Accountability Dialogue Tool

- a method for civil society organisations to assess their internal accountability structures

Version 1.4
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In cooperation with

Introduktion

CISU - Civil Society in Development, in cooperation with Jarskog, has developed this Accountability Dialogue Tool (ADT) as a method to assess internal accountability structures in civil society organisations (CSOs) and, where necessary, improve and strengthen those structures. Accountability on all levels of an organisation builds trust and promotes legitimacy and transparency. Sound accountability structures are highly important when it comes to preventing and detecting fraud and corruption.

CISU hopes this self-assessment tool will foster dialogue and better understanding of internal accountability in CSOs. The dialogue can be both internal within an organisation and between partners. International partnerships need openness and a good deal of information and understanding about each partner's internal structures for the cooperation and quality of the partnership to be successful.

CISU administers a number of Funds on behalf of Danida. When an application has been granted, all grant holders are provided with a copy of the ADT. It is not a formal requirement to use the tool but it can facilitate continuous organisational assessment and learning. When used, CISU hopes that the tool will be used in a flexible way and with respect for the potential sensitive issues and discussions that might emerge.

CISU staff send the tool to organisations before a monitoring visit, requesting the organisation make an internal assessment prior to the visit. During the visit, the findings can contribute to the understanding of the strengths and potential challenges facing the organisation.

Please forward any comments or feedback to Solveig Nielsen, CISU, sn@cisu.dk
It will be highly appreciated.

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Why accountability

A Civil Society Organisation without proper accountability structures is fragile and can be open to rumours about mismanagement and abuse of power. Even worse, it could prevent it from enjoying respect and full legitimacy in the eyes of its stakeholders – including the duty bearers whom they intend to engage through advocacy. Sound accountability structures are furthermore one of the most important aspects of preventing and detecting corruption.

How do we define accountability?

We understand accountability as:

- The commitment to account for your actions and performance.

But for an accountability structure to be fully functional:

- It requires someone to hold you accountable. This includes being willing and able to impose sanctions for misconduct or non-compliance.

How do we define accountability structures?

Accountability structures are formal or informal structures that show who is held accountable and who holds accountable. Very often these structures form a chain of persons or bodies being and holding others accountable.

With the willing and able aspect of the definition, we have quite an operational understanding of accountability which can guide us in asking questions to assess accountability structures in our own organisation. It is of little use, for example, if management produces lots of reports to the Board, if the board members are neither interested nor willing to act on them.

What can the Accountability Dialogue Tool do?

The Accountability Dialogue Tool can help you assess and understand your organisation's accountability structures. It is designed as a self assessment tool to help you identify areas where the organisation is doing well, as well as areas that could benefit from improvements.

The Accountability Dialogue Tool is a set of statements of best practice commonly understood as appropriate in relation to accountability and which cover some of the key areas of CSO accountability. For each statement, you need to consider how well your own organisation is in line with the suggested practice. By the end, you will have a good indication of the status of the accountability structures in your organisation.

The assessment can be carried out again after a year or two to reassess and monitor progress.

Different types of organisations

Every organisation is different and accountability structures must reflect this. However, the key aspects of best practice are the same for most organisations most of the time.

The tool focuses on those key aspects since they are the foundation stones of best practice.
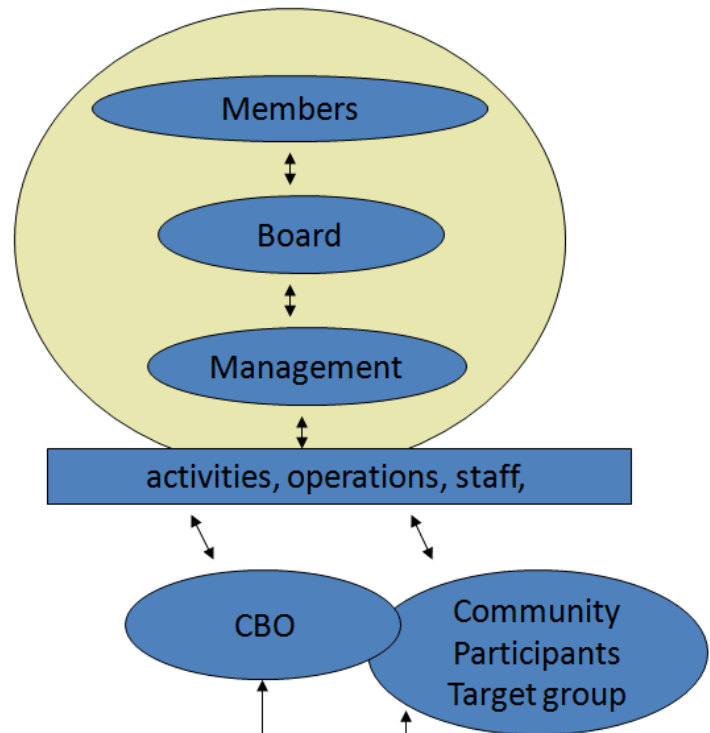
In the following, we list three prototypes of organisations that can be found in real life. The different layers show who is held accountable and who is holding accountable.

1. The first type is what we have labelled the typical NGO or CSO. Normally, it has relatively few members (approximately 15-50) and these are normally not representatives from the target group but rather prominent and / or compassionate people who support the vision of the NGO.
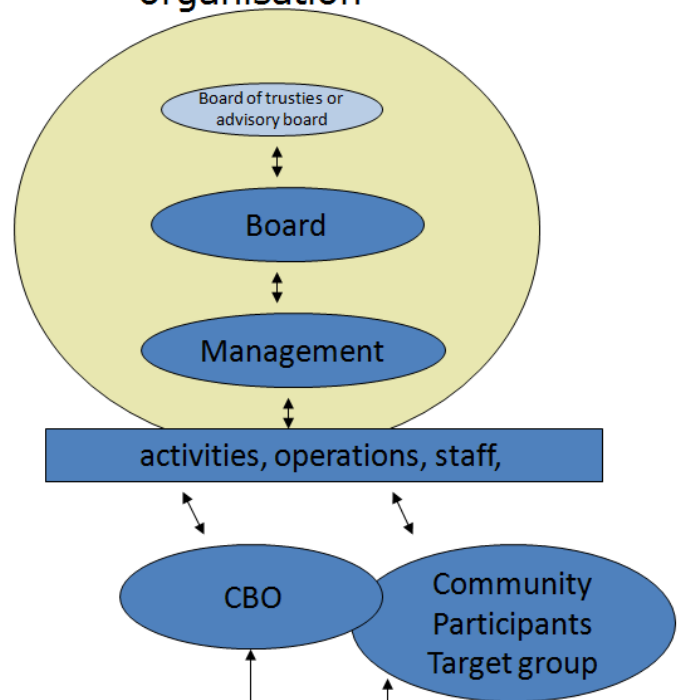
In development, this type of organisation often work for a good cause and for the good for others - namely poor communities - often labelled the target group.

2. Another type, with a similar purpose, is the non-member organisation. These are comparable to – and sometimes registered as – companies or as trusts. They will most likely be Not-for-profit organisations according to their constitution, and in these instances, the internal accountability chain stops at board level or sometimes with a Board of Trustees or Advisory Board to whom the Board is accountable.

1. The typical NGO or CSO

Members
↕
Board
↕
Management
↕
activities, operations, staff,
↕   ↕
CBO   Community Participants Target group

2. The Non-member organisation

Board of trusties or advisory board
↕
Board
↕
Management
↕
activities, operations, staff,
↕   ↕
CBO   Community Participants Target group
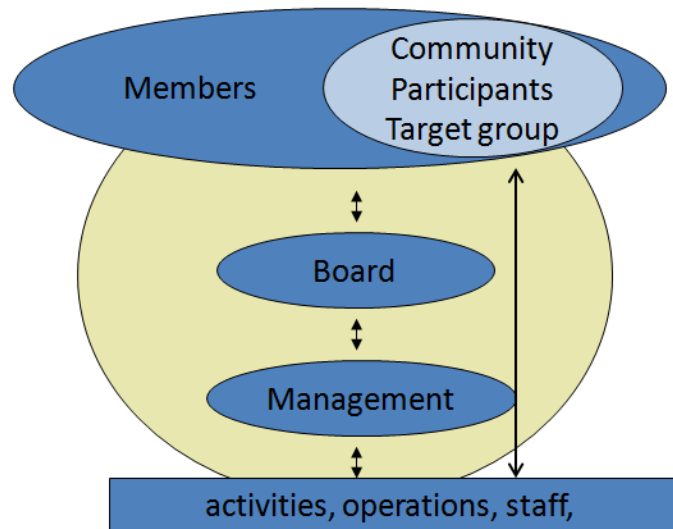
3. The third type of organisation is what we call a People's Organisation (a Farmers Association, a Community Based Organisation, an organisation of Disabled People etc.). The community/ participants/target group will often be a subsection of the members. The number of members can of course vary from around 20, when it is a local CBO and up to several thousand, if the organisation is a national interest organisation.

From the outset, this type of organisation will often be in a favourable situation in terms of accountability structures, since members have a strong interest in holding other levels responsible. However, "People's Organisations" sometimes face other challenges related to governance and internal democracy if, for instance, the educational level is relatively low among the members from which the Board has to be elected, or if they are "high jacked" by political forces that are not in line with the mission of the organisation.

3. The People's organisation

Members | Community Participants Target group

Board

Management

activities, operations, staff,

The above three types of organisations are not static and variations can be found in abundance.

When developing the Accountability Dialogue Tool, we chose to base it on the typical Development NGO / CSO (type number 1). This is purely for practical purposes, and we are confident that other organisations will be able to adapt the tool in accordance with their type of organisation.

How to use the Accountability Dialogue Tool

The most beneficial way to use this tool is to complete it in a 2-3 hour workshop meeting, with input from representatives from all the different levels: Members, Board Members, volunteers, The Chief Executive Officer, Senior Managers, and a selection of budget holders, finance staff and field staff (ideally 10-15 people).

No specialist skills are required since all sections include explanatory notes.

Taking each statement of best practice in turn, discuss whether it: is true; is in place; or happens in your organisation. Agree on a score based on what <u>actually</u> happens, not what is supposed to happen. Please note that using the tool requires a certain degree of openness and mutual trust between the people involved in the process.

The scores available are 5, 4, 1 and 0 only.

Explanation Score	Score
Our practice is totally in accordance with the statement	5
Close to 5, but not quite there	4
Close to 0, but not that poor	1
This is not in place, is not true, or does not happen	0

Clearly, a certain degree of judgement is required to decide between '4' or '1', and it is not an exact science. If you cannot score yourselves a clear cut 5 or 0, you need to decide which one your organisation is closer to.

The real value in this exercise is not the score itself so much as the conversations and the details of issues discussed.
Make good notes and keep a list of action points as they come up.

Please note that not all organisations have all the different layers and levels either, because the organisation is still new and growing or because it is structured in a different way. Try to answer at least the questions that you feel are relevant and allow yourself to be inspired by the rest.

Before you start, it is a good idea to agree on who actually represents the different layers in your organisation. You can use the following table to do this initial task.

LAYER	In our organisation
Our MEMBERS - we specifically think of:	
The BOARD - we specifically think of:	
MANAGEMENT - we specifically think of:	
STAFF – we specifically think of:	
COMMUNITY/PARTICIPANTS in our organisation - we specifically think of:	

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Section 1	Members (sometimes called owners or patrons)

If your organisation does not have members according to its Statutes, please continue to section 2.
Ideally, the members of an organisation are the highest level of the formal accountability structure. They can be seen as the "owners" of the organisation. The members define the purpose of the organisation and its direction; they appoint or elect a Board to govern; and they hold the Board accountable.

Different types of organisations exist in terms of members. Many are true membership based organisations; others have owners; and others still have a group of "patrons". This section therefore needs to be filled in with care. An organisation with committed and active members has a good starting point for strong accountability mechanisms. However other types of organisations may have equally strong accountability structures even without a formal member base – or with a more loose member base consisting of people who with their name and reputation support the idea behind the organisation. In such cases, several of the statements below may not be relevant.

An important aspect is that an organisation operates according to predefined accountability structures suitable to that specific type of organisation. Normally these accountability structures (or governance structures) are defined in the Statutes of the organisation. Appropriate Statutes are thus a necessary starting point for several of the statements below.

1	Statement of good practice	5	4	1	0
1.1	Our organisation has members with a genuine interest in our mission and activities				
1.2	Community members (target group) are well represented among the members				
1.3	Members contribute to our organisation, for example through membership fees, voluntary work and advocating or lobbying for the our organisation				
1.4	The Statutes of our organisation stipulate an Annual General Meeting (AGM) for members				
1.5	AGM's are held in accordance with the Statutes				
1.6	AGM's are attended by a reasonable number of members				
1.7	Members freely and democratically elect members of the Board as (or if) stipulated in the Statutes				
1.8	Members appoint an auditor as (or if) stipulated in the Statutes				
1.9	Members approve the annual accounts as (or if) stipulated in the Statutes				

Section 2	Board (Executive Committee, Steering Group, Management Group, Board of Directors)

In a member based organisation, members or other types of "owners" appoint a Board to govern the organisation, and the Board is held accountable by those members. The Board in turn appoints a Chief Executive to manage the organisation on a day to day basis.

If your organisation does not have any members, how is the Board constituted? and to whom is the Board accountable?

A basic principle of good governance is that management and governance are kept separate. The separation of governance and management involves a division of both duties and personnel. Usually, management runs the organisation on a day to day basis, while the Board decides on policies, exercises oversight, and guides the organisation strategically.

The Board delegates responsibility to the Chief Executive and holds him or her accountable. On some occasions, prominent persons in the local society are appointed to the Board. This can often be advantageous, if they are able to adequately govern the organisation. But prominent persons are often busy people who cannot necessarily allocate much time for pro bono activities.

2	Statement of good practice	5	4	1	0
2.1	Our Board understands the organisation's finances and monitors the financial condition regularly				
2.2	Our Board meets regularly and spend enough time to discuss all relevant issues				
2.3	Minutes are kept of all Board meetings and are securely filed				
2.4	Board meetings involve active discussion and informed decision-making				
2.5	Members of staff, including the Chief Executive, are not voting members of our Board				
2.6	Rules of procedure for the Board exist and include relevant instructions, especially guidelines covering the authority and responsibilities to be delegated to any committees, the responsibilities of the Chairperson, the Board members' responsibilities, and that the Board shall appoint the Chief Executive				
2.7	The Board has issued a written job description for the Chief Executive, outlining expectations and goals				
2.8	The Board regularly follows up on operational and financial reports				
2.9	The Board is highly transparent regarding the organisation towards members and the public				
2.10	The Board make certain annual accounts are prepared and audited				
2.11	Our Board ensures that the organisation's annual accounts are made available to members and other stakeholders				
2.12	The amount of payments and allowances to Board members follows written procedures and are openly disclosed				

Section 3	Management (administration, direction, daily leader)

The Chief Executive of an organisation is appointed by the Board. The rest of the management team is usually hired by the Chief Executive. The management, led by the Chief Executive, is responsible for managing the organisation on a daily basis.

As he or she is appointed by the Board, the Chief Executive is accountable to that same Board. While the Chief Executive is an employee, the Board members normally work on a voluntary basis. This sometimes makes it difficult for the Board to hold the Chief Executive accountable, resulting in accountability ending at management level. The importance of the Board holding the Chief Executive accountable cannot be overstated.

The rest of the management team is accountable to the Chief Executive. Normally the accountability chain continues further in each manager's respective area of responsibility.

3	Statement of good practice	5	4	1	0
3.1	An updated organisation chart describes the actual structure of the organisation and is available to all staff and other stakeholders				
3.2	Responsibility and authority follow a formal delegation of authority covering the whole organisation				
3.3	There is a written job description for each employee				
3.4	The organisation has a manual for financial procedures or equivalent, which covers all relevant areas				
3.5	The management promotes open, inclusive, and respectful behaviour among staff (e.g. make decisions in a transparent and inclusive way, welcome diverging views, and encourage collaboration and team-work)				
3.6	Management involves community members (beneficiaries / constituencies) in planning, implementation and evaluation of activities that concern them				
3.7	Management makes sure that community members (beneficiaries / constituencies) have access to information about what they can expect from our organisation at any time				
3.8	Management promotes openness and transparency towards donors, e.g. by inviting to multi-donor meetings				
3.9	Management actively promotes and participates in networks and other inter-organisational knowledge sharing of experience settings at horizontal level.				

Section 4	Operational staff (note that staff can also be understood as volunteers)

The organisation's operational staff are those who carry out the activities and are not part of the management team. They may be remunerated employees or volunteers. Middle managers, team leaders etc. may be found in this category and, in those instances, a clear and unbroken accountability chain is essential.

Operational staff is formally accountable to management. They normally do not hold anyone accountable, except for middle managers. An informal accountability towards the target group of the organisation often exist, sometimes called downwards accountability.

Downwards accountability is difficult to pinpoint as the target group very often do not have the ability to hold the representatives of the organisation accountable. But it can be very effective in the right situation. Transparency from the organisation is often a necessary requirement for downward accountability.

4	Statement of good practice	5	4	1	0
4.1	Our staff make accurate and timely financial and narrative reports from activities based on work plans and budgets made prior				
4.2	We have clear upward reporting mechanisms in place for staff when met with bribery demands or similar irregularities				
4.3	We have procedures for involving community members (beneficiaries / constituencies) in planning, implementation and evaluation of activities that concern them				
4.4	We have a policy of transparency towards the community (beneficiaries/constituencies), which includes informing about what we do and what our target group is entitled to				
4.5	Our staff participates in network meetings with other CSOs and local authorities, and they are mandated to speak openly about our activities				

Section 5	Community, beneficiaries, target group, participants

Beneficiary communities always include different groups of people facing different issues (e.g. the traditionally low-status, widows, and different ethnic groups). Some community leaders may represent their interests; others may not. CSO staff needs to identify representatives who speak for the specific groups of people they aim to help. They also need to design CSO activities to make it easy for busy or low-status people to get involved, and to help strengthen their influence on local decision making.

Some organisations include community members in the organisation structure by default, others do not. When beneficiaries are also members of an organisation, good conditions for accountability are in place in principle. When this is not the case, it may be difficult for beneficiaries to hold the organisation accountable. Lack of information and lack of opportunity to impose sanctions are often the biggest obstacles. The beneficiaries do not know what they are entitled to and have no means by which to hold the organisation accountable.

A high level of transparency and involvement of beneficiaries is the best way of enabling downward accountability.

5	Statement of best practice	5	4	1	0
5.1	Community members understand our work principles and have a chance to comment on them				
5.2	Community members have a clear idea about what they can expect from us and what not to expect – also in financial terms				
5.3	Community members actively participate in prioritising and planning the activities that concern them				
5.4	Community members have easy access to our management for complaints and suggestions				
5.5	Specific methods exist for our target group to hold us accountable				