels and Tbilisi.

All HRHF's activities aim toward four strategic objectives:

- Stronger governance
- Increased cooperation
- Greater visibility and political influence
- Better protection

The work is to a large extent funded by the Norwegian Ministry of Foreign Affairs (MFA). In addition HRHF receives grants from Swiss and Czech MFA's, and the Czech NGO People in Need.

This assessment has looked at the administrative capacities and competence of the Human Rights House Foundation. The objectives of the assessment are:

1. Assess HRHF's administrative capacities and competencies, including:
 - Financial management, with special focus on budgeting
 - Result- and risk management, including financial risks
 - Internal control, including audit and anti-corruption measures
 - Anti- sexual harassment, exploitation and abuse measures
2. Based on the outcome of the assessment; identify recommendations to strengthen the HRHF capacity and competency to ensure compliance. The assessment should cover and give bases for recommendations concerning the following:
 - Do HRHF's working procedures for grant management efficiently ensure compliance?
 - Do HRHF's working procedures for risk management, including financial risks, ensure compliance?
 - Do HRHF's working procedures to prevent corruption at all stages in an operation, and at all levels, ensure compliance?
 - Do HRHF's working procedures to prevent sexual harassment, exploitation and abuse ensure compliance?
 - Does HRHF use the right amount of resources on administrative work in the Operations team and in the House Program team, to ensure compliance?
 - Does HRHF lack necessary competencies in order to ensure compliance?

2 Methodology

The assessment has been based on four main methods:

- 1) Document Review
- 2) Participatory workshop
- 3) Observation interview with checklist for financial management
- 4) Interviews with other key stakeholders

See Annex G for Assessment matrix.

1) Document Review

Documents provided by HRHF were used to develop three assessment tools:

- the questionnaire for the interviews
- the organisational administrative capacity assessment score card for the workshop
- the checklist for the observations of the financial and administrative procedures for interviews with administrative staff

See Annex B for documents consulted.

2) Participatory workshop

A participatory workshop was held with 12 HRHF staff, 8 in Oslo two employees on video from Geneva, one on video from Tbilisi, and one on video from Brussels on November 22nd.

All participants were asked to fill in a self-assessment rating of a number of detailed compliance questions. The rating is an expression of the different individuals' perception of the questions. The self-assessment must be used with caution, bearing in mind that every individual has different ways of interpreting words, and therefore can rate the same experience differently. Nevertheless, some trends can be read from the self-assessment, and this has been used in the analysis.

See Annex C for people who participated and Annex D for questions and Annex E for the results of the self-assessment.

3) Observation of financial and administrative procedures

A separate interview was conducted with the management and administrative staff, where a checklist was used.

See Annex C for people who participated and Annex F for the answers provided to the checklist.

4) Interviews

Beyond the HRHF staff, the MFA and the HRHF auditor PwC were interviewed.

See Annex C for people who participated and Annex D for questions.

See Annex A for the Terms of Reference for the assessment.

3 Grant management

3.1 Financial management

The assessment of the HRHF's financial management systems and procedures is based on document review and a group interview with all administrative staff using a financial management checklist. The answers to the checklist are provided in Annex F.

HRHF is found to follow all standard rules and regulations for accounting and financial management set out by Norwegian law and standards. The HRHF has an internal financial accountant with a clear job description. There is an external accounting service for salary payments. The financial management and accounting procedures are not documented. There exists an old manual that was last updated in 2014, but this is not in use per 2018.

HRHF last had an external review of their administrative systems in 2013. This external review¹ found all systems and procedures to be in order. The review provided one recommendation², which was to support a recommendation already made by the external auditor³ that the HRHF ought to change from accounts-based accounting to activities-based accounting⁴. This recommendation was not implemented, but during this assessment, the HRHF informed that they are considering changing to make the change from 2019.

3.2 Budgeting

The budgets are activities-based. In the self-assessment carried out by all staff in connection with this assessment, see Annex E, most staff felt that they participated in making budgets related to their work area, and operation staff reported to know their budgets. Managers receive monthly accounts. The accounts are compared to the budget.

HRHF received core support from MFA for 2017 and 2018. Apparently there was some to and fro before the two parties agreed on a budget to annex to the agreement. This budget shows the full organisational budget of HRHF, and tentative use of the core support from MFA per budget line. The budget that is attached to the agreement does not have information of other income sources, despite this being a requirement from MFA when they provide core support. However, HRHF had already provided a full budget with all income information in another format that MFA chose not to attach to the agreement. The MFA-HRHF agreement clearly states⁵ that the accounts must follow the set-up of the budget. The agreement also states⁶ that the core support can only be used for activities counted as Overseas Development Assistance by the OECD/DAC that covers approximately 150 eligible countries⁷. Some HRHF countries are not eligible ODA-countries; hence the MFA core support cannot be used for activities in these countries. Further, the MFA-HRHF agreement⁸ states that changes to the project's budget that imply reallocation of more than 10% of one budget line are subject to prior written approval by the MFA. Correspondingly, the agreement⁹ asks for explanations in the financial report of all deviations above 10% per budget line. What is important to note here, is that in the event of core support, when the agreement mentions "project"; it should be interpreted as the total organisational budget of the organisation receiving the core support.

¹ Whist, Erik; Scanteam: "Organisasjonsgjennomgang Human Rights House Foundation", May 2013.

² The recommendation from the external organisational review 2013 in Norwegian says: "Scanteam slutter seg til revisors anbefaling om å gå over fra artsbasert til aktivitetsbasert regnskap i samsvar med Norsk Regnskapsstiftelses (NRS) "God regnskapsskikk for ideelle organisasjoner som foreløpig regnskapsstandard".

³ External auditor that made the recommendation at that time was Rita Torsvik. PwC took over as auditor September 2013 and did not see the reason why HRHF should transition to activity-based accounting.

⁴ As set out in the "Norsk Regnskapsstiftelse" "God regnskapsskikk for ideelle organisasjoner som foreløpig regnskapsstandard". The standard was last updated in 2018:

<http://wpstatic.idium.no/www.regnskapsstiftelsen.no/2018/03/2018-NRSF-God-regnskapsskikk-for-ideelle-organisasjoner-med-vedlegg-2018-mars.pdf>

⁵ MFA-HRHF agreement Part II para 3.2

⁶ MFA-HRHF agreement Part I para 1.2

⁷ http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/DAC_List_ODA_Recipients2018to2020_flows_En.pdf

⁸ MFA-HRHF agreement Part II para 12.2d

⁹ MFA-HRHF agreement Part II para 3.3

The financial report for 2017 that was accepted by the MFA in June 2018 used the set-up of the agreed budget and had columns as can be seen in Table 3.1.

Table 3.1: Set-up of HRHF Financial Report to MFA for 2017

No	Activity description	Total HRHF Expenses (including QZA-16/0462)			QZA-16/0462 expenses				
		Total HRHF Approved Budget 2017	Accounts Jan-Dec 2017	Budget deviation per 31 Dec 2017	Approved Budget 2017	Accounts Apr-Dec 2017	Budget deviation per 31 Dec 2017	Budget deviation per 31 Dec 2017 (%)	Comments

The second column to the right in Table 3.1 shows the budget deviation as a percentage of original planned use of the core support from MFA per budget line. In the 2017 report, every single budget line, small and large, was deviated by more than 10%. However, this was *not* the budget line of the HRHF, but the originally planned use of the core support from MFA. The deviation of the originally planned use of the MFA core support had several reasons, one being that HRHF had originally planned to spend core support from MFA in non-ODA eligible countries, hence funds had to be reallocated to other budget lines.

In an interview, the MFA core support contact person told the consultant of this assessment that for them, core support is support towards the overall budget of the foundation. For them, it is important to be told in advance if there are major changes (above 10% of an overall budget line) in the implementation of the HRHF's overall annual action plan and budget. Such prior alert may be done per aggregated budget chapter, rather than every specific line. The point is that the MFA requires to be made aware of deviations in the plans and execution of the *overall HRHF budget*, not the planned use of the core support. Such prior notice can be in the form of a revised budget, showing the changes from the agreed overall budget to a revised overall budget and providing the reasons. The MFA core support contact person informed that unless there is a negative reaction to such communication, the HRHF could consider the revised budget approved.

There is an MFA requirement that HRHF shall inform about other income sources, both in the budget and in the financial report. There are different ways of doing this, i.e. either by listing each grant in columns next to one another, or by either showing income in rows above the expenditures, see some examples provided in Tables 3.2, 3.3 and 3.4.

Table 3.2: Budget example set-up showing each grant

Description	Total Budget	Budget MFA core	Budget Swiss FDFA	Budget UHHRU	Budget MFA Eurasia
Income					
Expenditures (same set-up as agreed budget with MFA)					
Personnel					
Office					
House programme					
Advocacy programme					
Communications					
Organisational development					

Table 3.3: Financial report example set-up showing each grant

Description	Total Budget	Actual MFA core	Actual Swiss FDFA	Actual UHHRU	Actual MFA Eurasia	Total actual	Deviance Actual/Budget	Deviance %	Notes*
Income									
Expenditures (same set-up as agreed budget with MFA)									
Personnel									
Office									
House programme									
Advocacy									
Communications									
Organisation									

*) Notes explaining any deviation of above 10% per budget line should be provided.

Table 3.4: Financial report example set-up showing income lines

Income	Budget	Actual	Deviance	Deviance %	Actual MFA Core	Notes*
Norwegian MFA Core						
Swiss FDFA						
Ukrainian Helsinki Human Rights Union						
Norwegian MFA Eurasia						
Expenditures (same set-up as agreed budget)						
Personnel						
Office						
House programme						
Advocacy programme						
Communications						
Organisational development						

*) Notes explaining any deviation of above 10% per budget line should be provided.

3.3 Accounting and auditing

Accounts for the four offices of HRHF are centralised in Oslo. In contracts with partners, a financial report template is provided, and so is the Part II of the MFA agreement on General Conditions. Partners are requested to send financial reports with scanned vouchers and bank statements to HRHF before they can have their next instalment transferred. Some partners are large with several donors and organise external audits, whilst other partners are small and hardly receive external funds at all. For small grants, HRHF does not require an external local audit, as the HRHF auditor in Oslo, PwC, goes through the financial reports and scanned vouchers from partners as part of the annual audit they conduct of HRHF.

PwC became the HRHF auditor at the end of 2013, and has never issued a Management Letter to HRHF as they have not identified any issues that would prompt such letters.

3.4 Procurement

HRHF follows the procurement procedures as set out in Part III of the agreement with MFA. HRHF considers the risk with regard to procurement to be very little, as it is very rare that there is a need to purchase goods or services for more than NOK 100,000. This only happens when they procure an

evaluation or other consultancy services. When this occurs, HRHF establishes a tender committee, defines competition criteria, and follows the MFA procurement procedures. The wording in the invitations to tenders follows the instructions provided in Part III of the agreement with MFA. Tenderers are asked to fill in a template for their good standing and that they are eligible tenderer as defined in the rules and principles for procurement for projects funded by the Norwegian Ministry of Foreign Affairs. They are also asked to fill in a template confirming that they are not aware of any conflict of interest they may arise in undertaking the evaluation.

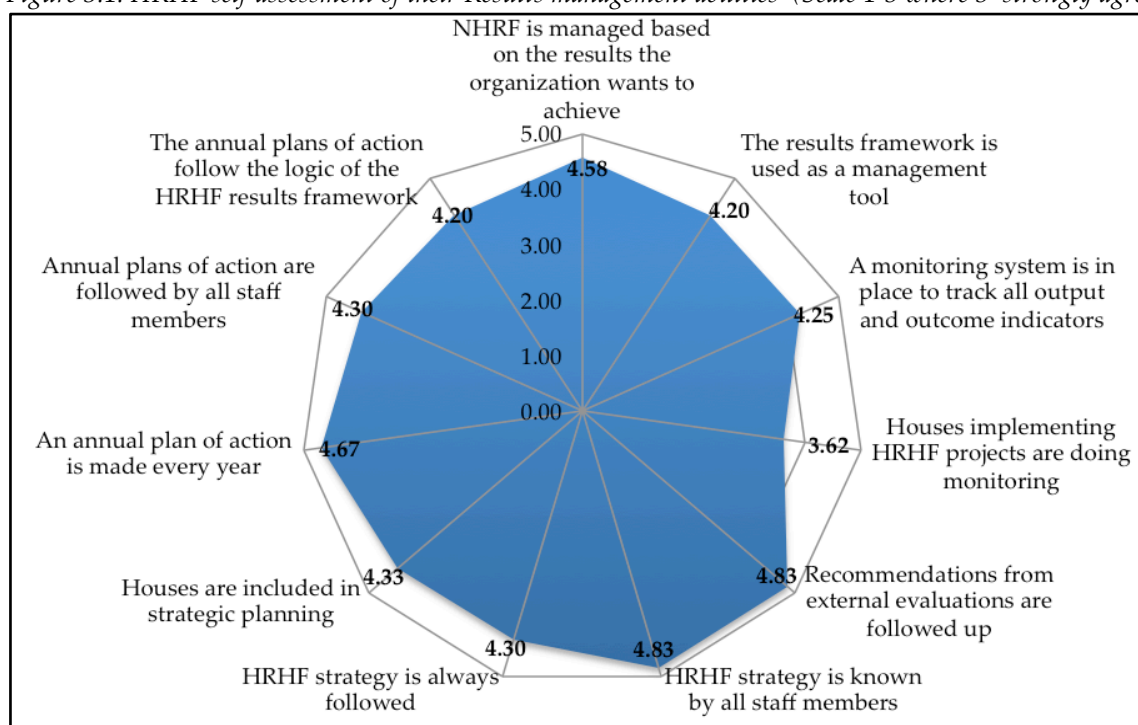
This Assessment was procured directly due to the value of the contract being below the threshold of 100,000 NOK. A simple, straightforward contract was signed between the two parties. Even for smaller procurement processes below the threshold, HRHF could consider making the service provider sign that they are eligible¹⁰ and do not have any Conflict of Interest that they are aware of.

Part III of the agreement with MFA on Procurement is also shared with all partners as an integral part of the partner contracts. However, it is rare that any partner procures something for more than NOK 100,000. Many partners receive funds to develop reports or brochures or other information material. In these instances, HRHF requires them to publically acknowledge support from HRHF and Norwegian MFA, as this is MFA policy. It is also MFA policy that any use of the MFA logo needs prior permission. There are no clear rules as to how to obtain such permission however.

The MFA agreement also states that the grantee must make public announcement of all recipients of funds under the agreement. HRHF follows this to the extent possible, but because of security and sensitivity reasons for some of the partners, this provision cannot always be followed.

3.5 Results management

Figure 3.1: HRHF self-assessment of their Results management abilities (Scale 1-5 where 5=strongly agree)



¹⁰ Part III of the MFA agreement on Procurement paragraphs 3.2, 3.3, 3.4, i.e. eligibility issues such as the HRHF service provider, small or large, is not subject to bankruptcy, court administration, have unsolved issues with creditors, are not guilty of grave professional misconduct, do fulfil social payments, have not been convicted for fraud or corruption, and do fulfil the core ILO conventions.

The external evaluation found that the HRHF has very relevant concepts and obtains good results. The MFA has also declared (meeting June 2018) that they are satisfied by the way the HRHF reports results as well as with the results obtained. In a workshop with all the HRHF staff, this assessment carried out a self-assessment exercise, where results management overall scored high, see Figure 3.1.

There is one requirement made by MFA that did not appear to be very known among HRHF staff, and that is the requirement in Part I, paragraph 3.4 on the UN Security Council Resolution 1325 on Women, Peace and Security. A total of eight out of 12 present staff members had not heard about the UNSCR 1325. The MFA agreement requires HRHF to become acquainted with the resolution and carry out their activities in a way that supports the intentions of the resolution. MFA expects this to be part of the narrative report.

4 Risk management

4.1 Risk management in general

In 2017, HRHF established a risk management policy based on the ISO standard for risk management ISO 31000 (2009). A participatory process with all staff and some partners was carried out to identify risks, and based on this a risk register was established with all risks rated as low, medium or high risk with corresponding mitigation measures identified. Every line manager is required to report quarterly to the director who in turn reports to the board. The risk register is supposed to be revised every two years. In the self-assessment, the 12 present staff members assessed the compliance to risk management very differently, see Table 4.1. The reason why there might be a lower knowledge about the risk register than one might think might be that some staff members started after the risk register was made, and HRHF has perhaps not introduced them to the existence of this register. In the workshop with the staff, the line managers confirmed that they report regularly on risks, not systematically every quarter, but as and when something requires the attention of one another, the director or the Board. One important value of HRHF is that "Safety of Human Rights Defenders always comes first". This was given an average score of 4,28 (one person gave it the lowest score, one gave it 4 whilst everyone else gave it the highest score of 5). The question "All staff members maintain high attention on digital security" received an average score of 4,16 which is rather good. However, two mitigation measures listed in the risk register, "Regular IT security checks are carried out" and "Regular security training is undertaken" received a rather low score of only 2,4 and 2,8.

Table 4.1: Self-assessment by staff of HRHF risk management in general

Risk management in general	SCORE	1	2	3	4	5	0
All staff members have knowledge about the risk register	4,10	I	I		II	VI	II
Risk management is on-going by all managers	4,00		II		II	IV	III
Managers report quarterly on risks to director	3,40		I	II	I	I	VII
Mitigation is carried out as described in the risk register	4,28		I		II	IV	V
Safety of Human Rights Defenders always comes first	4,28	I			I	X	
All staff members maintain high attention on digital security	4,16			IV	II	VI	
Regular IT security checks are carried out	2,40	IV	I	III	I	I	II
Regular security training is undertaken	2,80	II	I	V	I	I	I
All staff feel confident about prevailing safety and security procedures	3,40	I	I	III	III	II	I

1=Strongly disagree, 2=Disagree, 3=Neither agree nor disagree, 4=Agree, 5=Strongly agree, 0=N/A-Not sure

(The score is calculated as the average rating among those who rated, i.e. the score does not calculate the ones who rated "0".)

4.2 Travels

Upon the question of the largest risks that HRHF faces, it became apparent that travel was a factor that had high awareness among staff members. Every time a staff member is about to travel, s/he must fill in a "Travel Plan and risk assessment" that gives information on the person's name, position, nationality, passport number and expiration date, country/ies to be visited and purpose, dates and travel details, communication routine, security contact details, personal emergency contact, medical information, insurance and visa information. There is a system in place that every staff member that travels shall have a security contact person, a person at the home office appointed by the travelling staff member. This contact person shall receive regular updates from the traveller, and is responsible to alert the line management when necessary. The form has a risk assessment matrix that should be filled in, see Table 4.2.

Table 4.2: HRHF travel risk assessment matrix

Risk	Impact	Chance	Overall	Mitigation
War/conflict	H-M-L	H-M-L	H-M-L	
Terrorism	H-M-L	H-M-L	H-M-L	
Crime	H-M-L	H-M-L	H-M-L	
Road traffic accidents	H-M-L	H-M-L	H-M-L	
Health: Medical facilities/issues	H-M-L	H-M-L	H-M-L	
Natural disasters	H-M-L	H-M-L	H-M-L	

The risk assessment is used by the line manager to discuss eventualities and prepare the traveller by making him/her think through possible mitigation measures. The staff members told that this exercise was especially important for new staff or for travels to new areas. The self-assessment exercise, see Table 4.3, shows that only three staff members scored 5 on the question "The travel plan and risk assessment is always filled in every time someone travels". During the conversation it became clear that some new staff members had not been informed about the form, and one had travelled (to another HRHF office) without filling in the form and without anyone claiming that it should have been filled in. It became apparent that some employees felt it was too bureaucratic to fill in for travels within Western Europe, to Oslo, to Bergen, to Brussels, to Geneva... On the other hand, one staff member had been traveling to/from Brussels at the time of the terrorist attack at the airport, and concluded that filling in a risk assessment for European cities can indeed turn out to be a pertinent exercise.

Table 4.3: Self-assessment of travel routines

Personnel	SCORE	1	2	3	4	5	0
The travel plan and risk assessment is always filled in every time someone travels	4,10			II	V	III	II
Every person that travels follows a communication routine	4,54			I	III	VII	I
Every time someone travels they have an emergency contact	4,63			I	II	VIII	I

1=Strongly disagree, 2=Disagree, 3=Neither agree nor disagree, 4=Agree, 5=Strongly agree, 0=N/A-Not sure

(The score is calculated as the average rating among those who rated, i.e. the score does not calculate the ones who rated "0".)

4.3 Financial independence

HRHF receives core funding from the Norwegian Ministry of Foreign Affairs. Core funding allows for an organisation to exist while funding for programs and projects. The value of such funding cannot be over-estimated. Still, perhaps the largest risk for the HRHF as such is their dependency on the Norwegian MFA, that not only provides core funding, but also funds large parts of their activities

in Russia and parts of Eastern Europe. Fundraising for salaries in Oslo, Geneva and Brussels is not easy. Getting core funding is not easy. HRHF made a fundraising strategy for 2017-2018 where they have made priorities for what kind of donors to approach for what kind of funding. Some contacts have been made and there is high awareness of approaching donors during travels and inviting them to seminars etc. Fundraising is an on-going challenge and an on-going task. It is time consuming, long term, and a constant priority for HRHF.

5 Prevention of corruption

From interviews, it is apparent that HRHF has an organisational culture of transparency, accountability and ethical performance. In conversations, the staff showed high awareness of the corruption risks they face. They strive towards having an open dialogue with all the partners and with the members of the Human Rights House Network about corruption. Of course, such conversations are culturally sensitive, as what Norwegians (in 2018) consider “corrupt practices” can be legal or accepted or even the common *modus operandi* in other countries. The auditors of HRHF, PwC, confirmed the high awareness on potential corruption risk and the systematic way that the HRHF works to prevent any form of financial mismanagement. The auditors underlined the importance of the continuity and long experience of key people within the HRHF. They pointed at the proximity between the HRHF and their partners, their systematic follow-up and accompaniment, the presence of key HRHF staff that understand the culture, language, cost levels, and how the mismanagement, embezzlement, fraud and other corrupt practices take place in the different cultural settings where the HRHF is present. The auditors also highlighted the thoroughness with which the HRHF works to map and quality assure potential new partners, and the carefulness with which they start up new partnerships. The auditors told that to them HRHF came across as an organisation with clear interests in having their house in order.

In the HRHF risk register from 2017, “*Mismanagement, embezzlement of funds at HRHF*” is rated as Medium risk, which is “generally unacceptable” and needs mitigation. The mitigation measures listed are:

- Sound administrative and financial routines documented in a manual
- Annual independent audit
- Professional staff
- Board insurance
- Whistleblowing routines

We have already seen that current administrative and financial routines are *not* documented in a manual, although it is unclear how much has been changed since the old, not-in-use manual was updated in 2014. Annual audits are done, and there has been no need to issue management letters the last years. Beyond doubt, staff is highly professional, but not only that, they are clearly also very dedicated. This assessment does not perceive a board insurance to be a relevant measure to mitigate corruption hence this has not been assessed.

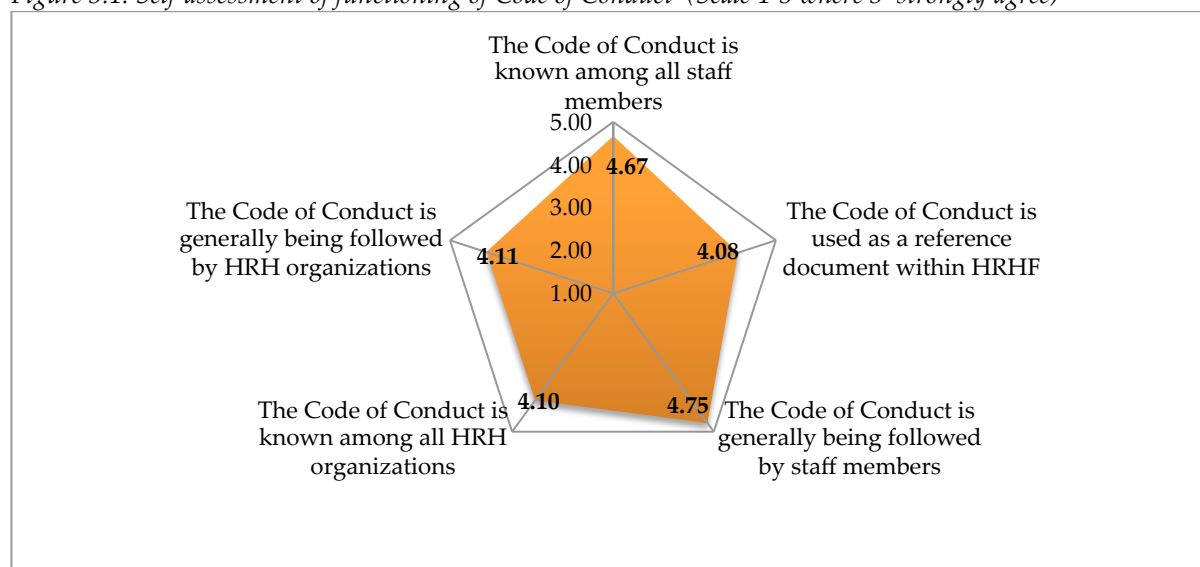
With regard to whistle blowing, this is part of the HRHF employment related policies written in the Employee Handbook that is an integral part of the employment contract. Here, HRHF “*encourages all employees to use notification procedures to notify about censurable conditions*”. A whistle blowing form is made available to all staff members. A separate section describes the HRHF “Grievance procedure”. During the interview, management informed that the Board has decided to have an external whistleblowing mechanism and that they were currently in negotiations with a law firm to set up external whistle blowing system and/or having an external body to handle internal alerts as soon as possible.

"Mismanagement, embezzlement of funds in organisations that HRHF supports; bribery within HRHF project implementing partners, including HRHs" appears as a risk in the risk register with medium risk level, but with higher risk score than the above-mentioned internal corruption risk. Listed mitigation measures are:

- Anti-corruption policy
- Code of Conduct
- Procurement policy
- External audit of all projects
- Field visits to monitor project implementation
- Board insurance
- Grants transferred in limited instalments based on contracts
- Whistleblowing routines

The HRHF does not have an anti-corruption policy. A Code of Conduct is there for everyone within HRHF and the HR Houses. This Code of Conduct lists the common values within the HRHF and the House network universe, and lists eight principles of conduct: The safety and protection of human rights defenders; Respect for all human rights of all individuals without discrimination; Transparency and accountability; Conflict of interest, Equality and autonomy; Good faith; Good governance; and Abusive language. The self-assessment showed a high awareness of the Code of Conduct among staff members, and it generally received scores 4 and 5 for the five Code of Conduct related questions, see Figure 5.1.

Figure 5.1: Self-assessment of functioning of Code of Conduct (Scale 1-5 where 5=strongly agree)



The procurement policy is there and is shared with partners as part of the cooperation contract. As discussed in section 3.4, procurement does not constitute a large risk within HRHF, as it is very rare that the HRHF or any of their partners procure goods or services for more than NOK 100,000. We have also seen that all project expenses are audited, whether in Oslo or locally, or both. Furthermore, the Part II of the MFA agreement on General Conditions is annexed to all partner cooperation contracts. There is no mention of corruption or malpractices in the main part of the partner cooperation contract, with the exception of one sentence stating that *"The Grantor may terminate this agreement immediately upon default in whole or in part by the Grantee of its obligations under this Agreement and its Annexes."* During interviews, HRHF staff members explained that they talk with the accountants when they visit partners. The Norwegian auditors told that they feel comfortable with

the way HRHF follows up their partners' financial management. One area that was highlighted by the HRHF staff members was their prudence in making small transfers to new partners, until they feel sure that the partner has sound routines in place for financial management. HRHF staff members who know the cost levels, the markets, and who delivers what and where, and understand the invoicing culture in the given country, scrutinize scanned vouchers from partners to verify their authenticity.

All together, staff members were asked 13 questions related to anti-corruption in the self-assessment, see Table 5.1. A relatively high number of staff members did not know whether whistle-blowing procedures were functional, if anti-corruption procedures are followed, and if disciplinary action procedures are functional. This might be due to the fact that the Employee Handbook was revised at the beginning of 2018, and as such the described procedures have probably not been tested as of yet. The self-assessment confirms the impression that was left with the consultant of this assessment after the interviews: there is a clear culture of prevention of corruption, but the procedures as such might not be as clear, due to prevention of corruption being part of an implicit culture rather than explicit written rules and regulations.

Table 5.1: Self-assessment of anti-corruption procedures and practices

Anti-corruption policies and procedures	SCORE	1	2	3	4	5	0
Anti-corruption procedures are known by all staff members	3,60	II	I	I	I	V	II
There are clear procedures in place in the event of fraud, embezzlement, bribes or other financial mismanagement	4,20	I			IV	V	II
There are clear procedures in place in the event of nepotism or all sorts of abuse of power	3,80	I		II	IV	III	I
Houses that receive HRHF funding have anti-corruption procedures in place	3,56	I		II	V	I	III
Anti-corruption practices							
Whistle blowing producers are functional with regard to financial mismanagement	2,75		I		V	II	IV
Anti-corruption procedures are followed by all staff members	4,88				I	VII	IV
Prevention of corruption is a part of internal culture	4,83			I		XI	
HRHF does everything it can to prevent all forms of corruption	4,72				III	VIII	I
There is a transparency culture within the HRHF	4,90				I	X	I
The NHRF disciplinary action procedures are functional	4,13		I	I	II	IV	IV
HRHF regularly follows up Houses that receive funding with regard to anti-corruption work	4,25			I	IV	III	IV

1=Strongly disagree, 2=Disagree, 3=Neither agree nor disagree, 4=Agree, 5=Strongly agree, 0=N/A-Not sure

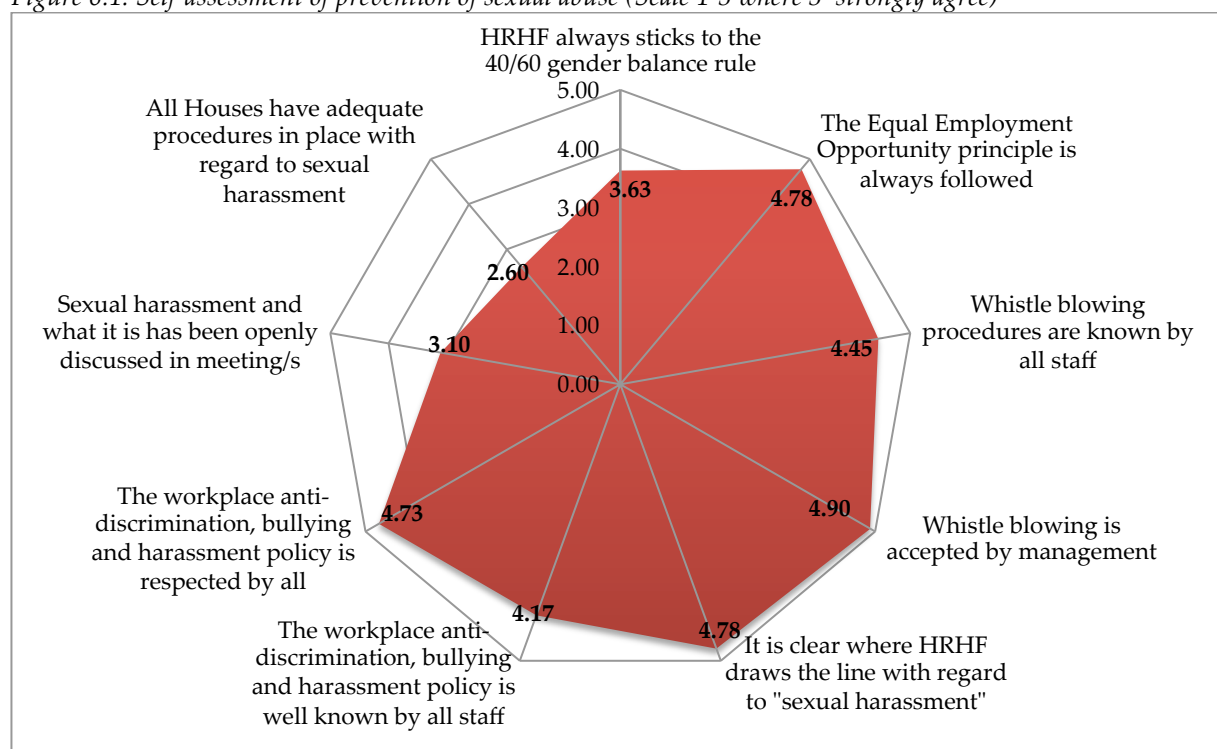
(The score is calculated as the average rating among those who rated, i.e. the score does not calculate the ones who rated "0".)

6 Prevention of sexual abuse

There is a high awareness of the risks for sexual harassment within HRHF. For HRHF the issue is not just something one talks about in the news. There have been incidents where female human rights defenders have been sexually harassed by external high-ranking people invited to events by HRHF.

The HRHF Employee Handbook has a prostitution policy, in addition to description of whistle blowing system, grievance system and staff disciplinary system. Finally, the “*Workplace anti-discrimination, bullying and harassment policy*” covers all forms of discrimination, bullying and harassment, including sexual. In several of the countries where there are Human Rights Houses, there is a strong patriarchal culture that allows sexist and condescending language. Although it is tough to fight against embedded cultural traits, the HRHF staff members told that they try their level best to talk about these issues with their partners and the House network members. Given the prevailing culture within the HRHF of mutual respect and openness, especially in the office in Oslo, the culture is such that it seems chances are small that there would be in-house sexual abuse. Perhaps therefore, several staff members gave openness about sexual harassment a relatively low score (3.10) in the self-assessment, see Figure 6.1.

Figure 6.1: Self-assessment of prevention of sexual abuse (Scale 1-5 where 5=strongly agree)



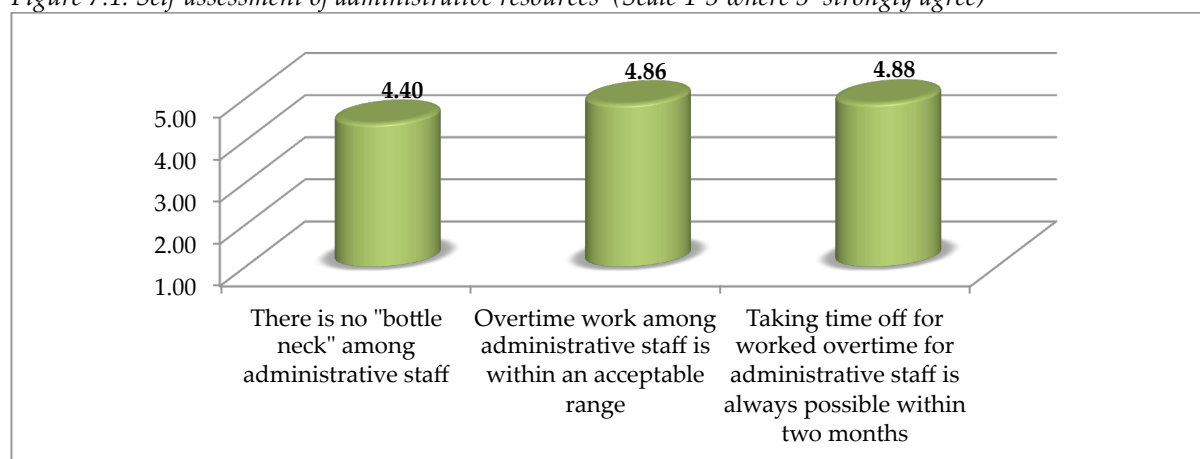
7 Administrative resources and competence for compliance

Upon the question if the HRHF has enough administrative human resources, there was a unanimous “*Yes, now we do!*”. After some time with lack of some key personnel, the staff members were sighing in relief that new administrative staff members are now in place, and that organisational development processes again can take place; see self-assessment of administrative resources in Figure 7.1.

From this assessment's point of view, it seems that even with some lack of key personnel, the organisation has still been able to undertake a few rather important processes: the risk management policy and the risk register have been established, the Employee Handbook has been revised, and the fundraising strategy has been developed. Now, with a full team in place, there will be time to make sure that the policies and procedures described in the Employment Handbook become internalized within the organisation. There will be more human resources to plan and carry out fundraising.

Furthermore, there will hopefully be time to make sure that the many important mitigation measures listed in the risk register are actually followed and implemented.

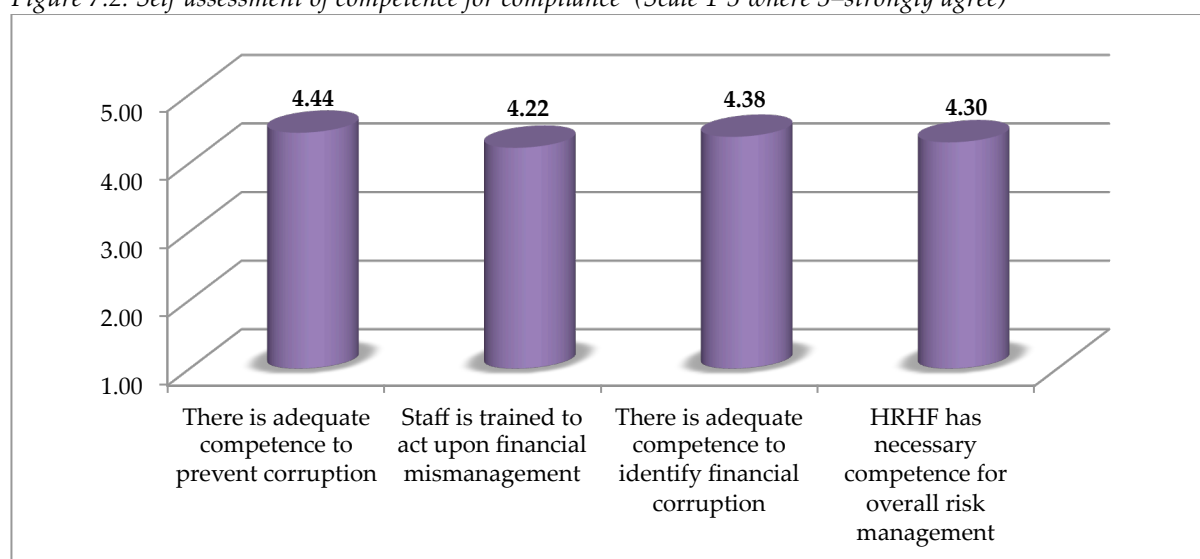
Figure 7.1: Self-assessment of administrative resources (Scale 1-5 where 5=strongly agree)



With regard to whether there is adequate competence in place to comply with the requirements of MFA as well as with the HRHF own policies and strategies, both the staff members themselves as well as their auditor felt confident that adequate competence is there. HRHF has agreements with two types of external expertise; specialist IT knowhow in cases where computers or networks need repair, and a psychologist for consultations as a result of work with victims. The self-assessment of in-house competence for compliance, see Figure 7.2, largely corresponds with findings described in other sections of this report. For instance, the staff members give themselves a slightly higher score on prevention of corruption than on acting upon financial mismanagement.

As a matter of principle, the auditor reminded of the importance of always making sure that there is adequate financial management competence in the Board.

Figure 7.2: Self-assessment of competence for compliance (Scale 1-5 where 5=strongly agree)



8 Conclusions and recommendations

This assessment has found that HRHF complies with the requirements in the MFA agreement, with a few exceptions: 10% deviation of budget lines was not alerted in writing; and a narrative account of how the foundation implements the UN Security Council Resolution 1325 on Women, Peace and Security is missing.

The HRHF is found to have adequate administrative capacities and competence in place to undertake financial management, hereunder budgeting. However, their procedures are not documented in an updated manual, which makes the organisation vulnerable in the eventuality of turnover of key personnel.

There was some to and fro with both the budget and the financial report delivered by HRHF to MFA in relation with the core support agreement. From what this assessment has found, the confusion seems to have been based on misunderstandings rather than on lack of capacities or competence on HRHF's part. With a few simple amendments, the HRHF budgets and financial reports should be fully compliant with the MFA core support requirements in the future.

In 2017, HRHF developed a risk management policy, and a risk register that will be updated every two years. Risk management is regularly reported to the Board. Some mitigation measures were found not to have been followed up by HRHF. Not implementing the prescribed mitigation measures might render the organisation more prone to risks without noticing.

This assessment has found that the HRHF organisational culture is one of mutual respect, transparency, accountability and ethical performance. There is a high awareness of financial risk, and the organisation has put important measures in place to prevent financial mismanagement and corruption. HRHF does not have an anti-corruption policy. There are described procedures of whistle blowing, grievance system and staff disciplinary action in the Employee Handbook. Both corruption and corruption among partners is mentioned as risks in the HRHF risk register, where there are mitigation measures listed. With the exception of "sound administrative and financial routines documented in a manual" and "an anti-corruption policy", all other anti-corruption mitigation measures appear to be in place.

HRHF appears to have adequate systems in place for results based management.

There is high awareness of anti-sexual harassment, but the issues might not have been talked about internally as much as it perhaps could have.

Summing up, HRHF is found to overall comply with the MFA agreement, with a few easily amendable exceptions, have adequate capacity and competence in place for compliance, have a strong culture to prevent financial mismanagement and corruption. HRHF is not fully compliant to their own rules and regulations, however, and was found to miss a financial manual, an anti-corruption policy and did not carry out all the security training that is listed as mitigation measures in the risk register.

8.1 Recommendations

- 1) Ensure that the budget and financial reporting format for the MFA core support shows all income, that the financial report follows the set-up of the agreed budget, and that deviations between actual spent funds compared to budgeted funds for NHRF as a whole are visualized. Make notes for every overall HRHF budget line where the deviation between budgeted costs and actual costs is higher than 10%.

- 2) Develop a routine to alert MFA if a budget line on aggregate level will be deviated by more than 10%. Such alert can be in the form of sending a revised budget to the MFA core support contact person and briefly explain the reasons behind the changes
- 3) Become acquainted with the UNSCR 1325 on Women, Peace and Security and include a section in the narrative report to MFA on how HRHF implements the intentions of this resolution.
- 4) To avoid vulnerability, make sure to update, and maintain updated, the financial and administrative manual.
- 5) Make sure that all new employees are socialized with all requirements and procedures as described in the Employment Handbook, such as filling in the travel plan and risk assessment form ahead of travelling.
- 6) HRHF is discouraged from introducing judgement-based compliance of requirements in the Employment Handbook.
- 7) Make sure that new staff is introduced to the risk management system and the current risk register and mitigation measures.
- 8) Make sure to be loyal to own mitigation measures listed in the risk register, and implement everything that has been prescribed on a regular basis.
- 9) Consider developing an anti-corruption policy, making explicit the implicit anti-corruption culture and the working procedures in place. It is deemed beneficial if such a process could be as participatory as possible, as this will promote dialogue about culturally sensitive issues in a constructive way. Once developed, make the document a living document that is used as a management tool, followed-up, and regularly updated.
- 10) Continue the efforts of talking about sexual harassment; what is it, where the borders go, how to prevent it, and how to tackle it when it appears, both internally in HRHF and with all partners and all Houses. Becoming acquainting with the UNSCR 1325 on Women, Peace and Security (see above) might also be a constructive way of talking about sexual abuse with partners.

Annex A: Terms of Reference

Assessment of HRHF's administrative capacities and competencies – November 2018

A. Introduction

Human Rights House Foundation (HRHF) was established in 1992. Our mission is to protect, empower and support human rights defenders and their organisations. To accomplish this HRHF brings organisations together in Human Rights Houses and unites the Houses in an international network. Currently there are 16 Human Rights Houses in 11 countries in Europe, which are home to more than 100 independent NGOs. The foundation is located in Oslo (main office), Geneva, Brussels and Tbilisi.

HRHF advocates with partner organisations to promote the freedoms of assembly, association and expression, and the right to be a human rights defender, utilizing its consultative status in the UN and participatory status at the Council of Europe.

All HRHF's activities aim toward four strategic objectives:

- Stronger governance
- Increased cooperation
- Greater visibility and political influence
- Better protection

Our work is to a large extent funded by the Norwegian Ministry of Foreign Affairs (MFA). We receive some grants from Swiss and Czech MFA's, and the Czech NGO People in Need¹¹.

For more information about our activities, impact and funding see our annual report for 2017/2018 <https://humanrightshouse.org/articles/annual-report-2017-18/>

B. Background

The Norwegian MFA has granted HRHF core funding for operations in 2017 and 2018. In the grant agreement (paragraph 9.1) ¹² it is stated that HRHF is to submit a draft T.o.R. for an evaluation of the Human Rights House concept to the MFA for approval. The evaluation is part of HRHF's 5-year strategy 2014-2018. Prior to drawing up the grant agreement the parties had agreed that this evaluation would cover the need for a mid-term evaluation in the grant period.

At the annual meeting between MFA/HRHF on the 22nd of June 2018¹³ the MFA expressed satisfaction with the final evaluation report, but pointed out that it lacked assessment and recommendations with regards to HRHF's administrative capacities and competencies. HRHF had overseen the obligation to involve MFA in the development of T.o.R. for the evaluation. MFA requested that HRHF organises such an assessment either "in-house" or using external consultants. HRHF has decided on the latter.

¹¹ <https://www.clovekvtisni.cz/en/>

¹² Tilskuddsavtale mellom Det Norske Utenriksdepartement og Human Rights House Foundation vedrørende kjernestøtte til Human Rights House Network signert 26.5.2017

¹³ QZA-16/0462 Annual meeting MFA/Human Rights House Foundation

C. Rationale

The assessment is related to the core funding HRHF receives from MFA in 2017-2018, according to the grant agreement signed 26th of May 2017, and the request from MFA in the annual meeting on the 22nd of June 2018 (paragraph 3 in the minutes). The agreement and the minutes from the annual meeting will be submitted to a consultant who will perform the assessment.

The assessment will be a qualitative assessment describing HRHF's administrative capacity and competencies to ensure compliance with the terms set by MFA in the grant agreement (paragraph 3 Gjennomføring av kjernevirksomheten) and HRHF's own strategy and internal guidelines.

The HRHF will use the recommendations from the consultant and what we learn during the assessment-process, to strengthen our administrative capacity and competencies in order to be more efficient in our work to ensure compliance with donor agreements, our own strategies and internal guidelines at all stages in our operations.

D. Scope

The objectives of the assessment are to:

3. Assess HRHF's administrative capacities and competencies, including:

financial management, with special focus on budgeting
result- and risk management, including financial risks
internal control, including audit and anti-corruption measures
Anti- sexual harassment, exploitation and abuse measures

4. Based on the outcome of the assessment; identify recommendations to strengthen our capacity and competency to ensure compliance.

The assessment should cover and give basis for recommendations concerning the following:

- Does HRHF's working procedures for grant management efficiently ensure compliance?
- Does HRHF's working procedures for risk management, including financial risks, ensure compliance?
- Does HRHF's working procedures to prevent corruption at all stages in an operation, and at all levels, ensure compliance?
- Does HRHF's working procedures to prevent sexual harassment, exploitation and abuse ensure compliance?
- Does HRHF use the right amount of resources on administrative work in the Operations team and in the House Program team, to ensure compliance?
- Does HRHF lack necessary competencies in order to ensure compliance

E. Methodology and Stakeholders

The consultant we hire will be expected to develop a detailed methodology to ensure that findings and recommendations are based on a representative selection of samples and facts.

The HRHF envisages that the assessment will include:

- Desk research/Review of relevant agreements and documents describing internal guidelines and procedures.

- Interviews – in-person with CEO, management and other staff at the HRHF in Oslo and our auditor in PwC and if considered necessary: interviews remotely with staff in other offices, donor representatives

F. Schedule and Deliverables

The evaluator will prepare:

1. An evaluation workplan, to include a detailed methodology.
2. A final assessment report including recommendations.

The consultant must prepare these deliverables in English and submit them to the HRHF by email to the designated contact point. The consultant will be provided with a contact point at management level within the HRHF.

The consultant will adhere to the following schedule:

<i>Draft Workplan</i>	A draft detailed workplan will be submitted prior to the signing of the contract. HRHF will submit a list of documents for the consultant as part the planning process. It is envisaged that the contract will be signed latest at the end of October and that the work will take place 19-26 November 2018.
<i>Final Workplan</i>	The final workplan will be an appendix to the final contract.
<i>Draft Report</i>	The consultant will submit a draft report for review by HRHF by 27 November. The report will be discussed in a meeting if deemed necessary by either part. NRHF will present their comments to the Draft Report no later than 30 November.
<i>Final Report</i>	The consultant will submit the final report to HRHF by 5 December

G. Budget

The project is budgeted with an input of up to 6 consultant days and the costs will not exceed 85 000 NOK. No travels are necessary.

H. Consultant – Required Experience, Skills and Qualifications

The consultant will need the following experience, skills and qualifications:

- Experience in conducting assessments, reviews and/or evaluations of administrative capacities and competencies in relation to grant management, risk management and anti-corruption work.
- A proven record in delivering professional results.
- Experience in working with civil society, preferably with organisations working internationally.
- Documented experience with similar assignments internationally
- Fluency in English (the evaluation report must be written in English).

Oslo, 2018-10-29

Annex B: List of Documents

Agreement with MFA
Result framework 2016-2018
Strategy 2014-2018
Minutes of MFA annual meeting
Annual report 2017-18
Project report to Swiss, Norwegian MFA
Budgets 2017, 2018, 2019
Strategy 2019-2021
Program & budget framework 2019-2021
Fundraising strategy plan 2017-2018
Audit report 2017
Job descriptions of Operations staff
Contracts with partners
Report templates for partners
Financial reports from partners (with scanned vouchers)
Partner Risk assessments
Travel risk assessment
Risk register
Code of conduct
Employee handbook
Timesheets staff
External Evaluation Report 2017
External Organisational Review 2013
Invitation to tender for external evaluation 2017
Competition criteria and rating sheet for tenderers to external evaluation 2017
Contract with external evaluator 2017

Annex C: List of People Interviewed

Participants from HRHF on organisational self-assessment workshop:

Maria Dahle, Director
Birgitte Bakke, Head of operations
Daiva Petkeviciute, Head of House development and Support
Ane Tusvik Bonde, Senior advisor
Thomas Engebretsen, Financial accountant
Craig Jackson, Communication officer
Christian Parker, Communication officer
Liudmila Ulyashyna, Advisor International Law in advocacy
Yanina Unnli, Administrative assistant
Ketevan Abashidze, Human Rights officer for Easter Europe, Tbilisi Office
Prisca Jaobelison, Administrative Assistant, Geneva Office
Doriane Anfrie, Project coordinator
Alexander Sjödin, European Advocacy Officer, Brussels Office

Participants from HRHF on financial management observation interview with checklist:

Maria Dahle, Director
Birgitte Bakke, Head of operations
Daiva Petkeviciute, Head of House development and Support
Thomas Engebretsen, Financial accountant
Yanina Unnli, Administrative assistant
Prisca Jaobelison, Administrative Assistant, Geneva Office

From PwC Auditing House:

Lovise Sannes Krosby, Associate
Morten Peters, Partner

From Ministry of Foreign Affairs:

Kristin Heffre, Human Right section
Toril Langlete, senior advisor, Section for Russia, Eurasia and Regional Cooperation

Annex D: Interview guides

Interview Guide NHRF staff:

Anti-corruption:

- What is the largest financial risk and how is that being mitigated?
 - How does NHRF work to prevent corruption – in-house and among Houses and members?
 - Do you have good routines in identifying possible corruption cases?
 - What are the procedures in case of a corruption warning?
 - How do whistle blowing procedures work?
 - Have you had to test out these routines – and did they work?
 - What do you still need in terms of policies, procedures, capacity, knowhow, culture?
- (Other items from the rating)

Anti-sexual harassment:

- Describe the internal culture with regard to anti-sexual harassment attitudes and performance
 - How does the whistle blowing procedures work?
 - How is the dialogue with regard to anti sexual harassment with the Houses?
 - What is missing in the NHRF's handling of and focus on sexual harassment?
- (Other items from the rating)

Risk management

- To what extent is risk management part of the NHRF culture?
 - To what extent do you implement the mitigation measures listed in the risk register?
 - To what extent do you report on risks – to each other, to the line manager – to the director – to the board – to donors - to Houses?
 - How is the risk assessment that is done ahead of travels used and by who?
- (Other items from the rating)

Administrative resources

- Would you say that there are enough administrative resources within Operations to ensure compliance of financial management and risk management?
- Would you say that there are enough administrative resources within the House Program team to ensure compliance of financial management and risk management?
- What is missing and why?
- Is the right competence in place to comply with all the expectations from the Board, yourselves and your donors?

(Other items from the rating)

Learning organisation

- Would you say that NHRF is a learning organisation?
- How has the evaluation been followed up with regard to the identified governance issues?
- clear procedures in place for mitigating the risk of expropriation of Houses?
- procedures for HRHF to be involved in the Board of Houses?
- is HRHF involved in all Boards of all Houses?
- clear procedures for how NHRF should mentor management staff of Houses?
- on-going program for mentoring management staff of Houses?
- clear procedures with regard to ownership of Houses?
- clear procedures in place for mitigating risks associated with weak internal governance of Houses?

- weak internal governance of Houses is followed up by HRHF?
- conditionality approach when providing grants to Houses?
- Due Diligence system is in place with regard to verifying the management of the HR Houses?

If time: Other items from the rating

Interview Guide MFA and PwC

- What is your perception of NHRF and overall risk management in general?
- What is your perception of NHRF's ability to comply with MFA's retirements?
- Do you have an impression of their procurement procedures?
- Do you have an impression of their anti-corruption measures?
- What is your impression of their internal control?
- What is your impression of their financial management and financial risk management?
- What is your perception of their budget capacity?
- What is your impression of their anti-sexual harassment measures?
- Do you think they have enough administrative staff in place?
- Do you think they have adequate competence in place for compliance of their own and MFA's expectations and requirements?

Annex E: Self-assessment

1=Strongly disagree, 2=Disagree, 3=Neither agree nor disagree, 4=Agree, 5=Strongly agree, 0=N/A-Not sure	SCORE*	1	2	3	4	5	0
1 GRANT MANAGEMENT							
1.1 Financial management							
Sound administrative and financial routines are documented in a manual	3,40			VII	II	I	II
Accounts are updated monthly	4,50			I	II	V	III
An internal financial control system is in place	4,58		I		II	IX	
The internal control enjoys adequate independence to undertake control functions	4,10		I	I	III	V	II
NHRF has systems in place to avoid duplication of funding of activities within the HR Houses	3,62	I		I	VI	I	III
Rules regarding signatures and attestation of expenditures are clear	4,37		I		II	VI	I
1.2 Budgeting							
Staff participate in developing budgets in their work area	4,70				III	VIII	I
Operational staff members know their budgets	4,50			I	III	VI	I
HRFH is always aware ahead of time if a budget line is about to be surpassed	4,20				VI	II	III
Routines are in place to alert donors if approved budget lines will be surpassed	4,36	I		I	I	VIII	II
Monthly accounts are compared against approved budget	4,28			II	I	V	III
1.3 Procurement							
Procurement procedures are well known among staff	3,41	II		IV	III	III	
Procurement procedures are always followed	4,40		I	I	I	VI	II
All staff engaged with procurement know how to elaborate objective competition criteria	4,00	I			IV	III	III
Appropriate Due Diligence procedures are in place to assess procurement tenderers	4,10		I		IV	III	IV
All HRHF offices and relevant Houses follow the procurement procedures	4,25			II	II	IV	III
1.4 Results management							
NHRF is managed based on the results the organisation wants to achieve	4,58			I	III	VIII	
The results framework is used as a management tool	4,20	I			IV	VI	
A monitoring system is in place to track all output and outcome indicators	4,25				IV	VII	
Houses implementing HRHF projects are doing monitoring	3,62	I		III	I	III	IV
Recommendations from external evaluations are followed up	4,83				II	X	
HRHF strategy is known by all staff members	4,83				II	X	

1=Strongly disagree, 2=Disagree, 3=Neither agree nor disagree, 4=Agree, 5=Strongly agree, 0=N/A-Not sure	SCORE	1	2	3	4	5	0
HRHF strategy is always followed	4,30			I	V	IV	
Houses are included in strategic planning	4,33		I		III	IV	II
An annual plan of action is made every year	4,67				IV	VIII	
Annual plans of action are followed by all staff members	4,30			II	III	VI	I
The annual plans of action follow the logic of the HRHF results framework	4,20		I	I	III	V	II
1.5 Compliance to MFA agreement							
HRHF implements relevant activities in relation to UNSCR1325 on women, peace and security	4,25			I	I	II	VIII
Routines are in place for informing MFA about material changes in project implementation compared to plans	4,81				II	IX	I
Routines in place for informing MFA about material changes in results framework	4,70				III	VII	II
Routines in place for public announcement of all recipients of funds under the agreement with MFA	3,40	I	I	IV	I	III	II
Routines in place to apply to MFA if implementation is more than three months delayed	4,62			I	I	VI	IV
2 RISK MANAGEMENT							
2.1 Risk management in general							
The risk register is regularly updated	3,67	I	I	I	III	III	III
All staff members have knowledge about the risk register	4,10	I	I		II	VI	II
Risk management is on-going by all managers	4,00		II		II	IV	III
Managers report quarterly on risks to director	3,40		I	II	I	I	VII
Mitigation is carried out as described in the risk register	4,28		I		II	IV	V
Safety of Human Rights Defenders always comes first	4,28	I			I	X	
All staff member maintain high attention on digital security	4,16			IV	II	VI	
Regular IT security checks are carried out	2,40	IV	I	III	I	I	II
Regular security training is undertaken	2,80	II	I	V	I	I	I
All staff feel confident about prevailing safety and security procedures	3,40	I	I	III	III	II	I
2.2 Personnel							
The travel plan and risk assessment is always filled in every time someone travels	4,10			II	V	III	II
Every person that travels follows a communication routine	4,54			I	III	VII	I
Every time someone travels they have an emergency contact	4,63			I	II	VIII	I
Every staff member has a clear job description	3,66		I	II	IV	V	
Capacity building is available for staff members when needed	3,83		II	IV	II	III	I
There is clarity regarding division of roles between staff members	4,00			III	V	III	I

1=Strongly disagree, 2=Disagree, 3=Neither agree nor disagree, 4=Agree, 5=Strongly agree, 0=N/A-Not sure	SCORE	1	2	3	4	5	0
There is clarity regarding division of roles between HRHF and the HR Houses	4,70				III	VII	II
Internal Occupational Health and Safety practices are functional	3,50	I	I	II	IV	II	II
The Employee Handbook is easily accessible to all staff	4,92				I	XI	
The content of the Employee Handbook is well known to all staff	4,63				IV	VII	I
2.3 Code of Conduct							
The Code of Conduct is known among all staff members	4,67				IV	VIII	
The Code of Conduct is used as a reference document within HRHF	4,08		I		III	VIII	
The Code of Conduct is generally being followed by staff members	4,75				III	IX	
The Code of Conduct is known among all HRH organisations	4,10		I	I	IV	IV	II
The Code of Conduct is generally being followed by HRH organisations	4,11		I	I	III	IV	II
2.4 Financial independence							
HRHF has a sound strategy for fundraising	3,70		I	II	VI	I	II
Staff members have necessary time available for fundraising	3,40		I	III	V		III
HRHF has made progress in fundraising from other sources than the MFA	2,89		III	IV	II		III
HRHF has received project funding from new donor/s	3,40		IV		IV	II	II
HRHF has received programme funding from new donor/s	3,44		III	I	III	II	III
New potential institutional core funder is identified	2,67		IV	I		I	VI
3 PREVENTION OF CORRUPTION							
3.1 Anti-corruption policies and procedures							
HRHF has an anti-corruption policy in place	4,08	I	I	I	II	VII	
Anti-corruption procedures are known by all staff members	3,60	II	I	I	I	V	II
There are clear procedures in place in the event of fraud, embezzlement, bribes or other financial mismanagement	4,20	I			IV	V	II
There are clear procedures in place in the event of nepotism or all sorts of abuse of power	3,80	I		II	IV	III	I
Houses that receive HRHF funding have anti-corruption procedures in place	3,56	I		II	V	I	III
3.2 Anti-corruption practices							
Whistle blowing producers are functional with regard to financial mismanagement	2,75		I		V	II	IV
Anti-corruption procedures are followed by all staff members	4,88				I	VII	IV
Prevention of corruption is a part of internal culture	4,83			I		XI	

1=Strongly disagree, 2=Disagree, 3=Neither agree nor disagree, 4=Agree, 5=Strongly agree, 0=N/A-Not sure	SCORE	1	2	3	4	5	0
HRHF does everything it can to prevent all forms of corruption	4,72				III	VIII	I
There is a transparency culture within the HRHF	4,90				I	X	I
The installed grievance mechanism for employees is functional	4,09			II	VI	III	I
The NHRF disciplinary action procedures are functional	4,13		I	I	II	IV	IV
HRHF regularly follows up Houses that receive funding with regard to anti-corruption work	4,25			I	IV	III	IV
4 PREVENTION OF SEXUAL ABUSE							
HRHF always sticks to the 40/60 gender balance rule	3,63		II	I	III	II	IV
The Equal Employment Opportunity principle is always followed	4,78				II	VII	III
Whistle blowing procedures are known by all staff	4,45		I		III	VII	I
Whistle blowing is accepted by management	4,90				I	X	I
HRHF prostitution policy is respected by all staff	5,00					IX	III
It is clear where HRHF draws the line with regard to "sexual harassment"	4,78				II	VII	II
The workplace anti-discrimination, bullying and harassment policy is well known by all staff	4,17	II			II	VIII	
The workplace anti-discrimination, bullying and harassment policy is respected by all	4,73		I			X	I
Sexual harassment and what it is has been openly discussed in meeting/s	3,10	II	II	I	III	II	II
All Houses have adequate procedures in place with regard to sexual harassment	2,60		II	III			VII
5 ADMINISTRATIVE RESOURCES							
Administrative staff are available when support is needed	4,83				II	X	
Administrative staff carry out the tasks given to them in their job descriptions	4,90				I	IX	II
There is no "bottle neck" among administrative staff	4,40			I	IV	V	II
Overtime work among administrative staff is within an acceptable range	4,86				I	VI	IV
Taking time off for worked overtime for administrative staff is always possible within two months	4,88				I	VII	IV
6 COMPETENCE FOR COMPLIANCE							
There is adequate competence to prevent corruption	4,44				V	IV	II
Staff is trained to act upon financial mismanagement	4,22	I			III	V	III
There is adequate competence to identify financial corruption	4,38			I	III	IV	IV
There is adequate competence to identify abuse of power	4,25		I	I	I	V	IV
Staff is trained in risk analysis for own safety	4,09	I		I	IV	V	I
Staff is trained to act upon abuse of power	3,00	II	I	IV	I	II	II
Staff is trained to act upon sexual abuse	3,10	I	II	IV	I	II	II

1=Strongly disagree, 2=Disagree, 3=Neither agree nor disagree, 4=Agree, 5=Strongly agree, 0=N/A-Not sure	SCORE	1	2	3	4	5	0
HRHF has necessary competence for overall risk management	4,30		I	I	II	VI	II

*The score is calculated as the average rating among those who rated, i.e. the score does not calculate the ones who rated "0".

Annex F: Financial management check-list

Questions	Observation	HRHF response
Financial management		
The organisation has a financial management manual	Listed as mitigation measure in risk register	No. There is an old manual from 2014 in the files, but this is not in use.
There is clear division of roles between the offices with regard to accounts		Yes. All accounts are kept in Oslo.
Financial reports are signed by both a financial manager and overall manager		Yes.
The accounts include all sources of income, hereunder financial		Yes. Annual accounts include all sources of income (but not necessarily project accounts).
There is a segregation of duty between accounting and authorization		Yes. The accountant does not approve, with the exception of running costs where there is an overall contract (i.e. office rent). The accountant prepares the bank transfers that need two other signatures for payment to be made.
Routine in place for authorizing transfer requests		Yes. Travel costs: the line manager approves. Payments to partners: A contract is negotiated between partner and project manager, and approved by the director. Payments are authorized based in contracts.
Routine in place for timely handover of needed documentation to the accountant		Yes. Travel reports need to be submitted within two weeks. Other receipts/invoices must be handed in before lunch every Friday. Projects send regular financial reports with scanned vouchers as per the contracts.
Procedures for approval, signatories and thresholds are in place		Yes. Procedures for approval and signatures are in place and are followed. There are no thresholds.
Monthly bank reconciliations are made		Yes.
Financial documents are filed for at least five years		Yes.
Agio gains are posted as project income		Yes. Both gains and losses are posted on the project where it belongs. There was an exception in 2017, where the auditor wrongly advised that all losses be posted in one place, but this will be corrected in 2018.

Routines for handling and attestation of vouchers are in place		Yes. HRHF is divided into 4 departments (activities): Houses, Advocacy, Operations, Communication. Every expenditure of the HRHF belongs to a grant, a department, and a project. (Admin assistant in Geneva does coding of department and project of all receipts and invoices from Geneva and Brussels.)
Routines in place for transparent handling of petty cash - if relevant		Yes. This is only relevant for risk money for rare occasions where funds to partners are given in the form of cash. There are no cash boxes in any of the offices. If petty-cash is needed for travel purposes etc, they withdraw small amounts using credit cards.
Budgeting		
Budgets are used as a financial management tool		Yes. Budgets are based on activities.
A functional system for tracking budget deviation is in place		Yes. There was an issue in 2017 where MFA made HRHF aware that the core support did not cover ODA countries, even though there were non-ODA countries listed in the activities in the approved budget. This created some budget changes in 2017.
The accounts follow the logic of the approved budget		No. Accounts have not been based on activities, but on the NRS (<i>Norsk regnskapsstandard</i>) plan of accounts. However, reports can be made that are activities-based. From 2018 or 2019 they plan to use the NRS guidelines for civil society, that will make this comparison easier.
All income is budgeted		Yes.
It is clear from the budget which costs are covered by which income sources		Yes.
Financial reporting		
The accountant presents monthly accounts to the management		Yes. Internal monthly financial report. The monthly report is gone through by management. Every board meeting gets updated accounts.
Each expenditure is allocated to an income source and this is identifiable in the accounts	Listed in Risk Register as mitigation measure	Yes.
Regular project visits to monitor financial management take place	Listed in Risk Register as mitigation measure	Yes. Project people schedule meetings with partner accountant. They don't control vouchers, but have a dialogue, with some control questions.
Routines in place to inform to MFA if the income situation for the project is changed	MFA agreement	Yes.
Routines in place to inform MFA if agro losses become material	MFA agreement	Yes.

Routines in place to apply to MFA for reallocation of more than 10% of one budget line	MFA agreement	No.
Audit		
All projects are externally audited annually		Yes. Some partners have their own external audits. All partners send regular financial reports with scanned vouchers and bank statements as part of their financial reporting. The HRHF auditor, PwC, verifies the financial reports and scanned documentation.
Organisational accounts are requested to avoid duplication of vouchers		Houses that receive core funding are requested to provide annual reports.
The auditor always provides a management letter	MFA agreement	Yes. But the auditor (PwC) informs that a management letter is only written when there is something to write about. The last years there has been no need to issue such letters.
Routines are in place to implement recommendations in auditor's management letter		Yes. A management letter is a Board issue and will always result in a change of routines to accommodate the recommendations.
Agreement in place between the local and the Norwegian auditors.		No. Instead, financial reports with vouchers and bank statements are scanned by partners and sent to Oslo for control and for PwC to audit (see above).
Procurement		
Procurement policy is in place	Listed in Risk Register as mitigation measure	Yes. HRHF uses Part III of the agreement with the MFA on Procurement as their own procurement policy.
Procurement procedures are valid for all NHRF offices and relevant Houses		Yes. Part III of the agreement with the MFA on Procurement is enclosed as an integral part in all contracts with the partners.
Routines in place for procurement of goods and services		Yes. Above 100.000 NOK the MFA Procurement rules apply.
Information on procurement and sales is included in annual reports		Yes, when information is not politically sensitive. Partners are asked to publically acknowledge support from HRHF and Norwegian MFA. MFA wants their logo to feature on material produced MFA funds. To use the MFA logo, prior permit must be sought. There are unclear rules as to how to obtain this permit.
Procedures for creating fair competition in procurement are in place		Yes.

Appropriate records and documentation of procurement processes are in place		Yes.
Appropriate Due Diligence procedures are in place to assess procurement tenderers		Yes.
Tenderers are asked to confirm that they are eligible, re para 3.2-3.3 of MFA procurement instructions		Yes.
NHRF uses contracts that are in harmony with MFA's procurement instructions		Yes.
NHRF has systems in place to avoid that contracts are given to people or enterprises with a conflict of interest		Yes, for contracts above NOK 100.000.
Invitations to tenderers state that offers will be rejected if any illegal or corrupt practices have taken place in connection with the award		Yes.
Property and assets		
Procedures for intellectual property are in place		Yes. Normally, HRHF produces reports made for broad dissemination. Misuse of reports is not a large risk. There was an issue once with a partner, but HRHF managed to settle the issue. The name "Human Rights House" is too general to protect.
Procedures for physical property are in place		Yes. In Norway there is very little property. For the establishment of Human Rights Houses, there are detailed procedures that are followed where HRHF is very hands-on. Once everything is secure and in place and the House is established, it becomes its own legal entity.
Fixed asset register in place		Yes. The HRHF has very few assets, only phones, computers and chairs. These are registered.
Legal aspects		
There are sound contracts in place between HRHF and the Houses		Yes. In addition, HRHF is drafting procedures for running a Human Rights House that will be presented to the Houses during the network meeting in December 2018.
The Houses report comprehensively, narratively and financially to HRHF		Yes, all grant receivers report regularly according to the contracts. In network meetings, the Houses and their members also exchange information. There is a Facebook group where information exchange takes place.

Contracts in place with all employees.		Yes. Half the staff has received newly revised job descriptions. For the remaining half, revised job descriptions are in the making and will be finalized by January 2019. A newly undertaken survey among staff (<i>Medarbejdsundersøkelse</i>) revealed that there was clarity for all with regard to roles and responsibilities.
Agreement in place with local partner regarding financial management.		Yes. A section in the agreement describes the financial report and there is a financial report template provided to the partners. Part II of the MFA agreement on General Conditions, hereunder financial reporting and accounts, is made an integral part of the agreement with the HRHF partners.
Anti-corruption		
Anti-corruption policy is in place	Listed in Risk Register as mitigation measure	No. There are routines and procedures in place, but not a policy. HRHF is negotiating with a law firm to set up an external whistle blowing service.
The responsibility for anti-corruption work is clear		No. Elements are there. There is a clear culture of prevention, but this is not made explicit. The procedures for what to do if corruption occurs are not entirely clear.

Annex G: Assessment matrix

	Document Review	Workshop	Observation interview	Interview auditor	Interview MFA
Financial management, with special focus on budgeting	✓		✓	✓	✓
Result- and risk management, including financial risks	✓	✓	✓	✓	✓
Internal control, including audit and anti-corruption measures	✓	✓	✓	✓	
Anti- sexual harassment, exploitation and abuse measures	✓	✓	✓		
Working procedures for grant management	✓	✓	✓	✓	
Working procedures to prevent corruption at all stages and at all levels of an operation	✓	✓	✓		
Amount of resources on administrative work in the Operations team and in the House Program team		✓	✓		
Lack of necessary competencies		✓	✓	✓	✓