SEPTEMBER 2008 • CRISTINA A. RODRIGUEZ-ACOSTA, LINA LENEFORS, MOHAMED SALIH, ARNE SVENSSON AND TONY BENNET

Final report

# System-Based Audit of Save The Children, Sweden (SCS)

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Published by Sida 2007

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Printed by Edita Communication, 2007

Art. no.: SIDA46584en

This publication can be downloaded/ordered from www.sida.se/publications

# 1. Executive Summary

## 1.1 Background

Save The Children Sweden (SCS) is a participatory member-based organization founded in 1919 with Head Office (HO) in Sundbyberg. SCS is divided into eight regions each with a Regional Office (RO). In addition SCS has 18 Country Offices (CO).

SCS is since 1998 a member of the International Save the Children Alliance, an umbrella organisation for 29 national Save the Children organisations, with a presence in 120 countries. The work is coordinated from the Alliance Secretariat in London, which in turn is controlled by rules and agreements which the membership has decided.

The leading policy document of SCS is the Compass based on the United Nations Convention on the Rights of the Child (CRC) and the United Nations' Declaration on Human Rights. SCS has 10 programme areas and four working methods

SCS is one of the largest framework organisations with regard to the Sida appropriation for development cooperation with NGOs. SCS has also been a partner to Sida in humanitarian activities for years.

Sida has commissioned the Swedish management consultancy company Professional Management AB to carry out a systems-based audit of SCS.

## 1.2 Overall Conclusions

The Audit Team has examined the reliability and validity of the systems for operational and financial management that exist in SCS considering the different roles of the organisation in relation to development cooperation and humanitarian assistance respectively. The assignment has included field studies in three regions. The Audit Team has reviewed more than 1.000 documents and interviewed approximately 150 persons. SCS has been very open not only on pros and cons in its work so far but also in ongoing discussions on future changes.

SCS has addressed the weaknesses mentioned in the Systems based audit 2000[1] and the Institutional Assessment 2002[2]. However, there are still some outstanding issues for further development as outlined below.

The Audit Team was able to verify through interviews, assessment of policy documentation and samples of administrative procedures pertaining to the functions of SCS's various organizational levels that the lines

1 Styrning och kontroll inom Rädda Barnen, Systemrevision 2000:2, december 2002

2 Swedish International Development Agency (Sida) 2002 Institutional Assessment of Rädda Barnen

of communication and hierarchies are clearly defined. The performance of management and programme personnel and officers translates policy principles and directives into practices and personnel function in accordance with the profiles held and powers vested in them.

SCS applies the democratic norms and transparency common to membership organizations by electing its Board responsible for overseeing the implementation of its vision. SCS HO in Sweden provides professional service to the Regional Offices also responsible for the financial management systems, internal control and financial accountability, without hindering the ability of the Regional Representatives, the Country Managers and the staff from taking independent decisions on the implementation of programmes and activities.

The Audit Team is of the opinion that the systems for operational and financial management of SCS are appropriate in order to provide humanitarian assistance as set out by the humanitarian principles. However, the core values, the mission & vision, the objectives, the Compass and the Management Guide are not distinguishing humanitarian assistance from other activities carried out by SCS.

The Audit Team's assessment is that SCS to a high degree meets Sida's terms and conditions[3]. However, SCS management systems and internal control do not secure that the partner organisations also comply with these regulations.

The Audit Team has found that the documentation which Sida receives from SCS under current agreements reflects the real state of affairs and can thus be regarded as satisfactory material on which Sida can base its decisions regarding funding. However, there have been incidents recently where Sida has not been informed in an acceptable way.

The Audit Team's overall assessment is that SCS has taken some major steps during the last few years to be a professional organisation. However, there are still some outstanding issues for further development such as lack of monitoring and evaluation system, knowledge management strategy and some other development areas as outlined below.

As requested in the ToR we have assessed how SCS is using the funding from Sida. Out of the total allocation 42% is distributed to Partner Organisations. Almost the same amount is used for SCS own implementation of activities (41%). Most of the funding to Partner Organisations and direct implementation is distributed through SCS Programme Offices at different levels. The administrative costs at Head Office, regional and country offices are 17%. However, it should be noted that there is no general definition of the term administrative costs. In this case the costs for building SCS capacity are included in the administrative costs.

Unified Presence (UP) is one of the key challenges within the SC Alliance. UP is the single most significant change for SCS during the forthcoming five-year period. Many interviewees claim that SCS is not fully aware of the impact on priorities and performance and the workload of this process. Thus, Sida has not been adequately informed on the risks for SCS during and after this transition period. This change is not even mentioned in the ToR for the systems-based audit despite the fact that SCS will have to review all the management systems in the light of UP. In addition, there is a need to improve the overall quality level and professionalism across the whole SCS organisation in order to meet the

[3] General conditions for grants from Sida's appropriation for Swedish NGOs, Guidelines for Sidas's support from the appropriation for NGOs, Guidelines for Sida's grants to non-governmental organizations for humanitarian projects, Sida's cooperation agreements with Framework Organizations including sub-agreements and Sida's agreements on humanitarian assistance.

future challenges.

In summary, the Audit Team's conclusions are as follows:

The Audit Team applauds SCS efforts to comply with the Sida regulations and SCS vision, objectives and plans. However, the lack of a Monitoring and Evaluation system and a roster of lessons learned and best practices deprive it from the designation "learning organization".

SCS should develop the capacity of its partner organisations in narrative and financial reporting. There is need for proper reporting consistent with agreements signed and also consistent with Sida regulations. Admittedly, the quality of narrative reporting is in some cases poor. Although financial reporting does not suggest any impropriety, the quality of documentation leaves in some cases much to be desired.

The administration costs are sometimes high when sub-contracting implementation partners without having the added value of increased local capacity in local NGOs as Partner Organisations. However, the Audit Team has found it obvious that using Partner Organisations at the regional and local level in most cases have added value and have contributed to building local capacity in the civil society.

Neither all the Regional Offices nor the Country Offices have a phasing out strategy. This makes it difficult for SCS to demand phasing-out plans from its Partner Organisations.

Neither SCS Regional Offices nor Country Offices have risk assessment strategies. This makes it difficult for SCS to demand risk assessment from its Partner Organisations.

SCS has no written monitoring and evaluation methodology. It has no results measurement strategy. Most programmes/projects are not evaluated on their outcomes or impacts.

SCS has an internal communication system, the Portal, where all documents are saved and information shared. All levels of the organisation are linked up to the Portal.

Most of the Partner Organizations we have studied have long term objectives. However, measurable results indicators on outcomes and impacts are missing in most cases. Many of SCS local partners are missing basic knowledge and skills of development aid management instruments and their application.

The more detailed conclusions are summarized at the end of each section.

## 1.3 Recommendations

The recommendations are presented at the end of each section. The recommendations proposed herein are consistent with the major findings and conclusions presented above.

The Audit Team has the following recommendations:

#### SCS's Mandate

– SCS should establish guidelines for SCS participation in future UP processes
– SCS should emphasize the importance of having the whole Child Rights Programming (CRP) approach incorporated in UP programming
– SCS should review the Management Guide in order to meet the special requirements of humanitarian assistance

#### Relation to the Board

– The Board should establish a comprehensive strategy for the UP process
– The staff should be better informed about the division of responsibilities

for the UP process between the Board and the Secretary General and between different parts of the HO

**Organisation and Ways of Work at Head Office**

–The Management Guide should be reviewed in the light of UP

–The updated version of the Management Guide should be available in each Regional Office with reasonable time to make changes in the implementing systems and not only be available from the time it comes into force

–SCS should make sure that all staff and consultants are aware of and follow the ethical guidelines

–SCS should establish Staff Capacity Building Plans.

**Internal Dynamics**

–The Knowledge Management Strategy should be finalized and implemented

–SCS should formulate and decide upon a position paper outlining the strategy for influencing the alliance and including guidelines for the negotiations in the UP process

–The line manager structure should be clarified for the different alternatives of UP

–The coming Monitoring and Evaluation System should be designed for organizational learning

**Selection of Partner Organisations**

–SCS should evaluate its experience of working with Partner Organisations, in order to establish clear selection criteria as well as a comprehensive set of activities to support the Partner Organisations and assist them in sustaining and increasing capacity

–SCS should increase its efforts to support networking among the Partner Organisations

**Planning of work**

–The planning process should be reviewed in the light of UP

**Formulation of Goals**

–SCS should establish Results Based Management (RBM) within the entire organisation

–SCS should assist its Partner Organisations in building capacity to use RBM

**Criteria for and Assessment of Projects and Organisations**

–SCS should assist its Partner Organisations in training in fundraising in order to decrease their dependency on SCS

**Quality Assurance**

–SCS should establish a quality assurance system

–SCS should assist Partner Organisations in establishing their quality assurance systems

**Risk Management**

–Risk assessments should be carried out in a systematic way

–Crisis management should be further strengthened

**Phasing out and Initiating Projects and Partnerships**

–SCS is urged to develop a workable phasing out strategy to ensure against short-term rash forced (or otherwise) exits.

–SCS needs to establish a strategy in collaboration with other Alliance members for phasing out support through external funding for development assistance in countries emerging as middle income countries.

–SCS needs to make its vision and goals for the UP process in the regions more understandable to its partners.

**Measurement of results**

–SCS should increase its efforts to implement adequate methods for measuring results

**Monitoring and Evaluation**

–The chapter on planning, monitoring, reporting and evaluation management should be added to the Management Guide and implemented with highest priority

–SCS should immediately establish a detailed plan for a systematic follow up of the implementation of the system

**Reporting on Deviations**

–SCS should further develop its quality assurance of the reporting processes in order to certify that Sida's requirements on reporting of deviations are always met.

**Compliance with Agreements**

–ROs should prepare cooperation agreements in advance and sign them as soon as their own budget is assured, if delay would have adverse consequences and if there is no reason to doubt the Partner Organisation's performance

–SCS should indicate in the agreement the intention of cooperation for a longer period of time where projects will still be ongoing at the end of the agreement period

–The Management Guide should be reviewed in order to provide clear rules on entering into agreements based on the principles outlined in this section

–SCS should establish a quality assurance system where the agreements are carefully checked before they are signed.

**Audits**

–The SC UP auditing processes should be harmonised or unified

–Regional and Country Offices should have full time internal audit.

–Each Partner Organisation should be audited only once a year on the organisation as a whole and not on a project basis

–SCS should ensure that its partners strictly adhere to the requirements of the agreements through better internal control

**Promotion of Good Administration**

–SCS should follow up and ensure that procurement is in compliance with Sida's General Conditions and the rules in the MG

–It should be considered to change the Managing Guide to require that Partner Organisations retain all financial documents for a period of 5 years instead of 10

**Administrative costs**

–SCS should compare its administrative costs over time based on a stated definition of what costs should be included

–SCS should assess administrative costs in the Partner Organisations

–In addition to added value, SCS should also take administrative costs into consideration when choosing Partner Organisations.

# 2. Introduction

## 2.1 Background

### 2.1.1 Save the Children Sweden

Save the Children Sweden (SCS) was founded in 1919. SCS works to make the UN Convention on the Rights of the Child a reality for children around the world. SCS consists of 85 000 individual Swedish members, and operates both nationally and internationally. In SCS's international work the organisation cooperates with numerous regional, national and local child rights organisations in Africa, Asia, Latin America and Eastern Europe.

SCS focus on the issue of child rights has resulted in a unique way of programming and aiming at delivering long lasting impact on children's situation. This approach is also reflected in the way SCS is organised and the ways of working.

SCS works to a significant degree through partners including civil society organisations, non governmental organisations, communities, governments, multilateral organisations and bilateral institutions. Thus, SCS is able to ensure a high degree of local ownership and sustainability in the supported projects. The implementation of activities can be divided into two parts that are approximately of the same size: (1) self-implementation and (2) channelled through partner organizations.

SCS has a regional approach to its operations in order to have as much impact as possible for the available resources. This approach is characterised by focusing on issues instead of specific countries and on advocacy rather than service delivery.

SCS is divided into eight regions each with a Regional Office (RO). In addition SCS has 18 Country Offices (CO). The Head Office (HO) is located in Sundbyberg, Sweden.

### 2.1.2 The Alliance

SCS is since 1998 a member of the International Save the Children Alliance. The Alliance is a member-based organisation consisting of 29 autonomous, voluntary, non-governmental organisations. The Alliance focuses on pooling resources, establishing common practices and carrying out joint projects. The Alliance secretariat is situated in London. The Members´ Meeting is the highest decision-making body of the Alliance. It approves new members of the Alliance. Only members are entitled to use the name Save the Children and the logo. The Alliance Board constitutes the highest authority of the Alliance between the annual Members´ Meetings.

At the Members´ Meeting in 2004 the Alliance adopted its first long-term strategy designed to guide Save the Children's strategic direction until 2020, including three key challenges (1) Quality education for children in crises, (2) Stronger Members; and (3) Unified Presence.

Unified Presence will have a significant impact on SCS. The Audit Team will elaborate on this issue in subsection 3.1.4.

#### 2.1.3 Cooperation between Sida and Save the Children

SCS is one of the largest framework organisations with regard to the Sida appropriation for development cooperation with NGOs[4]. For the agreement period 2005–2007, the financial contribution from Sida is approximately 378 million SEK[5].

SCS has also been a partner to Sida in humanitarian activities for years. There have been three types of support: humanitarian bilateral country support; a minor humanitarian frame; and support to the Emergency Standby Team, amounting to a total of approximately SEK 20–30 million per year. A significant part, a total of approximately SEK 34 million for the past three years, of the humanitarian support to SCS has been channelled to Sudan[6]. Thus, Sudan is one of the countries selected for field studies.

### 2.2 Purpose and Scope of this Systems-based Audit

The purpose of the systems-based audit is twofold. The Audit Team should consider the below stated purpose from a general perspective as well as a humanitarian perspective. The purpose of the systems-based audit is:

to examine the reliability and validity of the systems for operational and financial management that exist in Save the Children, Sweden considering the different roles of the organisation in relation to development cooperation and humanitarian assistance respectively,

to determine whether the systems for operational and financial management of Save the Children are appropriate in order to provide humanitarian assistance as set out by the humanitarian principles,

to assess if Save the Children meets Sida's terms and conditions[7], as well as assess if their management systems secure that the partners also comply with these regulations,

to determine, on the basis of the audit, whether the documentation which is received from Save the Children by Sida under current agreements reflects the real state of affairs and can thus be regarded as satisfactory material on which Sida can base its decisions regarding funding; and

to contribute to Save the Children's internal processes of change and system development.

Moreover, the system-based audit should serve as a learning tool for SCS and Sida, as well as an instrument for Sida's overall assessment of the organisation. The Terms of Reference (ToR) in full are attached as Annex 1.

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4 Avtal om rambidrag mellan Sida och Rädda Barnen 2001–2006, Dnr 2001–2691/50

5 Underavtal mellan Rädda Barnen och Sida om beviljade rambidrag för budgetåren 2005–2007

6 Avtal mellan Sida och Rädda Barnen om stöd till barn och ungdomar i Södra Sudan under 1 januari 2006–31 december 2007 och Avtal mellan Sida och Rädda Barnen om stöd till insatser för barn i Darfur, Sudan under perioden 1 juli 2004–30 September 2005 med Avtalsförlängning avseende humanitär insats i Sudan (Darfur), 2006–04–04

7 General conditions for grants from Sida's appropriation for Swedish NGOs, Guidelines for Sida's support from the appropriation for NGOs, Guidelines for Sida grants to non-governmental organisations for humanitarian projects, Sida's cooperation agreements with Framework Organisations including sub-agreements and Sida's agreements on humanitarian assistance.

## 2.3 The Audit Team

Sida has commissioned the Swedish management consultancy company Professional Management AB to carry out the systems-based audit. The Audit Team consists of five senior consultants – Prof. Dr. Mohamed Salih, Dr. Tony Bennett, Ms. Cristina A. Rodriguez-Acosta, Ms. Lina Lenefors and Mr. Arne Svensson (team leader). Ms. Barbro Svensson has assisted the team.

## 2.4 Methodology

### 2.4.1 General Approach

The assignment includes studying documentation, making a mapping and survey of operational and financial management systems and routines, making analyses and providing recommendations in general in accordance with the description given in the ToR.

The ToR have provided a comprehensive set of areas to be studied where the Audit Team has documented current status and identified the observations regarding validity/importance, compliance and enforcement wherever appropriate. The Audit Team has applied a three pronged approach in order to collect data for meeting the objectives: i) define methods and sources of data/information; ii) data/information analysis in respect of the objectives; and iii) develop a validation method (or matrix to be more specific) in respect to the specific requirements in the ToR. The validation matrix is attached at Annex 2. This methodology has two main objectives: (1) to establish the validity of the findings and ensure the reliability of the information on which the findings are based and (2) to evaluate the impact of one or more values, strategies and activities on improving the overall performance of the organisation under review.

### 2.4.2 Overall Methodology

The systems-based audit was carried out during the period September 2007 – January 2008.

The systems-based audit has taken the different roles of SCS, in development cooperation and in the response to humanitarian crises, as its point of departure. The audit has encompassed the entire organisational chain of SCS, including both the HO and the field organisation. The assignment has included visits to three regional offices and country offices in three countries in these regions, including visits to Partner Organisations. The three field visits are described in sections 2.5–2.7.

The assignment includes studying documentation, making a mapping and survey of operational and financial management systems and routines, making analyses and providing recommendations.

The assignment has covered two agreement periods, the current one included.

### 2.4.3 Reviewed Documents and Persons Interviewed

A list of reviewed documents is attached as Annex 4. The Audit Team obtained the following essential data/information sets from Sida, SCS and the Partner Organisations:

- Agreements between (1) Sida and SCS; and (2) SCS and the Partner Organisations
- Prior audits and assessments;
- Internal monitoring and evaluation reports;
- External evaluation reports;
- Data/information on organisational and management structures;
- Data/information on methods and networking strategies;

–Data/information on main activities and implementation procedures, networks, partners and coordination capacities;
–Data/information on "development strategy or strategic planning", including mission, vision, goals, objectives and strategic thinking;
–Data/information on financial systems including recording and reporting procedures, procurement procedures and internal control systems
–Data/information on monitoring and auditing procedures, financial reports and audits;
–Data/information on donor relations, programmes, levels of donor support, and donor reporting methodologies;
–Programme development and implementation methods; and
–Any data/information that may be deemed necessary for the execution of the assessment.

The second method of data/information gathering is through interviews with SCS personnel at the HO in Sundbyberg and at the different organizational levels in the chain. The interviews at the SCS HO have included the Secretary-General, the Senior Management Team at the International Programme and a sample of senior staff. Interviews have also included SCS Chair and Vice Chair of the Central Board, the Chair of the Central Board of Save the Children Youth and one more member of SCS Central Board. The interviews have also included the auditor of SCS and Sida staff.

We have carried out field studies in three countries, including Partner Organisations in these countries. The field studies are described briefly in sub-section 2.5–2.7. Interviews have been conducted at the regional and country offices with management and staff. Interviews with representatives of other organisations (e.g. local NGOs, UN agencies and local authorities) have also been included to assess if SCS humanitarian activities are complementary.

A list of persons interviewed is attached (Annex 3). The list contains approximately 150 persons. We have met with some of the key persons several times. These interviews offered an invaluable insight on the contributions made towards the fulfilment of SCS's mission. SCS has been very open not only on pros and cons in its work so far but also in ongoing discussions on future changes.

The findings are integrated in the relevant sub-sections in Section 3 and 4.

## 2.5 Field Studies in Kenya and North Sudan

This sub-section gives a brief description of the RO in the Eastern and Central Africa Region (ECAF), the CO in North Sudan and the implementation of humanitarian activities in Darfur. A team of two consultants visited Nairobi and Khartoum 2007–10–21—10–28. The Audit Team was not in a position to receive a permission to travel to North Darfur in connection with the field visit to Nairobi and Khartoum. Thus, a separate field visit to North Darfur was carried out 2007–10–300–11

### 2.5.1 The Regional Office in Nairobi

The RO was moved to Nairobi from Addis Ababa in 2006. The legal entity Save the Children Sweden/Kenya includes two offices located in the same building – the Eastern and Central Africa Regional Office and the Southern Sudan Country Office. The income in 2006 was 267 MShs from SCS HO and 19 MShs from other donors.

ECAF has long-term child-rights based development programmes in

Ethiopia and Sudan. SCS has adopted a direct implementation approach in Southern Sudan. SCS also supports local partners in Kenya, Somaliland and Uganda. SCS was asked to leave Eritrea 1998. The Kenya Programme (Diversion Project) is implemented under the Eastern and Central Africa programme. SCS works with more than 40 different NGOs and government bodies in the region.

The most significant level of activity is undertaken in the field offices in Southern Sudan. Southern Sudan is organised into several locations of operations in the following states: Lakes (which is considered the biggest and has three locations), Northern Barth El Gazal (two locations), Jonglei (two locations) and a liaison office in Juba. As of June 2007, the SCS Southern Sudan Programme had 182 directly employed local staff.

In Nairobi the Audit Team interviewed the Regional Representative and staff, representatives of Partner Organisations and the Swedish Embassy.

#### 2.5.2 Regional Partner Organisations

Representatives of three Partner Organisations were interviewed in Nairobi; Save the Children UK Kenya Country Office; African Network for the Prevention and Protection Against Child Abuse and Neglect (ANPPCAN) Kenya Chapter; and African Network for the Prevention and Protection Against Child Abuse and Neglect (ANPPCAN), Regional Office.

#### 2.5.3 The Country Office in Khartoum

SCS has been active in Sudan since1984. In Khartoum the Audit Team interviewed the SCS management and staff and key persons from seven (out of ten) Partner Organisations (five NNGOs and two governmental) and the Swedish Embassy.

Sudan was selected by the Alliance Board to become unified during 2007 to be completed by October 1st. This means that the American "Save the Children Foundation, Inc" will remain the sole Save the Children legal body in Sudan.

The UP process in Sudan is analysed in sub-section 3.1.5.

#### 2.5.4 Field Study in North Darfur

A field study to North Darfur for reviewing the North Darfur Emergency Project was conducted in compliance with ToR, noting that SCS is one of the two active members of the International Save the Children Alliance in Darfur. SCS began to undertake humanitarian child focused activities in North Darfur in July 2004. The other SC Alliance member, SC US, is operational in West Darfur.

In North Darfur the Audit Team interviewed the Field Programme Manager and staff in El Fasher and the El Salaam IDP camp. In addition we interviewed representatives of the Federal Ministry of Education, Local NGO Partners, UN Security Service and UNICEF.

The Audit Team has examined in detail the Darfur Emergency Programme, including the two incidents on the missing contractor and the hijacked car that have shown weaknesses in SCS reporting system. This assessment is summarised in sub-section 3.17.2.

### 2.6 Field Studies in Peru

This sub-section gives a brief description of the RO for Latin America and the Caribbean (LAM) in Lima, the CO (UP) in Peru and the implementing partner organisations. A team of three consultants visited Peru 2007–11–11—17.

### 2.6.1 The Regional Office in Lima

The RO in LAM works directly in 17 countries and indirectly in 22 out of 35 countries in the region. The RO has 90 counterparts categorized as strategic partners, partners and allies.

The RO in Lima comprises 24 employees and the two sub-regional officies in Costa Rica and Brazil have three employees each.LAM has 7 regional programme coordinators and 4 regional programme assistants. The RO has 5 coordinators and 2 assistants, and each sub-regional office has one coordinator and one assistant respectively. The regional programme coordinators and assistants run the programmes with specific thematic responsibilities, all regional. All programme coordinators have also a geographical responsibility but the thematic is more important.

LAM has no country managers except for the country director leading the UP country programme in Lima with SCS as the Managing Member (MM). For emergencies, RO LAM has a sub-regional Alliance structure

### 2.6.2 The UP Office in Lima

A team of three consultants visited the UP Office in Lima and assessed the financial management systems, other management systems and the UP process. Individual interviews were conducted with the available 11 staff members (out of 13). The UP process in Peru is assessed in sub-section 3.1.5.

### 2.6.3 Partner Organisations

SCS LAM has a total of 89 Partner Organisations managing 137 projects (according to signed partner agreements by November 2007). We have reviewed documentation from all of them. In Lima we conducted interviews with project leaders and participants from eight Partner Organisations out of which four are based in Peru and four in other countries in the region. The Audit Team also visited some local Partner Organisations.

## 2.7 Field Studies in Bangkok and the Philippines

This sub-section gives a brief description of the RO of Southeast Asia and the Pacific (SEAP) in Bangkok, the CO in the Philippines and the implementing partner organisations. One member of the Audit Team visited SEAP 2007–11–25—12–01.

### 2.7.1 The Regional Office in Bangkok

During the period 1991 – 2005 SCS operations in the region focused on Vietnam with minor regional initiatives. Hanoi was the location for the regional and country offices. The staff comprising two persons was based in Bangkok as part of the SC Alliance.

The RO relocated to Bangkok in 2005 due to a long noticed weak regional approach in SEAP in combination with some changes within the Alliance. SCS found it important to strengthen its regional work through networking with key regional institutions in Bangkok. In addition, Bangkok gives easy access to most countries in the region. The Tsunami disaster in December 2005 accelerated the actual relocation.

The SEAP RO has 21 staff members in Bangkok.

### 2.7.2 The Country Office in Manila

The Country Office in Manila formally started its operations on the 3rd of April 2006, taking on the programmes of SCUK. This included relocating to a new office, and reviewing programmes, partnerships and organisational systems. The CO in Manila has ten employees. It was a strategic choice for SCS to build on experience from the Philippines, especially on civil society, for the benefit of the rest of the region. In general, policies, procedures and mechanisms that facilitate programme and office operations have been established, building on the lessons learned from SCUK and ensuring that these conform to the Management Guide of SCS.

For the last three years, SCS (formerly SCUK) has adopted an integrated approach in its programme work in the Philippines. SCS in the Philippines primarily works through local partners and networks including children's and young people's groups and organisations. Thus, a major partner organisation – Bidlisiw Foundation in Cebu – was visited and studied more in detail by the Team.

Bidlisiw Foundation was established in 1989 as a social development NGO and became partner to SCUK in 1999. The goal is to provide access, opportunities and hope for the most marginalized children, families and communities. At present SCS is funding four of Bidllisiw's projects/programmes (out of seven). The SCS funded programmes are Improving Children's Productivity through Better Educational Opportunities (Alternative Education), Community-Based Programme on Abused & Exploited Children, Substance Abuse Prevention Project and Protecting & Alleviating the Situation of Fire-Affected Children and their Families.

Bidlisiw have had 11 salaried employees funded by SCS for the entire duration of the projects[8]. At present ten out of 33 staff are financed through Sida funding. SCS is funding almost 50% of the total costs for Bidlisiw Foundation.

## 2.8 The Analysis

After having collected and digested the materials, reports and evaluations pertaining to vision, mission, strategies, activities, methods, structures, financial management systems and how suited they are to SCS organizational values, a second level of analysis has dealt with the organizational structure, including an analysis of the governance structure, the role of the HO and the regional and country offices and division of duties within SCS. Having explained, reviewed, analyzed and evaluated the salient features concerned with the objectives, the Audit Team has drafted recommendations as to how SCS could further develop its internal organization, financial systems and other management systems.

## 2.9 This Report and How to Read it

The findings were presented in a Draft Report that was submitted to Sida and SCS on the 15th of January 2008. After the receipt of comments from Sida and SCS, a Final Report has been submitted to Sida on the 15th of February 2008. The conclusions and recommendations have been discussed with Sida and SCS at a seminar on the 28th of April 2008. Based on the Final Report SCS is recommended to draft an Action Plan that will be given in full at Annex 8 of the Final Report.

This Report is divided into four sections as follows:

– The Executive Summary in section ONE contains the overall conclusions and the recommendations.
– Section TWO is introductory.
– Section THREE is concerned with the management and control of activities. Moreover, it covers two related areas that Sida and SCS want to be studied.
– Section FOUR reviews the financial management systems and internal control. Moreover, it analyses one other area that Sida wishes to be studied.

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8 Notes to Financial Statements, January 15, 2007

The various sections of the report answer questions pertinent to the overall purpose of the system-based audit and the elements stipulated therein. The management systems are valid for SCS as a whole. However, sometimes the systems are adjusted to the specific context in a region. Therefore the Audit Team begins each section by describing and explaining the general system that is in place. When the Audit Team has observed significant differences between how a part of the management system is used in the three studied regions the findings are detailed in sub-sections for each region when relevant. When the Audit Team has not found any major differences the findings are presented only on a general level for SCS. When relevant we have described humanitarian assistance in separate sub-sections. However, the Management Guide is not distinguishing humanitarian assistance from other activities carried out by SCS.

At the end of each section the Audit Team has summarized the analyses and drawn some conclusions. Based on the conclusions the Audit Team has finally submitted concrete recommendations.

# 3. Management and Control of Activities

This section is concerned with the management and control of activities. In the survey of routines and systems, we have documented the following according to the ToR:

–SCS mandate in relation to development cooperation and humanitarian assistance (sub-section 3.1)

–The relation to the board (sub-section 3.2)

–Organisation and ways of work at head office (sub-section 3.3)

–The internal dynamics, working relations and reporting structure between the head office in Sweden and the regional and country offices and the linkages between them (sub-section 3.4)

–Decision making processes and rules of delegation, especially considering the involvement of the beneficiaries (sub-section 3.5)

–Selection of partner organisations (sub-section 3.6)

–Planning of work /activities including information gathering and analyses (sub-section 3.7)

–Policies and strategies (sub-section 3.8)

–Formulation of goals (sub-section 3.9)

–Criteria for and assessment of projects and organisations (sub-section 3.10)

–Quality assurance (sub-section 3.11)

–Risk assessments and management, including security issues (sub-section 3.12)

–Phasing out and initiating projects and partnerships (sub-section 3.13)

–Measurement of results (sub-section 3.14)

–Monitoring and follow-up of projects and organisations (sub-section 3.15)

–Evaluation (sub-section 3.16)

–Reporting on deviations, final reports (sub-section 3.17)

Moreover, Sida wishes to be studied "the system for internal information and communication, feedback and institutional learning in the organisational chain". This is closely related to the other area SCS wishes to be studied namely " What learning mechanisms are in place and to what degree are they fed into decision making and used to enhance performance and quality of the program?" These issues are elaborated on as a part of sub-section 3.4 Internal Dynamics.

Sida also wanted "the Coordination" to be studied "including the consideration of systems for ensuring that humanitarian activities are complementary to that of other organisations (e.g. local NGOs, UN agencies and local authorities)". This is done in sub-section 3.10.5.

## 3.1 SCS's Mandate

In this section the Audit Team has assessed SCS mandate in relation to development cooperation and humanitarian assistance. The Audit Team starts with the assessment of the general mandate (sub-section 3.1.1–3 .1.5). In addition we have elaborated on the specific mandate for humanitarian assistance in sub-section 3.1.6.

In section 3.1 the Audit Team has also elaborated on how the UP process will have an impact on the mandate (sub-section 3.1.4). The assessment of the UP process is based on the experiences of the UP process in North Sudan where SCS will be a Participating Member and the finalized UP process in Peru, where SCS is the Managing Member (sub-section 3.1.5).

Finally, the Audit Team provides a summary of conclusions and recommendations in sub-section 3.1.7.

### 3.1.1 Core Values

The Compass gives SCS its previous framework intended for a ten-year period. It is based on considerations taken by the Board and on the views and comments received from different parts of the organisation. The Compass formed the basis for the Overall Directives adopted by the Annual Meeting 2001, as well as the Board's directives to the Secretary General. As of now, the Compass with its three long-term objectives, four (plus two) strategic objectives, four methods of work, six global priority areas and ten regular programme areas provides the framework for operations at the country and regional level[9]. The Compass will be revised and is to be adopted later during spring 2008 to be valid up to 2016.

The Compass is distributed to all staff members globally as well as published electronically. It is also translated into English, French and Spanish.

The leading policy documents of SCS are the United Nations Convention on the Rights of the Child (CRC) and the United Nations' Declaration on Human Rights. These documents build on the principles that: a) all people are equal; b) children have special rights; and c) everyone has a responsibility – but governments have a special obligation. These principles are meant to be characterizing and guiding all of what SCS is doing and saying. This is done through influencing public opinion and supporting children at risk – in Sweden and in the world; exerting an influence on decision makers from local authorities to the United Nations to see to the best interests of the child; arouse public opinion and spread knowledge about children's needs and rights and to exert an influence on legislation for the benefit of children and supporting children whose rights have been violated most.

The interviews show that the core values are well-known and shared by the staff and the Partner Organisations.

### 3.1.2 Vision

SCS vision is a world in which all children's rights are fulfilled. SCS vision aims at creating: (1) a world which respects and values each child; (2) a world where all children participate and have influence; and (3) a world where all children have hope and opportunity.

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9 The Compass/Kompassen – Ramar och riktlinjer för Rädda Barnens verksamhet (sty 2001)/ Framework and direction for Save the Children Sweden, 2002–04–29

It should be noted that this is not exactly how the Alliance vision reads, namely (note item 2): Save the Children works for:

–a world which respects and values each child

–a world which listens to children and learns

–a world where all children have hope and opportunity

The interviews show that the SCS vision is well-known and shared by the staff and the Partner Organisations. It has been noted that the SCS vision is more far-reaching than the Alliance vision when it comes to child participation

### 3.1.3 Mission Statement

SCS fights for children's rights. SCS influences public opinion and supports children at risk both in Sweden and in the rest of the world: "Save the Children Sweden fights for the fulfilment of the goals expressed in the UN Convention on the Rights of the Child – in Sweden and abroad. We believe in a child friendly society and focus mainly on lasting improvements for children in difficult circumstances. Save the Children Sweden works with children to achieve change. We recognise and underline the responsibilities and duties of parents, guardians and authorities for the child and his/ her living conditions."[10]

SCS is working for those children who have the most difficulty in having their rights respected and provided. This concerns mainly those: i) children who are exploited in harmful work and are victims of violence and abuse (for example, sexual abuse and trafficking with children); ii) children who are alone or lack enough support from their families (for example, separated refugee children); and iii) children who are affected by armed conflict and disasters (for example child soldiers, refugees). SCS has 10 programme areas and four working methods.

### 3.1.4 Unified Presence

As of October 2007, there are 29 Save the Children organisations around the world all sharing the same vision. However, the SC organisations have so far been working side by side and have not been integrated. Thus, the Alliance decided to unify the work carried out by the members. This so called Unified Presence (UP) has been driven by among others the following internal and external demands for increased effectiveness[11]:

–Accountability to beneficiaries' debate

–Paris declaration on aid effectiveness

–Pressure from national oversight bodies

–Increased media scrutiny on aid effectiveness

–Increased competition between NGOs

–Calls for significant improvements in effectiveness from Unified Presence pilot countries

–Several years of underinvestment in core processes.

The UP has initiated a significant shift for the Save the Children Alliance towards closer cooperation between its members. Countries for unification in 2007 were Peru, North Sudan, Uganda, Mozambique, Haiti, Colombia, Ecuador, Bolivia and Nicaragua. The unification process in Colombia and Nicaragua started in 2007 and will be finalized

10 The Compass/Kompassen – Ramar och riktlinjer för Rädda Barnens verksamhet (sty 2001)/ Framework and direction for Save the Children Sweden, 2002–04–29

11 BCG's presentation

in 2008. The following countries will be unified during 2008: Indonesia, Nepal, the Philippines, South Sudan and Vietnam.

The roll-out beyond 2008 is not yet fully decided. However, all countries with more than one SC member represented will go through unification by 2012[12]. Simultaneously there is a process called 'fast track' to UP in countries where there is only one member on the ground presently but where there might be interest of new members to get involved.

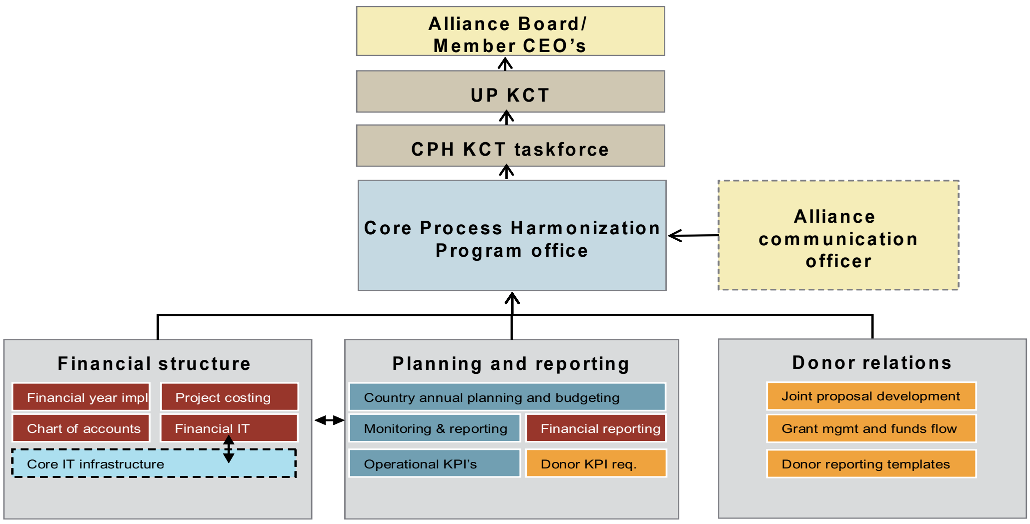
UP implies that one SC organisation will be the managing agency in each country. The Managing Member (MM) is responsible for the unified management structures, staff and programmes in a country, including contracting the Country Director (CD). The Country Leadership Group (CLG) is chaired by a designated representative of the MM. The CD is responsible for the programme and organisation in a UP country and is ex-officio member of the CLG. Participating Members (PM) can be involved in two ways; (1) as a Country Participating Member (CPM) or as (2) a Project Participating Member (PPM).

SCS will not be the Managing Member in any of the countries that will be unified during 2008. SCUK will be the Managing Member in South Sudan and Vietnam. SCUS will be the Managing Member in Indonesia and the Philippines and SC Norway in Nepal.

The UP process is described by interviewees as a bargaining process and a "marriage of convenience". Some of the questions that have been raised by interviewees are (1) if all SC members are committed to readjust or redefine their identity in order to establish a common identity and (2) what mechanisms must be put in place to create synergies between the participating SC organisations in a country. SCS will be MM in a few countries. Thus, it is of significant importance to assess the impact the UP process will have on SCS management systems.

The Alliance Board is the ultimate governing body for the Core process harmonization efforts. The Unified Presence Key Challenge Team (KCT) is responsible for steering the efforts and preparing decision matters for the Board – supported by a subset of its members that form an executing body called the "KCT Task Force" for core process harmonization. Figure 1 shows the Governance structure for the UP process.

**Figure 1: Governance structure 2007–2009[13]**




12 Directive for UP project plan 15th of November 2007

13 The figures are from KCT Briefing July 24 2007 on Core Process Harmonization

The following core processes with harmonization potential have been identified by the Alliance:

–Donor relations

–Programme management

–Finance

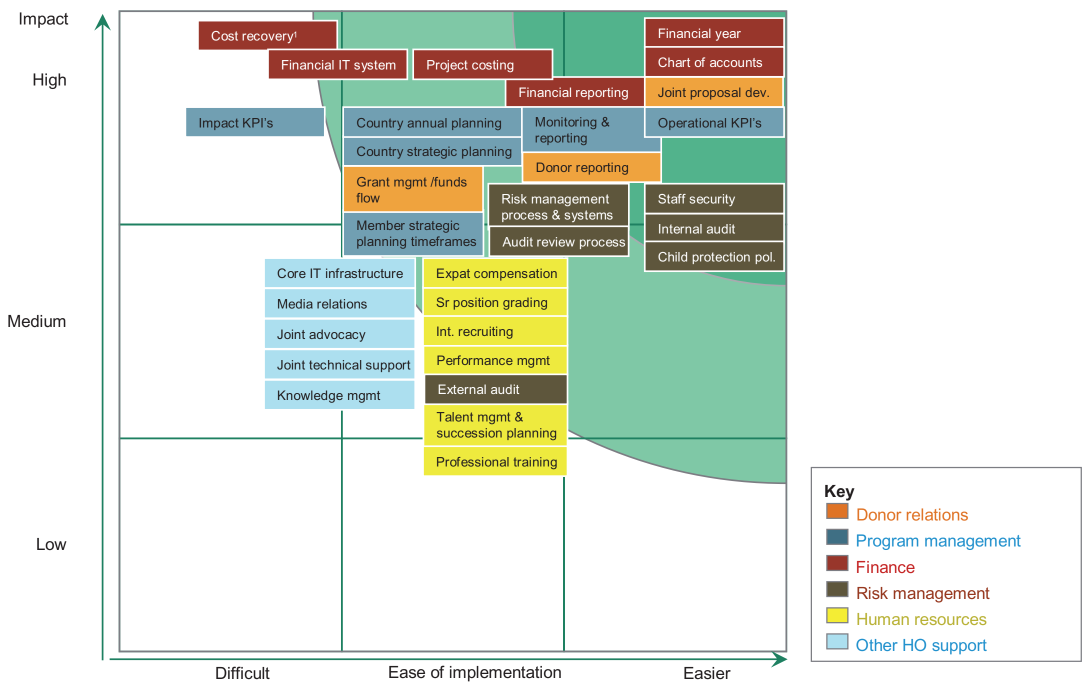
–Risk management

–Human resources

–Other HO support processes such as IT infrastructure and knowledge management

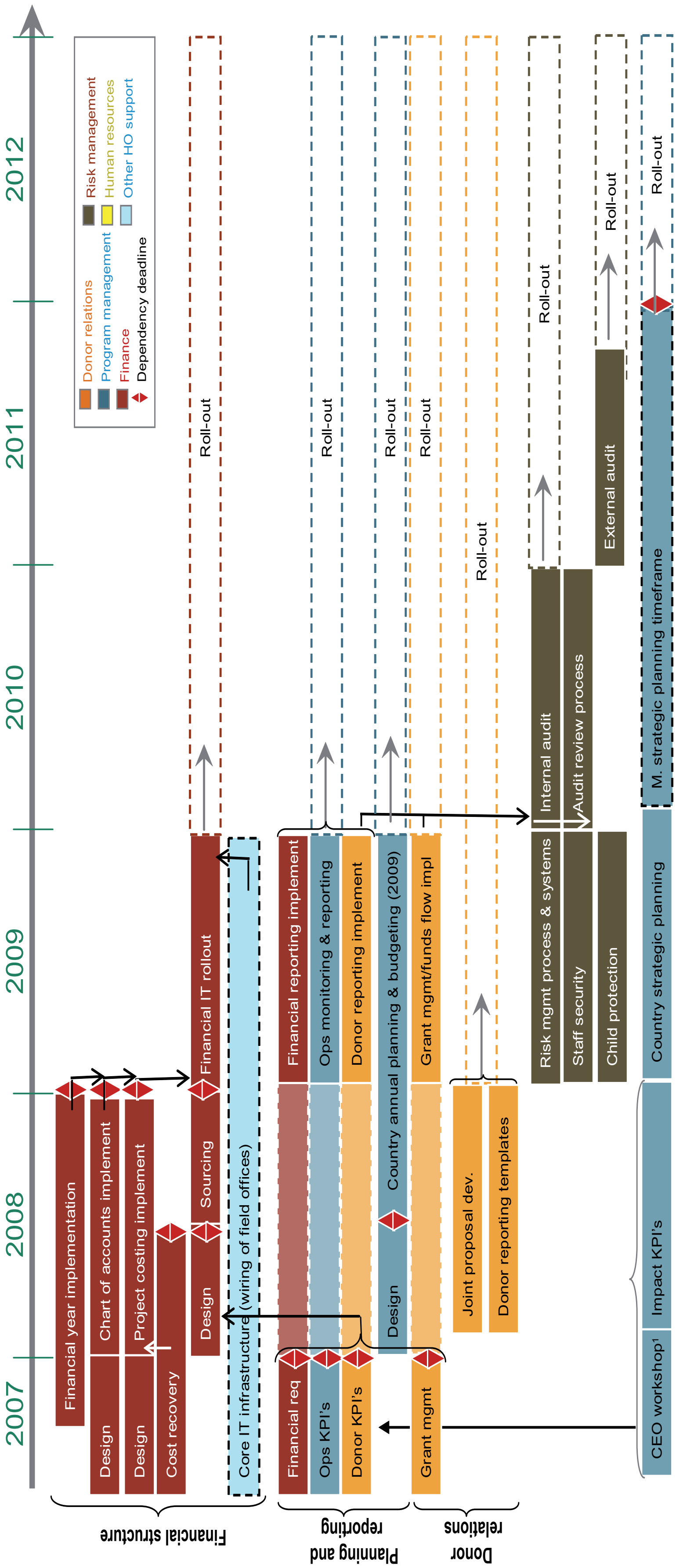
These processes have been prioritized as indicated in Figure 2.

**Figure 2: Prioritization matrix**




All identified harmonization initiatives within these processes are pursued in sequence over the period 2007–2012. The initiatives are supposed to be entirely rolled out in 2012, when Unified Presence countries may account for 70% of Member international funding. As shown in Figure 3 the new financial structure will be completed by the end of 2008 except IT. Planning and reporting should be ready to be rolled out beginning 2010.

**Figure 3: Sequencing of initiative**



At a meeting on the 3rd of December 2007 the Alliance Key Challenge Team/Unified Presence assessed SCS capacity for taking the MM role. The assessment pointed out that SCS has the capacity of being MM for country programmes of medium levels of complexity. This means country programmes with an annual budget of 3 – 10 million USD[14].

The UP consequences on the SCS programme have been presented to the board of SCS[15]. SCS's goal for 2012 is to have an established and solid regional approach within the Alliance[16]. Initially the SCS decisions relating to UP were taken at the Secretary General level. A few people at the International Programme have been involved in the discussions[17]. However, a coordinating structure has been proposed to achieve a better coordination of the UP activities within SCS. It is intended to clarify communication structures, roles and responsibilities and power of delegation including the process for decision making.

The coordinating organisation is proposed to comprise managing group, project group, reference group, five permanent working groups and tasks groups[18]. The five working groups are suggested for respectively (1) Vision and mission, (2) Human resources, (3) Finance and funding, (4) Administration and operational management; and (5) Advocacy and communication. The author of the draft concluded that "Unified Presence is one of the major undertakings – if not THE most important – for quite some time and it will have huge implications on SCS both now and in the future. Hence, the way that we work to handle Unified Presence is of high importance."[19]

SCS has some experience of the UP process that the Audit Team has assessed in sub-section 3.1.5 (North Sudan and Peru).

### 3.1.5 SCS Experience in UP Processes

*Unified Presence in North Sudan*

North Sudan was selected by the Alliance Board to become unified during 2007 to be completed by October 1st. SCS, SCUK and SC US have agreed to unify their operations and SC US is the managing agency. SCUK has been active in Sudan since 1950, SCS 1984 and SC US 1985. The Sudan Humanitarian Aid Commission (HAC) has on the 19th of April 2007 ruled out the request of registering "Save the Children in Sudan". Instead it was on May 23rd suggested by SC US that the unified operations will register under SC US. This means that the American "Save the Children Foundation, Inc" would remain the sole Save the Children legal representation in North Sudan, with a unification date of 1 October, 2007[20]. As this arrangement was not accepted by HAC, the three Alliance members still remain with their respective registration in North Sudan awaiting a response from HAC on the future of the UP registering process. The total budget for "Save the Children Foundation, Inc" according to the application is 30 MUSD annually. Area of implementation is ten states in North Sudan. Child Right and Advocacy is one of the six activities to be registered.

Two workshops have been held in order to harmonise the efforts of the three Alliance members. SC US and SCUK have similar global

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[14] The scale was A= up to 20 MSEK, B= 20–70 MSEK, C= 70–170 MSEK and D= more than 170 MSEK

[15] Board meeting 2007–09–14

[16] SCS International Strategic Programme meeting 23–24 October 2006

[17] Directive for UP project plan 15th of November 2007

[18] In an earlier draft of the 4th of October a total of 13 working groups were specified

[19] Directive for UP project plan 15th of November 2007

[20] Unification of Save the Children UK, Sweden and US in Sudan under Save the Children US registration, May 23, 2007

objectives, whereas SCS has 10 programme areas and four working methods. SCS has a regional approach and SC US and SCUK have a country approach.

However the SC US, SCUK and SCS Southern Sudan Programme are not included in a joint/coordinated country approach. These differences will have to be taken into consideration Thus, the SC US Programme Strategic Plan for 2008–2012 will be reviewed in the light of UP. The Unified Presence process has been participatory and included seven working groups out of which SCS has chaired two.

SCS has a unique working relationship with the government and is working more directly with and through the government. For SCS the UP in Sudan creates risks of a political nature as well as security risks as all operations will be carried out by the American Foundation.

*Unified Presence in Peru*

Peru is one of the two countries where UP has been piloted (the other is Angola) through a process oriented approach. In Peru the planning and preparation was carried out in 2006 and early 2007 with unification from 1st of April 2007. SCS is the MM and SC UK and SC Spain are PMs.

UP Peru is presently struggling with multiple Members' processes/systems causing duplication of work. Process owners across all Alliance Members acknowledge significant gaps in process effectiveness and professionalism at SC.

A review of the process in Peru will take place, initiated by SCS and agreed by SCUK and SCE. The following issues are supposed to be covered in the review:

–Process. How was it set up?

–Roles of the actors in the process

–Impact of the SC in Peru programme (anecdotally). Is the UP process improving the lives of children or will it in the future?

–Resources/structures/skills/competences

–Ideas for improvement

–Synergies in programme and administration

–Other issues

However, the timeframe of the review is not decided yet.

### 3.1.6 Humanitarian Assistance

According to the ToR the Audit Team should assess SCS also from a humanitarian perspective. In this sub-section we intended to analyse how the mandate for humanitarian assistance is formulated. However, the core values, the mission & vision, the objectives, the Compass and the Management Guide are not separating humanitarian assistance from other activities carried out by SCS.

The field studies have provided the Audit Team with information on how SCS has carried out two activities in this area – in Dadaab Refugee Camps and North Darfur respectively. The Audit Team takes these two case studies in turn.

SCS does not accept the involvement of military personnel in humanitarian missions carried out by SCS, nor does it agree to using SCS vehicles to transport any of the actors – military or not – involved in a conflict.

*Dadaab Refugee Camp, Kenya*

SCS and SCUK have signed an agreement to establish mutually agreed conditions for the support of SCS to the joint SC operations in Kenya. This is motivated by the current child protection needs in Dadaab Refugee Camps[21]. The agreement is established in the spirit of the principles for Unified Presence within the Alliance. One of the aims is to contribute to the realization of those principles. SCUK, as Lead Agency for the Programme, is responsible for the planning, implementation, monitoring, reporting and evaluation of the programme. SCS has agreed to make a financial contribution of one million SEK[22].

Dadaab hosts an estimated 170,000 refugees living in three camps 80 kilometres from the Kenya-Somali border. In November 2006, SC was concerned about the situation of refugee children living in three camps in Dadaab within a context characterised by wide vulnerability of host populations in an area prone to influx, and undertook a rapid assessment to gain better understanding of the situation of children. The gaps in child protection were found to be high and SCUK responded by setting up a child protection programme in the three Dadaab refugee camps, Hagadera, Ifo and Dagahaley. The project aims to stimulate and develop a network of children and adult structures in the camps; to support capacity building of government and civil society actors to enhance coordination; and to develop a system for monitoring and advocating on wider child protection issues affecting the refugee populations and host communities. UNHCR and SCS allocated emergency funding, and UNICEF has funded materials such as computers[23].

According to the agreement SCS shall have reasonable access to reports and other relevant documents within the programme, as well as the right to use such documents for its internal work and as input for its external communication. SCS have the right to visit the programme, by its own staff or persons on mission on its behalf, at points in time to be mutually agreed between the parties. SCS has also the right to conduct research and studies within the programme, in which the lead agency shall have the option to participate.

*North Darfur, Sudan*

Save the Children is involved in capacity building of the African Union Forces in Darfur on children's rights and human rights in general. The North Darfur Emergency Programme is set out to address urgent child protection and developmental rights through improving access to education in an emergency situation; enhancing the capacity and monitoring of civil society, communities, and policy makers in prevention of child rights abuses; provision of legal aid and advocacy in fulfilment of children rights with policy makers in partnership with the National Council of Child Welfare. SCS community based approach to Child Protection and Education are viewed as fundamental in achieving the objectives of the North Darfur programme.

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[21] Save the Children Child Protection Project proposal submitted by SCUK to UNHCR (implementation period 26 February – 31 December 2007)

[22] Cooperation Agreement between Save the Children UK and Save the Children Sweden Child Participation and protection in Save the Children's Emergency Response, Kenya, 1 April –31 December 2007, signed 11 April 2007

[23] Report on the activities and areas of progress, mayor challenges and plans forward, in relation to the Child Protection Program objectives, Catrine Ahlman, Child Protection Program Manager, Seconded from Save the Children Sweden, Emergency Stand by Team, Save the Children UK, Kenya program, Kenya, Dadaab, 19 March –19 August 2007

### 3.1.7 Conclusions and Recommendations

SCS principal governing policy document The Compass clearly formulates SCS core values, vision and mission. SCS core values; mission and vision are deeply rooted in the organisation.

The most demanding challenge SCS has faced basically since the early 1990s is the paradigm shift from a development assistance approach to becoming a child rights organisation adopting the Convention as the platform throughout the SCS organisation, members, supporters as well as staff. As a consequence SCS vision is more far-reaching than the Alliance vision when it comes to child participation. The Audit Team believes it is of significant importance for SCS to discuss the implications of having a vision that is different from the Alliance vision in the light of UP.

In order for SCS to maintain its position as the leading child rights organisation in Sweden SCS will in the near future depend on its capacity to influence the Alliance. It is generally recognized and appreciated that SCS has consistently promoted concepts and practices drawn from the CRC through its work and in collaboration with national and international organizations such as UNICEF. SCS is unique in child participation in programming. SCS should emphasize the importance of having the whole Child Rights Programming (CRP) approach incorporated in UP programming.

Practically as observed during the field studies, the SCS: i) accumulates knowledge of children's rights and conditions as a prerequisite; ii) disseminates knowledge and experience further to those who have influence over children's conditions; iii) influences public opinion often through Partner Organisations and exerts an influence on those in power to see to the best interests of the child; and iv) offers direct support to children, particularly in disasters.

It is not clear how the members of the Alliance will reconcile differences in values towards direct programme implementation and implementation through partnerships with CSOs and Governments. The interviews have indicated that key staff is uncertain of SCS position in the ongoing negotiations in the UP process. SCS emphasizes that it is a rights-driven organisation more than other SC organisations. How will these differences be addressed programmatically? SCS has a regional approach and other SCs a country approach. What will be the role of the RO? What added value will this "extra" level bring in countries with UP? This issue should be taken into account for future UP processes.

The intended scale effects of the UP cannot be achieved unless processes are harmonized at HO level through to the field. So far the harmonisation has affected the field level more than the HO level. However, the UP process will mean a significant change for SCS in all aspects of implementing its policies. Thus, it is of utmost importance to identify the present base line in the harmonisation efforts and assess how SCS can influence the future UP process as well as determine what changes are needed at the HO.

According to the assessment of the Alliance, SCS has the capacity of being MM for country programmes of medium levels of complexity only. This assessment significantly limits the number of countries where SCS can be the MM. As noted in sub-section 3.1.4 the UP will have significant impact on SCS management systems, working methods and priorities. The Audit Team has the impression that SCS participation in the UP processes in Peru and North Sudan has been very much ad hoc, without clear policies and guidelines set out by the Board and the HO. SCS should learn from the experience of the UP process so far and establish guidelines for future processes.

SCS may need to revisit its operational strategies in view of the significant efforts by the Alliance members to create Save the Children as a strong and visible global entity. There are differing perspectives and priorities regarding children's rights among the Alliance partners that need to be reconciled in order to establish a meaningful working relationship. SCS has not presented any risk assessment of the UP process for SCS and its Partner Organisations. There are certain risks in all major changes that should be carefully assessed. Another risk is that the UP process will create a situation with three parallell organisations under an umbrella with extra overhead costs or even competing organisations.

The Audit Team found SCS working methods in North Darfur compliant with what is fundamentally relevant to the core values of all humanitarian assistance. The aid is governed by the needs of the people affected in North Darfur. The support is based on three basic principles: humanity (the focus is on saving life and alleviating suffering), impartiality (implementation of humanitarian projects is based solely on needs, with no distinction between or within groups of people), and neutrality (humanitarian projects do not favour any side in a violent conflict or dispute). SCS humanitarian assistance is independent and separated from political, economic, military or other interests.

The ToR emphasise that development cooperation and humanitarian response demand different organisational set-ups. However, the core values, the mission & vision, the objectives, the Compass and the Management Guide are not separating humanitarian assistance from other activities carried out by SCS. SCS should review the Management Guide in order to meet the special requirements of humanitarian assistance

*Recommendations*

– SCS should establish guidelines for SCS participation in future UP processes
– SCS should emphasize the importance of having the whole Child Rights Programming (CRP) approach incorporated in UP programming
– SCS should review the Management Guide in order to meet the special requirements of humanitarian assistance

## 3.2 The Relation to the Board

### 3.2.1 Members

SCS is a membership organisation, whose highest decision making authority is the General Assembly to which the district branches send elected representatives. The General Assembly meets every second year and consists of 105 delegates and the Board. All members of SCS have the right to be present and to speak at the General Assembly. Individual members, local societies, district branches and Save the Children Youth Sweden are entitled to submit motions to the General Assembly. The annual General Assembly selects a Board and a Chairperson. SCS prides itself on being a politically and religiously unaffiliated non-governmental organisation with over 89,000 members in 249 local branches and 26 district branches all over Sweden. Approximately 250,000 persons are involved in and support its work.

Owing to its large membership and voluntary nature, SCS has members who are active in local branches in almost every municipality in Sweden. These members support the work for children's rights where they receive about thirty courses every year to equip them with the necessary skills that will give them the opportunity to get involved in both large and small projects.

There have been internal discussions on the Swedish members' relation to the activities carried out by the International Programme. Some efforts are made to integrate international activities with the Swedish. For example, the CO in North Sudan has started linking one of the local Partner Organisations with local branches in Sweden[24].

### 3.2.2 The Board

The Board leads, develops, supports and coordinates SCS's operations. The Board is the highest decision-making body of SCS between general assemblies.

Every two years, SCS members elect the Board entrusted with responsibility to decide on the aims and direction of the organisation. The Board comprises a Chair, Vice Chair, ten other members and three deputy members. The term of office is two years. The Board's mandate is to decide on the aims and direction of the organization including policy settling, strategic planning and quality assurance.

Every year the Board approves a three-year operational plan (now extended to four years) and a one-year budget. The Board makes decisions relating to targets, strategies, budgets for special initiatives and other programme activities and sets the budgets for SCS's departments and units (cost and revenue centres). The Board also decides on funding for the organisation's activities and sets expenditure frameworks. During the year the Board makes decisions on policy matters and other issues of major importance.

According to the interviews there has been a significant change in the professionalism of the Board over the last few years. The Board is constantly trying to increase the efficiency and effectiveness of SCS. The relation between the Board and the Secretariat seems to be good and based on shared vision and mutual trust.

### 3.2.3 The Internal Audit

The Board decided in 2006 to establish a new Internal Audit function at the HO[25]. The Internal Audit function is placed in the SG's Secretariat. The new Internal Audit function started working on the 18th of January 2007. The staffing has recently increased from one to two persons.

### 3.2.4 Conclusions and Recommendations

SCS applies democratic norms and transparency common to membership organizations by electing its Board responsible for overseeing the implementation of plans based upon its vision and identifying how this is translated into policy and strategy and subsequently programmes and activities.

The present Board comprises highly qualified members experienced in governing large organisations or with valuable insights from different parts of the society. The Board members are aware of their functions and practice them as stipulated in SCS's Statutes.

However, managing strategic issues related to the UP process within SCS has been too much on an ad hoc basis. The Board should have taken a firm lead of the process from the beginning.

*Recommendations*

–The Board should establish a comprehensive strategy for the UP process

–The staff should be better informed about the division of responsibilities for the UP process between the Board and the Secretary General and between different parts of the HO

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24 Planning Meeting Minutes Sudan February 6–7, 2007

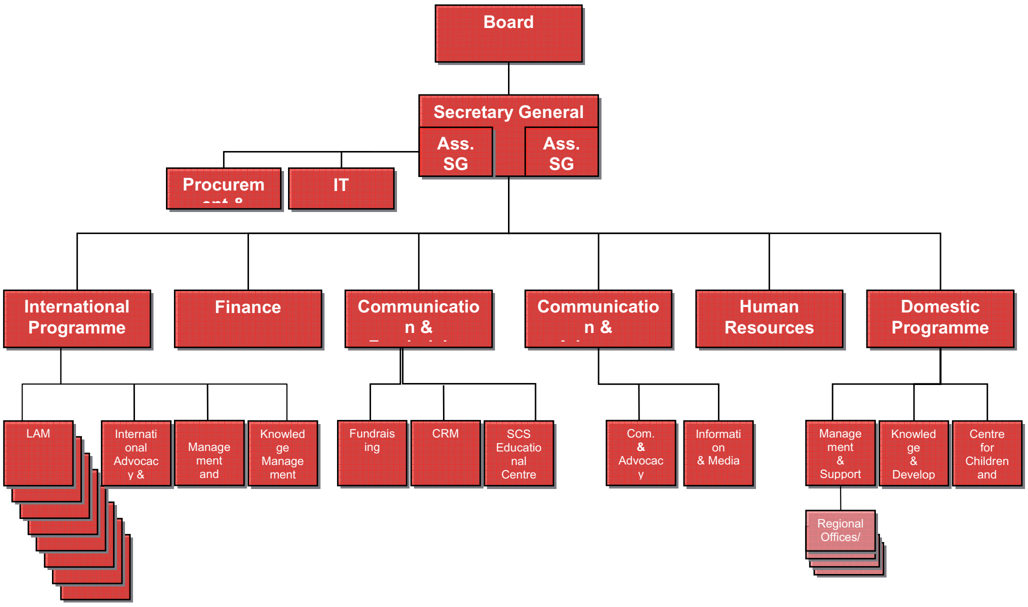
25 Uppdragsbeskrivning för Rädda Barnens revisionsutskott, 2006–09–15
Instruktion för Rädda Barnens internrevision, 2006–09–22

## 3.3 Organisation and Ways of Work at Head Office

### 3.3.1 Organizational Structure and Staffing

The general ideological framework of SCS is stated in the sections on basic principles and working principles of the by-laws of the organisation. The Management Guide (MG) includes sub-sections on staff structure, categories of staff, categories of positions and job descriptions. The ethical guidelines are given as an Appendix to the MG.

SCS uses the organogramme in Figure 4 to illustrate the organizational structure. It should be noted that the Internal Audit Function is missing in the Organogramme.




SCS work at the HO in Sundbyberg is operated by the Secretariat and managed by the Secretary General supported by 189 employees working at the HO and eleven regional offices in Sweden. The Secretary General is also overall responsible for the operations of the overseas Regional Offices where 37 employees are sent from Sweden and 544 are nationally or locally employed.

SCS HO is responsible for the day-to-day running of the organization's programme management. The operations are supported by Regional Offices, Country Offices and Field Offices. SCS is only partly an implementing organization (with some exceptions like Southern Sudan and North Darfur in particular). The programmes and activities are to a significant extent implemented by partner organisations at the administrative-geographic locations where SCS has Regional and Country Offices. The calculations in section 4.7 show that the size of self-implementation is the same as implementation through agreements with Partner Organisations.

SCS HO provides professional service to the Regional Offices and is also responsible for financial system control and financial accountability, without hindering the ability of the Regional Representatives, the Country Directors and the Programme Officers from taking independent decisions on the implementation of programmes and activities.

### 3.3.2 The Management Guide

The Management Guide (MG) might be described as a handbook of organizational and management matters, including the financial system. The purpose of the Management Guide is to present the general policies and minimum requirements set by SCS for the development and management of regional and country offices. It also provides recommendations and gives examples and formats that can be useful.

The Management Guide is divided into seven chapters (1) General Management, (2) Planning, Monitoring, Reporting and Evaluation Management, (3) Administration Management, (4) Financial Management, (5) Personnel Management, (6) Communications Management; and (7) IT Management.

However, Chapter 2 on Planning, Monitoring, Reporting and Evaluation Management is still missing in the MG. SCS has since the beginning of this millennium had several projects aiming at establishing a management system in this area[26].

Some parts of the MG are supposed to be adapted and supplemented to be operational at regional and country level, for example Personnel Management and Administrative Management. When making adaptations, it should however be noted that one of the aims of the Management Guide is to minimize local variations. Any adaptation deemed necessary must be made as an amendment to the appropriate chapter in the Management Guide, and should be based on general SCS policies and requirements as presented in the MG. The adaptations should also reflect local conditions and the laws in each country. However, general procedures for accounting, as well as general policies, may not be disregarded without consultation with Head Office.

The MG is updated annually in a participatory process including field staff (regional representatives, country directors and staff) particularly on HR/personnel management and administrative issues. The new MG is intended to be published in January as hardcopy, on CD and on the Intranet ("The Portal"). The Audit Team has assessed the last version of the MG that is dated January 2007 and signed by the SG in March 2007. However, the interviewees complained that it was not distributed to the Programme Offices until the middle of May. The electronic version was available on the 2nd of May.

Some regional and country offices have developed certain sections into local policies and procedures based on the general directions expressed in the MG. As the MG contains 454 pages and is updated annually, it is difficult for staff to cope with. The MG is used by local auditors as a basis for their work, and interim management letters state observations if practices deviate from policies and procedures described in the MG.

### 3.3.3 Human Resource Management

The Management Guide includes a chapter on Personnel Management. Since staff regulations and policies depend very much on local legislation and practices, it is difficult to produce general international guidelines within this field. However, SCS is striving for a certain uniformity that can be locally adapted. The purpose of this section of the Management Guide is twofold: (1) to establish general values, guidelines and policies valid in all parts of SCS operation; and (2) to establish recommended standards regarding employment conditions and advice on possible solutions.

The chapter on Personnel Management covers among others Ethical guidelines, General obligations of staff, Management and leadership policy, Recruitment, Introduction training, Terms of employment, Salaries and remuneration, Leave, Welfare, Staff development, Staff performance appraisal, Rules against discrimination, Work environment policy and Disciplinary procedures.

Factors that make local elaboration of these regulations necessary are

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26 Internrevisionen: Revisionsanalys 2006, 2007–05–31

compulsory legislation, different cultures and traditions and consideration of local standards set by authorities, other NGOs etc. For example a special HR policy has been developed for the Southern Sudan and Kenya Programme[27].

Each employee has to sign a contract and the Ethical Guidelines[28]. The contract refers to the policies in the Management Guide and regional or national policies. The Audit Team has found contracts for all employees in the samples we have selected randomly at each of the offices that have been visited. However, we have found that staff employed on consultancy contracts do not always see or sign the Ethical Guidelines.

Cooperation between the Manager and the staff member should take place in order to formulate goals and to plan, organise, develop and monitor the activities in relation to established goals. This is done at staff performance appraisal dialogues. During the dialogue the staff member's competency and work progress related to established goals are discussed, as are goals and work duties for the coming period. The dialogue should result in a mutual "contract".

### 3.3.4 Conclusions and Recommendations

The responsibilities and division of labour, lines of authority and decision making mechanisms are clear, with ample room for consultation and without major overlap of responsibilities.

SCS has a comprehensive agency-wide set of policies and procedures codified in the International Management Guide (MG). However, the Management Guide needs to be reviewed in the light of the UP process.

The MG aims at minimizing local variations. Any adaptation deemed necessary must be made as an amendment to the appropriate chapter in the Management Guide. Thus, the Audit Team has taken the MG as the point of departure when assessing the management systems. When the Audit has observed local variations these are specified in the relevant sub-sections.

The manual is not clearly distinguishing specific rules and policies from general guidelines.

Unfortunately one important chapter is missing in the MG (Chapter 2 on "planning, monitoring, reporting and evaluation management"). The Audit team will elaborate on this issue in section 3.15.

The new version for 2007 was delayed until May 2007. Needless to say, it has meant serious problems for the staff not to have an updated version on the rules and leading principles guiding their work. The updated version of the Management Guide should be available in each Regional Office with reasonable time to make changes in the implementing systems and not only be available at the time it comes into force.

The rules and policies for Human Resource Management are followed. The Audit Team has found only a few deviations when it comes to the implementation of the ethical guidelines. However, staff capacity building plans are missing.

The cooperation with the POs aims, inter alia, at increasing local capacity. However, none of the POs we have studied have a Capacity Building Strategy or Staff Capacity Building Plan or the like.

*Recommendations*

–The Management Guide should be reviewed in the light of UP

–The updated version of the Management Guide should be available in

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27 Human Resource Policy Southern Sudan & Kenya Programme, January 2006

28 Ethical Guidelines, adopted by the Secretary general on Oct 24, 2005, rev. 2007–02–05 to be valid as of 1 January 2007

each Regional Office with reasonable time to make changes in the implementing systems and not only be available from the time it comes into force
–SCS should make sure that all staff and consultants are aware of and follow the ethical guidelines
–SCS should establish Staff Capacity Building Plans.

## 3.4 Internal Dynamics

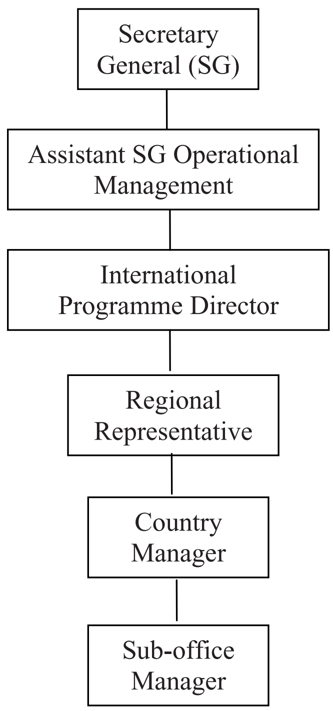
This sub-section deals with the internal dynamics, working relations and reporting structure between the HO in Sweden and the regional and country offices and the linkages between them. Moreover, it elaborates on the specific issues Sida wishes to be studied namely "the system for internal information and communication, feedback and institutional learning in the organisational chain". This is closely related to the other area SCS wishes to be studied namely "What learning mechanisms are in place and to what degree are they fed into decision making and used to enhance performance and quality of the programme?"

### 3.4.1 Working Relations

On the whole, the Staff at all levels is committed to their work and compassionate towards their target group.

The line manager structure is described in the following way in the MG (Figure 5). The Figure is reflecting emergency situations. Otherwise the IPD reports directly to the SG.

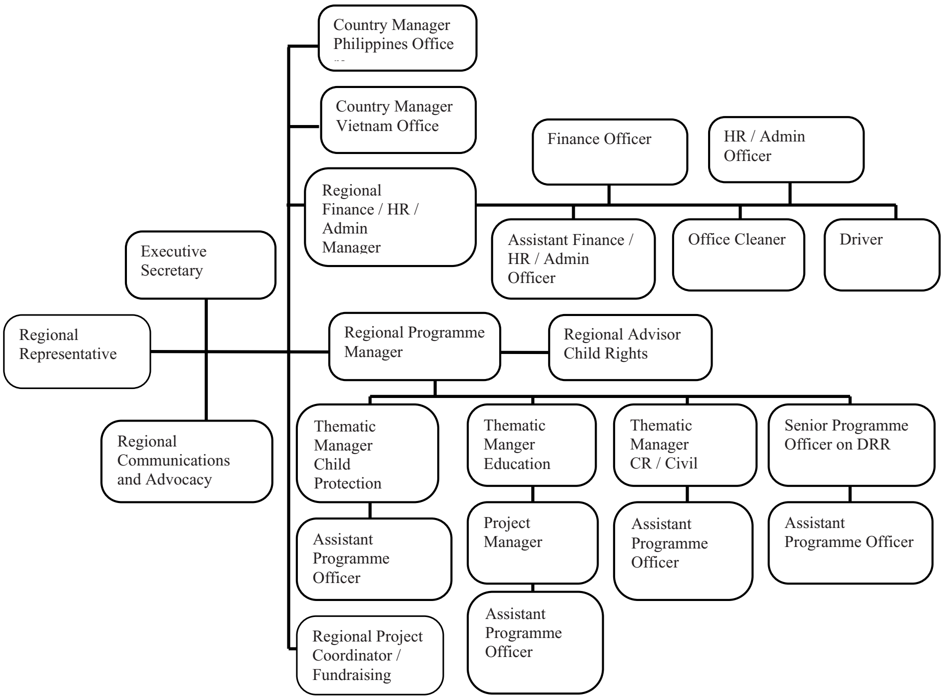
**Figure 5: SCS line manager structure**




The SG's delegation authorisation rules are stated in the MG. The SG appoints HO personnel and can delegate responsibility and powers that she considers appropriate. Working Rules that are coordinated with the Delegation authorisation rules have been prepared. The Working Rules specify the internal HO preparation of matters between the department managers or unit managers and the SG. These specify the cases in which consultation shall take place with the SG and the information and reporting obligations to the SG etc. The Working Rules attach certain provisions and restrictions to the delegated powers.

The regional offices are organised in slightly different ways in order to meet the specific context and the requirements in the region. Thus, the Audit Team has chosen one of the ROs to illustrate the organisational principles. The regional office in South East Asia and Pacific is organised in the following way (Figure 6):

**Figure 6: Organization of the RO in South East Asia and Pacific[29].**



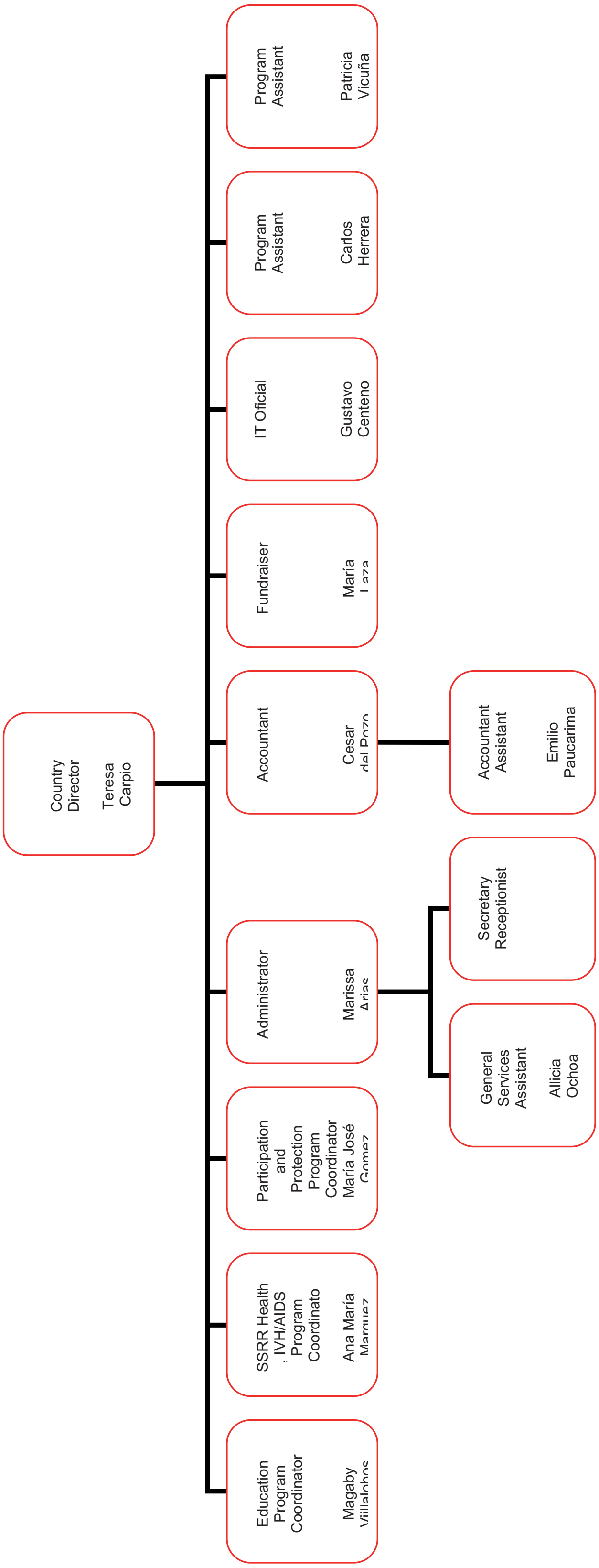

The Country Managers are reporting to the Regional Representative. The Senior Management also includes the Regional Finance /HR/ Admin Manager and the Regional Programme Manager.

The staff at the other ROs that we have studied comprises more or less the same competencies as in SEAP. However the ROs are organized in different ways depending on the size of the RO, the need for coordination and the priorities between programmes.

The country offices are also organised in different ways depending on the context, history and size. The Audit Team has chosen one of the COs to illustrate the organisational principles. Figure 7 illustrates the organisation at the UP Office in Lima. The Country Director is reporting to the SCS Regional Representative and Country Leadership Group.

[29] SEAP Regional Office, Bangkok Last Updated: 27 November 2007

**Figure 7: The Organisation of the UP Office in Lima**



The 2002 Sida Institutional Assessment stated that SCS suffered from weak knowledge management systems, monitoring and evaluation mechanisms and poor documentation and learning systems. It stated that SCS should revise its knowledge management systems in order to improve efficiency and programme impact.[30] The weaknesses that were highlighted in the 2002 Assessment have been addressed. However, SCS has not yet developed comprehensive, systematic, organizational approach to knowledge acquisition, development and sharing. Excellent, innovative new knowledge developed within a certain RO and CO often tends to stay there. Knowledge sharing has generally been weak and has faced challenges due to unwillingness to accept new knowledge, linguistic and geographic divisions, and poor application of learning into business processes.

However, the Section for Knowledge Management has established an integrated working model with the regional offices on the priority of the Priority Areas. There is one management group and one technical working group for each Priority Area. The management group meets bi-annually to discuss strategies around the development of the Priority Areas, their follow-up and implementation. The technical group meets when necessary (not more than once a year) to discuss the work plan with the thematic management groups. Institutional learning is assessed more in detail in sub-section 3.4.3.

Evidently, the various programmes within SCS core activities and those of its POs aim at capacity building or rather capacity development. However, while SCS is active in capacity development in respect of the content of its four working methods, the Audit Team has noticed gaps when it comes to capacity development of its own staff and the Partner Organisations. In for example Sudan and Darfur in particular, SCS knowledge and skills of development aid management instruments are lacking. In Darfur, SCS's two major indigenous partners (Amel and Sudanese National committee on Traditional Practices) are rather new, ill-equipped and inadequately trained in proposal writing, monitoring and evaluation, record keeping and other mundane office management skills. They are also equally poor in developing coherent programmes of activities or a strategic plan informed by certain mission and vision and a set of realistically implementable plans.

All the interviewees representing POs are satisfied with the cooperation with SCS. Many of them expressed concerns about the UP process and explained different problems deriving from the present uncertainty about what the UP will mean in practice for them. POs are disappointed that they have not been invited to take part in the process.

### 3.4.2 Reporting Structure

There are at least four layers of reporting modalities within SCS that the Audit Team were made aware of. These are as follows:

Reporting within the HO and beyond the HO from the Regional Offices. These reporting modalities (financial and narrative) are governed by decisions by the Board and the SG. These are routinely carried out and clearly demonstrable;

Monthly reporting from the Country Offices to the Regional Office. This the Audit Team testifies as being conducted regularly and periodically as stipulated including both narrative and financial reporting;

Reporting from the Field Offices is also conducted as stipulated, and the Audit Team refers here particularly to the North Darfur Field Office, where both narrative and financial reporting are delivered to the Coun-

[30] Sida: 2002 Institutional Assessment of Rädda Barnen.

try Office regularly and periodically. However, it must be added that due to the insecure situation in Darfur, it is not uncommon that financial reporting is undertaken more than twice a month in order to pave the way for urgent payments needed to meet contractual obligations to local suppliers; and

Reports from POs to CO or RO as stipulated in the agreements normally 2–4 times a year.

The same reporting structure is used in the entire organisation. However, the quality of the reports is uneven. This will be discussed more in detail in sub-section 3.17 on reporting on deviations and final reports.

### 3.4.3 The System for Internal Information and Communication, Feedback and Institutional Learning in the Organisational Chain

SCS has an internal communication system called the Portal in which all information can be posted and shared. The corporate language is English, which most staff members globally use professionally. Other languages are also quite common such as Spanish, Portuguese or French. At for example the UP office in Lima the corporate language is Spanish where the level of English is generally low among the staff.

Almost all agreements with POs in LAM are for legal reasons in Spanish[31]. Agreements must be issued in the official language or they will not be valid. Thus, the exceptions from Spanish are Portuguese-speaking Brazil and English speaking Caribbean, in this case Belize. Overall, SCS and the UP office have very sound administrative policies in place. Their working relationship with their very different and varied partner organizations is very sound and based on mutual trust and common goals.

Specific issues are addressed in the annual reports with regard to lessons learned. SCS is currently considering introducing thematic learning and impact reviews as an organized learning tool.

The Audit Team has found a few examples of direct dissemination of best practice or good practice within SCS. The CO in Sudan has discussed the experience of SCS in Vietnam regarding integration of children with disability in inclusive education stressing the need to replicate the experience in northern Sudan[32].

SCS has not developed any system or introduced general processes for knowledge generation. The routines used in practice for knowledge generation are different among the regions. The Audit Team has been provided with information on some very good systems, especially the one in LAM. A regional communications strategy for SEAP was designed in December 2006. The regional communications strategy recognizes the importance of targeting and seeks to focus on content rather than presentation alone.

The RO in ECAF has no communication strategy but annual work plans are developed in a dialogue with the different offices. However, the Communication Officer is more of a technician than a Communication Content Specialist. At the time of the visit by the Audit Team the RO was recruiting a new Regional Communications Officer as the previous one left the region in early August, creating a certain backlog and missing latest information on the intranet. This could explain why the information on the ECAF RO, New Pod for Intranet is rather outdated. The information available therein is incomplete and less informative. For instance resolutions undertaken in the planning meetings which are the

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31 As detailed in appendix 4 the Audit Team was provided with 118 agreements in Spanish, 14 in Portuguese and one in English

32 Planning Meeting Minutes February 6–7, 2007

most important occasions for experience sharing and follow up of activities rather than an inadequate substitute for a full-fledged monitoring and evaluation methodology need to be shared.

In addition a couple of studies have shown poor advocacy skills, which is surprising in an organisation that to a high degree is focusing on advocacy. Indeed, the MMCAP assessment undertaken by the Alliance showed that SCS was even stronger than the self-assessment on advocacy. However, the CO in North Sudan found that three out of four Evolving Core Partners have poor advocacy skills[33]. The study also revealed that three out of four partners had poor systems for data collection, analysis and sharing of experiences.

#### 3.4.4 Knowledge Management Strategy

As the leading child rights organisation in Sweden it is of utmost importance that the organization has effective Knowledge Management Systems in place and that they are constantly up-dated. This is equally important in order to further strengthen SCS position in the International Save the Children Alliance.

SCS has presented an overview of preliminary Knowledge Management needs 2009–2012[34]. It elaborates on the four key components of Knowledge Management – technology, people, networks and processes. The principles underpinning the Draft Knowledge Management Strategy reflect those of the Operational Plan of the International Programme. The goal of the international Knowledge Management Strategy is to enhance knowledge generation and sharing in order to be a more effective and efficient child rights organization. However, the Strategy will have to be further improved before it is finally decided and implemented.

Specific outcomes of Knowledge Management include: 1) creating an organizational culture that values and rewards the creation, sharing and application of relevant knowledge 2) improving knowledge sharing between field offices, within HQ, and between HQ and the field offices 3) transforming SCS into an expert organization in key priority areas, with clear competencies and staff; and 4) reducing "transactional costs" associated with certain programme processes and document/knowledge retrieval. Key indicators will be reported back to the Board within the framework of the Balanced Scorecard.

The mandate of the Head of Knowledge Management and Development at the International Programme is to provide prime responsibility to ensure that the Knowledge Management Strategy and plan are implemented throughout the International Programme. The Head is the focal point on Knowledge Management within the SCS Operational Management Team, and helps enable the department directors to implement Knowledge Management in their departments.

Although the lines of communication, hierarchy and delegation of authority are clearly delineated in SCS, the Audit Team's interviews indicate that the ROs do not receive sufficient guidance from the HO in Sweden. Decisions of global or rather far-reaching implications at Save the Children Worldwide operations are left open to interpretation. For instance, the mandate for the Regional Representative (RR) in negotiating new working modality in the UP process with SC US and SCUK is not clear. It is not clear whether agreements reached under the current negotiation process in the regions are immediately binding and whether SCS should henceforth sign them without prior consultation with HO.

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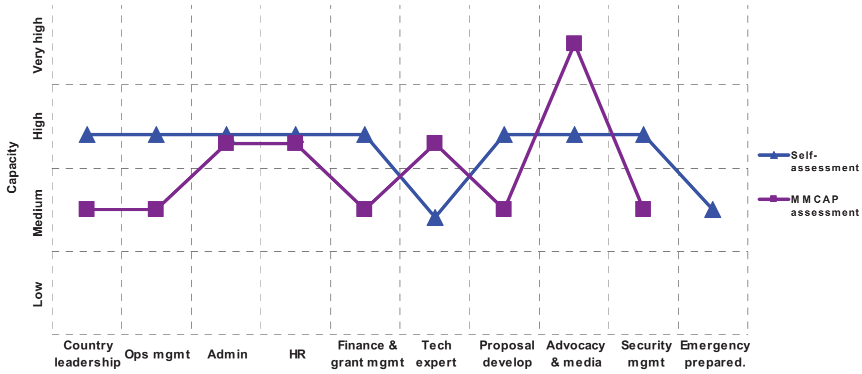
[33] Capacity Assessment for Save the Children Sweden's Four Evolving Core Partners, Aamir Ali Abdelrhaman, Maarif for Training and Consultancy, Draft report, September 2007

[34] SCS: Knowledge Management Strategy, Kunskapsstöd, Henrik H, Draft 2006–11–24

### 3.4.5 Self-evaluation

The Alliance has made a capacity assessment of SCS primarily based on SCS self-assessment[35], followed by a visit of the Managing Member Capacity Assessment Panel (MMCAP)[36]. The assessment and the subsequent dialogue with SCS colleagues resulted in the grid below in Figure 8 [37]. As is obvious from the grid MMCAP has a slightly different view from SCS regarding the self-assessment rating. However, this does not so much reflect real differences of opinion about capabilities. The MMCAP team focused on demonstrated experience to run large projects and current capabilities. However, the SCS assessments reflect as well an element of organisational ambition under the new circumstances prevailing from the UP concept. SCS regional model and organisational scale has not led to running large country operations so far; however, in many of the areas assessed, the capabilities exist to run medium country operations and in some areas to support larger operations. SCS's strong advocacy capabilities are particularly noted by the assessors.

**Figure 8: SCS Self-assessment and MMCAP assessment**




The MMCAP considers SCS to have the operational management capacity to provide efficient support to countries with annual budgets of US $3 to 10 million. However, the MMCAP believes that this is a borderline assessment reflecting the fact that SCS has not yet operated as the manager in a larger country, although there is potential to develop these capabilities. SCS also prides itself, through the regional approach, of having regular and long-term commitments/ partnerships in well over fifty countries globally[38].

### 3.4.6 Conclusions and Recommendations

The Audit Team was able to verify through interviews, policy documentation and samples of administrative procedures pertaining to the functions of SCS at various organizational levels that the lines of communication and hierarchies are clearly defined. SCS has an up and running modern intranet system, qualified staff and a large series of functions and facilities placed in house. The communications systems are regular and two ways.

However, the Audit Team has noticed that the HO sometimes requests information directly from the CO without reference to the RO. Although there is nothing principally wrong with such an arrangement, it implies lack of respect of routines or lack of clarity of lines of delega-

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[35] Managing Member Capacity Assessment Self-Assessment Questionnaire

[36] However, the MMCAP did not assess the Emergency Preparedness capacity. This was done by the Emergency Liaison Team, based on the Members' self-assessments

[37] Managing Member Capacity Assessment Panel, Save the Children Sweden, Report Nov, 2007

[38] Response to Managing Member Capacity Assessment Panel s report, PM, Secretary General s Office, Gunnar Löfberg, Ass. Secretary General, 2007–11–30

tion. Either way, contradictions are likely to occur when such incidents are recounted vis-à-vis organizational norms. In situations where the Country Director capitalizes on information flow, the ensuing discrepancy could be fatal for organizational coherence.

SCS insistence on employing narrowly specialized officers with overlapping functions (education, protection, rights, lobbying and advocacy) is rather costive and could prove to be conflict ridden as clash of personalities and lack of clear direction could hamper cooperation and coherent coordination of efforts. The absence of project managers to coordinate the work of various programme officers with specialised functions puts a pressure on the Regional Representatives' and Country Managers' coordination. Country Managers involvement in implementation or implementation-like activities undermines their oversight role as the overall overseers who hold other employees accountable. In other words, accountability becomes difficult if those entrusted with it are also part of implementation as the present experience suggests

The Audit Team has found the reporting structure to be adequate. The reporting is systematic and facilitates a dialogue between different levels on results. However, the quality of the reports can be further improved (see sub-section 3.17) and the feed-back on the reports is not yet systematic. The feed-back mechanism is dealt with more in detail in sub-section 3.4.3.

The Audit Team has noticed some gaps in capacity development, especially when it comes to Partner Organisations in Sudan. Although some of these problems also feature in other cases, SCS has many POs with high capacity. The Audit Team hasten to add that, although such inadequacies prevail, there is no evidence to suggest that these organizations do not command the skills and abilities necessary for implementing their programmes and imparting knowledge on child participation, increasing awareness of traditional harmful practices, increasing awareness of the rights of the child and playing their pivotal role in advocacy and lobbying. It is their enthusiasm and limited operations that enable them to achieve their objectives in what is clearly not the most optimal way. Furthermore, lack of competence in development aid management may also lead to inappropriate allocation of time, effort and resources and also inability to gauge the medium and long-term outcomes of their work.

The MMCAP assessment is mainly based on the experience according to financial size of country programmes abroad. SCS's approach is to work through partners, advocacy and training which minimizes need for own staff and other overheads thus reducing the overall cost for country programmes. According to SCS, this is a cost-efficient way of achieving the objectives, resulting in quite low overall costs for the country programmes. SCS works in complex and difficult environments, having to address government and local officials, opposition groups, community leaders and local actors as well as the public at large.

In order for SCS to maintain its position as the leading child rights organisation in Sweden, SCS will in the near future depend on its capacity to influence the Alliance. The MMCAP assessment shows the difficulties SCS will meet under UP to maintain the approach of being a child rights organisation working mainly with regional programmes and focusing on building local capacity through Partner Organisations. The MMCAP assessment underlines the focus on large self-implemented programmes. This will have an impact on SCS presence both in countries where SCS is the Managing Member and countries where SCS is a Participating Member. It is an open question how this will affect SCS management systems.

The Audit Team is anxious that the excellent experiences of SCS with its wide network of volunteers and active members will be improved in the UP process in the developing countries, including also the valuable training and capacity building programmes developed therein. The lack of channels for up-scaling Sweden's rich experience in this field may suggest that SCS is not a learning organization despite its long history in this field.

In essence, such lack of flow of information may give the impression that SCS maintains a dual identity: a Swedish identity with its 2003 Youth extension and a global developing country oriented identity with its own internal dynamics.

The lack of a roster of lessons learned and best practices deprive SCS from the designation "learning organization". A Knowledge Management Strategy was drafted 2006. The goal of the international Knowledge Management Strategy is to enhance knowledge generation and sharing in order to be a more effective and efficient child rights organization. However, the Strategy will have to be further improved before it is finalized and implemented.

In order to attract, retain and develop employees with good qualities, the Management Guide includes pertinent staff issues. However, the Management Guide needs to be adjusted to the specific conditions that exist in some countries. SCS is obliged to adhere to and follow the national laws, regulations and practices applicable in the countries of operation. HR policies should not contradict or conflict with national laws and regulations. Thus, policies adjusted to the regional and local context are drafted and in some cases finalized.

*Recommendations*

– The Knowledge Management Strategy should be finalized and implemented
– SCS should formulate and decide upon a position paper outlining the strategy for influencing the alliance and including guidelines for the negotiations in the UP process
– The line manager structure should be clarified for the different alternatives of UP
– The coming Monitoring and Evaluation System should be designed for organizational learning

## 3.5 Decision Making Processes

The decision making processes and rules of delegation are described in the Management Guide. A new delegation of authority policy was approved by the Board of SCS on 15 December 2006. Delegation involves assigning to another person the right to make decisions. Responsibility remains at all times vested with the delegating party. For this reason, delegation of decisions must be reported to a satisfactory and transparent standard.

The Board has delegated authority to the Secretary-General to:

– Implement Board decisions and thereby lead the organisation's direct operations.
– Manage the structure and human resources needs of the organisation within the guidelines approved by the Board.
– Approve additional spending for a maximum of SEK 10 million (corresponding to 1.5% of annual revenue) over and above the budget approved by the Board on additional activities, when additional external funding is fully secured for the short and long term.

–Approve additional spending for a maximum of SEK 1 million on additional activities, when internal funding is required provided a balanced budget can be maintained.

–Approve additional spending of SEK 12 million in connection with emergencies, including SEK 2 million internal funding.

The Board may in specific instances delegate decision-making powers to the SG that go beyond the expenditure and other limits stated above. The SG's decisions in the above areas must be presented in a satisfactory and transparent form at the next Board meeting.

Most of the NNGO Partner Organisations sub-contracted by SCS that the Audit Team has visited have relevant participatory approaches to decision making processes used in practice. This finding is validated by some of the reports the Audit Team has reviewed. For example three out of four of the evolving core partners in Sudan were assessed to have participatory approaches in place[39].

## 3.6 Selection of Partner Organisations

### 3.6.1 System for Selection of Partners

The Management Guide states that SCS has two strategic objectives for partnerships. SCS should assist the Partner Organisations in

–Developing their capacity and self-reliance as child rights advocates

–Participating actively in networking and sharing experiences with SCS and other organisations.

The MG also states that the selection of key partners will depend on the society and issues and will be defined locally. According to the MG SCS is using indicators to evaluate how partners develop with regard to these objectives.

SCS is presently in the process of elaborating a position paper on the support to civil society to ensure a more coherent and systematic approach to work with partners and other actors. The paper will among other things contain criteria for selection of Partner Organisations and categorizing of partners. This issue will be further elaborated in the plan of action that SCS will present, to be included at Annex 8.

In the absence of general criteria for the selection of Partner Organisations the Audit Team has chosen to elaborate more in detail on this issue in ECAF (sub-section 3.6.2). In the subsequent sub-section (subsection 3.6.3) the Audit Team has added information on similarities and differences in the other regions.

### 3.6.2 Selection of Partner Organisations in Practice

*Eastern and Central Africa*

SCS/ECAF claims to work mainly through partnership with structures like government bodies, local non-governmental organizations (NGOs) or community based organizations (CBOs). However, in cases where it is difficult to find competent partners, such as in the projects in Southern Sudan and North Darfur, or when advocacy of more delicate issues is required – SCS/ECAF has been flexible to implement its own projects. Partnership, from the SCS/ECAF side, refers to a sincere wish to do more than simply cover the cost of development projects. Partnership is based on shared accountability and also involves organizational capacity development, information exchange and networking. Additionally,

[39] Capacity Assessment for Save the Children Sweden's Four Evolving Core Partners, Aamir Ali Abdelrhaman, Maarif for Training and Consultancy, Draft report, September 2007; and

through partnership SCS/ECAF can contribute to the important goal of strengthening the civil societies' work on promoting and protecting children's rights[40].

The selection criterion for partners relies on two bases: (a) the minimum requirements are as follows: Shared/closeness of vision and values; legal recognition; good governance; and character of the organization in terms of honesty, transparency, openness, creativity and flexibility; and (b) the variations in this respect are related to the existence of child focused organizations: particularly where no relevant child-oriented organizations exist, SCS may support the establishment and development of such. This may be done by backing the development of new child oriented organizations and by working towards having children's rights put on the agenda of other established organizations.

**Four Categories of Partner Organisations**

SCS is presently elaborating on the categorizing of partners in the position paper mentioned in sub-section 3.6.1. It is in the light of the above criterion that partners in ECAF are divided into four categories:
1. Core partners,
2. Evolving core partners,
3. Programme partners; and
4. Project partners. These categories are described briefly below:

**1. Core partners:**

Core partners are matured long term NGO partners for SCS. These are partners that are well established in all aspects and may not even require financial support from SCS. It is foreseen to have at least one such partner in each of the programme countries ECAF is operating in. Here cooperation takes place in the following areas:

–Information sharing and knowledge dissemination flowing from both sides for mutual learning

–Programme and policy development

–Programme/project funding based on identified child rights violations.

–Organizational capacity development

**2. Evolving core partners:**

This category of partners refers to young and small non-governmental organizations that have the potential and willingness to grow to a level of core partner. This is a transitional category, where the partners are in the process of organizational capacity development that will run for some years. As a result the number of partners in this category in a country programme is limited to a maximum of five. Here cooperation takes place in:

–Organizational capacity development, programmatic and organizational, support based on an in-depth organizational capacity assessment

–Development of long term strategic plans and management

–Thematic programme/project funding

**3. Programme partners and 4. Project partners:**

These are project-or programme specific in respect to implementation, capacity building or cooperation in areas where SCS does not have presence or expertise in a certain area.

SCS/Kenya Program has the following Partner Organisations:

[40] East and Central Africa Region Partnership Guideline

–African Network for the Prevention and Protection against Child Abuse and Neglect
–Department of Children Services (the Office of the Vice-President)
–Girl Child Network
–Kenya Police Department
–Children Legal Action Network
–Forum for Child Rights Initiative
–Save the Children UK Regional Partner

Out of these the Audit Team has studied three POs in more detail. Whereas SCUK is a prominent member of Save the Children Alliance, ANPPCAN is a pan-African NGO with offices in African countries and its objectives, vision and mission are similar to those of SCS. As such they are matching fit and satisfy SCS partnership criteria.

All three partners use similar working methods based on community participation, the establishment of Child Protection Committees at the community level entrusted with child protection, education on child rights as well as advocacy and lobbying governments and government institutions to enact national and international legal instruments for the protection of children and respect of the rights of the child.

The questions which the Audit Team raised about the practicability of the partnership criteria aside, the Team subjected elements of partner selection infused in characteristics to some of the partners whom the Audit Team has visited using the verification methodology the Team has developed for such purposes as follows:

**Table1: Verification of Compliance with Partnership selection criteria**

| | Compliance with Criterion | | | | |
|---|---|---|---|---|---|
| **Partner** | **Shared/ closeness of vision and values** | **Legal recogni-tion** | **Good governance** | **Honesty, trans-parency, open-ness, creativity and flexibility.** | **Variations (regional and international, Government)** |
| Sudan National Committee on Traditional Practices (SNTCP) (El Fasher, Northern Darfur, North Sudan) | No written document or strategic plan to verify shared vision and values | Legally recognized | Poor quality financial and narrative reporting and difficult to verify good governance without framing it or making it more specific. | These elements can not be verified before entering into partnership. Recognizing all such ideational values in one organization without interacting with it is too difficult, almost impossible. | No explicit classification is attached to the organization, probably due to Darfur Field Office's lack of knowledge of the partnership selection criteria. |
| Amel Center- for Rehabilitation of Victims of Torture (El Fasher Northern Darfur North Sudan | No written document or strategic plan to verify shared vision and values | Legally recognized | Well kept records, but poor quality financial and narrative reporting and difficult to verify good governance without framing it or making it more specific. | These elements can not be verified before entering into partnership. Recognizing all such ideational values in one organization without interacting with it is too difficult, almost impossible. | No explicit classification is attached to the organization, probably due to Darfur Field Office's lack of knowledge of the partnership selection criteria. |

| | | | | | |
|---|---|---|---|---|---|
| ANPPCAN (Nairobi, Kenya) | Operates within the overall vision, mission and values of Pan-African ANPPCAN | Legally recognized | Well kept records, but poor quality financial and narrative reporting and difficult to verify good governance without framing it or making it more specific. | These elements can not be verified before entering into partnership. Recognizing all such ideational values in one organization without interacting with it is impossible | No explicit classification is attached to the organization, by the Regional Office in respect to the partnership selection criteria. |
| Sudan Society for the Deaf (Khartoum, North Sudan) | No written document or strategic plan to verify shared vision and values | Legally recognized | Well kept records, but poor quality financial and narrative reporting and difficult to verify good governance without framing it or making it more specific | These elements can not be verified before entering into partnership. Recognizing all such ideational values in one organization without interacting with it is too difficult if not impossible. | No explicit classification is attached to the organization, by Sudan Country Office. |
| Sudanese Network on the Abolition of FGM (SUNAF) (Khartoum, North Sudan) | No written document or strategic plan to verify shared vision and values | Not legally recog- nized. Still awaiting registra- tion, and therefore operates as a clandes- tine organiza- tion. | Financial and narrative reporting is done through Ahfad University for Women | These elements can not be verified before entering into partnership. Recognizing all such ideational values in one organization without interacting with it is too difficult if not impossible. | No explicit classification is attached to the organization by Sudan Country Office. |
| Sabah Associa- tion for Child Care and Development (Khartoum, North Sudan) | We gained no access to any documents due to the absence of the Secretary Gen- eral. | Legally recognized | Had a case of diversion of funds which have been recovered and the accountant sacked. | This could not be verified, as the staff was too defensive on transparency, openness, creativity and flexibility. | No explicit classification is attached to the organization by Sudan Country Office. |

SCS Partner Organisation selection criteria vary from one local NGO and another. It can be characterized as a mixed bag of varying performances from those with strong performance, strategic plans and discernable working methods, while others are less so in several respects.

However, in this case all local partners are lacking in strategic plans and written visions, missions to inform their values and identities. It is difficult for SCS to assume that because these organizations work among children then they should be automatically sharing its values. However, surely values are judged by actions.

*Latin America*
SCS Regional Office works in the Latin American region with 89 partner organizations[41] for a total of137 projects[42]. Overall supervision for these projects lies on the Lima Regional Office. The Unified Presence (UP) office works with 21 partner organizations in Peru for a total of 35 projects. There have been discussions at the RO and the UP office on the need to reduce the number of Partner Organizations that they work with in LAM.

Partner Organizations in LAM are selected based on their commitment to children's rights and their capacity to implement a project or projects. The organizations need to be well established, with sound internal administrative controls and policies that can guarantee transparency in the use of funds and materials provided by Save the Children. The commitment to the values of SC from those Partner Organizations interviewed in LAM was obvious. All of the organizations interviewed have strong internal organizations with well established administrative controls. All of them demonstrated having internal administrative manuals guiding their work. All Partner Organizations in LAM are required to adhere to the Ethics Code of SCS. Organizations interviewed were aware of this Code and said that all of their staff working on SCS projects sign commitments to this Code.[43]

*South East Asia*
The RO in SEAP has established a clear decision-making process for long-term support to Partner Organisations, temporary support and possible new partnerships. When it comes to long-term support the applications should be submitted in June/July from the Partner Organisation to the RO. Thematic and economic discussions are followed by a budget submitted to the RO and possible amendments. After the decision of SCS Board in December the cooperation agreements should be signed in December/January. For temporary support the process starts with thematic and economic discussions based on current applications followed by a written decision signed by the RR/CM. For new projects the process starts with a concept paper from the PO followed by discussions. If the Partner Organisation and the project are in line with SCS priorities the Partner Organisation is asked to finalize a project description with proposal and budget details. After project justification the RR/CM will make a decision on support and the agreement is drafted and signed.

### 3.6.3 Conclusions and Recommendations
One of the strategic objectives for partnerships according to the MG is that SCS should assist the Partner Organisations in developing their capacity and self-reliance as child rights advocates. The Audit Team assessment is that this objective to a large degree has guided the selection of Partner Organisations. However when it comes to the second objective, namely "participating actively in networking and sharing experiences with SCS and other organisations", the Audit Team has found significant deviations. The first part of this objective is clearly demonstrated through different ways of SCS sharing experiences with each of its Partner Organisations. However, networking and sharing experiences between the Partner Organisations is not systemized.

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[41] The Audit Team has assessed the Agreements with 41 POs working directly with the RO in Lima; 18 with the Regional Sub-Office in Costa Rica; and 12 with the Regional Sub-Office in Rio

[42] As of June 2007. Report provided by SCS Regional Office.

[43] Organizations working with the Regional Office interviewed include: Cecodap (Venezuela); Dos Generaciones (Nicaragua); Global (Paraguay); and Fundacion Paniamor (Costa Rica).
Organizations working with UP interviewed include: MANTHOC; Centro Arguedianos; Cedissa; and Vichama.

SCS has over the years developed different kinds of partnership with a wide range of organizations. These partnerships seem to have developed organically and in an ad hoc manner on the country level without reference to regional strategies. However, SCS should benefit from an assessment of the nature of these partnerships, what they have contributed and what they could potentially contribute to at the regional level. The objectives of the partnerships need to be clearly defined in order to work out the nature of support, partnership agreements and the duration of engagement required for achieving the expected results.

SCS RO and COs in ECAF have to undertake serious review of the following in respect to cooperation with partners:

– In the case of ANPPCAN, there is need for proper reporting consistent with agreements signed and also consistent with Sida regulations. Admittedly, the quality of narrative reporting is poor. Although financial reporting does not suggest any impropriety, the quality of documentation leaves much to be desired.
– The systems-based audit of SC UK and its SCS-funded project amongst the Somali refugees in Dadaab show that the staff, logistics and construction costs outstrip actual financial resources spent on the target population. In other words, the project financial arrangements do not satisfy even SCUK.
– Although SCUK and ANPPCAN have different experiences with working with children, SCUK is much older and is expected to have developed and internalized development aid management instruments in a manner that gives it a certain advantage. Unfortunately, both have no monitoring and evaluation or result management methodology in place.
– The selection of Partner Organisations is questionable. We find it rather odd that SCS in Kenya is financially supporting the Police and the Office of the Vice-President. Is it in line with the SCS core values and Sida guidelines that SCS as a NGO should financially support the Police and the Central Government[44]? These kinds of partnership would benefit from focusing on transferring knowledge and experience instead of funding with its risk of adding to a corrupt culture.
– One organization is not legally recognized (Sudanese Network on the Abolition of FGM or SUNAF). This may pose a serious problem for SCS should this be brought to the attention of Sudan Humanitarian Assistance Commission which has for almost two years refused to register this organization. However, this should not mean that the organization is not doing a good job.

The four categories of Partner Organisations used in ECAF are rather general and no further indicators have been developed to assure the Audit Team that such criteria can be followed methodically. The question then is how SCS can claim that they share the same identity. Another criterion is good governance, which has so many facets and cannot really be determined at a glance.

Obviously there are many factors to take into account when selecting Partner Organisations. Thus, it is difficult to establish general criteria that can guide the choice of PO. The Audit Team agrees with SCS on the need for taking the regional and country context into account when

[44] Cooperation agreement between SCS and the Office of the Vice-President and Ministry of Home Affairs represented by the Department of Children Services up to 31 December 2007, signed 30 March 2007
Cooperation agreement between SCS and Kenya Police Department, 26 February – 31 December 2007, signed 26 February 2007

choosing Partner Organisations. Based on the traditions in LAM the RO is in a position to choose among a high number of excellent NGOs. Most of the Partner Organisations in LAM are performing well and have reliable management systems and internal control. A reduction of the 89 Partner Organisations in LAM would, however, not only have clear administrative advantages but, more importantly, it will allow SCS to allocate more resources to organizations that have demonstrated a proven capacity to impact and influence public policy regarding children's rights.

However, in the other regions the Audit Team has studied the situation is different. In approximately 50% of the NNGO Partner Organisations that the Audit Team has studied in the other regions the division of responsibilities between the Board and the staff was unclear, as well as within the staff. Organogramme was missing or unclear in every second organisation. In most cases job descriptions were missing, weak and unclear, outdated and/or not signed. None of the NNGO Partner Organisations the Audit Team has studied have a Strategic Plan.

The overall conclusion is that SCS should develop the capacity of its partners on the evolving and increasingly important development management aid instruments in order to ensure that the positive elements of its partner selection criterion are instilled in its partners.

When sub-contracting by SCS is desirable, why should Alliance members such as SCUK be sub-contracted to implement the Dadaab project amongst the Somali refugees in Kenya with its high overhead, administrative and logistic cost? There is a legitimate question why African or pan-African partners should not be sub-contracted to implement such projects in collaboration with SCS. In a sense, there is need for serious rethinking of the current sub-contracting arrangements. The implication of this is that SCS should have a clear policy on how to use partner organisations (why, when) and when to be the implementing organization itself.

*Recommendations*

– SCS should evaluate its experience of working with Partner Organisations, in order to establish clear selection criteria as well as a comprehensive set of activities to support the Partner Organisations and assist them in sustaining and increasing capacity
– SCS should increase its efforts to support networking among the Partner Organisations

## 3.7 Planning of Work

This sub-section deals with planning of work /activities including information gathering and analyses.

### 3.7.1 General Planning Principles

SCS's operational orientation is decided at the General Assembly every second year and constitutes the framework for what, how and where SCS should work. The Board decides on its proposals for the operational orientation in February/March (later decided by the Members Meeting in May/June).

Based on the operational orientation, the Board decides on its directive to the SG. In this directive, the Board provides decisions concerning issues mainly relating to what SCS should focus on during the planning period. The SG determines directives to the managers of departments and units (late spring). The SG's directive represents a more detailed specification and concretisation of what the Board has expressed in its directive. It also contains the SG's own directives concerning how the operations should be structured and implemented. Managers of departments and units are then responsible for putting this directive into specific instructions for their subordinate managers and respective colleagues.

The Board decides in December on SCS's overall plan of operations and budget. The SG delegates shortly thereafter working plans and budgets to the managers of departments and units.

The plan period has been three years and 2007 was the third year of the last Plan of Operations period, which has formally been extended to include also 2008. Hence, from now on the longer term planning perspective will be four years starting with the period 2009–2012.

Thus, the planning preconditions are given by the following documents:

– The Compass
– Planning preconditions for Save the Children Sweden's Plan of Operations for the entire organization (the Secretary General)
– Directives for Plan of Action for the international programme (Program Director)
– Instructions for planning for each region (Regional Representative)
– Instructions for planning for each country (Country Manager)

### 3.7.2 Planning of Work in Practice in the Regions

The general planning principles apply to SCS as a whole. The Audit Team is of the opinion that all the studied ROs and COs work in compliance with the general planning principles. However, there are some specific characteristics in the three studied regions that influence the planning of work in practice. These differences are high-lighted in sub-sections.

*Eastern and Central Africa*

SCS is well endowed with comprehensive multi-layered, multi-annual, annual, quarterly and monthly planning practices. Multilayered planning takes identical modalities at the regional, country and field offices in a coordinated effort. The Audit Team found this planning method very plausible and induced efficiency in that reporting of activities at the Regional Office level represents the cumulative planning of activities from the Country and Field Offices in respect to the chains of responsibility specified in the MG. The Regional Plan of Action per program areas and the Country Plan are reviewed at staff meetings in the beginning of the year after receipt of the final budget[45].

Monthly planning (and the requirement for monthly reporting) are also conducted at all multi-layered levels (Regional, country and field offices). This also facilitates the cumulative monthly planning at the regional level in a system-dependent planning mode. In the more risky environment of Darfur, the Audit Team observed that weekly planning is conducted involving the sub-field Offices as a necessary measure for monitoring the volatile situation created by the civil strife.

The information systems are poor at the RO and COs and also in the Partner Organisations. The Audit Team has also found some analyses based on outdated information[46].

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[45] See for example Planning Meeting Minutes Sudan February 6–7, 2007

[46] For example Children's Rights in the Sudan – An Analysis Based on the CRC Reports, Sept 2006, supported by Sida. The only sources from 2006 are from two internal meetings. The other sources are 1989 to 2005 (Draft Interim national constitution of the Sudan, 16 March 2005 and Interim Constitution of Southern Sudan, 2005). Taking into account the process in Southern Sudan after signing of the Comprehensive Peace Agreement and the situation in Darfur how can the planning of work be guided by this analysis?

*Latin America and the UP office in Lima*
Once strategic plans are approved, the planning and implementation of activities is coordinated both at the Regional Office and in the UP office by the Program Coordinators. SCS-LAM has 7 regional programme coordinators and 4 regional programme assistants, divided over 3 offices. At the regional office there are 5 coordinators and 2 assistants, and in each sub-regional office (Costa Rica and Brazil) there is one coordinator and one assistant respectively.

In the case of the UP office in Lima, there are three program coordinators (by themes) assisted by two program assistants.

Organogrammes for both the Regional Office and the UP office show a clear division of responsibilities and reporting among the staff. IT systems are in place and work well; administrative manuals have been developed; and clear job descriptions exist. Both the Regional Office and the UP office have their own accountants and assistant accountants with clear rules and procedures to oversee expenditures and payments.

Two aspects need to be pointed out in this section in regard to the internal administrative organization and the working relationship between the Regional Office and the UP office: it was noted that even though the UP Country Director has the authority[47] to approve payments and contracts, many of these payments and contracts are still being signed and approved by the Regional Representative with the consequent delays on some approvals and the obvious overload of work for the Regional Representative.

The second aspect has to do with the fact that the UP office still does not have a Secretary/Receptionist position filled out (seemingly for budgetary reasons). This has been noted by the UP office staff interviewed as a serious problem because the lack of a person in this position obliges the UP office staff to constantly interrupt their work answering the phones and dealing with requests for information. UP office staff ends up spending considerable time taking care of clerical duties thus affecting their productivity.

The Regional Office has two sub regional offices, one in Brazil and one in Costa Rica. Interviews revealed a very good working relationship between the sub regional offices and the Regional Office with complementarities in their work; very good communications between the offices; and a strong sense of trust. Each sub regional office also has an accountant and a program assistant. The regional approach to projects and initiatives was stressed as one of the most valuable assets of the new structure.

*South East Asia and Pacific*
Since April 1, 2006, SCS has taken over the responsibility of the work in the Philippines from SCUK. Thus, apart from the coordination of regional activities in many countries of the SEAP in cooperation with local organizations and/or other SC members by the regional office in Bangkok, SCS has country programmes in Vietnam and Philippines. SCS has managed, specifically in Thailand and Indonesia, country and regionally-focused activities in response to the Tsunami that occurred in December 2004.

The regional strategy was formulated in 2003 for the period 2003–2011, before the separation of the country office in Vietnam and the regional office. There is still need to discuss how the Vietnam and Philippines country programmes can develop further while contributing

[47] There is a power of attorney done by the Regional Office Representative in favor of the UP Country Director.

to each other and to the regional programme[48].

The activities in the region are governed by the Plan of Operations (original three year plan ending 2007, but extended to four years) and the Plan of Action (one year plan) based on the Plan of Operation. The Plan of Operations 2005 – 2007 (extended to 2008) for SCS SEAP was developed before the expansion of the regional program and inclusion of SCS Philippines program. Hence, goals, objectives and indicators were primarily focused on the Vietnam context at the outset, but were later modified to allow for regional activities and the programme in the Philippines.

SEAP has gradually moved towards a more integrated planning process where countries and regional advisors work together on the plan thereby ensuring links between of regional and country activities. From 2007 this process has become fully integrated and presently a regional strategy is being developed, covering the whole region. The country programmes are integral parts of the regional programme and a new organisational structure has been established.

#### 3.7.3 Conclusions and Recommendations

SCS has recently changed the planning period from three to four years. The planning principles give the management good opportunities to prioritise the work on all levels. The planning process is mainstreamed and the Audit Team has found a high degree of compliance to the guiding principles. The planning process is not too rigid. On the contrary there is room for adaptation to the specific context in different regions and countries.

The Audit Team is of the opinion that all the studied ROs and COs work in compliance with the general planning principles Every RO and CO has a comprehensive and detailed plan of action. Planning of multi-annual activities is informed by the overall strategic vision set forth by SCS HO. The annual planning therefore is carried out before the budget year in order to request the funding levels necessary for conducting the annual activities.

This planning technique is system dependent and hinges very much on system efficiency and compliance with prudent monthly monitoring and high levels of compliance with planning requirements followed by action. Needless to mention the Audit Team has noted that this multilayered, multi-time frame planning is programme cycle conscious, as interviews with programme officers and partners have attested to.

SCS coordination with other regional organizations in Latin America and the UP Office in Lima is successful. The micromanagement in LAM is probably the natural result of a complex transition process to the UP office but, after some time and if this does not change, micromanagement hurts the trust between the two offices and it could potentially affect the credibility of the Country Director not only with local partner organizations in Peru, but also with the UP office staff. The issue should be addressed as soon as possible.

*Recommendation*

–The planning process should be reviewed in the light of UP

### 3.8 Strategies and Policies

The Management Guide is the overriding framework that establishes the general values, guidelines and policies for all operations. In addition to

[48] External evaluation of Save the Children Sweden's operations in Southeast Asia and Pacific, Draft report, not dated, author unknown

the Management Guide there are some manuals and policies on the regional and national level. These manuals are complementary to the Management Guide[49].

The Management Guide also includes a chapter on communication. Among others there is a checklist that can be used as a basis for communication planning. This is a rather typical example of the approach SCS has used in the Management Guide; strategies and policies are often accompanied by checklists and detailed procedures. Some of the interviewees are of the opinion that these details give good guidance and others have complaints regarding the size of the MG (454 pages) and the difficulty of knowing which parts are rules and which parts are just guidelines or examples.

All operations of the partner organizations with SCS-LAM are based on the Manual of Procedures and Norms that is given to all partner organizations and which is also a required part of the signed agreement. This manual establishes among other things, the policies for communications between the organizations and SCS; norms for copyright issues; policies regarding bank accounts and payments; instructions for narrative and financial reports; and norms for monitoring and control in the use of funds. This manual is the framework for the relationship between the POs and the Regional and the UP office. All organizations interviewed knew about the manual and they are also using it as a very important tool for their work.

In the case of UP, the situation with its partner organizations is a little bit different mainly because the transition is still very new for all parties involved. Partner organizations interviewed expressed a sense of loss at not having their "traditional" counterparts in SCS; SCUK; or SC Spain. The process of adapting to a new working relationship is still confusing to them and some were concerned by the seeming lack of communication with their new UP coordinators.

This situation will without doubt be resolved with a little more time to adjust, but for future UP processes better communication with the country's partner organizations about the transition and the impact on their working relationships should be essential to the process.

The working relationship between the Partner Organizations and both the Regional Office and the UP office is based on contracts signed between the parties. Agreements are signed for a year but with the understanding that the relationship will be for at least three years. All partner organizations interviewed expressed the desire to be able to sign long-term agreements with SCS and the UP office allowing them to plan on a more long term basis. This would reduce their administrative burden on already stretched staff and allow for more proper planning of activities.

Partner organizations should also have their own internal administrative manuals and procedures. In this regard, all partner organizations interviewed in LAM and SEAP expressed having their own internal administrative policies and procedures manuals. However, as indicated earlier in the report this is missing in some of the POs in ECAF.

SCS activities in Darfur are complementary to activities carried out under its mandated programmes and activities dealing with child protection, advocacy and lobbying as well as improving child welfare. These programmes are prudently implemented following SCS guidelines and implementation procedures.

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[49] One example is the Human Resource Policy, Southern Sudan & Kenya Programme, January 2006

*Conclusion*
The strategies and policies at RO and CO level are complementary to the MG. The Audit Team has no recommendation in addition to those submitted in other sub-sections.

## 3.9 Formulation of Goals

### 3.9.1 The use of RBM

The MG does not contain any information on Results Based Management (RBM) or specific models or methods on how to formulate goals. There are no guidelines on the use of goals in SCS.

However, according to the MG the following questions should be answered when developing an advocacy strategy: "Any advocacy effort must begin with a sense of its goals. Among these goals some distinctions are important. What are the long-term goals and what are the short term goals? What are the content goals (e.g. policy change) and what are the process goals (e.g. building community among participants)? These goals need to be defined at the start, in a way that can launch an effort, draw people to it, and sustain it over time."

The MG also states that the Annual Work Plan should contain realistic and achievable long-term goals and short-term objectives.

Organizations are given a project format that they need to follow in order to present a project proposal for funding from SCS or UP. Overall objectives and indicators of performance, both quantitative, need to be listed. Activities also need to be explained, as well as any other funding sources being sought or obtained for the specific project.

According to the MG all cooperation agreements with Partner Organisations must contain objectives, including measurable goals.

### 3.9.2 Conclusions and Recommendations

SCS is not using Results Based Management (RBM) or any other Management strategy. The Audit Team has assessed the formulation of goals at all levels of the organisation. It is obvious that there is an urgent need to develop a management strategy focusing on performance and achievement of outputs, outcomes and impacts.

The Audit Team has assessed a sample of more than 50 project proposals in ECAF, LAM and SEAP.

In the project proposals there are normally overall objectives, specific objectives, activities for each objective and indicators (quantitative such as number of training or networking sessions held, number trained, home visits, volunteers enlisted and trained, and qualitative such as increase of awareness of rights of children among target groups and decrease of number of street children committing crimes, number of poor children families reporting improvement of living).

Most of the Partner Organisations in the sample have long-term objectives. These are reflected in the project proposals they present to SCS. However, the Audit Team has found SMART objectives only in a few organisations and project proposals. As a consequence, the indicators are often only on output level related to each activity. It is rare to find measurable results indicators on outcome and impact level. SCS has carried out some training activities in order to encourage its POs to use RBM. However, more assistance is needed in this regard.

*Recommendations*

– SCS should establish Results Based Management (RBM) within the entire organisation
– SCS should assist its Partner Organisations in building capacity to use RBM

## 3.10 Criteria for and Assessment of Projects and Organisations

Sub-section 3.6 deals with the selection of Partner Organisations. Thus, criteria for and assessment of organisations is already discussed in detail in the report. Therefore, sub-section 3.10 focuses on criteria for and assessment of projects.

### 3.10.1 Criteria for Selection of Projects

SCS project selection criteria are informed by the criteria used for the selection of partners. In other words, the selected partners are engaged in issues pertaining to child protection, education, welfare under emergency situations and lobbying and advocacy for the improvement of the overall social conditions under which children develop. SCS decisions about expansion in a country are decided by (a) when violations of children's rights are extremely serious (from a regional perspective); (b) conditions exist for stimulating elements within civil society to work with children's rights; (c) good prospects for a positive impact are detected; (d) when there is strong belief that its presence can provide SCS with useful experiences for its work; (e) when the presence will be a useful complement to regional work within the International Save the Children Alliance.

### 3.10.2 The Selection of Projects in Practice

*East and Central Africa*

SCS regional office in ECAF selects programmes and projects with respect to the four thematic areas identified by SC Alliance mandated activities, mission and vision. These four areas are informed by East and Central Africa context being one of the world's poorest regions and beset by armed conflicts, internal strife and the prevalence of HIV/AIDS.

The criterion informing programmes/projects' selection are the very ones that determine SCS mandate which is primarily concerned with children's rights in armed conflicts and emergencies. These include rehabilitation of child soldiers and support for children in refugee camps; combating different forms of violence against children, promoting the right of children to education and the non-discrimination of girls and children with disabilities and children living in communities affected by HIV. Although the phrase "child welfare" is not used, the criterion is basically about whether the programme/project will yield positive results in terms of child welfare.

*Latin America and the UP Office in Lima*

SCS-LAM works with the same programmatic foundation as the whole SCS organization – that is with 9 out of 10 programme areas, where each is divided into a number of themes, and also with the priorities established by the SCS Board and the SC Alliance. SCS-LAM does not send out request for proposals (RFPs), because the RO has a different method for choosing partners. Firstly SCS-LAM gives priority to the many partners SCS already has in the region, or searches for a suitable candidate among the many other organizations in LAM that SCS-LAM knows or knows of. The search for possible partners is a constant task for the programme coordinators, and is not limited to certain periods of RFP. It also happens quite often that organizations make contact with SCS-LAM to discuss a proposal of theirs. This is neither bound to a certain period of the year or to a RFP.

In the selection of projects, SCS-LAM and UP do not have specific themes nor do they put out RFPs on specific topics or areas. Rather, organizations present – according to a format prepared by SCS and also used by the UP office – a proposal for each project. This approach applies both to the activities of the Regional Office as well as UP. The formats for project proposals are given to the organizations by SCS and all partner organizations interviewed expressed familiarity with its use.

The UP office also has a person dedicated to fundraising. This person is somehow involved with project selection through the process of grant applications and grant management applying for funds to be used on emergency relief. This is a new area for UP and the person dedicates quite some time to the process of grant application and management. According to the interviews at the UP office, the need to dedicate so much time to grant application and management has to do with the perception that many of the local organizations are not up to this task. There are also local organisations that are better equipped than SCS to capture grants. However, more training for some of the local organizations in this area becomes very important in order to decrease the dependence on SCS. SCS will continue developing training and providing technical support for the Partner Organizations in Fundraising. It will be considered in the next process of Strategic Planning 2009–12.

### 3.10.3 Assessment of Project Proposals

In the assessment of the proposals SCS and UP pay attention to the area involved; the changes or impacts desired; the impact of the project; financing; sustainability etc. Organizations are also asked to describe how the project would fit in the overall strategy of the institution; how the project is going to be implemented; and types of activities among other general information.

SCS also pays attention to the internal process of the partner organisation. Ideally the proposals would have been designed in a participatory way (including especially the opinions and visions of the children themselves). If the proposal has not been designed in a participatory way it will be sent back to be modified[50].

In order to assist the organizations who are interested in cooperation, SCS has developed training in Elaboration of Projects, Social Marketing and Business Areas. SCS has provided tools and methodologies that contribute to the development of sustainability strategies of the Partner Organizations.

### 3.10.4 Coordination of Humanitarian Activities

Sida also wanted "the Coordination" to be studied "including the consideration of systems for ensuring that humanitarian activities are complementary to that of other organisations (e.g. local NGOs, UN agencies and local authorities)".

The Audit Team visits to Nairobi, Kenya and El Fasher, North Sudan portray two different modalities of SCS humanitarian work amongst children under emergency situations: 1) Dadaab project sub-contracted to SCUK in an area where, according to the SCS, there is no local NGO presence; and 2) El Fasher, the Field Office of North Darfur humanitarian emergency programme. We take these in turn:

– In Dadaab, the main partner is UNHCR where SCUK activities on behalf of SCS complement the work of UNHCR. There are regular coordination meetings although no full integration of programme activities has been contemplated. Clearly, Dadaab programme operates under very difficult situation, but this should not prevent better coordination of efforts between SCS and UNHCR.
– North Darfur emergency programme which is managed, implemented and coordinated by SCS Staff operates with a multitude of partners:

  a) Local NGOs, Sudan National Committee on Traditional Practices

[50] Planning Meeting Minutes Sudan February 6–7, 2 007

(SNTCP) – for GBV activities in the IDP (Internally Displaced Persons) camps implement activities in order to prevent and respond to acts of gender-based violence and FGM; Amel Center- for rehabilitation of victims of torture; for advocacy and lobbying; legal aid and juvenile justice and rehabilitation of victims of violence; train lawyers, social workers, judges, attorneys, police, security and child rights activists.

b) International NGOs (International MSF Spain; for primary health care in Tawila, Oxfam: for water/sanitation and hygiene promotion training for animators in Kutum and El Fasher; Goal: primary health care in Kutum; Plan International: for basic education in El Fashir town; IRC: for coordination of youth and child friendly spaces activities in Kassab and Al Salam camps and camp coordination in Al Salam; Spanish Red Cross/Sudanese Red Crescent: for camp coordination in Kassab IDP camp.

c) United Nations for example, UNICEF and UNHCR, United Nations Security Services etc); UNICEF: coordination, for primary health care and education for all areas of project implementation; child friendly spaces and psychosocial support; UNFPA: for reproductive health in all areas where SCS implements activities; OCHA: for information and coordination of humanitarian assistance; UNDSS: for information and coordination on security issues; UNICEF and AMIS on the training of African Union Peacekeeping Forces in Darfur on Child Rights and Child Protection.

d) North Darfur State Government MoE, Ministry of Education – for supervision, teacher training and recruitment, pre-school section for animators training in teaching methodology; NCCW, the National Council for Child Welfare for Coordination of Child Protection activities in North Darfur; lobbying and advocacy and capacity building.

### 3.10.5 Conclusions and Recommendations

The Regional and Country Offices have an excellent working relationship with the Partner Organizations. All organizations interviewed stressed the very good coordination; communication; and level of trust with the Regional and Country Offices and their staff. A strong sense of partnership and common values and vision with SCS was expressed, as well as the great value put on the advice, reliability and responsiveness the organizations receive from the Regional and Country Offices.

In the selection of projects, SCS and UP do not seem to have specific themes nor do they put out requests for proposals (RFPs) on specific topics or areas. Rather, organizations present – according to a format prepared by SCS and also used by the UP office – a proposal for each project. This approach applies both to the activities of the Regional Office as well as UP. The formats for project proposals are given to the organizations by SCS and all Partner Organizations interviewed expressed familiarity with its use.

SCS is urged to go beyond narrative observance of mandates and their simple translation into selection criterion for programmes and projects to fully develop an assessment methodology more robust than the present indicators. The Audit Team's preference is certainly for developing a fully fledged monitoring and evaluation strategy.

SCS staff is doing a remarkable job in coordinating an emergency effort which includes so many and diverse national, international and multilateral organizations and their efforts.

However, given the stream of meetings and events taking place in a turbulent region such as North Darfur, the Audit Team recommends that the current management in El Fasher Field Office should be strengthened and a programme coordinator should be recruited in order to relieve the Field manager from coordination and given him/her more time for managing the day-to-day affairs and follow-up on implementation of various activities.

SCS should assist its POs in training in fundraising in order to decrease their dependency on SCS.

*Recommendation*

–SCS should assist its Partner Organisations in training in fundraising in order to decrease their dependency on SCS.

## 3.11 Quality Assurance

### 3.11.1 The System

SCS has no quality assurance system in place. Since most SCS activities are carried out by Partner Organisations it is of significant importance that the partners have quality assurance systems and a capacity to implement the programmes. None of the Partner Organisations the Audit Team has studied in depth through visits, interviews and review of documentation had a system for quality assurance in place. However, the Audit Team has during the field studies been provided with a couple of good examples on how SCS takes the initiative to strengthen the capacity of its partner organisations. One example is the capacity assessment carried out by the Country Office of Sudan of the four evolving core partners focusing on their organisational structure and programme competence. One of the aims was to develop a five year plan of action on how to address the organisation's development gaps and to sustain their already existing strengths.

### 3.11.2 Quality Assurance in Practice

Partner organizations are responsible for the implementation of project activities. Internally, partner organizations should also have systems for assuring that projects are being implemented according to plan. The organizations interviewed had either one or two people in their staff (besides their own project coordinators) that either on a monthly or bi-monthly basis evaluate the progress of the projects. Each organization interviewed also has at least one accountant that ensures that expenditures are in line with the project budget (on a monthly basis for most).

All partner organizations also stressed and placed great value on the role played by SCS regional office on strengthening their institutional and administrative capacity through advice on specific technical or thematic issues; attending regional seminars or meetings; workshops; etc. The Peruvian partner organizations also noted the value of the capacity building that they used to receive from SCS, SCUK or SC Spain, and expressed the hope to continue receiving it under the UP form.

It is worth noting that both the SCS Regional Office and the UP office also have capacity building policies for their own staff.

### 3.11.3 Conclusions and Recommendations

SCS has no quality assurance system. None of the Partner Organisations we have studied in depth through visits, interviews and review of documentation has a system for quality assurance in place.

In the absence of a comprehensive system for quality assurance the efforts on different levels to control, assure and further develop the quality of SCS work are very much ad hoc. The Audit Team is of the opinion that SCS should develop a system for quality assurance.

In our view, the current use of matrix based indicators is too simple to offer a fuller quality assurance strategy or rather methodology. The Audit Team urges SCS to go beyond synthesis meetings into developing such a strategy/methodology.

*Recommendations*

–SCS should establish a quality assurance system

–SCS should assist Partner Organisations in establishing their quality assurance systems

## 3.12 Risk Assessments and Management, including Security Issues

### 3.12.1 Risk Management System

The Board has decided on a policy on risk management[51]. An overall risk management analysis of SCS has been carried out and a Plan of Action for 2007 was adopted by the Board in 2006. SCS internal audit function has the responsibility to follow up on the implementation of this plan. SCS has detailed guidelines for security management as part of the MG. The guidelines (including chain of command, frequency and formats for reporting, etc) and template for security plans have been revised during 2006. The guidelines have been amended 2007–03–14. The last amendments have been done on the basis of comparisons with the security systems and guidelines of other Save the Children Alliance members, other NGOs and UN Agencies.

To ensure that SCS has adequate levels of emergency preparedness, SCS has established a crisis management organisation with a clear division of responsibilities, good planning, follow-up, information and training. The guidelines cover the chain of command and reporting requirements.

In immediate emergencies when there is no time to consult with supervisors each manager or staff member within his/her geographic area of responsibility is free to decide on security measures. A special structure to handle emergencies and the Alliance 4th Key Challenge is also being developed. However, in situations where security is gradually deteriorating, policy decisions and decisions regarding evacuation (when staff have to leave the country), relocation (when staff have to move to a safer place within a country), and hibernation (when staff have to stay at their present location as home, office, or safe room until a situation has calmed down), should follow the line manager structure where the Secretary General at HO is ultimately responsible. The Director of Communications & Advocacy at HO is responsible for being updated on potential crises. In case of a crisis, the Director of Communications & Advocacy consults with the Assistant CEO and the Programme Director how SCS should react and if the CEO should be alerted or not. If needed, a special crisis group is set up. The Director of Communications & Advocacy as well as the Media Officer at HO is always on duty. In the field, the CD and the RR have the same task. The Director of Communications & Advocacy is always the focal point.

One of the most important tools for staff security is the security plan for each country office. The guidelines describe the structure of SCS security plans and what to include in terms of Standard Operating Procedures and Contingency Plans. The Security Plan template for SCS country offices is a basic structure which should be adapted to the specific security conditions for each country.

In addition it outlines a number of guiding principles and procedures

[51] Policy för förebyggande och hantering av verksamhetskritiska risker, fastställd av styrelsen 2006–12–15

for different security related topics. The revisions of the country-specific security plans are made on an annual basis. More efforts are applied to security training at all levels.
Three of the countries the Audit Team visited are considered to be high risk security countries (North Sudan, Kenya and the Philippines). The Audit Team has studied risk assessment, risk management and security issues more in detail in these three countries.

In ECAF neither SCS Regional nor Country Office has a risk assessment strategy. However, the Audit Team has noted that various management control and financial management instruments exist at all levels of SCS Central and East African operations (regional, national, field and sub-field offices). SCS staff had during 2006 "once temporarily evacuated its staff from El Fasher to Khartoum and Kutum to El Fasher and from Tawila to El Fasher twice" in the Emergency Project[52]. Security Plan for North Sudan has been approved. The security guide in Sudan is updated every month. It has been decided to use the radio in the vehicles and offices and to use land cruisers and satellite telephones.

### 3.12.2 Conclusions and Recommendations

A basic crisis management structure is in place at HO. There is an adopted routine for handling crisis, either internal or external. The routines are continuously strengthened. Training of management and staff is carried out regularly. However, routines within HO and the communication between HO and RO and CO need to be further synchronised.

SCS has an elaborate security strategy operational at all levels of the organization. The full use of development aid management instruments concerned with risk assessment is rather absent. SCS therefore, cannot demand from its partner's compliance with such requirements while it has not yet developed the right aptitude for their usage.

Risk assessments have not been carried out in a systematic way by the ROs or COs that the Audit Team has studied. However, in the Management Letters the risks have been assessed in most cases.

*Recommendations*

–Risk assessments should be carried out in a systematic way

–Crisis management should be further strengthened

## 3.13 Phasing out and Initiating Projects and Partnerships

### 3.13.1 General Criteria

The criteria for selection of projects or expanding in a country are balanced with general criteria for phasing out partnership or withdrawing from a country such as when (a) a functioning civil society exists to monitor and promote children's rights, and when (b) the rights of the child are on the political and media agenda; (c) the activities of other national or International Save the Children Alliance members makes its presence unnecessary; (d) when prospects for making progress are poor due to the prevailing political situation; and (e) when the impact of SCS efforts has been limited and is unlikely to improve.

### 3.13.2 Criteria used in the Regions

*Central and Eastern Africa*

Neither SCS Regional Office in Nairobi nor its Country Office in Khartoum, which we visited, has a phasing out strategy. However, it is obvious that both offices use a unified security strategy as a means for saving lives and property – important considerations in their own right

52 Annual report North Darfur Programme. Emergency Assistance for Children in Darfur, 1st Jan–31st Dec 2006, not dated

given the volatile region in which they operate.

In other words, SCS ECAF has no written phasing out or exit strategy, which in a sense makes it difficult for it to demand from its partners to develop exit or phasing-out plans. This situation also makes it very difficult for its partners to adopt long-term plans as well as subject them to shocks for which they (being resource-poor organizations) are not often prepared to absorb in the long term. For example, we were informed that the Emergency Programme in North Darfur will phase out when the emergency situation is over. SCS is strongly urged to develop a workable phasing out strategy to ensure against short-term rash forced (or otherwise) exits. It is more likely that this project will not be extended.

*Latin America and the UP Office in Lima*

In the case of Peru, the partners interviewed expressed a sense of fear, uncertainty and confusion with the transition process to the UP and the new working relationship, not really sure as to how it will be implemented. All organizations interviewed[53] talked about the lack of coordination and especially information during the transition process. They felt that the process should have been more transparent in terms of what it meant for them or what to expect during the transition.

The Audit Team was informed by SCS that there has been a lot of communication from SCS and UP-Peru to their partners about the UP process. However, changes in general take time for adaptation. At least one of the Partner Organizations had not been visited at all by the UP Office.

In the case of the Partner Organizations working with the Regional Office, only one (Dos Generaciones – Nicaragua), expressed concerns about the upcoming UP process. Here again, the main issue has to do with the lack of certainty of what the process would mean for their organization; what kind of working relationship would they have with the UP; and what impact it would have both programmatically and financially for their organization.

### 3.13.4 Conclusions and Recommendations

The Audit Team has in all the regions that are studied been provided with arguments why SCS is entering or withdrawing from a country. It can therefore be concluded that SCS has clear criteria for entering or withdrawing from a country. However, these measures do not amount to an overall elaborate and systematic phasing out or exit strategy. The Audit Team clearly notices the need for these shorthand statements to be translated into full-fledged criteria that go beyond shorthand statements to well thought-out entry, phasing out and exit strategies.

The Audit Team has found different opinions within SCS when it comes to the criteria for phasing out partnerships or projects. The core issue in the discussion is whether continued external funding can be justified vis-à-vis children's needs in other and much poorer countries[54]. However, SCS does work that is rights based and not needs based. This means that SCS does have an important role in middle income countries as well as in poor countries. Country income is not regarded as a relevant criterion for phasing out, rather the situation for children's rights. This issue needs to be further discussed. SCS needs to establish a strategy in collaboration with other Alliance members for phasing out support though development assistance in countries emerging as middle income countries. The support from the members of the Alliance has sometimes

[53] MANTHOC; Arguedianos; Cedisa; and Vichama.

[54] On a country level the issue of phasing out support has been discussed in for example Neelam Singh and Joel Nielsen: Evaluation of the Vietnam Country Programme, final report, not dated

been in the form of assistance from experienced members in building the capacity of a SC organisation in the country.
The UP process creates a new situation for phasing out and initiating projects and partnerships. The Regional Office especially should consider reducing the number of partner organizations they work with. This would allow SCS to concentrate on those projects that are more likely to have a regional impact. Also, both the Regional Office and the UP office should consider long term contracts with Partner Organizations. This would facilitate planning for these Partner Organizations and reduce the administrative burden for organizations without a large staff. The existing Partner Organisations have generally received too limited information about the UP process and its impact on the relationship between them and SCS. The experience of the UP process in Peru illustrates the importance of improving communication. The Audit Team emphasize that SCS needs to make its vision and goals for the UP process in the region more understandable to its partners.

*Recommendations*

– SCS is urged to develop a workable phasing out strategy to ensure against short-term rash forced (or otherwise) exits.
– SCS needs to establish a strategy in collaboration with other Alliance members for phasing out support through external funding for development assistance in countries emerging as middle income countries.
– SCS needs to make its vision and goals for the UP process in the regions more understandable to its partners.

## 3.14 Measurement of Results

### 3.14.1 System for Measuring Results

There is no system for measuring results in place within SCS.

The MG does not go into methods for measuring results. However, it is stated that Partner Organisations should routinely monitor whether programmes are fulfilling objectives. Every four months program progress should be reviewed to evaluate progress in relation to objectives. In the report the PO shall describe which aspects of the programmes are monitored and how frequently. In addition the report shall include information on budget deviations. The requirements also include annually progress reporting for the previous year. Every four years a final evaluation of total outcome for the previous program cycle should be carried out and reported. What the organization does when the programmes are not fulfilling their objectives should be stated. Finally managers are required to report actions will be taken, or propose what actions should be taken if out of the manager's mandate range.

### 3.14.2 Methods for Measuring Results in the Regions

ECAF RO, CO and Field Offices have no methodology for measuring results, save the fact that they have centrally developed indicators to exemplify whether the projects have met their intended objectives. The internal evaluation reports (see list of documentation) presented to the Audit Team do not amount to a recognizable result evaluation obtained through any of the well-known development aid management instruments.

SCS Latin America Regional Office and the UP Office in Lima require their partner organizations to present two narrative reports per year during the life of the project and one final report at the end of the project. These reports have to follow a format provided by SCS in which organizations need to explain activities undertaken; discuss how targets are being met; and any difficulties in the implementation of the projects.

Also SEAP has similar requirements of the Partner Organisations.

#### 3.14.3 Conclusions and Recommendations

Measurement of results is poor in SCS. One of the reasons is the absence of a management strategy focusing on performance. Reporting is mainly concerned with activities and outputs. Results are almost never measured at the outcome and impact level.

However, it is generally recognised that SCS has played a pioneering role in the promotion of children's rights. As a variety of factors determines and contributes to legislation and policy, it is difficult to attribute developments or results directly to the initiatives and activities undertaken by SCS. This makes measurement of results more difficult, but even more important in order to identify the most efficient means and to learn from experience.

*Recommendation*

–SCS should increase its efforts to implement adequate methods for measuring results

### 3.15 Monitoring and Follow-up of Projects and Organisations

#### 3.15.1 Systems for Monitoring and Follow-up

Chapter 2 on Planning, Monitoring, Reporting and Evaluation Management is still missing in the MG. However, there are some planning, monitoring and reporting routines in place, and SCS is strengthening its operational management capacity through improved systems, especially with regard to support to programmes and planning, monitoring and evaluations of programs. The new system will be rolled out during 2008 with an extensive training package.

Presently programme progress in relation to objectives is reviewed every four months. The fulfilment of objectives and budget deviations are also reported every four months. In addition progress is reported annually for the previous year.

#### 3.15.2 Monitoring and Follow-up in Practice

Most of the interviewees have commented on the fact that Chapter 2 on Planning, Monitoring, Reporting and Evaluation Management is still missing in the MG. SCS has since the beginning of this millennium had several projects aiming at establishing a management system in this area without result[55]. However, the currently developed chapter that the Audit Team has not seen is said to include policies and procedures, guidelines and references to past practices.

According to the MG, every four years a final evaluation of the outcome for the previous programme cycle should be carried out internally or by an external evaluation. In practice, however, this is more a traditional follow-up for a three-year period for the report to Sida. This year the report is covering the period 2005–2007. If the objectives are not met managers are requested to report actions to be taken or to propose what actions should be taken.

Monitoring of projects is described in the procedures distributed to Partner Organizations. It entails the right by SCS to visit Partner Organizations at any time during the implementation of the project but more importantly it requires independent audit reports.

However, the Audit Team's review of narrative reports on all levels of

[55] Internrevisionen: Revisionsanalys 2006, 2007–05–31

the organisational chain shows that monitoring and follow-up is mainly on activities. There is need in narrative reports from both SCS and Partner Organisations to add information on outcome and impact, analysis of constraints and unexpected achievements and lessons learnt.

#### 3.15.3 Conclusions and Recommendations

SCS measurement of results and present monitoring techniques are rather inadequate and require a systematic and deliberate policy intervention in order to satisfy current requirements in development aid management instruments and policy orientations.

Specific objectives are in most cases defined in project proposals. However, indicators are often only at the output level related to each activity. The results that are presented in the narrative reports during the life of the project are thus only on activities and outputs. The Audit Team has in most cases not been able to find reported results on outcome and impact. The main reasons are the absence of base line data and measurable results indicators at the outcome and impact level.

SCS has over the years initiated several development projects in order to fill the gap of systematic monitoring and evaluation. This work has now come very far and the new system will be introduced during spring 2008 to be applied during planning of 2009–2012 and the monitoring of that period.

*Recommendations*

–The chapter on planning, monitoring, reporting and evaluation management should be added to the Management Guide and implemented with highest priority

–SCS should immediately establish a detailed plan for a systematic follow up of the implementation of the system

### 3.16 Evaluation

#### 3.16.1 Evaluation Guidelines

As noted in section 3.15, Chapter 2 on Planning, Monitoring, Reporting and Evaluation Management is still missing in the MG.

SCS has no evaluation manual, evaluation guidelines or evaluation plan. According to the MG every four years a final evaluation of the outcome for the previous programme cycle should be carried out internally or by an external evaluation.

None of the NNGO Partner Organisations the Audit Team has studied have an evaluation manual or an evaluation plan.

#### 3.16.2 The use of Evaluations in Practice

Evaluations are carried out on an ad hoc basis. However, evaluations are not very frequent. For example a total of four evaluations have been carried out at the CO of North Sudan this millennium.

According to the interviews it is obvious that evaluation skills are weak at all levels within SCS and also in most of the Partner Organisations.

SCS LAM and the UP Office in Lima do not have an evaluation manual or evaluation plan for either projects and/or partner organizations' performance. Partner organizations as well do not have a systematic evaluation plan. Evaluations are done on a need basis, as situations require, and by consultants. The Audit Team was provided with copies of some evaluations done for programs out of the Regional Office and the UP office.

### 3.16.3 Conclusions and Recommendations

As noted in previous sections, it is recommended that evaluation manuals be developed, as well as clear and more defined and specific indicators of project performance and impact for Partner Organizations. For an organization that works with so many different Partner Organizations and in so many different areas, it would be useful to have a manual for evaluations that would allow comparing projects' impacts and effectiveness. It would also be a useful tool for knowledge sharing and to draw best practices that could be very important when designing or deciding new projects.

However, Chapter 2 of the MG on "planning, monitoring, reporting and evaluation management" is currently being developed and will be published early 2008. Thus, there will soon be a system in place to fill this serious gap.

*Recommendations (the same as in sub-section 3.15)*

– The chapter on planning, monitoring, reporting and evaluation management should be added to the Management Guide and implemented with highest priority
– SCS should immediately establish a detailed plan for a systematic follow up of the implementation of the system

## 3.17 Reporting on Deviations, Final reports

The reporting structure is described and assessed in sub-section 3.4.2. In sub-section 3.17 the Audit Team has assessed how the reporting on deviations is handled within the reporting structure. In addition, the final reporting is assessed in this section.

### 3.17.1 The System

The CO shall report three times during the year. The reporting will according to SCS probably be four times a year from 2009, out of which two will be merely financial and two narratives.

The report for period 1 consists of a deviation report on fulfilment of achievements in the Action Plan, comments on outcome of the budget per April, financing from sources other than Sida, actions taken to comply with audit recommendations, specification of security phases and status of security reports, extraordinary incidents affecting the programme and Child Protection Protocol.

The financial report from PO should describe in figures what the progress report describes in words regarding a project's development. It is important that the progress report and financial report are identically structured so that costs can be calculated. The financial report should feature the same headings as the budget. The outcome is to be compared with the approved budget. A comment must accompany any deviation of more than 10% (in either direction) in any budget item. Where SCS has decided to support a specific part of the PO's activities, the PO should keep the costs for that part separate from its other activities.

### 3.17.2 Reporting on Deviations in Practice

The reporting to Sida has from time to time been late and deviations have not always been adequately reported[56]. Sida has clearly expressed its view on the inadequate reporting on deviations at several occasions.[57] SCS has admitted that Sida's conclusions are correct[58].

Final reports are expected at the end of each project. All partner

[56] See for example Redovisning av Demobilisering av barnsoldater i Södra Sudan 2004–2005, inlämnad först 2007–03–15

[57] See for example Gransknings-PM 2006–12–04

[58] SCS Internrevisionen: Revisionsanalys 2006, 2007–05–31

organizations interviewed are aware of this policy. No problems were found or reported to us in this area.

No incidences of deviation of suspected criminal nature have been reported with the exception of the high profile incidences in Darfur North Sudan: a) The hijacking of a car[59] and b) the disappearance of a supply contractor[60] at the initial implementation of the Darfur programme and the case of non-compliance with a signed agreement with Khartoum, Sudan. The Audit Team has investigated these two incidents as well as the whole North Darfur Emergency Project more in detail.

*North Darfur Emergency Project*

A project proposal for the North Darfur Emergency Project was approved and funded in July 2004. The late funding of approval of the addendum project memo for West/South Darfur in December delayed the implementation of the project activities on the ground. Out of the total approved budget of 473, 000 USD for 2004 only 207, 312 USD was utilized during the first year and the remaining 261, 200 USD was brought forward to 2005. On the 22nd of July 2004 an office in El Fasher was established.

The budget for 2005 was USD 950,000. As per 31st July only 29,000 was utilised. Total actual costs for the whole year were USD 661,472.The balance of USD 288,528 was brought forward to 2006 [61]. Restrictions by government in recruiting national staff had affected the course of implementation of the project activities during January-May 2005. SCS had only two staff members at the beginning of July. There was neither an accountant nor a cashier in Darfur until August 2005. As of 30 June 2005 there was no list of assets in Darfur. SCUK closed its operations in North Darfur and handed over the assets and properties to SCS.

The submitted budget proposal for the Darfur Emergency Project for 2006 totalled 6.887.000 SEK or USD 883.000. In the final budget for 2006 approved by the Board on the 15th of December 2005 the same amount is registered. The total budget for Sudan was 1.915.500 SDD out of which 1.755.000 SDD was funding of national programmes and 160.500 SDD was funding of regional programmes. According to the email from the Regional Representative to the Country Director on the 16th of December the Darfur Emergency Project was not affected by any budget reductions. The project was carried out as planned[62]. "However, considering that Sida never approved the application for 2006 we used funds that had not been utilized in the project during 2005 for the project in 2006. The total Sida funding was in fact only SEK 377 000. HO will make the financial report."[63] No other funding of the project is carried forward to 2007. UNICEF contribution was completed in 2006. The CD was asked to come back with a revised report by 14th of May.

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[59] The Hijacked Car: On the 15th of December 2005 a SCS driver working at Kasab IDP Camp in Kutum was hijacked at gun point and the SCS car was stolen. The car is not yet recovered. However, it has been located to one of the rebel groups (SLA). The case has been reported to the police. Moreover, UNMIS and UNOCHA have been informed to follow up with SLA.

[60] The Missing Contractor: A contract was signed between the ex-project coordinator and a contractor on the 5th of February 2005 to deliver 300 desks for Primary School pupils in El Fasher amounting to 5,600,000 SDD. However, after receiving an advance payment of 60% (3,600,000 SDD) of the total cost the contactor disappeared. The desks were not delivered. According to the Auditors opinion the transaction lacks transparency. A court case has been filed against the contractor. The Ex-project coordinator contract was terminated effective March 17th 2005.

[61] Annual report North Darfur Programme. Emergency Assistance for Children in Darfur, 1st Jan–31st Dec 2005/ extended to 31st March 2006, not dated

[62] Annual report North Darfur Programme. Emergency Assistance for Children in Darfur, 1st Jan–31st Dec 2006, not dated

[63] Email from the regional coordinator at IP SCS HO to The Country Director 20 April 2007

Instructions for the mid-term report to Sida were sent from the HO to the CO on the 30th of May referring to the link to Sida regarding the reporting to Sida Hum. One of the reasons for missing reporting on these deviations may be the high turnover of desk officers: for example SCS HO changed desk officer four times during this period.

The external audit of 2004 did not include a visit to Darfur. Two reasons are mentioned: (1) a visit was not included in the contract; and (2) security.

The external audit of 2005 included visits to El Fasher, Tawila, Kutum and Fata Barno. In addition 14 partners were visited in their offices and the auditor checked their record of accounts. The system of accounting was found to be sound. However, the internal control was found to be weak. All partners had only an accountant who was also the cashier.

The problems with the contractor and the car are dealt with by the external auditor and he has given his opinion. However, the problem with the contractor is not mentioned in the narrative report from the project.

SCS Internal Audit has assessed the internal documentation and processes within SCS regarding the reporting on the incidents on the Missing Contractor and the Hijacked Car. The Internal Audit has submitted a very critical assessment to the Board[64]. Starting in March 2007 the HO has specifically requested reporting on all deviations in the regular reporting from the Programme Offices.

*Latin America and the UP Office in Lima*

Each Partner Organisation reports to a Technical Committee, comprising the responsible Programme Coordinator, Programme Assistant and Accountant. Deviations on project implementation are reported on the project narrative reports. Coordinators are also expected to point out problems in the implementation to the partner organizations and to work with them in addressing those deviations. Based on monthly reports from the Agresso system and investigations into deviations, Coordinators prepare special reports. Future funding depends on the organization taking care of the concerns.

SCS in LAM is working in this sense. SCS-LAM is reducing the number of partner organizations, focusing the work in national key actors, strengthening their capacities, including organizational development aspects. Also, SCS-LAM is identifying those partners that are carrying out projects with regional impact. SCS needs to close down adequately some of the partnerships, in order to maintain its prestige and reliability in the Region.

With regard to the transition to the UP, SCS should develop very clear plans and communicate to the partners in the selected country what the impact is likely to be for them. Establish communication channels for them to know the status of the process and who their contact person in the organization is likely to be before, during and after the process took place.

In the case of the UP in Peru, the differences of organizational culture among SCS, SCUK and SC Spain seem yet to be reconciled. The UP is still to define its identity and it needs to create better communication mechanisms with the different partner organizations which used to work with different SC.

[64] SCS Internrevisionen: Revisionsanalys 2006, 2007–05–31

### 3.17.3 Conclusions and Recommendations

The Audit Team has assessed the reporting on deviations in the North Darfur Emergency Project more in detail. The two outstanding issues on the Missing Contractor and the Hijacked Car have undergone considerable investigation by the Audit Team and two separate files have been compiled. These are available for consultation and are copied in their entirety as evidence.

The Audit Team's readings of the two incidents on the Missing Contractor and the Hijacked Car, interviews with the United Nations Security Services and various entities – familiar with both the driver of the hijacked car and the contractor – convinced the Audit Team that SCS Field Office in El Fasher and the Country Office in Khartoum have followed up this issue diligently. The Audit Team believes that the documentation offered in these two cases is correct and exonerates Save the Children Sudan and North Darfur Offices of any wrong-doing.

The Management Guide includes basic guidelines for staff when operating in an environment where armed robbery may occur, in order to minimise risk. The Audit Team has been assured that the Management Guide was followed in the case of the hijacked car. However, the Audit Team could not investigate this further.

The absence or rather lack of deviation reporting is worrying. SCS ROs are required by contractual obligations to be more prudent in reporting deviations in final reports. This is important for at least three compelling reasons: a) meeting contractual obligations; b) ensuring that partners are up to the tasks they signed up to, hence greater levels of achievement; and c) ensuring financial transparency and accountability to donors.

In all three respects, it is our judgement that deviations are not diligently reported and that more transparency in reporting deviations is required.

Crime is endemic in many areas where humanitarian agencies operate. Because of the resources agencies possess and the perceived wealth of agency staff, they can often be the target of criminal groups. Thus, when operating in an environment where armed robbery may occur, the risks should be minimised by following the basic guideline outlined in the Management Guide.

*Recommendation*

– SCS should further develop its quality assurance of the reporting processes in order to certify that Sida's requirements on reporting of deviations are always met.

# 4. Financial Management and Control

In the survey of routines and systems for financial management, the following have been documented and analysed:

–Compliance with agreements and specific paragraphs in guidelines and general conditions (sub-section 4.1)

–Transfer of funds and bank and cash balances (sub-section 4.2)

–Delegation, authorisations (sub-section 4.3)

–Budget/follow up (sub-section 4.4)

–Audits in all stages of the organisational chain, quality of auditors` certificates (sub-section 4.5)

–Promotion of good administration, transparency regarding finances and management of funds and promotion of measures to counteract corruption (sub-section 4.6).

Moreover, the Audit Team has in this section also analysed one other area that Sida wished to be studied (sub-section 4.7) namely "Calculation of how much of the NGO allocation is a) financing staff and internal administration at Head Office, regional and country offices and how much is b) channelled to partner organisations, and c) how much is used in SCS own implemented activities, directed towards external results, both at Head Office and in programme countries? [Examples of what can be included in c): International advocacy work from Head Office, directed at achieving external results for children; activities implemented by SCS staff in regions, aiming at external results for children.]"

## 4.1 Compliance with Agreements and Specific Paragraphs in Guidelines and General Conditions

### 4.1.1 Financial Management Systems

The financial management systems are described in chapter 4 in the MG. According to the MG the general procedures for accounting may not be disregarded without consultation with HO.

Financial responsibility is vested in Regional Representatives (RR) and Country Managers (CM). The difference between them is that RR has responsibility for all the offices in a particular region. The RR reports to the Programme Director of the International Programme at HO. CM reports to the RR.

Financial management is in the MG viewed as a process composed of different parts that are inter-related but nevertheless demand their own routines:

- Planning and budgets
- Decisions at board or other level in accordance with delegation rules
- Payments to the organisation through cash budget or external sources of finance
- Payments by the organisation by way of contracts and agreements
- Reporting of financial transactions
- Operational and budgetary control
- Forecast for remainder of financial year
- Request for cash budget
- Audit

SCS uses off-the-shelf software with some local adaptation to the Agresso system to suit specific requirements. Hardware solutions are standardized and management is done in-house. Internet access is secured through broadband and satellite links. There are consistent systems for filing, both at HO and regional and country levels

#### 4.1.2 Compliance with Agreements

In addition to the assessments presented in the different sub-sections of this report concerning specific parts of the agreements, the Audit Team has carried out two in-depth studies on general compliance with agreements. The first one is concerned with the self-implemented programme in North Darfur and the second one with the agreements with Partner Organisations.

*North Darfur*

The Audit Team has in detail assessed the compliance with agreements and specific paragraphs in guidelines and general conditions. The Audit Team has also checked all the financial reports. In addition the Audit Team has examined North Darfur Programme document against documented activities, services delivered and actual operations of the office. Based on this survey of routines and systems for financial management control, the following has been documented and noted in the evaluative statement: The Audit Team is convinced that El Fasher Field Office now has a high level of compliance with the Agreement stipulating Sida funding of North Darfur Programme. An extra assurance is provided by the monthly internal control and financial reporting which are both timely and by the example of the months examined which are accurate and do not raise any impropriety issues.

*Partner Organisations*

The MG states that agreements must be signed with the Partner Organisations in accordance with HO guidelines and monitored at all times.

The Audit Team has reviewed all agreements with Partner Organisations in the three regions the Team has studied (more than 100 agreements).

Among others the Team has reviewed all Partner Agreements in LAM to ensure that the amounts indicated as given to the partners agree to the amounts stated in the contracts (Please find a summary of the review in Annex 7). All contracts were duly authorised by the RR and the responsible official in the Partner Organisation. The obligations of both parties were clearly stated.

POs are supposed to submit progressive financial reports on their activities as per the agreement. They are also meant to submit audited financial reports. The Audit Team has found some of them do not adhere to this. The same problem has been identified by the external audit. (Please find the review of financial reports from PO to SCS/Kenya in Annex 6). The Audit Team has found a few examples where requirements to submit financial reports or narrative reports were missing in the cooperation agreement[65]. Some agreements are signed by both the country manager and the RR. Some are signed only by the country manager even if it is stated that the RR represents SCS[66].

However, according to the Audit Team's assessment these kinds of problems are not frequent. The Audit Team has found that the ROs and COs have taken action when problems have occurred[67].

The Audit Team has also reviewed the quarterly financial reports from partners in LAM. They include grants from other donors and overall expenditure; in accordance with the Management Guide (see sub-section 4.6.4).

The standard agreement in the MG states that the agreements with partner organisations enter into force upon signature and are valid for a period of 12 months. According to the timetable in the MG, the cooperation agreements should be signed in December/January. In the review of all agreements in the three regions the Audit Team found that partnership agreements in ECAF for 2007 were in most cases signed in February and March and hence late disbursements of the initial instalments resulted in delay in reporting. All partners that had opening balances in January 2007 relating to funding for 2006 financial year have submitted both financial and progress reports. The RO sought and got budget reservation approvals from the HO for outstanding claims on partners which were the basis for the additional funding.

In the review the Audit Team also found contracts without stated starting date. For example in one contract it is stated that the release of the first instalment is within two weeks upon signing of the agreement. However, the agreement is not dated by any of the parties[68]. Another contract that enters into force upon signature and is valid up to December 2007 is signed by both parties. However, SCS signature is not dated and the counterpart has signed already 2006–12–11[69]. The project started on 1 January 2007. It is not clearly stated in the contract when payment should be made.

Many agreements are signed only several months after the commencement of implementation[70].

In the review of agreements with Partner Organisations in LAM the Audit Team found that several projects had started without signed framework agreements. According to the Regional Office this is due to insuf-

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65 See also PricewaterhouseCoopers: Recommendations for improving internal control 2006, 25 April 2007

66 For example Cooperation Agreement with Bidlisiw Foundation on Protecting and Alleviating the Situation of Fire-Affected Children and their Families 1 April – 31 August 2007. The explanation given in this case is that this was an emergency operation and thus the agreement was not countersigned by the RR.

67 One example: In 2005 the PO Sabah in North Sudan dismissed its accountant on the recommendation of SCS and the Executive Director was warned by the Board. However, the same problem occurred again and the relation was frozen for a period. SABAH was asked to reimburse unsubstantiated expenditure. The partnership was re-established after months as SABAH repaid the requested sum of money, hired a new accountant and established internal control.

68 Cooperation Agreement between SCS Sweden and Save the Children Norway operating as Save the Children in Uganda on training of Uganda People's Defense Forces (UPDF) on Children's Rights, January – December 2007

69 Cooperation Agreement with RESPECT up to December 2007, signed by RESPECT 2006–12–11 and SCS, not dated

70 One example: Cooperation Agreement with Against Child Abuse (ACA), Hongkong, April 2007–March 2008, signed 9th and 22 of June

ficiency of time between approval of the LAM budget at HO and the start of the year. Secondly, the Regional Office prefers to wait for the annual report from the partner before signing the new agreement. Partner agreements in LAM have been issued in January or early February. This issue has been discussed with HO and new instructions have been requested.

Many times it is not clear for which period a cooperation agreement with a Partner Organisation is valid. The Audit Team also found agreements where the years are mixed up and it is sometimes difficult to see which dates are mistakes. For example in some contracts with Partner Organisations for probably some unknown period of 2007 the agreement states that "This agreement enters into force upon signature and is valid for until 31st December 2006".[71]

Some agreements cover more than one year, with the note "with the understanding that financial commitments by SCS can only be made on a year to year basis"[72]. According to the standard agreement in the MG it is recommended that the agreements should state that "It is the intention of the parties that the cooperation shall continue until [indicate tentative year]. However, this agreement is valid for only one year/two years". The project proposals are often covering a longer period than one year. Thus, for the Partner Organisations it is of significant importance to have an indication of SCS ambitions to have cooperation over a longer period of time.

#### 4.1.3 The Financial Management System for UP

The financial management system for UP will be finalized by 2009, to be rolled out from 2010 (see sub-section 3.1.4). As an immediate priority, two initiatives start late 2007:

–"Creating a common financial structure" across the Alliance – which includes common financial year end, common chart of accounts, common project costing, and a common financial IT solution across the Alliance[73].

–"Harmonizing annual planning and reporting" from head offices to the field – which includes financial, operational and donor reporting.

The rationale for selecting these two initiatives is based on the consistent feedback from Unified Presence countries and key process owners at head offices. They claim that these two core processes cause most inefficiencies today both in the unified countries and at head offices dealing with unified countries. Dealing with multiple incompatible systems causes large amounts of manual (re)work. In addition, different process and reporting requirements cause confusion and – in the worst case – inability to prioritize and make decisions.

In addition to these two high-priority initiatives, the KCT also proposes a "quick win" to motivate the organization and show short-term benefits of cooperation and process harmonization:

–"Managing donor relations" which includes joint fund-raising and proposal development, improved processes for grant management and funds flow between members, and improved donor reporting.

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71 Cooperation agreement between SCS and SNCTP, dated 27/02 2007

72 Cooperation Agreement with Hong Kong Committee on Children's Rights HKCCR 1 December 2006–31 March 2008, signed in December 2006. In this case the contribution is divided into five instalments (one in 2006, three in 2007 and one in 2008)

73 Extensive documentation in PowerPoint format describing the proposed Financial structure, Harmonized annual planning and reporting and Donor relations initiatives can be obtained from the UP KCT Core process harmonization task force

#### 4.1.4 Conclusions and Recommendations

The Audit Team found that the cooperation agreements are often signed later than stated in the MG. Otherwise, the Audit Team found in general acceptable compliance with agreements and guidelines, and with good business practices, though there were a few examples of non-compliance, both in respect of SCS offices and their partner organisations (see 4.5.7 below).

However, the Audit Team has found a lot of mistakes of different kinds in the agreements with Partner Organisations. The main reason is that SCS has no quality assurance system in place where the agreements are carefully checked before they are signed.

Cooperation agreements were not always clear on the beginning of the period covered. There is also an outstanding problem with the timing of their signing. It is clear that a RO cannot commit to an agreement until its own budget is passed by HO, but it is not clear whether the signature to an agreement should depend on a satisfactory annual report on the PO's previous year. If it does, the agreement is necessarily delayed, sometimes to February or later, with adverse project consequences.

An associated problem is that projects often span more than 12 months: one-year funding commitments are not ideal. For the Partner Organisations it is of significant importance to have an indication of SCS ambitions to have cooperation over a longer period of time. The Audit Team is of the opinion that this should be clearly stated in the agreement as well as the prerequisites for a long term commitment.

As stated, the UP process includes the two initiatives "Creating a common financial structure" and "Harmonizing annual planning and reporting". As these two quite large initiatives are closely related, they can be addressed simultaneously. Creating a common financial structure across the Alliance will enable harmonized annual planning and reporting processes; harmonized financial year ends, chart of accounts and project coding are essential to create harmonized reporting. Simultaneously, meeting the monitoring and reporting requirements for the financial, operational, and donor needs of the different Alliance Members is essential in designing and sourcing a financial system that can satisfy the entire Members' needs both in the field and head offices.

The "Managing donor relations" initiative is also closely related to the financial structure and annual planning and reporting initiatives benefiting from simultaneous implementation, although securing this relationship could also be managed outside a formal project. There is a large potential benefit in increased revenues, improved advocacy, and brand from joint fundraising. It is therefore a key issue that the Alliance takes this initiative as soon as possible.

*Recommendations*

– ROs should prepare cooperation agreements in advance and sign them as soon as their own budget is assured, if delay would have adverse consequences and if there is no reason to doubt the Partner Organisation's performance
– SCS should indicate in the agreement the intention of cooperation for a longer period of time where projects will still be ongoing at the end of the agreement period
– The Management Guide should be reviewed in order to provide clear rules on entering into agreements based on the principles outlined in this section

–SCS should establish a quality assurance system where the agreements are carefully checked before they are signed.

## 4.2 Transfer of Funds and Bank and Cash Balances

### 4.2.1 The System

Funds are transferred from HO to RO on a needs basis, normally once a month. Funds transferred from HO in SEK to the bank are first converted by the bank to USD and then locally converted to the local currency. SCS uses the cash budget as a tool to plan and forecast flows for current activities and to analyse and minimise the different risks of currency exposure. It is also a tool for HO to cater for secure funding of all regional/country operations.

It is stated in the MG that bank accounts should always be registered in the name of SCS. The opening of bank accounts and delegation of the right to make withdrawals from them must accord with a power of attorney issued by a person authorised by the Executive Committee in the International Programme Department and Finance unit at HO. A RR should be entitled by him/herself to make withdrawals from all bank accounts for SCS within the region. A Country Manager should be entitled by him/herself to make withdrawals from bank accounts in the country in which he/she operates. For practical reasons, several employees in the office may need to be able to make withdrawals from SCS bank accounts. Such further delegation of the right to make withdrawals from bank accounts must always be structured so withdrawals can only be made by two persons jointly (one of whom should according to the MG preferably be a posted Swedish Programme Officer). Moreover, the right of withdrawal should be limited to a maximum of two other persons, one of whom should have administrative responsibility.

The amount in the office petty cash should not exceed the equivalent of USD 1,000.

Payments to Partner Organisations should always accord with the payment plan stated in the cooperation agreement and take due account of the balances stated in financial reports. When the budget exceeds SEK 100,000, normal procedure is for payments to be divided into four instalments.

According to the MG the Partner Organisation should normally reserve a separate bank account exclusively for deposits of SCS funds. A minimum requirement is that contributions from SCS are visible through a separate account number in the PO's accounting. Payments should not be made to private bank accounts.

A general demand before SCS makes a payment is that the Partner Organisation has fulfilled its obligations under the cooperation agreement. The procedure should normally be as follows:

a) The PO submits financial reports four times a year and narrative reports twice a year.

b) The Programme Officer assesses the report and, if everything is in order, fills in a payment order to the responsible person in Administration/Finance.

c) Administration/Finance personnel should also examine the financial report. If there are no objections, the payment is prepared.

d) The RR (and when relevant the Country Manager) checks the payment and signs approval.

Balances of SCS funds with POs should be kept limited.

#### 4.2.2 Review of how the System is practiced

*East and Central Africa*

There are six bank accounts at SCS RO/ South Sudan Country Office in Nairobi. The financial statements are presented in Kenya shillings (Shs). Transactions in foreign currencies are converted into Shs at the exchange rates ruling on the transaction dates. Petty cash for Juba, Rumbek are transferred to a Bank in Loki, on the Kenyan side of the border, from where the staff in Southern Sudan gets the cash.

The RO auditors traced the remittances from HO to the bank statements and obtained a confirmation from HO on the amounts remitted. The auditors also tested cash balances in order to achieve a high degree of assurance by testing a sample of 10 of the monthly reconciliations to ensure the reconciling items were valid and that the reconciliations were prepared and reviewed on a timely basis. Every bank account was covered by the sample. In addition the auditors performed a surprise cash count on 1 August 2007 to ensure that the cash balances were within the allowed limit and that proper records had been kept.

The functional currency of SCS North Sudan is USD. Accordingly income and expenditure in other currencies are translated into USD at the average rate of exchange for the month in which the transactions are executed. All gains and losses on transactions of foreign currencies are credited to or charged against income as they arise.

Although there is a functioning banking system in El Fasher, the State capital of North Darfur, SCS Country Office maintains extra vigilance in transfer of funds. Only those funds necessary for pending operations are transferred. Bank account balances are routinely checked and cash balances are well documented – often a small petty cash. A routine has been developed that all cheques are signed by the Field Manager and counter-signed by the Child Protection Officer.

The bank reconciliations for both Khartoum and El Fasher used to be done in Khartoum every two months as per SCS guidelines. From 2006 they are done on a monthly basis in El Fasher.

*Latin America and Caribbean*

Funds to Partner Organisations are transferred in USD. Then the funds are changed to local currency according to the financial needs. However, the office in Brazil receives its funds in local currency according to Brazilian laws; they cannot receive and handle USD, only Brazilian reales.
The following routine applies in practice:

a) The PO submits financial reports four times a year and narrative reports twice a year;

b) The Accountant assesses the financial report and issues his/her comments to the Programme Coordinator and Assistant who is part of the same technical team. The Programme Coordinator assesses the narrative report;

c) If there are no objections, the Programme Assistant fills in a payment order, which in its electronic form is passed by the Coordinator and the RR;

c) The accounting department prepares the payment;

d) The RR (and when relevant the person responsible at the sub-regional office or the Country Director for UP Peru) signs the cheque.

The Regional Representative and the Administrative Manager expatriates have facilities to do banking transactions with their signature (only one signature) but national personnel from the administrative and program areas can sign together (two signatures) only during the absence of the Swedish staff.

Offices maintain petty cash balances in accordance with internal procedures, eg. LAM Regional Office (500 nuevos soles), UP Peru Country Office (700 nuevos soles), Sub-Regional Office, Brazil (1,770 reales) and Sub-Regional Office, Costa Rica (150,000 colones).

*South East Asia and Pacific*

In SEAP the Audit Team found examples of Partner Organisations that are keeping funds from different donors in the same bank account[74].

The Audit Team also found one example of payment to POs being made to private accounts[75]. This practice does not comply with the Management Guide. The point has been raised by the auditor and a new separate bank account was opened for this purpose at the end of August 2006.

In SEAP there are examples of office petty cash box balance exceeding USD 1,000 and cash payments exceeding USD 100. The reason is that from the beginning of the year 2006 until April 10, SEAP could not open a bank account since the registration of SCS RO in Bangkok was not clear. SCS requested SCUK to process payments on their behalf during this period.

Competitive tendering procedures were not applied as stipulated in the MG in some cases in 2005[76].

#### 4.2.3 Conclusions and Recommendations

According to international management accounting practice, the operating and financial side of the organisation must have full interaction. This applies to these functions at HO and locally in the different Programme Offices. The cash budget has to be sent to Head Office within the deadlines in the financial calendar. It is valid for a maximum of two months, provided there are no changes in forecast cash flows. The cash budget should always include cash flow forecasts for all projects and for the full calendar year.

According to the MG the general procedures for accounting may not be disregarded without consultation with HO. The Audit Team has found some deviations from what is stated in the MG in all the three regions studied. However, these deviations have been made in consultation with the HO and they have been explained properly. Thus, the Audit Team has no recommendations on changes in this section.

### 4.3 Delegation and Authorisations

#### 4.3.1 The Rules according to the Management Guide

The MG underlines that financial responsibility is an integrated part of operational responsibility. This means that managers with financial responsibility should retain a financial approach in all decision-making throughout the operational process, spanning over planning, implementation, and follow-up. The definitions and routines in the MG apply throughout SCS, irrespective of where the operation is conducted. Financial responsibility has the very same meaning for all managers, regardless of where they are located in the organisation.

Financial responsibility and decision-making powers are formally

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[74] See also Comments on Financial Report of HKCCR for the period from April 1, 2006 to November 30, 2006

[75] See also PricewaterhouseCoopers: Recommendations for improving internal control 2006, 25 April 2007

[76] PricewaterhouseCoopers: Recommendations for improving internal control 2006, 25 April 2007

separated from the right to sign for the organisation. Hence, a manager may have financial responsibility within a given remit but may not be entitled to sign for SCS. SCS's Executive Committee makes decisions on signing for the organisation in respect of the right to sign purchase contracts for real estate and movable property, agreements with partner organisations and suppliers, and withdrawals of funds from SCS bank accounts.

Department managers and unit managers at the HO are empowered to make decisions concerning redistribution within the approved budget up to a maximum of SEK 100,000. The Programme Director (PD) is empowered to make decisions concerning redistribution within the approved budget and appropriations from the department's unallocated framework of no more than SEK 250,000. Decisions are dealt with and documented as Department Decisions in accordance with a separate instruction.

A department manager at the HO can delegate part of his/her responsibility to a section manager or other subordinate manager within the department.

PD's delegation authorisation rules are also stated in the MG. The PD delegates responsibility for working environments and security to the Regional Representative (RR). As an authorised signatory the RR is entitled to:

–Employ national and third-country national personnel as well as people for short-term assignments (project employees) and consultants and therein sign such contracts.

–Sign contracts with partner organisations.

–Make withdrawals from all SCS's bank accounts in the region in accordance with a power of attorney issued jointly by the PD and Finance Unit.

–Sign contracts following a decision of the PD to open a new Programme Office or move a Programme Office within the region.

–Sign contracts relating to housing and offices and service and rental contracts for equipment. With regard to rental of housing and the Representative's personal expenses in the nature of investments, a decision must be made by the PD prior to signature or payment.

A RR who receives delegated powers from the PD shall report back to the PD.

Authorised signatories are delegated by the RR to Country Managers as stated in the MG as follows.

–The right to make withdrawals from Save the Children Sweden's bank accounts in the country, in accordance with the power of attorney issued by the PD and Finance Unit.

–The Country Manager may employ national and third-country personnel on local contracts and sign such contracts, subject to consultation with the Representative

–Following consultation with the Representative, the Country Manager can sign a contract with a PO. This applies to work of a nonrecurring nature and not exceeding SEK 100,000.

–National and third country project employment and consultancy services on local contract for periods of up to three months and not exceeding SEK 100,000.

A Country Manager who receives delegated powers from the RR shall report back to the RR.

The financial statements are prepared in accordance with the MG and under the historical cost convention on a cash basis modified as follows: The only period in which Programme Offices should practice accruals accounting is in December, and only in three specific circumstances. Expenses accrued during the "old year" should be charged against that year even if the payment is not made before the turn of the year; (1) if there is a signed agreement or procurement has taken place and the goods/services have been partly or completely delivered before 1 January, (2) if a PO has fulfilled its obligations under the agreement but payment is to be made upon receipt of a report at the start of the new year; and (3) if the payment is expected to be made by 31 January at the latest.

#### 4.3.2 Review of how the Rules are practiced

*Eastern and Central Africa*

The RO auditors have tested a sample of project expenditure items by reviewing supporting documentation to ensure that the expenditure is supported by valid documents, properly authorised and accurately recorded. The sample covers 70% of the whole year's expenditure. The auditors have in earlier audits recommended that management should ensure that all expenses are approved and authorised before payment. However, in the last audit they have still found instances of expenditure being incurred without approval.

The auditors have made a similar test on a sample of project expenditure items at the CO in North Sudan. Also this sample covers 70% of the whole year's expenditure. Unlike the case of Save the Children/Kenya, the Audit Team can report that no irregularities have been found during the field visit to merit further investigation. This, however, should not suggest that vigilance should not be maintained given the volatility of the Darfur situation.

The Audit Team has studied the programme in North Darfur more in detail. The Field Manager is delegated and duly authorized to represent SCS in North Darfur. The lines of authority within the senior management at the Field Office are clear and are adhered to.

*Latin America and Caribbean and South East Asia and Pacific*

The Audit Team has checked a sample of project expenditure items by reviewing supporting documentation to ensure that the expenditure is supported by valid documents, properly authorised and accurately recorded. No irregularities were found.

#### 4.3.3 Conclusions and Recommendations

The Audit Team found that there were good structures of delegation and authorisation in all SCS offices, based on the Management Guide and SCS Executive Committee directions. Sample payments were tested in Kenya and North Sudan: a few irregularities were found in SCS, RO/South Sudan CO, and none in the CO of North Sudan.

The Audit Team has no recommendations of changes in this section. However, the Team recommends continuing vigilance.

### 4.4 Budget and Follow up

#### 4.4.1 The System

The Management Guide sets out the following timetable for preparation of the annual budget:

–Application (June/July)

–Discussions (thematic and economic)

–Budgets to Head Office (September)
–Discussions at Head Office and possible amendments
–Decision of the Board of Save the Children Sweden (December)
–Signing of cooperation agreements (December/January)
–Reports according to cooperation agreement.

All Programme Offices worldwide submit monthly reports. These are put together by HO to provide an overall picture of SCS's financial status including balance report, result report, cash reconciliation and bank reconciliation. The reports also enable the Programme Director of the International Programme to monitor basic data. The RR signs the reports together with the accountant/administrator and, where relevant, the Country Manager.

Financial reporting is a tool for the financial monitoring of projects and activities. It is the Manager's responsibility to ensure that the administrator/ accountant provides the office with financial information from the financial system and makes this available to the Manager and Programme Officers. The administrator/accountant and Programme Officers complement each other in their monitoring role. This is especially important when Partner Organisations carry out work in cooperation with SCS.

Financial reports from Partner Organisations should be subject to review by the responsible Programme Officer and administrator/accountant. All payments should be signed by the RR. The quarterly financial reports must make it possible to identify specific activities supported by SCS. Support from other donors should be included in the yearly financial report. The Partner Organisation's review table should be updated on a regular basis and kept in the files for each quarter. It should be submitted to the auditor for review and evaluation and also integrated as an exhibit in both the interim (limited review report) and annual audit report.

The Programme Office should hold regular progress meetings with the Partner Organisation. Minutes or a logbook should be kept from these meetings. SCS administrative/financial personnel should take part in monitoring the Partner Organisation and checking its financial reports.

#### 4.4.2 Review of how the System is practiced

*Eastern and Central Africa*

In ECAF the monthly Period End Reports at the regional level are prepared by the Accountant and the Regional Admin/Finance Officer. They include balance sheet, result report per project, claims on each employee, claims on each Partner Organisation, other cost centre transactions, and bank reconciliation statements for each bank account. The report is checked by the Admin/Finance Manager and reviewed by the Regional Representative. At the national level the reports are reviewed by the Country Director. In the case of the Kenya office the reports are reviewed by both the Country Director for Southern Sudan and the Regional Representative.

In North Sudan there was a Quarterly Financial Report for all SCS assisted projects signed by the Finance Officer and the Director of the Partner Organisation.

When it comes to the self-implemented programme in North Darfur, monthly financial reports and balances of accounts are sent to the Country Office in Khartoum. Likewise, the two sub-field offices (Kutum and Tawila) send timely Financial Reports to be incorporated in the overall

North Darfur Emergency Programme accounts. The aggregate of the monthly Financial Reports makes up the annual Financial Report expressed as an Annual Budget Balance: The Audit Team is satisfied that SCS Field Office in El Fasher and its two sub-field Offices in Kutum and Tawila maintain high quality financial reporting and budget follow-up routines.

None of the NNGO Partner Organisations the Audit Team has studied has an annual budgeting system. In most cases there is an absence of modern accounting systems. However, the management in ECAF told the Team that the experience of having too modern accounting systems is not good because of the costs for training and the tendency to lose the trained personnel to better paid jobs in the UN-system and INGOs.

The calculations of costs are in most cases realistic in the NNGO Partner Organisations. However, most of the NNGOs do not have a financial policy. There is a striking absence of fund raising plans. Many of the NNGO Partner Organisations rely heavily on SCS as the main financing partner. In several cases SCS provides 70% or more of the NNGO's income.

*Latin America and Caribbean*

Corresponding to the timetable in the MG, planning is medium term (three years) for partners and coalitions (about 20) that are of strategic importance to the achievement of overall goals, though contractual financial commitments have to be limited to 12 months.

Financial reports follow the budget structure, are up to date, and reflect programme progress (though on a cash basis during the year). Salaries and travel costs of programme staff are apportioned to the projects on which they work. The Consolidated Financial Statements comply with Peru statutory reporting requirements. In 2007, cash budgets and financial reports have suffered some delays due to problems with the new database for payment orders and with Agresso (April), the earthquake (August) and late bank statements (October/November).

The payment procedure uses the LotusNotes Database. Payment vouchers are signed by the bookkeeper, who prepares the transaction, another person checking it and the country manager approving the payment. In addition the one receiving the payment signs the voucher. The general voucher also has three signatories (prepared by, checked by and approved by).

Approved Payment Orders are entered into the Database and deducted from the annual budget for each project to show the balances available (saldos). However, these are not necessarily available as there may have been earlier orders that are still pending and have not reached the stage of payment. Programme Coordinators and the Administrative Manager do a manual check before approving commitments, but there is no formal commitment control by which purchase orders and contracts are registered in the Database and immediately deducted from the budget at the time they are approved and issued. Without commitment control at the point of making an order, there is a risk of over-expenditure. However, as soon as the Accounting Department has processed the payment the deduction is reflected. It is normally a matter of a few days maximum. It should also be remembered that the project work plan is a tool for the responsible person to have a close control over the detailed expenditure within one project number. It is allowed to overspend one activity and compensate on another as long as the budget for the project number is respected.

*South East Asia and Pacific*
Budgeting and follow up in SCS SEAP is in compliance with the MG. In addition the Audit Team has reviewed the systematic partner organisation review carried out by the auditor. The review covers the following: relevant agreement, reports as agreement, payments vs accounting records, budget deviation explained, own contribution by PO, funds not yet used, date of last audit report, period covered by last audit, audited reports per Sida's audit instructions, and SCS contribution during the year. The review shows a high degree of compliance with SCS requirements.

#### 4.4.3 Conclusions and Recommendations

The timetable in the MG is followed by all the ROs we have studied. However, the signing of cooperation agreements with the Partner Organisations is often delayed as already shown in sub-section 4.1.2. The RRs acknowledge the importance of timely reporting so as to facilitate the work of the IPD, SG and the Executive Committee and enhance quality in management activities.

Budgeting is currently within a six-year Strategic Plan (2005–2010) and a three-year Plan of Operations (2005–2007). This was changed during the period into four-year plans, 2005–2008, in terms of budgeting within a six-year plan. This is a bit strange, since indicative frames are given by the Board and not for longer periods than 3 years, now 4 years.

The system for budget and follow-up is good financial management practice and in accordance with the Management Guide, Appendix 4.10.8. Budget execution reporting is timely and reliable, pending further development of the Agresso system. At present, there is no formal commitment control. This creates a risk of over-expenditure. It is not clear whether the Agresso system will remedy this weakness. However, the Audit Team is of the opinion that there are not any immediate needs for changing the system, except what is already stated in the report in order to meet the challenges of the UP process.

### 4.5 Audits in all Stages of the Organisational Chain and Quality of Auditors Certificates

This sub-section is concerned with audits in all stages of the process. Moreover, it assesses the quality of auditors' certificates.

#### 4.5.1 The Audit System and Audit Process

The Annual Meeting elects principal auditors to evaluate whether the Executive Committee has fulfilled its assignment in accordance with the terms of reference given it by the Annual Meeting. The Executive Committee delegates responsibility and powers to the SG, who in turn delegates to the respective managers. On the SG's instruction, the Finance unit at Head Office appoints external auditors for operations outside Sweden. This is done in consultation with SCS's principal auditor.

A document called "Audit Instructions and Terms of Reference" for SCS Programme Offices abroad is normally issued at the end of April each year. This document provides instructions and requirements to the local auditors and managers of SCS Programme Offices concerning the audit of internal control.

The audits of the Operations abroad 2006 were carried out by 16 different Audit Companies.

SCS established a new Internal Audit function in January 2007 (see sub-section 3.2.3). The Board has approved an Instruction and an Internal Audit plan[77]. The division of responsibilities for the audit process

[77] Instruktion för Rädda Barnens internrevision, 2006–09–22

for operations abroad is described in table 2.

**Table 2: Table of Responsibilities for the Audit Process for Operations Abroad**

| R= Responsible P= Participates I = Informed | | | | | | |
|---|---|---|---|---|---|---|
| **Item** | **Tasks** | **Month** | **Internal Audit function** | **International Programme** | **Regional Repr.** | **Finance Unit** |
| 1 | Entry Conference for HO to prepare Internal Audit Plan | Dec | R | P | I | P |
| 2 | Board of Directors appoint Auditing Firms annually | Apr | P | I | I | I |
| 3 | Draft and submit SCS audit instructions & ToR for contracting the local auditors | Apr-May | R | P | P | P |
| 4 | Receive and evaluate the local audit proposals and quotations according to the ToR | May | R | P | I | I |
| 5 | Audit-entry conference for interim and year-end audit processes to ensure that audit reports will be submitted according to SCS audit instructions. | Jun-Jul/ Jan-Feb | I | I | R | I |
| 6 | Ensure that personnel and information requested by the local auditors are available to fulfil the reporting obligations | Jul-Aug/ Feb-Mar | n/a | I | R | n/a |
| 7 | Contact the local auditor in order to speed up the process, if necessary. Flag lack of sufficient action by the auditor to meet the deadline. | Jul-Aug Feb-Mar | R | I | I | I |
| 8 | Perform and submit the audit analysis and other reporting requirements according to approved Internal Audit Plan by SCS Board | Sept/ April | R | I | I | I |
| 9 | Follow up and evaluate the audit recommendations and management comments with the RO and CO | Oct/ Apr | I | R | P | P |
| 10 | Submit plan of action to Programme Director for approval. | Nov/ May | I | R | R | I |
| 11 | Act upon agreed Action Plan | All year | n/a | I | R | I |
| 12 | Facilitate a good internal control in all HO Operations | All year | R | R | n/a | R |
| 13 | Enhance the internal control at RO and CO | All year | P | P | R | P |
| 14 | Enhance the internal control of the auditing processes for partner organisations | All year | P | P | R | I |
| 15 | Review Management Guide to ensure compliance with internal policies and Good Internal Control | Oct-Dec | P | R | P | P |

Sida requires an audit to be performed by a qualified auditor for grants over SEK 200 000. The audit objective is to verify the administrative capacity of the Partner Organization; if its own norms and regulations are being implemented, as well as the norms and regulations required for the implementation of projects. The auditors report will also look at the financial activities and if there are any significant variations between budget and expenses.

The Partner Organisation (or SCS in case an auditor is not appointed by the PO) must sign an agreement with a qualified auditor who is registered with an appropriate body of auditors and accountants. The audit shall be performed annually and cover the accounts of the PO with respect to programme activities financed by SCS. The auditor shall carry out the audit in accordance with the International Standard of Auditing (ISA). Special attention shall be drawn to the following paragraphs of ISA: paragraph 240; "the Auditor's Responsibility to Consider Fraud and Error in an Audit of Financial Statements" and paragraph 800; "the Auditor's Report on Special Purpose Audit Engagements". After the audit, the auditor shall deliver the following audit reports:

- A copy of the PO's annual project report, marked for identification purposes and sent to SCS
- A signed audit report according to the Appendix in the MG, to the directors of the PO and a copy to SCS

The auditor shall present the annual audit report by 31 January, in accordance with the audit agreement.

The auditor of a PO has to affirm that:

- The PO has adequate internal controls regarding accounting.
- The accounting system can ensure correct accounting of funds from different donors/contributing organisations, and correct accounting for implemented projects.
- The PO retains supporting documentation for all accounting entries.
- The PO has a control environment that ensures that access to the PO's bank account/s is restricted to authorised personnel.
- The PO keeps funds from different donors/contributors in separate bank accounts. If not, it should be specified why
- The PO has adequate control over the handling of salaries and wages, e.g. that salaries/wages of personnel involved in specific projects are separately accounted for.

#### 4.5.2 The Audit Process in Practice

A major problem for SCS is late audit reporting. When it comes to the fiscal year 2006 the deadline for the reporting from the local auditors on the operations abroad was on the 2nd of March 2007. Ten days later on the 12th of March 38% of the audit reports were still missing. Among those were three from the ROs and COs the Audit Team has visited, namely the RO in Bangkok, the CO in Khartoum and the CO in the Philippines.

There were new (2006 or later) auditors in four of the countries the Audit Team has visited as part of this assignment (Peru, Thailand, the Philippines and North Sudan, including Darfur).

The Auditors' opinion on the reports of 2006 from the three ROs the Audit Team visited (Southeast Asia and the Pacific, Latin America and Eastern & Central Africa) is that they are all unqualified (ie. clean reports). The same goes for the country offices we have studied (Northern Sudan, Southern Sudan, the Philippines and Peru)[78]. Management Letters, including issues regarding internal control, have been submitted from the ROs and COs we visited except the RO for South East Asia & the Pacific and the CO in Northern Sudan.

Qualified audit opinions have been noted for the COs in Afghanistan, Pakistan and Yemen and the RO in Lebanon. A Management Letter is missing from the CO in Ivory Coast.

*Eastern and Central Africa*

The Auditor's report on the offices in North Sudan and RO/South Sudan 2005 is unqualified. The Audit Team has studied the report on the financial statements of the independent auditor. In the auditors opinion the financial statements present fairly, in all material respects, the financial position of SCS RO and Southern Sudan Programme and the results of its operations in accordance with the Management Guide. The management letter includes executive summary, audit procedures carried out, detailed findings and recommendations, status of implementation of prior year recommendations and review of Partner Organisations. In accordance with the audit instructions received from HO the audit includes certain aspects of the internal control and accounting systems.

The RO audit report for the six months period includes review of financial statements, audit of internal control and follows up on the status of implementation of recommendations made during prior audits. The reviews of financial statements have been made in accordance with the International Standard on Review Engagements 2410. The objective of the reviews has been to enable the auditor to state whether, on the basis of procedures which do not provide all the evidence that would be required in an audit, anything had come to the auditors' attention that causes the auditor to believe that the financial statements are not prepared, in all material respects, in accordance with the Management Guide.

The audit of internal control was based on an assessment and analysis of the local risk in accordance with International Standards of Auditing taking into account the risk assessment relevant from an overall SCS view. This includes internal control of Partner Organisations (narrative, financial, audit), human resource management including security, delegation of authorities and duties (local and regional), IT management and internal control of assets and accounting records.

In assessing the internal controls for the Southern Sudan program 2007, the auditors conducted a field visit to Mabior (Panyagor), Twic East County, Jonglei State[79]. The management has implemented most of the prior period audit recommendations. The implementation of outstanding recommendations is also on course as detailed in the report.

The year-end Audit Report of the Regional Office and Southern Sudan Programme for 2006 includes executive summary, summary of the adjusted financial reports, summary of unadjusted differences, standing remarks from the interim report, fulfilment of local laws and other regulations and fulfilment of obligations to the local authorities, audit findings on internal control, brief summary of audit responses and audit findings related to the risk assessment and areas of focus and the comments. All partners except ANPPCAN submitted their reports later

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78 ÖhrlingsPricewaterhouseCoopers: Audit Memorandum Regarding the audit of Save the Children Sweden's report on the "Framework agreement for cooperation in development countries" for the year 2006, according to the agreement with Sida, signed 2 May 2007

79 PricewaterhouseCoopers: Regional office and Southern Sudan Programme Financial Statements for the year ended 30th June 2007

than the dates stipulated in the agreements.

The reports include a follow up of actual expenditure compared with budget for each project. The variance was between 41% and 427%. The management explanations for under-spending focused on late recruitment of staff, staff positions not filled, and slow-down in implementation of planned activities. The overspending on ECAF planning and follow up (17 MKsh instead of 4 MKsh, 427%) was due to the relocation of the RO to Nairobi which resulted in higher costs for security, staff recruitment, salaries, office rent, expatriate housing, school fees, IT installations and fees, office furniture and purchase of a vehicle.

*North Sudan*

In North Sudan an audit agreement between SCS and Partner Organisations was attached to all the cooperation agreements. The audit report for 2006 for North Sudan includes a review of the Partner Organisations. It shows that all POs had relevant agreements and all reports were as agreed. Payments agreed with accounting records in all POs and budget deviations were explained. In no case was there any own contribution by a PO. All funds had been used[80]. However, in North Sudan most of the cooperation agreements for 2007 state that "The auditor shall present an Annual Audit Report, no later than 10th January 2006", which is impossible but no one has noticed that. None of the shortcomings mentioned earlier in the report had been observed by the auditors. The audited report from Khartoum for 2006 was not submitted to SCS Internal Audit until the 12th of April 2007.

*North Darfur*

As part of the audit process, the Auditor visited Kassala and North Darfur operations. However, it was not possible to visit Tawila for security reasons. The risk assessment shows non-compliance when it comes to internal control in some of the partner organisations and weak institutional capacity in terms of accounting records and reporting to SCS. Otherwise no major issues were identified by the auditor. Major compliance with tax regulations, labour laws and HAC regulations were noted.[81]

The auditors have pointed out weaknesses in the internal control during the first years of operation[82]. Sida has also repeatedly demanded improvements in reporting and pointed out the importance of compliance with the agreements[83].

The internal control of North Darfur Programme is now supervised regularly by the Country Office on a monthly basis. However, it is safe to mention from actual observation the insecurity situation in Tawila, which is not accessible even to Sudan Government institutions such as the Ministry of Education. Evidently, audits in all stages of the organisational chain vis-à-vis North Darfur Emergency Programme is near impossible without tremendous physical security risk.

[80] Hassabo and Company Certified Accountants: Audited Financial Statements for the Year Ended 31 December, 2006, incl a review of partner organizations

[81] Hassabo and Company Certified Accountants: Management Letter – Interim Audit of Financial Statements 2007, 22 august 2007

[82] See for example ÖhrlingsPricewaterhouseCoopers: Granskningsrapport för granskning av Rädda Barnens bidrag för humanitära insatser i Darfur, Sudan för år 2004–2005

[83] See for example Möte angående fortsatt stöd till Rädda Barnens program i Darfur, Protokoll 2006–10–10

*South East Asia*
The Auditors' report on the audit of RO of Southeast Asia and the Pacific (SEAP) for 2005 is unqualified[84]. However, according to the management response of Save the Children it is qualified[85]. An adjustment was not booked by SCS as of June 30, 2007 since all the cheques were cleared only on August 2007. This resulted in a qualified review opinion as of June 30, 2007.

There were no specific recommendations from audits of POs in Southeast Asia and the Pacific (SEAP) from last audit, except for one PO. Remarks from the previous audit report include: (a) some transactions are not supported by documentation, and (b) the books of accounts are not updated. The PO has hired a bookkeeper for the project[86].

*Latin America and the Caribbean*
The audit of SCS Latin America and the Caribbean (LAM) comprises three audit contracts – (1) the Regional Office, Peru, together with the Unified Presence (UP) Office, Peru; (2) the Sub-Regional Office in Brazil; and (3) the Sub-Regional Office in Costa Rica. Contracts in 2006 and 2007 have been given by SCS Head Office to PricewaterhouseCoopers (PwC). Before 2006, another Big Four firm did the audit.

It should be noted that the UP Office is legally part of the Regional Office, which is the only SCS legal entity in Peru, being registered as an NGO. The Sub-Regional Offices are separate legal entities and are subject to separate audits by local PwC firms. PwC Lima audits the consolidated financial statements of all four offices prepared by the Regional Office, Peru.

However, the Latin America and the Caribbean RO received a qualified opinion for 2005. It should be noted that the qualification was made because the auditors responsible for the sub-regional office did not present their report in English and in USD on time, which made it impossible for the auditors in Peru to verify some of the information.

Head Office issues 'Audit Instructions for Programme Offices of SCS/ Latin America (Peru Office) 2007 and Terms of Reference' and similar instructions for the Brazil and Costa Rica offices. Broadly, these require (1) a risk assessment and an interim management letter on weaknesses in internal control, deliverable by 30 August 2007; (2) a review of the financial statements for the first half of the year (January–June 2007), to be delivered also by 30 August 2007; (3) a year-end audit report and opinion on the financial statements for the year, together with a follow-up on the issues raised in the management letter, to be delivered by 3 March 2008. The half-year review is based on the International Standard on Review Engagements 2410 (which is less than a full audit) and Sida's Audit Guide, and the annual report is based on International Audit Standards and Sida's Audit Guide. Information on prescribed SCS administrative and accounting practices is provided in the SCS Management Guide, which is updated every year. The 2007 issue was in May 2007.[87]

According to PwC Lima, all audit reports on SCS LAM since 2000

[84] ÖhrlingsPricewaterhouseCoopers: Granskningsrapport för granskning av Rädda Barnens ramavtal med Sida för år 2005, daterad 20 oktober 2006 (ersätter tidigare avgiven rapport 2006–06–22); and ÖhrlingsPricewaterhouseCoopers: Rädda Barnen. Revision av verksamhetsåret 2005 (daterad 2006–04–05)

[85] Management response. Revision av verksamhetsåret 2005, odaterad

[86] Lunduyan para sa Pagpapalaganap, Pagtataguyod at Pagtatanggol ng Karapatang Pambata Foundation, Inc.

[87] The target date each year is 1 January, on the ground that the auditors need to know the rules against which each year's accounts are audited. This is unnecessary, as the auditors only need the date from which each new rule or change of rule is effective. This may be at any time during the year, not only at 1 January. Other global social organizations, such as the International Committee of the Red Cross, update their Management Guide only occasionally and irregularly as necessary.

(the reference period for this study) have been free of any qualification. We have confirmed that the audit report for 2006 was unqualified. However, audit reports do mention minor weaknesses, not sufficient to qualify their opinion. For instance, the audit report for 2006 said that Swedish generally accepted accounting practices were not fully met. Swedish GAAP are based on full accrual accounting practice (as in International Financial Reporting Standards), whereas the basis of SCS accounting is modified cash (see 4.3 above). The main difference is that the SCS balance sheet does not include fixed assets, as they are fully written off at the time of purchase. This is in accordance with the Management Guide, and is normal practice in similar organisations.

The Instructions stress the importance of meeting reporting deadlines, which are global and quite tight. The 2006 audit report was dated 13 March 2007 (ie. 10 days late). HO was informed and accepted this delay. The review of January–June 2007 was dated 18 September 2007 (19 days late). The delay was caused by the earthquake in Peru and the emergency response. A request for a later deadline was send to HO on the 24th of August and the new deadline was set to 17th of September. PwC Lima said that meeting the deadlines was the only real challenge in the audit.

*Partner Organisations*

The Audit Team has assessed the compliance with this requirement for all Partner Organisations in SCS LAM.

POs appoint their own auditors and set their terms of reference with the approval of SCS-LAM Technical Team (Programme Coordinator, Programme Assistant and Accountant).[88] The requirements vary according to the size of SCS annual grant to the PO. If the grant is below $5,000, and the activity is expected to be short term (not more than 3 months), SCS does not require audit. It is sufficient for the PO to produce the quotation and the receipted invoice. If a grant is between $5,000 and $20,000, independent audit is required, but this may be of limited scope, eg. 'minor audit', not including a review of internal controls. Above $20,000, SCS exercises more control. The PO is required to get three quotations and propose who should get the contract. LAM has the final decision. There is a strong emphasis on timely receipt of audit reports and of follow-up of their recommendations by the respective Technical Team and by the PO concerned, though practice falls short. Auditors are rotated every few years.

A major factor is cost. Audit by one of the Big Four may cost 20% or more of the amount of grant, whereas audit by a small Peruvian firm may be only 5% of the amount of grant. [89] As the audit fee has to be included in the grant, SCS tries to make a balanced judgement of the added value of a more professional audit against the benefits of greater funds for operations. The Audit Team has no reason to doubt that an appropriate balance is made in each case.

The NGOs are not obliged to present audited financial statements. These are made according to the good practices of internal control and for the benefit of the NGO rather than their donors. It is very expensive for some NGOs to contract a big audit company with international representation due to their budget. Thus, SCS requests services of smaller audit companies but SCS evaluates the quality of the services received and their professional support to give direction in the implemen-

[88] For a limited company, only a certified public accountant can be appointed as auditor, but according to PwC, there are no legal requirements for audit of NGOs. Audit is, of course, required by responsible donors such as SCS.

[89] The audit of the Brazil office by PwC is said to have cost $22,000. Audit of the $16,000 grant to MANTHOC cost $1,000.

tation of the recommendation of institutional internal control.

Normally, audit is confined to expenditure from the SCS grant, which has to be placed in a separate bank account and separately accounted for, separately reported and separately audited. In POs with multiple donors to multiple projects, and even multiple donors for a single project, this splintering of management processes can enormously increase administration costs. In addition, multiple bank accounts, cash books, reconciliations, ledgers and reports add to the risk of error and fraud rather than reduce it.[90] In MANTHOC, for instance, there are 10–12 donors, each of which has a different set of requirements, chart of accounts, etc. J.M. Arguedianos has SCS, SC-Canada and 5 European agencies. CEDISA has SCS, SC-UK, EU and the Dutch Government. Partner Organisations' accountants usually accept the burden without complaint, thinking it is necessary for transparency but without knowing any alternative.

The Government of Peru requires an annual audit by a certified public accountant of any NGO in receipt of State funds, eg. Vichama. The audit report, unfortunately, is confidential and not available to SCS.

SCS has found examples of audit reports that are not prepared according to what is stated in the MG and the agreement between SCS and the Partner Organisation[91].

If auditors recommend modifications or changes to the organizations, future funding from SCS and UP is conditioned on the implementation of the recommendations.

All Partner Organizations interviewed understood these policies and were compliant with them, even though some concerns with the timing for the auditor's report (February 15th) was expressed.

### 4.5.3 The Audit Process of UP

Internal audit and the audit review process are planned for 2010 to be rolled out 2011. External audit is planned for 2011 to be rolled out 2012. It is not clear today how the SC auditing processes will be harmonised or unified.

### 4.5.4 Conclusions and Recommendations

The Audit Team is of the opinion that it is too early to assess the impact of SCS having established a new Internal Audit function in January 2007. However, there is still no internal audit function in the Regional Offices, or in the Country Offices, though this gap has been under discussion. An effective internal audit would improve financial management by providing a service to management, by means of:

- advice on the fiduciary significance of comments and recommendations by external auditors,
- technical advice on system improvements,
- assistance in follow-up; and
- reduction in the time spent and cost of external audit.

The Internal Auditor should be independent of the finance/accounting function and report directly to the Regional Representative. An annual audit plan should be prepared in consultation with the Regional Representative, Country Manager and external auditor. Internal audit reports should be regularly submitted to these interested parties, also to the auditees (POs, Sub-Regional Offices).

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[90] In government administration, the Paris Agenda has reinforced the perception that multiple accountability requirements weaken an institution and inhibit reform, and that it is generally better for donors to harmonize their requirements and if possible align them with the institution's own management processes.

[91] SEAP: Comments on TVS's audit report, 22 February 2007

The Audit Team found that the audit requirements were comprehensive, including reviews of internal controls in Partner Organisations and follow-up of previous audit recommendations.

The Audit Team testifies that audits are conducted throughout the entire organisation. However, in Central and Eastern Africa field visits for in-field assessment are rather spare, particularly in war-stricken Darfur. The audits have been conducted at the Country Office in Khartoum only.

The Audit Team found examples of audit reports that are not prepared according to what is stated in the MG and the agreements between SCS and the Partner Organisations. ROs should ensure that its partners strictly adhere to the requirements of the agreements. This will enhance the capability to effectively monitor the projects.

However, requirements were generally met though, in some cases, it was difficult for the auditors to report by the due date. A major problem for SCS is late audit reporting. Many audit reports for 2006 were submitted late to the SCS Internal Audit function and some of them were not complete. However, delayed audit reports are due not only to auditors but also to delay in issue of Terms of Reference and audit contracts.

The Instructions require that audits include a review of audits of Partner Organisations, and of any organisations to whom POs make transfers. This is very important, as standards of internal control tend to fall at successive links in the chain. The fiduciary risk of SCS funds not being used for the prescribed purposes cannot be assessed except by a comprehensive review.

Though the audit function is fully developed and operational, the Team found that multiple audits within the same organisation were adding to cost and inefficiency. The Audit Team has always argued for the importance of harmonizing requests from donors to make it possible for the organizations to prepare one narrative report, audit, plan of accounts, financial report, etc. which directly benefits the organization but also helps donors by saving costs and time, but in practice the different needs of the donors have prevented such standardization and consolidation of requirements.

In the Audit Team's opinion, integrated financial management underpins integrated operating management. Thus, the Audit Team recommends that SCS reviews its policies on accountability, and consider the feasibility of promoting harmonisation of donor requirements, particularly where SCS is the principal donor to a PO. This would involve liaison with co-donors at each level. One of the functions of the Fund-Raising Officer at the UP office in Lima is the 'unification of tools'. This could include proactive harmonisation of donor requirements from each multidonor PO, especially the reporting and audit requirements. A single institutional audit that meets all donor needs should substitute for multiple project audits. This is likely to save overall audit cost and raise its effectiveness.

*Recommendations*

- –The SC UP auditing processes should be harmonised or unified
- –Regional and Country Offices should have full time internal audit
- –Each Partner Organisation should be audited only once a year on the organisation as a whole and not on a project basis
- –SCS should ensure that its partners strictly adhere to the requirements of the agreements through better internal control

## 4.6 Promotion of Good Administration, Transparency regarding Finances and Management of Funds and Promotion of Measures to Counteract Corruption

### 4.6.1 Measures to Counteract Corruption

Seven measures have been adopted by SCS to counteract corruption within SCS and its Partner Organisations: a) Comprehensive financial instruments; b) competent financial staff and accountants; c) weekly Cash Book updating; d) monthly reporting per programme activity; e) rules for tendering in the MG; f) financial transparency; and e) careful handling of Bank Accounts.

Thus at least the following instruments are in place when relevant:

–Cashbook

–Weekly budget balance

–Monthly financial reports

–Weekly cash balance

–Payment vouchers

–Tendering procedures and documentation

–Payroll

–Assets inventory

–Weekly Bank Account Balance;

–Annual Audit Reports

–Management Letters

–Annual narrative and financial regional and country reports

Project documents are kept in good order at ROs, COs and Partner Organisations and have been easy to check and review during the visits of the Audit Team. All Partner Organisations do not have special accounting software at the office (some do not even have an office). However, the different kind of self-made books and systems have been adequate given the size and level of development of the organisations the Audit Team has studied.

According to the MG it is of importance that the Partner Organisations save all financial documents for a period of 10 years and is able to provide them to the auditors or to SCS at any point in time, without delay. The Audit Team has found this request to be difficult to comply with for some of the studied Partner Organisations.

The Audit Team observed a positive control consciousness and environment that would aid proper functioning of internal controls and accounting issues in SCS and its Partner Organisations.

It is the policy of SCS to expense all fixed assets as and when they are acquired. However, each field office is required to maintain a schedule of all fixed assets in accordance with the guidelines of applicable grants and SCS's internal accounting policies and regulations.

Assets are tagged and asset registers maintained. However, proper records for stocks were not found to be maintained in Southern Sudan (Mabior). SCS Philippines uses equipment monitoring sheets for all equipment that may be borrowed by the employees, for example handycam. The borrower shall ensure that the equipment is in good conditions and the receiving staff shall ensure that the returned equipment is in good working condition before signing.

Sida General Condition 11 and the SCS Management Guide Appendices 3.10.10–3.10.12 set out the regulations on procurement. Good business practice is to be observed, and procurement should be by competitive process where the amount is above the prescribed threshold.[92] Written tenders should be requested for goods and services with a value exceeding 75,000 SEK. Certain exceptions are allowed. The regulations allow but do not require open bidding, e g following advertisement in national newspapers. In practice, Programme Assistants obtain two or three quotations and make recommendations to the Administrative Manager. Procurements of goods and services are handled by administrative staff and approved by the Administrative Manager. Contracting of consultants is handled by the programme staff and approved by the RR. It is a conscious decision to have a divided responsibility, as the Administrative Manager is not responsible for the implementation of the Programme.

#### 4.6.2 Conclusions and Recommendations

The control environment sets the tone of an organization, influencing the control consciousness of its people. It is the foundation of all other components of internal control, providing discipline and structure. The Audit Team has found that SCS has adopted adequate measures to counteract corruption. These are practiced throughout the whole organisation. The Audit Team has found the level of awareness of the importance of good administration, transparency and minimizing the risk for corruption to be very high within SCS at all levels.

There is no centralised procurement and the Audit Team was not able to determine how far the regulations are followed. As procurement is commonly an area of corruption, it is important that SCS review its procurement organisation and practices.

The auditor needs to verify that the Partner Organisation he/she audits has internal rules for its procurements and that these are followed. However, the Audit Team has found that this is not done regularly.

The requirement that the Partner Organisations shall save all financial documents for a period of 10 years and be able to provide them to the auditors or to SCS at any point in time without delay is difficult or expensive to comply with for some of the small Partner Organisations. Thus, the Audit Team suggests limiting the retention period to five years.

*Recommendations:*

– SCS should follow up and ensure that procurement is in compliance with Sida's General Conditions and the rules in the MG
– It should be considered to change the Managing Guide to require that Partner Organisations retain all financial documents for a period of 5 years instead of 10

### 4.7 Calculations of SCS own Implementation and Administrative Costs

#### 4.7.1 SCS Administrative Costs

This sub-section contains a calculation of how much of the NGO allocation for 2006 is spent on the following three categories:

a) Financing staff and internal administration at Head Office, regional and country offices;

b) Channelled to partner organisations;

c) SCS own implemented activities, directed towards external results, both at Head Office (C2) and in programme countries (C1).

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92 For goods, the threshold is two 'basic amounts', and for services it is eight 'basic amounts' as set by the National Tax Board in Sweden.

**The total NGO allocation 2006 from Sida:**
**128 457 TSEK (A+B+C)- adm grant: 8 719 TSEK (A1)**
**= NGO frame net to 119 738 TSEK (A2+B+C)**

It is difficult to trace how much is spent on each of the three categories. In order to calculate how much is spent on a) and c) respectively some assumptions have been made. We have also made the same calculations based on other assumptions in order to assess the uncertainty in the calculations.

**1. Calculation of SCS own implementation in the programme countries (C1):**

| | |
|---|---|
| Total project costs Programme Area 1–10 | 72 218 TSEK |
| +70% of the total project costs, Programme Area 11 | 22 426 TSEK |
| - Contribution to Partner Organisations (account 4910) B1 | -46 506 TSEK |
| **Calculated own implementation in the programme countries C1** | **48 138 TSEK** |

**2. Calculation of SCS own implementation from Head Office (C2):**

| | |
|---|---|
| 70 % of the costs on K/I 211 (Policy Section, Jan-Apr) and K/ 213 (International Coordination, May-Dec) | 2 283 TSEK |
| 70 % of the costs on K/I 212 (Section for Knowledge Management and Development), after reduction of contribution to Partner Organisations (6 884 TSEK, B2) and other non related costs | 2 461 TSEK |
| **Calculated own implementation from Head Office C2** | **4 743 TSEK** |

The financial contribution to Partner Organisations (B1 + B2) amounts to 53 390 TSEK (46 506 + 6 884).

The calculation is based on estimation of how much of the total project costs under Programme Area 11 are directed to own implementation. The estimate suggested by SCS and accepted by the Audit Team is 70%. Based on the discussions between SCS and the Audit Team the same percentage seems to be relevant for K/I 211, 212 and 213. However, the Audit Team has also calculated how much is spent on the different categories under the assumption of 60% and 80% respectively instead of 70%. The amount for C2 is 4 065 and 5 420 TSEK respectively. The amount for C1 is 45 134 and 51 342 TSEK

**Table 3 Calculation of how much of the NGO allocation 2006 that is spent on different categories**

| Category | Sum (TSEK) | Percentage (%) | Summary Percentage (%) |
|---|---|---|---|
| A1 | 8 719 | 7% | |
| A2 | 13 467 | 10% | |
| Summary A1+A2 | 22 186 | | 17% |
| B1 | 46 506 | 36% | |
| B2 | 6 884 | 6% | |
| Summary B1+B2 | 53 390 | | 42% |
| C1 | 48 138 | 37% | |
| C2 | 4 743 | 4% | |
| Summary C1+C2 | 52 881 | | 41% |
| Total NGO allocation | 128 457 | 100% | 100% |

Table 3 shows that 42% of the total allocation is distributed to Partner Organisations. Almost the same amount is used for SCS own implementation (41%). Most of the funding to Partner organisations and direct implementation is distributed through SCS programme offices. The administrative costs at Head Office, regional and country offices are 17%[93]. According to the opinion of SCS the administrative grant (A1) should not be included in the calculation. However, we have found the tables adequately showing how the total grant is spent. With the estimate of 60% instead of 70% in the calculations the summary of C1 and C2 will be 38% instead of 41%. With the estimate of 80% instead of 70% in the calculations the summary of C1 and C2 will be 44% instead of 41%.

#### 4.7.2 Administrative Costs in Partner Organisations

A part of the funding to partner organisations is financing the partners' administration. We have studied a sample of partner organisations in the visited countries. The average percentage for general and administrative expenses was 8%.

However, there are significant differences in administration costs between the POs. For example one of the POs in Khartoum has no office and no staff[94]. The work is carried out by young people on a pro bono basis.

On the other hand there seems to be high administrative costs when other SC members or governmental organisations are partners. For example in the SCS Proposed Budget for Child Protections Activities in Dadaab March – December 2007 approximately 55% are programme costs, 5% are costs for HO and 40% are costs for personnel and logistics.[95] However, it is very difficult to estimate the administrative costs and the Audit Team has not been in a position to go into details in the PO budgets.

#### 4.7.3 Conclusions and Recommendations

NGOs are increasingly competing on professionalism and quality of service to attract donations. The online comparison sites for individuals to compare effectiveness of NGOs and the significant increase in press coverage on aid inefficiencies and misuse of aid has put pressure on increasing the effectiveness.

*Recommendations:*

–SCS should compare its administrative costs over time based on a stated definition of what costs should be included

–SCS should assess administrative costs in the Partner Organisations

–In addition to added value, SCS should also take administrative costs into consideration when choosing Partner Organisations.

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[93] This includes what is defined as "administration of development cooperation" and "kompetensutveckling av svensk enskild organisation", These costs can also be defined as "verksamhetskostnader" according to Sida's guidelines.

[94] YFC, a Youth Organization

[95] SCS Proposed Budget for Child Protections Activities in Dadaab for the period March – December 2007; and Report on the activities and areas of progress, mayor challenges and plans forward, in relation to the Child Protection Program objectives, Catrine Ahlman, Child Protection Program Manager, Seconded from Save the children Sweden, Emergency stand by Team, Save the children UK, Kenya program, Kenya, Dadaab, 19 March –19 August 2007

# Annex 1

## Background

A considerable part of Swedish development cooperation is channelled to or through Non-Governmental Organisations (NGOs). At present the Department for Cooperation with NGOs, Humanitarian Assistance and Conflict Management (SEKA) within the Swedish International Development Cooperation Agency (Sida), contributes funds to Swedish organisations and their cooperation partners in over hundred countries worldwide. During the last years, the budget to Swedish NGOs for development cooperation, handled by the Division for cooperation with NGOs (SEKA/EO) has annually exceeded 1,3 billion SEK.

Support to people affected by violent conflicts or natural disasters has been a part of the Swedish assistance since it began in the 1950s. The Swedish Government's Humanitarian Aid Policy (Government Communication 2004/05:52) sets out the objectives of the Swedish humanitarian assistance; to help save lives, alleviate suffering and preserve human dignity, for the benefit of people in need who are, or at the risk of becoming, affected by armed conflicts, natural disasters and other disaster situations. The Swedish humanitarian assistance, channelled by the Division for Humanitarian Assistance, has been increasing for the past years, reaching 1.8 billion in 2006.

Sida's requirement on ensuring efficiency and quality of the development cooperation support has increased during the last years. Within the framework of its responsibility for exercising control, Sida has been commissioned to make follow-ups in order to ensure that development cooperation funds are used efficiently for their intended purposes, regardless of the way in which the funds are channelled. Where the ownership of projects is concerned, Sida's basic approach is that partners in cooperation are responsible for the implementation. This has the consequence that the partners in cooperation also have the responsibility for exercising controls in their administration. It is also each Framework Organisations responsibility to regularly monitor and evaluate its own programmes as well as their partner programmes.

This requires monitoring for effective controls and transparency in order to gain the trust of the general public. SEKA has decided to devote less time than before in making detailed examinations of project applications, and instead put more emphasis on following-up the activities of the organisations, their methods for running programmes of cooperation and the quality assurance. The ambition is to enhance result based management, to increase the efficiency of the organisations, and to improve cooperation between the organisations and Sida. Sida is constantly reviewing its humanitarian partner organisations in order to find the most effective and efficient channels for the Swedish humanitarian assistance.

Important instruments used by Sida when approving grants is the documentation supplied by the frame organisations in the form of annual reports, plans of operations, applications etc. Systems-based audits have the aim of analysing whether an organisation's internal management and control systems guarantee the quality a nd accuracy of this type of documentation and, at an overall level, of evaluating whether the organisations have appropriate systems and routines for directing activities towards stipulated goals and ensuring that the activities contribute to the fulfilment of the objectives of Swedish international development cooperation.

**Save the Children, Sweden (SCS)**

Save the Children works to make the UN Convention on the Rights of the Child a reality for children around the world. Save the Children Sweden consists of 85 000 individual Swedish members, they operate both nationally and internationally. In their international work they cooperate with numerous of national and local child rights organisations in Africa, Asia, Latin America and Eastern Europe. Their membership in the international Save the Children Alliance, an umbrella organisation of 29 national Save the Children organisations, gives them a presence in 120 countries.

Save the Children Sweden is one of the largest framework organisations to Sida with regard to the appropriation for development cooperation with NGOs. For the current agreement period 2005–2007, the financial contribution is approximately 378 million SEK.

Various types of organisations (non-profit, Swedish, international, local) have played an important role in implementing efficient humanitarian assistance, using their experience, networks and presence in the countries affected. Save the Children Sweden has been a partner to Sida in humanitarian activities for years. There have been three types of support: bilateral country support; a minor humanitarian frame; and support to the Emergency Standby Team, amounting to a total of approximately SEK 20–30 million per year. A significant part, a total of approximately SEK 34 million for the past three years, of the humanitarian support to Save the Children Sweden has been channelled to Sudan.

**The Children's World (CW)**

Children's World is a Swedish non-profit organisation that publishes the magasines "The Globe" and web based information on www.childrensworld.org. Additionally they award "The World's Children's Prize for the Rights of the Child" (WCPRC). The Globe magasine provides information for young people with the WCPRC in many countries world wide. The Children's World has been receiving support directly via Sida throught the so called "information in Sweden Appropriation" (informationsanslaget) for their communication work in Sweden. In addition to this they have also recieved support from Sida's development appropriation for NGO's, however, channelled through Save the Children Sweden's framework agreement with Sida. Total contribution from Sida, in the period 2001–2006, amounts to 60 million SEK.

**System-based audit and capacity study**

In the past Sida has made so-called capacity studies of the frame organisations. The dividing line between a capacity study and a systems-based audit is often difficult to draw, and some overlapping is inevitable. In general it can be said that:

Capacity studies have a broad, comprehensive focus. They examine goal fulfilment, planning, administration, resources etc in order to determine the quality of the development cooperation programmes run by the organisation.

Systems-based audits have a narrower and deeper focus. They analyse how (instead of with what) the organisation works by examining routines and systems in the organisation that are intended to guarantee reliability in the work of the organisation and in its reports.

## Purpose

The systems-based audits shall cover the activities of Save the Children, Sweden and the Children's World. The audit of Save the Children, Sweden shall be twofold and consider the below stated purpose from a general perspective as well as a humanitarian perspective. The purpose of the systems-based audits is:

to examine the reliability and validity of the systems for operational and financial management that exist in Save the Children, Sweden considering the different roles of the organisation in relation to development cooperation and humanitarian assistance respectively and the Children's World,

to determine whether the systems for operational and financial management of Save the Children are appropriate in order to provide a humanitarian assistance as set out by the humanitarian principles,

to assess if Save the Children meets Sida's terms and conditions, as well as assess if their managment system secure that the partners also comply with these regulations,

to assess if the Children's World meets Sida's terms and conditions, as well as Save the Childrens terms and conditions,

to determine, on the basis of the audit, whether the documentation which is received from Save the Children and the Children's World by Sida under current agreements reflects the real state of affairs and can thus be regarded as satisfactory material on which Sida can base its decisions regarding funding,

to determine, on the basis of the audit, whether the documentation which is received from the Children's World to Save the Children under current agreements reflects the real state of affairs and can thus be regarded as satisfactory material on which Save the Children and in turn Sida can base its decisions regarding funding,

to contribute to Save the Children's and the Children's World internal processes of change and system development.

Moreover, the system-based audit should serve as a learning tool for both organisations and Sida, as well as an instrument for Sida's overall assessment of the organisations.

## The Assignment

### Save the Children, Sweden

The systems-based audit shall take the different roles of Save the Children Sweden, in development cooperation and in the response to humanitarian crises, as its point of departure. The audit shall encompass the entire organisational chain of Save the Children, including both the head office – governing body, operational departments – and field organisation – recognising that development cooperation and humanitarian response demand different organisational set-ups. The assignment therefore includes visits to regional- /country offices in two to three countries, including partner visits.

The assignment includes studying documentation, making a mapping and survey of operational and financial managment systems and routines, making analyses and providing recommendations in general in accordance with the description given below. The assignment should also take into account any prior audits and assessment that has been undertaken. The latest system-based audit from year 2000 shall be a starting point. After consultations with Sida, the Consultant may also include or exclude areas in order to guarantee that the study is a feasible and of good quality.

The assignment shall cover two agreement periods, the current one included.

#### The Children's World

The systems-based audit shall encompass the whole of the Children's World organisation, including – the governing body, Mariefred office – SCS and a number of partner schools in Sweden.

The assignment includes studying documentation, making a mapping and survey of operational and financial managment systems and routines, making analyses and providing recommendations in general in accordance with the description given below, except points; d, f, j, l, m which do not apply to the organisation. The assignment should also take into account any prior audits and assessment that has been undertaken, especially the survey "Organisationsöversyn av Barnens Värld", 2005 should be considerd. After consultations with Sida, the Consultant may also include or exclude areas in order to guarantee that the study is feasible and of good quality.

The assignment shall cover two agreement periods, the current one included.

### Survey and documentation

#### Managment and control of activities

In the survey of routines and systems, the following shall be documented:

–The organisations' mandate in relation to development cooperation and humanitarian assistance (SCS), and Swedish information- and communication work (CW).

–The organisations' relation to their respective boards.

–Organisation and ways of work at head office.

–The internal dynamics, working relations and reporting structure between the head office in Sweden and the regional and country offices and the linkages between them.

–Decision making processes and rules of delegation, especially considering the involvement of the beneficiaries

–Selection of partner organisations

–Planning of work /activities including information gathering (omvärldsbevakning) and analyses

–Policies and strategies

–Formulation of goals

–Criteria for and assessment of projects and organisations.

–Quality assurance

–Risk assessments and management, including security issues

–Phasing out and intiating projects and partnerships

–Measurement of results

–Monitoring and follow-up of projects and organisations

–Evaluation

–Reporting and deviation, final reports

**Financial Managment and Control**

In the survey of routines and systems for financial managment, the following shall be documented:

–Compliance with agreements and specific paragraphs in guidelines and general conditions

–Transfer of funds and bank and cash balances

–Delegation, authorisations

–Budget/follow up

–Audits in all stages of the organisational chain, quality of auditors ceritificates

–Promotion of good administration, transparency regarding finances and management of funds and promotion of measures to counteract corruption.

**Other areas Sida wishes to be studied**

SCS:

Calculation of how much of the NGO allocation is a) financing staff and internal administration at Head Office, regional and country offices and how much is b) channelled to partner organisations, and c) how much is used in SCS own implemented activities, directed towards external results, both at Head Office and in programme countries? [Examples of what can be included in c): International advocacy work from Head Office, directed at achieving external results for children; activities implemented by SCS staff in regions, aiming at external results for children.]"

The system for internal information and communication, feedback and institutional learning in the organisational chain.

Co-ordination, including the consideration of systems for ensuring that humanitarian activities are complementary to that of other organisations (e.g. local NGOs, UN agencies and local authorities)

**Other areas SCS wishes to be studied**

What learning mechanisms are in place and to what degree are they fed into decision making and used to enhance performance and quality of the program? (closely related to bullet point 3 under 3.3.3)

**Analyses and assessment**

On the basis of the collected information the audit shall analyse and assess surveyed areas regarding relevance and reliability.

The analysis shall also take into consideration the factors that are particular to humanitarian assistance. This may for example include: for the selection of partner organisations especially taking into account previous experience of humanitarian response in general and specifically in proposed areas; for planning of work especially bearing in mind needs analysis, priority setting, selection of target groups and impartiality; and for quality assurance especially looking at the application of the humanitarian principles, the Code of Conduct, Sphere standards.

The audit shall also give a more general assessment of SCS's and CW's reporting to Sida, communication, management and delegation within the respective organisations. The analysis shall also include SCS's and CW's organisational structure and size in relation to their respective functions and tasks.

**Recommendations**

The assignment shall result in recommendations and propose a plan of action concerning the above-mentioned points and in accordance with 3.4. The focus of the systems-based audit will be on the respective organisations routines, organisational structure, systems and compliance with

Sida's guidelines, conditions and agreements in order to help the organisations to fulfill their obligations to Sida. The consultant may also include recommendations that can be considered to be of relevance for the audit.

## Execution of assignment

A Consultant on Sida's framework agreements for system-based audits will be called-off in competition to perform the audit. A contact person at Sida, SCS and CW will support the Consultant.

## Method

The assignment shall be carried out through studies of available documents and material at the SCS's head office in Stockholm, and CW's office in Mariefred, SCS regional- and country offices, and partner organisations, as well as Sida. In addition interviews shall also be conducted with staff at the different organisational levels in the chain, with relevant staff at Sida and with the respective organisation's auditor. Interviews with Sida staff are particularly important in order to gather the experiences from cooperation with SCS and CW.

All other aspects in respect of methods for the implementation of the assignment are left to the Consultant.

## Timeframe

The goal is that the assignment should start no later than August 31st, 2007 and that the draft report on SCS shall be presented to Sida no later than 2008–01–15. However, the draft report on the Children's World should be presented to Sida no later than 2007–10–15.

## Contacts and Reporting

### Contacts

To guarantee that the report shall constitute, as far as possible, a satisfactory basis for improvements, the following contacts shall take place with the organisations and Sida:

–a start up meeting to discuss the terms of reference for the assignment, when the first survey of available material has been made, the scope of the audit shall be discussed in order to determine what is realistic within the given time schedule and where the emphasis of the audit should lie;

–before a start is made on writing the reports, a meeting shall be held to discuss any problems in respect of the arrangement and content of the reports, (if necessary) before finalising the respective reports draft reports shall be presented, discussed with SCS and CW respectively and Sida.

### Reporting routines

The assignment shall be presented in the form of two written reports and be submitted to Sida's NGO division on CDs and in 10 (ten) hardcopies of respective report.

With the aim of providing opportunities for comments on any factual errors and misunderstandings, a preliminary draft report on the Children's World shall be submitted to Sida no later than October 15, 2007 and the draft report on Save the Children, Sweden shall be submitted to Sida no later than Janurary 15st, 2008.

The final report on the Children's World shall be submitted to Sida after Sida, SCS and the CW have presented their comments.

The final report on Save the Children, Sweden shall be submitted to Sida after Sida and the SCS have presented their comments.

**Format and arrangement of the final report**
The final report shall correspond in essentials to the items listed above in point 3 in the terms of reference.

The final report on on the Children's World shall not exeed 40 pages (excluding annexes), 5 pages Executive Summary with general conclusions. The final report on Save the Children, Sweden shall not exceed 70 pages (excluding annexes) 10 pages Executive Summary with general conclusions.

The Annexe should include:

–List of acronyms, tables and figures

–Evaluation purpose and scope i.e. ToR

–Methodology

–It shall also list all contributors to the Audit (excepting those that have opted for anonymity).

The report on Save the Children shall be written in English with an additional summery in Swedish. The report on th Children's World shall be written in Swedish with an additional summery in English.

The final reports must be presented in a way that enable publication without further editing. The reports should be written in programme Word 6.0 or later version as attached file and copy on CD.

In its layout the report shall, as far as possible, follow the guidelines given in "Sida Evaluation Report – a Standardised Format".

The assignment also includes the production of a brief newsletter in accordance with the guidelines given in "Sida Evaluation Newsletter – Guidelines for Evaluation Managers and Consultants" and the compilation of a "Sida Evaluations Data Work Sheet". The separate newsletter and the completed Data Work Sheet shall be submitted to Sida together with the final report.

**Presentation of results**
When the final reports have been submitted the Consultant shall make presentations of the final results:

SCS:

– One in the form of a half-day seminar for members of the staff and governing body of SCS.

– One in the form of half-day seminar held at Sida including SCS and all other Framework organisations invited.

– One in the form of a meeting focusing specifically on the assessment and recommendations in relation to humanitarian assistance held at Sida including SCS and Sida's Division for Humanitarian Assistance

– At the end of the field-visits, the preliminary findings should be presented for stake-holders.

CW:

– One presentation for all stakeholders, staff of CW, governing body of CW, together with SCS and Sida.

## Other
Sida's strategy for the internal development of capacities requires that Sida and the staff at the respective organisations should have a possibility to participate in the ongoing work of the Consultant when appropriate. The Consultant shall be available for discussions on recommendations and conclusions on the request of Sida.

Where Sida's programmes of human resource development are concerned, an opportunity shall be provided for staff working at Sida to participate in the work of the audit. This includes accompanying the Consultant on visits

### Specification of requirements

Tenders shall:

–offer services in the areas described under point 3 above.

–have documented knowledge and experience in the fields of organisational analysis, management and financial management.

–have documented knowledge and experience in the field of humanitarian assistance.

–state the methods they intend to use to implement the assignment and to guarantee the quality of their work.

–state the qualifications of each of the persons/sub-consultants they make available for the assignment and attach a CV for each of them.

–state the total cost of the assignment, specified in the following way (in accordance with call-off order): for the assignment in Sweden specify the hourly fee for each personnel category and reimbursable costs; for the assignment abroad specify the fee per week for each personnel category and reimbursable costs, any other costs and possible discounts. All costs shall be given in Swedish kronor, excluding VAT.

–propose a time schedule for the assignment.

# Annex 2

**Validation Matrix SCS**

| Assignment Element | Documentation | Verification Method |
|---|---|---|
| | **A. Management and Control of Activities** | |
| **The mandate of SCS in relation to development cooperation and humanitarian assistance** | – SCS identity as expressed in its Statues, vision & mission, subsequent Strategic Plans and programmes and activities.<br>– Protocols from Annual Meetings. | – Interviews with SCS Chair of the Central Board, the Chair of the Central Board of Save the Children Youth, two other members of SCS Central Board, the Secretary-General and the senior management team on these issues.<br>– Check identity, objectives, mission and vision against programmes and activities financed and implemented.<br>– Assess the mandate of SCS in relation to development cooperation and humanitarian assistance. |
| **SCS relation to the Board** | – SCS Organizational and management structure as described in founding documents, Statues and operational manuals.<br>– Interviews with SCS Chair of the Central Board, the Chair of the Central Board of Save the Children Youth, two other members of SCS Central Board, the Secretary-General and the senior management team and a sample of field officers on these issues. | – Assess the institutional set-up including relations and communication between the staff and the central Board.<br>– Assess the congruency between organizational and management structure objectives and stated responsibilities against actual performance with management and programme coordinators, officers and field-workers. |

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| **– Organisation and ways of work at head office<br>– The internal dynamics, working relations and reporting structure between the head office in Sweden and the regional and country offices and the linkages between them.** | – Organizational structure, job descriptions and profiles, decision-making channels and vertical and horizontal hierarchies lines of responsibility and supervision. Code of Conduct both in terms of internal and external appeals.<br>– Project implementation planning documents and work methods and manuals (or policy briefs) concerned with priority setting and target group selection. | – Interviews with a sample strategic staff at the head office in Sundbyberg and the regional and country offices selected for field studies by asking them to explain routines, lines of communication and hierarchy, supervision, annual and periodic performance reviews and personnel evaluations.<br>– Check documents against actual implementation scenarios and interviews with target groups to verify whether targeting policies are implemented as stated. |
| **Decision making processes and rules of delegation, especially considering the involvement of the beneficiaries** | – Decision making channels and procedures (vertical and horizontal), lines of responsibility and supervision. | – Interviews with management and a sample strategic staff at the head office and the regional and country offices selected for field studies by asking them to explain the decision-making procedures, command channels, lines of communication and hierarchy.<br>– Interviews with beneficiaries by asking them to explain how they are involved in the decision making processes and their assessment on the results of the involvement. |
| **Selection of partner organisations** | – Documented partners' selection criterion also in response to partners' values.<br>– Interviews with SCS Chair of the Central Board, the Chair of the Central Board of Save the Children Youth, two other members of SCS Central Board, the Secretary-General and the senior management team and a sample of field officers on these issues. | – Verify with partners and examine documents against process and outcome. |
| **Risk assessments and management, including security issues** | Documented Risk assessment methodology used by SCS for assessing risk.<br>Documented risk assessments exercises and reports. | Check whether risk assessments have been carried out in line with the established methodology. |
| **Phasing out and intiating projects and partnerships** | Documented policy for phasing out and initiating projects and partnerships | Verify by interviewing managers and staff, whether such documents exist or not and how they are used. |

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|---|---|---|
| **–Planning of work /activities including information gathering (omvärldsbevakning) and analyses**<br>**–Policies and strategies** | – SCS Strategic Plan. Programmes and activities documents, including annual planning of activities (charts and annual work plans), monitoring methods and reporting schedules and quality. Donor relations in respect to narrative and financial reporting routines and meeting deadlines. Internal financial system and transaction controls and instruments, including management manuals, orders, voucher payrolls, internal audit manuals, periodic and regular functions.<br>– Interviews with SCS Chair of the Central Board, the Chair of the Central Board of Save the Children Youth, two other members of SCS Central Board, the Secretary-General and the senior management team and a sample of field officers on policy issues. | – Check identification and planning of activities, with special regards to needs analysis, priority setting and selection of target groups<br>– Check stated procedure and control mechanisms against actual performance, assess potential loopholes, mishaps and shortcomings emanating from performing skills with meager capacity or knowledge.<br>– Check actions taken after the last systems-based audit in order to implement the recommendations on strategic management including information gathering |
| **Formulation of goals** | – Documented methodology on the formulation of goals for results (output, outcome and impact) in lieu of stated objectives.<br>– Goals formulated in strategic plans, budgets, project proposals and other steering documents. | – Conduct interviews with management and other staff for verification of documentation.<br>– Assess to what extent the goals are known within SCS and among partners. Assess the relevance of the goals. Check whether such issues have been raised by Sida and whether SCS has responded to them.<br>– Check actions taken after the last systems-based audit in order to implement the recommendations on formulation of goals |
| **Criteria for and assessment of projects and organisations.** | – Documented criteria for organizational and contribution assessment, i. e. how SCS assess partner organizations and their proposed activities | – Check existing documents against actual implementation<br>– Verify by interviewing managers and staff, whether such documents exist or not and how they are used. |
| **Quality assurance** | – Ducumented quality assurance system.<br>– Documented follow up on how the system is funcioning. | – Check existing quality assurance system against actual implementation.<br>– Verify by interviewing managers and staff, whether such documents exist or not and how they are used. |

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| **Measurement of results** | Documented methodology on the measurement of results (output, outcome and impact) in lieu of stated objectives.<br>Documented internal input-output in respect to meeting targets, effectiveness, mid-term reviews and correction follow-up procedures.<br>Protocols from Annual Meetings and the Central Board. | Conduct interviews with management and other staff for verification of documentation.<br>Interviews with Sida staff.<br>Assess the relevance of the result measurement.<br>Assess to what extent the measured results are known within SCS and among partners. |
| **Monitoring and follow-up of projects and organisations** | M&E methodology, framework and instruments (manuals) and other documents on M&E procedures.<br>Monitoring reports, internal assessment reports and documents. | Conduct interview for verification and also in order to check consistency and plausibility of methodology employed. |
| **Evaluation** | M&E framework and manuals and other documents on the system for M&E.<br>Evaluation reports. | Conduct interview for verification and also in order to check consistency and plausibility of methodology employed.<br>Assess how evaluations are used for institutional learning |
| **Reporting and deviation, final reports** | Formal SCS (de jure) reporting system.<br>Applied SCS (de facto) reporting system.<br>Programme management and monitoring methodology documents (instruments as well) and interviews on procedures and on documented evidence.<br>Instructions for deviation reports and final reports.<br>Deviation reports.<br>Final reports. | Check whether such documents exist, verify whether implemented and their quality in respect to the level of expectations against which the organisations are measured.<br>Assess how reporting (oral and/or written reports) are used for institutional learning.<br>Interviews with Sida staff.<br>Examine coherence between SCS system and Sida reporting requirements as stated in agreement. |

| | B. Financial Management and Control | |
|---|---|---|
| **Compliance with agreements and specific paragraphs in guidelines and general conditions** | – General conditions for grants from Sida's appropriation for Swedish NGOs,<br>– Guidelines for Sidas's support from the appropriation for NGOs,<br>– Guidelines for Sida grants to non-governmental organisations for humanitarian projects,<br>– Sida's cooperation agreements with SCS and CW including sub-agreements; and<br>– Sida's agreements on humanitarian assistance. | – Interviews with Sida staff. For more details please refer to Compliance Audit Part of the system-based audit (Appendix 6) |
| **Transfer of funds and bank and cash balances** | – Existing regulation re. transfers.<br>– Policy on anti-corruption measures.<br>– Bank accounts<br>– Bank books<br>– Interest/petty cash book<br>– Bank reconciliation statements | – Assess SCS application of formalised routines, interviews with auditors, study of audits.<br>– Examine whether regulations for bank and cash holdings are properly followed |
| **Delegation, authorisations** | – Data/information on regulation re. authorisation | – Assess SCS application of formalised routines through interviews and study of internal documents. |
| **Budget/follow up** | – Budget manual and formalised<br>– procedures for budgeting and follow up.<br>– Examples of actual budgets and follow up reports (annual, general, more specific).<br>– Accounting regulations<br>– Accounting software<br>– Policy for direct and indirect costs<br>– Other written regulations<br>– Project report as per donor's financial guidelines<br>– Reports on cash flow<br>– Financial position and expenses summery<br>– Consolidated financial reports for projects that span over one year | – Interviews with Sida staff.<br>– Assess consistency with Sida requirements.<br>– Assess consistency with stipulated procedures.<br>– Assess if proper accounting records are maintained<br>– Assess if applicable accounting standards are followed<br>– Assess if suitable accounting policies are used and consistently applied<br>– Assess if the financial statements are prepared<br>– Assess quality by benchmarking in relation to international standards |

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| **Audits in all stages of the organisational chain, quality of auditors certificates** | – Audit strategies and plans.<br>– Data/information on division and distribution of responsibilities between auditors in all stages of the organisational chain.<br>– Audit certificates for a series of years.<br>– Management financial report for the external auditors.<br>– Management letters | – Assess quality of procedures for audit strategies and plans by benchmarking in relation to international standards<br>– Interview with auditors to identify gaps and overlapping responsibilities.<br>– Assess quality of auditors certificates by benchmarking in relation to international standards<br>– Interview with auditors and members of the Board. |
| **Promotion of good administration, transparency regarding finances and management of funds and promotion of measures to counteract corruption.** | – Documentation of financial management system controls and instruments (manuals, handbooks and procedures), types of documents covering various financial system control procedures as described under this sub-theme.<br>– Financial accounting controls and procedures.<br>– Policies (written or others) in related fields.<br>– Policy documents and manuals on procurement and handbooks on tendering procedures.<br>– Fixed Assets Register<br>– Interviews with senior management, financial managers, controllers and internal audit unit. | – Application of common financial management/system control verification methods, including verification of transaction and financial chain follow-up procedures for all the items mentioned under the heading.<br>– Interviews with local stakeholders on risks and experience of measures against corruption.<br>– Check procurement and tendering documents and longitudinal files and procedures against tenders and instruments for compliance, conduct interviews with internal auditors, financial department heads and controllers within SCS in order to gain insight from recent reports by subsequent auditing firms. |
| | **C. Other areas Sida wishes to be studied** | |
| **Calculation of how much of the NGO allocation is a) financing staff and internal administration at Head Office, regional and country offices and how much is b) channelled to partner organisations, and c) how much is used in SCS own implemented activities, directed towards external results, both at Head Office and in programme countries?** | – SCS financial reports. | – We will make our own calculation based on data gathered from SCS accounting system and compare with the calculations made by SCS.<br>Interviews with Sida staff. |

| | | |
|---|---|---|
| **The system for internal information and communication, feedback and institutional learning in the organisational chain.** | – Documentation of communication strategy, information policy, strategy for institutional learning and other strategic documents of relevance. | – Check whether such documents exist, verify whether implemented and their quality in respect to the level of expectations. Assess how the results of M&E are used for institutional learning. |
| **Co-ordination, including the consideration of systems for ensuring that humanitarian activities are complementary to that of other organisations (e.g. local NGOs, UN agencies and local authorities)** | – Documentation of relevant strategies.<br>– Manuals on Project Management System and/or Project Cycle.<br>– Documented processes and routines for coordination of humanitarian activities. | – Interviews with Sida staff.<br>– Interviews with representatives of other organisations (e.g. local NGOs, UN agencies and local authorities)<br>– Assess relevance and efficiency of established strategies.<br>– Assess degree of adherence to manuals by scrutiny of cases.<br>– Assess degree of adherence to processes and routines by scrutiny of cases. |
| **D. Other areas SCS wishes to be studied** | | |
| **What learning mechanisms are in place and to what degree are they fed into decision making and used to enhance performance and quality of the program?** | – Documented learning strategy or knowledge management instruments.<br>– Interviews with management and a sample strategic staff by asking them what learning mechanisms are in place and to what degree they feed into decision making and learning is used to enhance performance and quality of the program. | – Assess degree of adherence to strategies and the use of instruments by scrutiny of cases.<br>– Assess to what degree project proposals refer to internal and external evaluations and/or anecdotal experience of SCS previous projects and programmes.<br>– Assess to what degree project SCS decisions refer to internal and external evaluations and/or anecdotal experience of SCS previous projects and programmes. |

# Annex 3

## Persons Interviewed and Consulted

### 1. Save the Children's Head Office in Sundbyberg, Sweden

#### 1.1 Save the Children's Board

Ms. Marianne Nivert, Chairperson
Ms. Inger Asching, Deputy Chairperson
Ms. Tove Jansson, Member of the Board
Ms. Eva Wedin, Member of the Board
1.2 Save the Children's Youth
Ms. Tove Jansson, Chairperson

#### 1.3 Save the Children's Staff

Ms. Charlotte Petri Gornitzka, Secretary General
Ms. Alfhild Petrén, Deputy Secretary General
Ms. Karin Seydlitz, Strategisk ledning
Mr. Gunnar Löfberg, Deputy Secretary General
Mr. Ulf Persson, Internal Auditor
Ms. Lena Jonsson, Internal Auditor
Mr. Anders Holve, Personalchef
Mr. Lars Garg, Ekonomichef
Mr. Petter Odén, Controller
Mr. Svante Sandberg, Head, International Programme (IP)
Ms. Anniken Elisson Tydén, International Programme (IP)
Ms. Eva Molt, Chef, IP – Operativt stöd
Ms. Annika Malmborg, IP – Operativt stöd
Mr. Johan Stånggren, IP – Operativt stöd
Mr. Michael Ekström, IP – Operativt stöd
Mr. Sten Arwidsson, IP – Operativt stöd
Mr. Lars-Erik Palm, IP – Operativt stöd
Mr. Tomas Hildebrand, IP – Operativt stöd
Ms. Ulrica Blomgren, IP – Operativt stöd
Ms. Lisa Tullgren, IP – Operativt stöd

Mr. Bernt E Isacson, IP – Operativt stöd
Ms. June Lindrot, IP–Operativt stöd
Mr. Magnus Hedén, IP – Operativt stöd
Mr. Henrik Häggström, Chef, IP – Kunskapsstöd
Ms. Gabriella Olofsson, IP – Kunskapsstöd
Ms. Monica Lindwall, IP – Kunskapsstöd
Ms. Eva Geidenmark, IP – Kunskapsstöd
Ms. Ann Sundell, IP – Kunskapsstöd
Ms. Anna Lindenfors, Chef IP – Påverkan och samordning
Ms. Gabriella Fredriksson, IP – Påverkan och samordning
Ms. Charlotte Isaksson Feustel, IP – Påverkan och samordning

#### 1.4 Save the Children's Auditor

Mr. Jonas Grahn, Auditor, Partner, PriceWaterhouseCooper

## 2. Sida

#### 2.1 Sida's Headquater, Stockholm, Sweden

Ms. Angelica Broman, Programme Officer
Mr. Lars Wallén, Controller
Ms. Lisa Hellström, Programme Officer
Ms. Gunilla Petrisson, Programme Officer
Ms. Helena Bådagård, Programme Officer
Mr. Magnus Lindell, Head of Department

#### 2.2 Swedish Embassy in Nairobi

Ms. Helena Bjuremalm, Programme Officer
Ms. Sarah Nginja, Programme Officer

#### 2.3 Swedish Embassy in Khartoum

Ms. Ulrika Josefsson, Programme Officer

## 3. Save the Children Sweden's Eastern and Central Africa

#### 3.1 Save the Children Sweden's Regional Office in Nairobi

Mr. Hans Ridemark, Regional Representative
Ms. Denise Stuckenbruck, Regional Programme Manager
Ms. Catherine Ngugi, Administrative Secretary
Ms. Tina Ojuka, Regional Programme Officer
Mr. Mackuki Obwoge, Systems Administrator
Ms. Mercy Kanyi, Finance Manager

#### 3.2 Save the Children Sweden's Southern Sudan Office in Nairobi

Mr. Hans Lind, Country Director
Ms. Mary Ndurungi, Finance/admin Manager
Mr. Kevin Heraniah, Programme Manager

### 3.3 Save the Children Sweden's Country Office in Khartoum

Mr. Amin El-Fadil, Director,

Mr. Hammad Hammad, Administration Officer,

Mr. Hans Ridemaker, Regional Representative (second meeting in Khartoum)

Ms. Denise Stuckenburck, Regional Programme Manager (second meeting in Khartoum)

### 3.4 Regional Partner Organisations (Nairobi)

*3.4.1 Save the Children UK Kenya Office*

Ms. Jan Coffey, Country Director

*3.4.2 ANPPCAN Kenya Chapter*

Ms. Rose O' Donnell, Director

*3.4.3 ANPPCAN Regional Office*

Ms. Wambui Njuguna, Director of Programmes

### 3.5 National Partner Organisations in Khartoum

*3.5.1 Child Rights Institute*

Mr. Yasir Saleem, Executive Director

Ms. Nassrin Dafaalla El-Hag Yousif, Programme Coordinator

Ms. Rasha Abdel Razig, Accountant

Ms. Sara Isam, Volonteer

*3.5.2 YFC*

Mr. Ahmed Yahaia Alzobair, Secretary General

Mr. Mohamed Ahmed Ali, Financial Affairs

Ms. Rehab M. Musa, Communication & Information

Ms. Amani Ali, Social Affairs & Personell

Ms. Alyaa Sir-Elichatim Hassan, Planning

*3.5.3 Sudanese Network on the Abolition of FGM (SUNAF Advocacy against FGM at national level)*

Ms. Rugaiya Idris, Babiker Badri Association

Ms. Nadia Al Boluk, Abdel Karim Mirghani Centre,

Ms. Fatima Abdel Fatah, Executive Director,

Ms. Nahid Jabralla, Women Studies Centre

Mr. Atif IZ el-Din, Network Coordinator

## 3.6 Darfur

*3.6.1 El Fasher Field Office*

Mr. Hashim Dastan Mloso, Field Programme Manager

Mr. Mohamed Fadul, Administration, Logistics and Security Officer

Mr El hafiz Abdul Rahman El Khir, Field Finance Officer

Mr. Ismail El Rahid Abaker, Project Officer

Director General, Federal Ministry of Education, North Darfur

Mr. Abdel Razig Abdel Rahman Husein, Director of Education, Federal Ministry of Education, North Darfur

Mr. Abdel Rahman Adam El Mahdi, Federal Ministry of Education, North Darfur, El Fasher

Dr. Adam Salih, Curriculum Director, Federal Ministry of Educatio, North Darfur, El Fasher

*3.6.2 Local NGO Partners*

Mr. Mohammed Badawi, Coordinator, Amal Centre, El Fasher

*3.6.3 United Nations*

Mr. Sunday Ade, UN Security Service, El Fasher, North Darfur

Mr. Amelio Chelingulo, Sector Lead Education, UNICEF El Fasher, North Darfur Office

Mr. Mohamed Ahmed Mahmoud, Sector Lead-Education, North Darfur Office, El Fasher

*3.6.4 El Salaam IDP camp*

Mr. Aadm Zakariya Ibrahim, Head Master, El Salaam Secondary Schools, North Darfur

Ms. Amna Abdel Aziz Adam, Assistant Project Office, El Salaam IDP Camp, El Fasher, North Darfur

Mr. Osman Adam Abdul Kareem, Assistant Project Office, Child Protection, El Salaam IDPs Camp, El Fasher, North Darfur

## 4. Save the Children Sweden Latin America and the Caribbean

### 4.1 Save the Children Sweden's regional office for Latin America and the Caribbean

*4.1.1 Regional Office in Lima*

Ms. Ulla Armyr, Regional Representative

Ms. Sara Andersson, Administrative Manager

Mr. Angels Simon, Programme Coordinator

Ms. Monica Alcedo, Programme Assistant

Mr. Yehunde Simon, Communication Coordinator

Mr. Roberto Guimarey, Principal Accountant,

Mr. Marco Dibos, Accountant

Ms. Andrea Portaro, Programme Assistant

Mr. Marco Antonio Sotelo, Programme Coordinator

*4.1.2 Brazil Sub Regional Office*

Mr. Ricardo Souza, Coordinator

### 4.2 PWC

Mr. Luis Montero, Auditor

Mr. Raul Condori Cobarrubias, Auditor

### 4.3 Regional Partner Organizations

*4.3.1 CECODAP (Venezuela)*

Mr. Fernando Pereira, Coordinator

*4.3.2 DOS GENERACIONES (Nicaragua)*
Mr. Walter Calderon, General Coordinator for Programs
Ms. Celia Centeno, Responsible for Financial and Administrative Systems

*4.3.3 GLOBAL (Paraguay):*
Ms. Marta Benitez, Director
Ms. Mirna Vanegas, Administrator
Ms. Johanna Walter, Executive Director

*4.3.4 FUNDACION PANIAMOR (Costa Rica):*
Ms. Mayela Zuñiga, Assistant Director for Management
Mr. Carlos Morelli, Administrator

**4.4 Save the Children Sweden's Country Office (UP Office) in Lima**
Ms. Teresa Carpio, Country Director
Ms. Patricia Vicuña, Program Assistant
Ms. Magaby Villalobos, Program Coordinator
Ms. Ana Maria Marques, Program Coordinator
Ms. Maria José Gomez, Program Coordinator
Ms. Marissa Arias, Administrator
Mr. Cesar del Pozo, Accountant
Mr. Emilio Paucarima, Accountant Assistant
Ms. Maria Laza, Fundraiser
Mr. Gustavo Centeno, IT Officer
Ms. Alicia Ochoa, General Service Assistant

**4.5 UP Partner Organizations**
*4.5.1 MANTHOC*
Ms. Soledad Montoro Flores, Administrator
Ms. Loly Estella Cervera, Programme Coordinator
Ms. Martha Soto Sarmiento, Accountant

*4.5.2 CENTRO ARGUEDIANOS:*
Mr. Marco Sanchez, Accountant

*4.5.3 CEDISA*
Mr. Max Rengifo, Executive Coordinator and Legal Representative
Mr. Ringo Coral, Project Director
Ms. Elizabeth Arevalo, Financial Administrator
Ms. Betty Laurel, Project Director

*4.5.4 VICHAMA*
Ms. Enriqueta Mesias Salazar, Project leader
Ms. Martha Arizola, Project team member
Ms. Sandra Quineche Chalco, Project team member
Ms. Cindy Rosales Palomino, Project team member
Ms. Lita Ruiz, Administrative and Financial Administrator

## 5. Save the Children Sweden Southeast Asia and Pacific

### 5.1 Save the Children Sweden's Regional Office for Southeast Asia and Pacific

Mr. Herluf Madsen, Regional Representative

Ms. Inger Östergren, Regional Programme Manager

Ms. Payawan Suphasri, Executive Secretary

Ms. Duangkwan Chuleewatanapong, Regional Finance, HR and Administration Manager

Mr. Dominique Pierre Plateau, Regional Manager on Prevention of Child abuse and Exploitation

Mr. Henk van Beers, Thematic Manager CR/Civil Society

Ms. Sirina Oungvitoonsatit, HR and Adm Officer

Ms. Piyarat Kriengsantikul, Finance Officer

Ms. Tonhathai Nontapowraya, Assistant Finance Officer

Mr. Adisak Klaklangsmorn, Assistant Programme Officer

### 5.2 Save the Children Sweden's Country Office in Manila

Ms. Rowena Cordero, Country Manager

Ms. Eva Maria Cayanan, Programme Coordinator,

Ms. Wilma Banaga, Programme Officer

Ms. Minerva Cabiles, Programme Officer

Mr. Allan Tuazon, Bookkeeper

Ms. Carolina T Frarcisco, Programme Officer

### 5.3 Bidlisiw Foundation, Inc (Partner Organisation in Cebu)

Ms. Nelly Majadillas, Executive Director

Ms. Lolita Go Ganapin, Programme Manager

Ms. Vianney S Tumala, Programme Coordinator

Ms. Pablita C Alindajao, Bookkeeper

# Annex 4

## Documentation of Materials Reviewed and Cited

### 1. Save the Children's Head Office in Sundbyberg, Sweden

#### 1.1 Annual Meetings

Rädda Barnens stadgar (årsmötet 2004)

Byelaws Save the Children Sweden (årsmötet 2004)

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#### 1.2 Planning Documents

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Politique de partenariat de Save the Children Suéde avec les entreprises (conseil, juni 2007)

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### 1.4 The Board

Styrelsens direktiv för utvärdering av Kompassen (sty. dec 2005)

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### 1.5 Guidelines

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Arbetsordning för Rädda Barnens styrelse (sty, sept 2006)

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Riktlinjer för rekrytering med bilagor (förankrad i lgr jan 2006, rev. 07–07–03)

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Values guiding Save the Children Sweden (lgr maj 2006)

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### 1.6 Routines

Rutiner för kommunikationsalarm (gs, okt 2005, rev okt 2006)

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### 1.7 Evaluations

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### 1.8 Proposals and Reports

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Proposal to Sida to support girs and boys in post-conflict Southern Sudan, 2005–10–13

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Ansökan om utökad Sida-finansiering till projektet Demobilisering av barnsoldater i Södra Sudan, 2005–10–12

Ansökan om projekt-bidrag – Humanitära insatser gällande arbete med barnsoldater i Södra Sudan, 2003–12–11

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Ansökan om humanitära medel för insatser i Södra Sudan – gällande arbete med barnsoldater, 2003–11–26

LAM Annual Report 2006

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Revisionsanalys 2006, 2007–05–31

Redovisning och revisionsintyg för bidrag till humanitära insatser i Södra Sudan 2006, 2007–07–06

Redovisning av Demobilisering av barnsoldater i Södra Sudan 2004–2005, 2007–03–15

Slutredovisning Demobilisering av barnsoldater i Södra Sudan, 2007–07–19

Final Project Report Child Protection and Youth Development, Jan 2004 to Dec 2005, 2006–12–21 (2007–03–14)

### 1.9 Protocols

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### 1.10 Audit reports

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### 1.11 The Alliance and UP

Unified Presence – Strategic Choices for SC Sweden, 2007–02–27

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## 2. Sida

### 2.1 Assessment Memos

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### 2.2 General Conditions and Guidelines

General conditions for grants from Sida's appropriation for Swedish NGOs

Guidelines for Sidas's support from the appropriation for NGOs

Guidelines for Sida grants to non-governmental organisations for humanitarian projects

Sida's cooperation agreements with Framework Organisations including sub-agreements

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Allmänna villkor: Sidas bidrag till svenska enskilda organisationer, april 2003

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Anvisningar för enskilda organisationers informationsarbete med bidrag från Sida, maj 2004

Revisionshandledning: För enskilda organisationer och deras revisorer, maj 2004

### 2.3 Decisions and agreements

Avtal mellan Sida och Rädda Barnen om stöd till insatser för barn i Darfur, Sudan under perioden 1 juli 2004–30 September 2005

Avtalsförlängning avseende humanitär insats i Sudan (Darfur), 2006–04–04

Avtal om rambidrag mellan Sida och Rädda Barnen 2001–2006, Dnr 2001–2691/50

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Avtal mellan Sida och Rädda Barnen om stöd till demobilisering av barnsoldater i Södra Sudan under perioden 1 januari 2004–31 december 2005

Ändring av avtal om rambidrag mellan Sida och Rädda Barnen avseende perioden juli 2001–juni 2006, Dnr 2004–0520

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### 2.4 Others

Systemrevision 2000:2: Styrning och kontroll inom Rädda Barnen, December 2000

## 3. Save the Children Sweden Eastern and Central Africa

### 3.1 Save the Children Sweden's Regional Office in Nairobi

*3.1.1 Planning and Policy*

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*3.1.2 Delegation*

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Save the Children Child Protection Project proposal submitted by SC UK to UNHCR (implementation period 26 February – 31 December 2007)

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*3.1.3 Co-operation Agreements*

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Co-operation Agreement with African Network for the Prevention and Protection against Child Abuse and Neglect (ANPPCAN) Kenya 2005–03–24—2005–12–31

Co-operation Agreement with Save the Children Norway operating as Save the Children in Uganda on the project Police Pro-Child in Uganda 2007–05–14/18 –2007–12–31

Co-operation Agreement with Save the Children Norway operating as Save the Children in Uganda on training of Uganda People's Defence Forces (UPDF) on Children's Rights, January – December 2007, signed, but not dated

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*3.1.6 Human Resource Management*

Organogramme

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**3.2 Save the Children Sweden's Southern Sudan Office in Nairobi**

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### 3.3 Save the Children Sweden's Country Office in Khartoum

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Planning Meeting Minutes 7,9 and 11 August 2005

Planning Meeting Minutes February 6–7, 2007

Sudan Program 4th Quarter Plan of Action October–December 2007, including T2 follow-up actions, dated 18/09/2007

North & South Kordofan and Abbyei PSP Presentation, not dated

Unified Presence information gathering questionnaire, 1 Febr 2007–10–26

Unification of SC US, UK and Sweden in Sudan, 15 Febr 2007

Unification of Save the Children UK, Sweden and US in Sudan under Save the Children US registration, May 23, 2007

Unified Presence. Meeting notes from Program Workgroup March 1,13 and 29

YFC: project plan of action 2007 project number 1 child Protection and Violence against Children in Sudan

YFC: project plan of action 2007 project number 2 organizational Development

KCCW: Project proposal 2007 submitted to SCS

SUNAF: Proposal 2007 on Anti FMG/C Media activities using a human rights approach

SABAH: Sudanese Juvenile Justice and Child protection legal system improvement. Proposed activities and budget 2007

CRW: Programme for Dissemination of the UN Convention on the rights of the Child and the two Optional protocols

Save the Children Sweden Sudan, Evaluation Report, Youth Education Programme, December 2006.

Total approved budget for 2006, 15th of December 2005

*3.3.2 Co-operation agreements*

Co-operation agreement with CRI 1st January– 31st December 2007, dated 19/02/07

Co-operation agreement with YFC 1st January– 31st December 2007, dated 22/02/2007

Co-operation agreement with KCCW 1st January– 31st December 2007, dated 26/02/2007

Co-operation agreement with AUW 1st May– 31st December 2007, dated 10/05/2007

Co-operation agreement with SRCS 1st January– 31st December 2007, dated 19/02/07

Co-operation agreement with SABAH 1st January– 31st December 2007, dated 22/02/2007

Co-operation agreement with CRW 1st January– 31st December 2007, not dated

Co-operation agreement with NCCW 1st January– 31st December 2007, dated 19/02/2007

Co-operation agreement with SNCTP, dated 27/02 2007

Co-operation agreement with SNSD 1st January– 31st December 2007, dated 25/02/2007

Funding agreement with SC UK, 4 Oct 2005

*3.3.3 Reports*

MoU between SCS and AUW, that AUW will receive and give the instalment transfers to SUNAF 2007, dated 22/5/2007

Liquidation Forms from partner organisations

Quarterly Financial Report for SCS assisted projects from partner organisations

Minutes Program Review Meeting, January 16–17, 2007

Sabah: Quaterly progressive report April–June 2007

YFC: Quarterly Report Templates May–August 2007

KCCW: Report Child Friendly Centers supported by SCS 2007

SNSD: Report 2007, first quarter, received 1/7/07 (in Arabic)

SUNAF: Narrative Media Report first half of 2007

CRW: Quarterly Report Templates 1.1–1.7. 2007

NCCW: Narrative and financial report 2007, second quarter (in Arabic)

CRI: Quaterly report 1st January –1st July 2007

SNCTP: progress report May–July 2007

*3.3.4 Audit reports*

Mohamed Abdel Halim & Co chartered Accountants: Auditors' report on financial statements from 1.1.2004–31.12.2004

Mohamed Abdel Halim & Co chartered Accountants: Auditors' opinion on financial statements 6 months to 30 June.2004

Mohamed Abdel Halim & Co chartered Accountants: Detailed Audit Report 30 June.2005, including management comments

Mohamed Abdel Halim & Co chartered Accountants: Auditors' report on financial statements from 1.1.2005–31.12.2005, incl management comments

Management comments to Auditors' report on financial statements from 1.1.2004–31.12.2004, not dated

Hassabo and Company Certified Accountants: Audited Financial Statements for the Six Months Ended 30 June, 2006

Hassabo and Company Certified Accountants: Audited Financial Statements for the Year Ended 31 December, 2006, incl a review of partner organisations

Hassabo and Company Certified Accountants: Audited Financial Statements for the Six Months Ended 30 June, 2007

*3.3.5 Evaluations*

Hassabo and Company Certified Accountants: Management Letter – Interim Audit of Financial Statements 2007, 22 august 2007

Capacity Assessment for Save the Children Sweden's Four Evolving Core Partners, Aamir Ali Abdelrhaman, Maarif for Training and Consultancy, Draft report, September 2007

Sudan Campaign to Ban Landmines (Sudan CBL) Evaluation report, Mine Awareness and Training Project, Kassala state, September 2001, By Omer Hassan Saad and Hadiyat Eltayeb

Organizational Capacity and Impact Assessment, to Selected Partners in Sudan, December 2004, Child Rights Institute, Khartoum – Sudan, Yasir Saleem Shalabi, Sara Makkawi Akrat and Waleed Mohamed Elbashir

Save the Children Sweden, Regional Office, Developing and Implementing Refugee Programme the right Way 1992–2006, Sudanese Refugees in Western Ethiopia, 2006

### 3.4 Regional Partner Organisations (Nairobi)

### 3.5 National Partner Organisations in Khartoum

*3.5.1 Child Rights Institute*

Presentation of Child Rights Institute (Introduction/Background, Membership, 2007 Projects and activities, CRI activities in different states, regional activities)

Coalition Organisations

Example of training material and research (only available in Arabic)

Quarterly financial reports

Liquidation Forms

*3.5.2 Sudan Council for Children Welfare*

Sudan Council for Children Welfare, Report on Achievements January – August 2007, also including Save the Children Sweden funded projects.

Sudan Council for Children Welfare, Report of the Situation of Children in Sudan January – April 2007, also including Save the Children Sweden funded projects.

Sudan Council for Children Welfare, Sudan Law of the Child 2004, also supported by Save the Children Sweden.

### 3.6 Darfur Emergency Project "Child Rights Protection and education in Emergency in Darfur, project number 22254

*3.6.1 Project Document*

Katastrofhjälp för barnens rättigheter inklusive utbildning Norra Sudan (Darfur), Rädda Barnen Au-beslut 2004–06–18

Co-operation agreement between SCS and the Ministry of Education – North Darfur State for 1st of August–31st December 2004, signed 11/08/04

Co-operation agreement between SCS and the Ministry of Social and Cultural Affairs – North Darfur State for 1st of August–31st December 2004, signed 11/08/04

Co-operation agreement between SCS and the Ministry of Social and Cultural Affairs – West Darfur State for1st of March–31st December 2005, signed 07/03/05

Co-operation agreement between SCS and the Ministry of Education for

1st of March–31st December 2005, signed 07/03/05

ECAF/Sudan (northern) Emergency Darfur Budget 2007 Project no 22254

ECAF/Sudan (northern) Emergency Darfur Budget 2008 Project no 22254

Mid Term Report to Sida: Darfur Emergency Project 1st Jan–30th June 2007

Project Memo (2005 Revised) North Darfur, SCS, approved 24.6.04

Project Memo (Addenum) West/South Darfur, SCS, approved 18.6.04

Project Memo (Extension for 2007), SCS, not dated

Project report – Darfur July – December 2004, not dated

Mid-term project report Darfur Project. Emergency Assistance for Children in Darfur, 1st Jan–31st July 2005, not dated

Annual report North Darfur Programme. Emergency Assistance for Children in Darfur, 1st Jan–31st Dec 2005/ extended to 31st March 2006, not dated

Annual report North Darfur Programme. Emergency Assistance for Children in Darfur, 1st Jan–31st Dec 2006, not dated

Darfur Humanitarian Profile No 3, North Darfur, 01 June 2004

Summary Report on project 22254 Darfur Emergency January–August 2006

Annual Project Report 2005 – Darfur Project (funded by Sida Hum), Oct 2006

*3.6.2 Documents on the Hijacked Car (Toyota Hailux Double Cap)*

Save the Children Sweden (El Fasher) E-Mail form Country Manager to Regional Director, Hijacking of SCS Car in Kutum by Sudan Liberation Army (signatory to the Darfur Peace Agreement.

Save the Children Sweden (El Fasher) E-Mail Ismail El Rashid to Country Manager, the release of the driver by Sudan Liberation Army (signatory to the Darfur Peace Agreement.

Save the Children Sweden(El Fasher), Report to The Country Director date 17?12/2005 about the hijacking of the Toyota Hailux Double Cap also indicating several other similar hijackings of cares occurred during the same period.

United Nations Security Service (El Fasher) Report on the Security Situation and the increase in car Hijacking be rebel forces and armed robbers since the collapse of the Darfur Peace Agreement.

United Nations Security Service (El Fisher) Report on the hijacking of Save the Children Sweden Car dated 22 October with also information on the Vehicle and conditions under which it was hijacked by armed rebel forces and armed robbers since the collapse of the Darfur Peace Agreement.

Kutum Police, Report on the Hijacked Car stating the facts as narrated by the Driver and Witnesses.

Kutum Police, Report on the fact that the hijacked car could not be found and therefore there is strong evidence that it will not be recovered.

Sheikan Insurance Company, Insurance Contract and letter refusing to pay insurance as the hijacking took place in a war zone.

*3.6.3 Documents on the Missing Contractor*

Al Hafiz S. Mohammadain, Lawyer, Contract between Save the Children Sweden (Field Office El Fasher) and Maiko Engineering Company to supply School Materials (5 January 2005).

El Fasher Criminal Court, Arrest Warrant issued to arrest Mr. Mohamed Abdel Rahman Mohamed (Contractor) who went missing with 3919430 SDD.

El Fasheir Criminal Court, Public Order to Mr. Mohamed Abdel Rahman Mohamed (Contractor) who went missing with 3919430 SDD to present himself before the court 13 March 2006.

El Fasheir Criminal Court, Court Case in Absentia to trial Mr. Mohamed Abdel Rahman Mohamed (Contractor) who went missing with 3919430 SDD.

Save the Children Sweden, Full detailed Report from Sudan Country Director to the Regional Director31 October 2007.Akhbar Al Youm (Daily Newspaper), Clip on the Court Order to Mr. Mohamed Abdel Rahman Mohamed (Contractor) to present himself to the Court in connection with his disappearance with 3919430 SDD

El Fasheir Criminal Court, Court Case in Absentia to trial Mr. Mohamed Abdel Rahman Mohamed (Contractor) who went missing with 3919430 SDD.

Mohamed Nur Tigl (Lawyer), letter requesting Maiko Engineering Company to refund the total of 3919430 SDD.

## 4. Save the Children Sweden Latin America and the Caribbean

### 4.1 Save the Children Sweden's regional office for Latin America and the Caribbean

*4.1.1 Cooperation Agreements with partner organizations*

In Spanish Total: 118

2004: 1

2005: 40

2006: 38

2007: 39

In Portuguese Total: 14

2004: 2

2005: 4

2006: 4

2007: 4

English: 1 (2002 with Brazilian NGO)

*4.1.2 Financial Reports and Audits presented to SCS by partner organizations*

In Total 47 (all in Spanish)

2006: 22

2007: 25

*4.1.3 Regional office systems*

Strategic Plan, Regional Programme for Latin America and the Caribbean 2005–2010

Plan of action 2005, 2005–02–20

Plan of Operations 2005–2007

Annual report 2005

Annual Report 2006

Plan of Action 2006, 2005–11–11

Plan of Action 2007

LAM Jan-April 2007 Report, T1

Audit Report as per 30 June 2007

Plan of Action 2008

LAM Regional Programme 2007

OH presentation of the SCS regional programme for Latin America & the Caribbean

OH-presentation on the regional Programmes

Organigrama, 2007

Phase-out Report on Corporal Punishment 05–07, Programme Area 1

Final Report on project LAM Parliamentarians and CRC, Programme Area 9.

Conclusions from a meeting with the Directors of Strategic Partner Organisations in Latin America, 4–5 November 2007, in Lima, Peru

SCS, Int Programme, MOS/JL - Sidaramfinansierade SCSLAM partners 2007

Programme and project database

Review of the financial statements 2007

Guidelines on Ethics

Guía uso de logo (Guide on the use of CSC Logo – document also used by the UP office and their partner organizations)

Evaluación de Maestrías en Infancia en América Latina Apoyadas por CSS – Informe Final (Evaluation on the Masters Program with Concentration on Children's Rights in Latin America supported by SCS)

Formato de Informe Semestral (Format of Semi-annual report – also used by UP office)

Formato de Presupuesto (Budget sheet format used by Coordinators – also used by UP office)

Formato Plan Cuentas (Project budget sheet used by organizations – also used by UP office)

Informe Económico 2007 – (Format for bank accounts in US dollars – also used by UP office)

List of LAM Partners

Manual de Procedimiento Socios (Partners Guidelines Manual – also used by UP office)

List of Publications as of 1/10/2007

Asignacion de Socias (List of partner organizations indicating programs being implemented – June 2007)

*4.1.4 Sida Project Evaluations (all in Spanish)*

Sistematización Programa: Gasto Público y Niñez en el Perú –1999 – 2006– Informe final (Evaluation of SCS program on public spending and children in Peru)

Sistematización del Programa de participación Infantil en la formación Magisterial – Septiembre 2007

Sistematización de la Experiencia de Comunicación y Derechos del Niño con Vichama – Radio Stéreo Villa – Mayo 2007

Sistematización CECODAP 2003 – 2005

### 4.2 Save the Children Sweden's Country Office in Lima

Registration of SCS, Peru with the Government of Peru

Organigram

Cooperation Agreements with NATRAS – Asociación en Apoyo al Movimiento de Niños, Niñas y Adolescentes Trabajadores – Proyecto: 24781 – 2007

Plan de Formación y Capacitación de Niños, Niñas y Adolescentes Trabajadores y Colaboradores del MANTHOC a Nivel Nacional – Enero – Diciembre 2007 (Plan of Action for MANTHOC)

Cooperation Agreements with Centro Arguedianos and CEDISA.

Financial statements of Vichama for the half year to June 2007

Financial statements of Manthoc for the half year to June 2007

Audit reports on sundry partner organisations

Asignación de Socias (List of partner organizations indicating programs being implemented – June 2007)

Manual de Condiciones de Trabajo (Working Conditions Manual – document is the one used by SCS)

Description of Program Assistant job position (in Spanish)

Description of Program Coordinator job position (in Spanish)

Description of Country Administrator job position (in Spanish)

Registro de Personas Jurídicas (Power of Attorney in favour of Teresa Carpio by CSC Ulla Armyr)

MANTHOC semi-annual Report – January – June 2007 (In Spanish)

FORMATO DE PRESENTACION DE PROYECTOS – (Nº 24629) – CEDISA Project proposal

Matriz de Planificación 2006–2008 – Programa de Participación Infantil en la Formación Magisterial No. 24785

### 4.3 Other documents related to Latin America

PricewaterhouseCoopers, Lima: Review of the Consolidated Financial Statements at 30 June 2007

## 5. Save the Children Sweden Southeast Asia and Pacific

### 5.1 Save the Children Sweden's regional office for Southeast Asia and Pacific

*5.1.1 Planning Documents*

Plan of Operations 2005–2007 South East Asia and the Pacific (SEAP)

Plan of Action 2007: Save the Children Sweden – Southeast Asia & the Pacific (PHILIPPINES), July 2006

Planning instructions for SEAP 2007, 29.06.06

Save the Children Sweden South East Asia and Pacific, Annual Report 2006

Annual report 2005 for Southeast Asia and the Pacific region,

Plan of Action: Save the Children Sweden Southeast Asia & the Pacific (Region) for 2006, 15.11.2005

Plan of Action 2007 – SEAP, revised version January 19, 2007

Plan of Action: Save the Children Sweden Southeast Asia & the Pacific for 2005, Plan of Action – final 2005–02–24 to be improved with HO\s consent

Workshop Report, Regional Strategy Development Workshop Save the Children Sweden Southeast Asia and Pacific May 8 – 12, 2007, Bangkok, Thailand

List of Participants SCS SEAP Regional Strategy Development Workshop, 8th – 12th May 2007, Bangkok, Thailand

Draft Agenda Regional Strategy Development Workshop Save the Children Sweden Southeast Asia and Pacific May 8 – 12, 2007, Bangkok, Thailand

Outline for Thematic Strategies and Outline for Overall Strategy

Consolidated Plan for Strategic Development SCS SEAP, Updated on 2 November 200

Introduction Financial Management, 2007–11–29

*5.1.2 Audit reports*

Financial Statements for the year ended 31 December 2005

PricewaterhouseCoopers: Auditors report to SCS, Stockholm and PricewaterhouseCoopers, Stockholm for the year ended 31 December 2005, 3 March 2006

PricewaterhouseCoopers: Recommendations for improving internal control 2006, 25 April 2007

Statements of income and expenditure and statements of fund balance for the year ended 31 December 2006

PricewaterhouseCoopers: Independent auditors' report for the year ended 31 December 2006

Statements of income and expenditure and statements of fund balance for the six-months period ended 30 June 2007

PricewaterhouseCoopers: Recommendations for improving internal control 2007, August 2007

PricewaterhouseCoopers: Independent auditors' report for the six-month period ended 30 June 2007

Interim Financial Statements for the six-month period ended 30 June 2007

PricewaterhouseCoopers: Vietnam Country Office. Memorandum on Examination for the six-month period ended 30 June 2007

PricewaterhouseCoopers: Vietnam Country Office Recommendations for improving internal control 2007, August 2007

Tony C. M. Yau & Co: Hong Kong Committee on Children's Rights HKCCR Audit report and financial statements for the period 1/12/2006–31/3/2007

Tony C. M. Yau & Co: Hong Kong Committee on Children's Rights HKCCR Audit report and financial statements for the period from April 1, 2006 to November 30, 2006

Comments on Financial Report of HKCCR for the period from April 1, 2006 to November 30, 2006

Review and comment of the 3rd Financial Report (the period of July – September 2007)

Review and comment of the 1st Financial Report (the period of Dec 06 – Mar 2007)

Review and comment of the 1st Progress Report (the period of 1 Dec 06 – 30 June 2007)

KPMG Cambodia: Child Rights Foundation (CRF) Financial statements for the year ended 31 December 2006

S Y Yang & Company Certified Public Accountants: Against Child Abuse (ACA) Reports and Financial Statements for the year ended 31st March 2007

Comments on TVS's audit report, 22 February 2007

### *5.1.3 Reports*

Instructions for Report for period 1 (Jan–Apr) 2007 for SEAP

Report for period 1 (Jan–Apr) 2007 for SEAP

Hong Kong Committee on Children's Rights HKCCR service report for the period between 1 December 2006 – 30 June 2007

Hong Kong Committee on Children's Rights HKCCR service report for the period between 1 April – 30 September 2006

Hong Kong Committee on Children's Rights HKCCR service report for the period between 1 April – 30 November 2006

Hong Kong Committee on Children's Rights HKCCR service report for the period between 1 April – 30 September 2005

Report Review Annual Service Report (Apr 05–Mar 06)

Report Review Mid-term Service Report (1 Apr–30 Sept 2005)

A Children's Commission for Hong Kong. Shaping the Future, December 2006. Produced for the Hong Kong Committee on Children's Rights by the Global Institute for Tomorrow

Child Rights Foundation (CRF) Bi-Annual Report January – June 2007

Child Rights Foundation (CRF) Bi-Annual Report January – June 2006

Child Rights Foundation (CRF) Bi-Annual Report January – June 2005

Child Rights Foundation (CRF) Annual Report January – December 2006

Child Rights Foundation (CRF) Annual Narrative and Financial Report January – December 2005

Child Rights Foundation (CRF): Quarterly Financial Reports 2006 and 2007

Against Child Abuse (ACA), Progress Report 1, April – July 2007

Against Child Abuse (ACA), Annual Report January 2006–March 2007, 30 April 2007

Against Child Abuse (ACA), Project Report 1, January–April 2006

National Council for Child and Youth Development (NCYD) Narrative Report July 1, 2005 – August 31, 2006

Thai Volunteer Service (TVS) Memo on reports

Thai Volunteer Service (TVS) Narrative report July 2006,

Thai Volunteer Service (TVS) Narrative report July – Dec 2006

Report from meeting with HKCCR's staff (16–18 October 2006)

### *5.1.4 Evaluations*

External evaluation of Save the Children Sweden's operations in South-

east Asia and Pacific, Draft report, not dated, author unknown

Keo Phalla, Son Penh, Eng Reaksmey, Evaluation Report, draft, Children and Young People Clubs of the Child Rights Foundation's Target Schools, June 2006

Neelam Singh and Joel Nielsen: Evaluation of the Vietnam Country Programme, final report, not dated

*5.1.5 Co-operation Agreements*

Cooperation Agreement with Hong Kong Committee on Children's Rights HKCCR 1 April 2005 – 31 March 2006

Cooperation Agreement with Hong Kong Committee on Children's Rights HKCCR 1 April 2006 – 31 March 2007

Cooperation Agreement with Hong Kong Committee on Children's Rights HKCCR 1 December 2006–31 March 2008

Cooperation Agreement with Save the Children UK - Mongolia (SCUK)

Cooperation Agreement with Child Rights Foundation (CRF) 2006–2007

Cooperation Agreement with Child Rights Foundation (CRF) 2004

Cooperation Agreement with Child Rights Foundation (CRF) 2003

Cooperation Agreement with Against Child Abuse (ACA), Hongkong, April 2007–March 2008

Cooperation Agreement with Against Child Abuse (ACA), Hongkong, January 2006–March 2007

Cooperation Agreement with National Council for Child and Youth Development (NCYD) 2005

Cooperation Agreement with National Council for Child and Youth Development (NCYD) 2006

Cooperation Agreement with National Council for Child and Youth Development (NCYD) 2007

Cooperation Agreement with Thai Volunteer Service (TVS) July 2005 – June 2006

Cooperation Agreement with Thai Volunteer Service (TVS) July 2006–June 2007

Cooperation Agreement with Thai Volunteer Service (TVS) 1 July 2007–31 December 2007

Cooperation agreement with District 4 People's Committee, District 4, Ho Chi Minh City on the Project: Child friendly district for the period up to 31st December 2007

*5.1.6 Project Proposals*

Hong Kong Committee on Children's Rights HKCCR Annual service report for the period between 1 April 2005 – 31 March 2006

Hong Kong Committee on Children's Rights HKCCR: A 16-month proposal for the period between December 2006 – March 2008

Hong Kong Committee on Children's Rights HKCCR: Proposal for the period between April 2005 – March 2008

Child Rights Foundation (CRF) Project Document 2006–2007

Child Rights Foundation (CRF) Program Document "Mainstreaming child rights in Government institutions", 3-Year Program of the for the period January 2005 to December 2007, July 2004

Thai Volunteer Service (TVS) Addendum

Thai Volunteer Service (TVS) Justification 2005,

Thai Volunteer Service (TVS) 2006,

Thai Volunteer Service (TVS) Project Description

Against Child Abuse (ACA) Project Proposal 2006

National Council for Child and Youth Development (NCYD) Justification

Rabatbai Youth Group (RYG): Minor Cooperation Agreement 2005–2006

Justification for project agreement Thai Volunteer Service (TVS) July 2006–June 2007

Project Description, March 2007

Project description, Project title: Child friendly district, Project no: 23626, not dated

Plan of Action 2007 – Vietnam, final version 15 December, 2006

Instructions for planning 2007 for Vietnam, 12/07/06

*5.1.7 Follow up*

Notes on meeting with CAMP in Phnom Penh, not dated

Notes on support to CLOs, Grant is for organisational development and strengthening.

Notes of partners meeting with CRF and HKCCR held on the 19th and 20th of June 2007 at CRF office in Phnom Penh.

Children's Council Working Committee Where is CCWC leading to?, Meeting on 23 December 2005

Expectations for capacity building on children's participation for CRF: in-house training – first follow up: 5–9 June 2006.

Follow up report on Discussion with Koy, Thany and Mary of CRF 25th of November 2005 in Phnom Penh.

### 5.2 Save the Children Sweden's Country Office in Manila

*5.2.1 Planning documents*

Partner Organisations of SCS in the Philippines (Southeast Asia Region)

Finance and Administration Units Plan of Action 2007

SEAP Budget 2006 with Phil amendments – 10may06

Support Functions/Planning & Development (Philippines) Budget 2006

Plan of Action: Save the Children Sweden Philippines (April – December 2006)15.11.2005

Budget 2007 with Phil dept decision & reservations – 30may07

Philippines Contribution to the 2006 Annual Report

Reporting Package, 30 June 2007

Management Representation Letter, 29 August, 2007

Integrating Children's Rights and Community-based Disaster Management in the Governance of Conflict-affected Communities in Central Mindanao, Philippines (New), Departmental decision, 2006–04–20

Increase in the Planning and Follow-Up Allocation for the Philippines, Departmental decision, 2006–05–02

Philippines: Additional Department Decision for the project Education and Psychosocial Support to typhoon victims in Emergencies, Departmental decision, 2007–01–25, decision nr 10/2007

Facilitating Justice for Children in Conflict with the Law, Philippines – Additional activities to be funded by external sources, Departmental decision, 2006–05–02

Philippines – Relief Support to Children and Families affected by Fire in Mandaue, Cebu, Departmental decision, 2006–05–03 (?), decision nr 22/2007

Education and psychosocial support to typhoon victims in emergencies in the Philippines, Departmental decision, 2006–12–19, decision nr 2/2007

Checklist for financial reporting

*5.2.2 Audit Reports*

Isla Lipana &Co: Summary of Unadjusted Differences (SUD), August 2007

Isla Lipana &Co Audit opinion, August 29, 2007

Isla Lipana &Co Re: Recommendations for Improving Internal Controls 2007, August 29, 2007

Isla Lipana &Co Review of partner organisations, January – June 2007

Isla Lipana &Co Critical remarks of audits of partner organisations 2006

Isla Lipana &Co 2006 Indentified Financial Reporting Package

Isla Lipana &Co Year end audit report 2006

Isla Lipana &Co 2006 Review of PO

Isla Lipana &Co 2006 Summary of Unadjusted Differences SUD Report

Isla Lipana &Co 2006 Follow-up on internal controls ICM Report

Inter-office report on the December 31, 2006 financial reporting package marked for identification purposes

Memorandum of Examination (MOE)

Isla Lipana &Co Critical Remarks from Auditors of Partner Organizations 2006

Isla Lipana &Co Review of Partner Organizations 2006

Isla Lipana &Co Material Budget Variances 2006

Isla Lipana &Co 2006 SCS Inter-Office Report

Management Representation Letter 2006

2006 Identified Financial Reporting Package

*5.2.3 Co-operation Agreements*

Cooperation Agreement with Bidlisiw Foundation for 2007 on Strengthening Protection for Abused and Exploited Children and Children in Conflict with the Law

Cooperation Agreement with Bidlisiw Foundation on Protecting and Alleviating the Situation of Fire-Affected Children and their Families 1 April – 31 August 2007

Cooperation Agreement with Bidlisiw Foundation on Sustaining Educational Pursuits of Children and Parents through Alternative

Learning Sessions 01 April 2007 to 31 December 2007

Cooperation Agreement with Bidlisiw Foundation on Facilitating Protection and Support for Children in Conflict with the Law 01 January to 31 December 2007

Cooperation Agreement with Samahan ng Mamamayan –Zone one Tondo, inc (ZOTO) for the period from 01 August 2007 to 31 March 2008

Cooperation Agreement with Samahan ng Mamamayan –Zone one Tondo, inc (ZOTO) for the period April – October 2006

*5.2.4 Reports*

BIDLISIW Proposal & Budget Support for Fire Survivors 2007

BIDLISIW Proposal Children's Justice SAPP 2007

BIDLISIW Proposal Education 2007

BIDLISIW Proposed Budget Education 2006 – partly funded by Sida

ZOTO Proposed Budget Child Rights Advocacy 2007

BIDLISIW Budget Proposal Education 2007

BIDLISIW Proposal Education 2006 – partly funded by Sida

ZOTO Proposed Budget Child Rights Advocacy 2006

ZOTO Organizing Communities for Child's Rights Advocacy

Justification of project agreement, Facilitating Protection and Support for Children in Conflict with the Law 01 January to 31 December 2007, not dated

ZOTO Annual Financial Report 2006

ZOTO Annual Report 2006

### 5.3 Bidlisiw Foudation, Inc (Partner Organisation in Cebu)

*5.3.1 Strategies and guidelines*

Implementing Guidelines for skills training, vocational training etc

Forms (home visit forms, follow-up forms, monitoring form etc)

Child and Family Healing, Recovery and Re-integration Framework, 2006

Family Development Strategy, 2006

Monitoring and Evaluation of Families, 2006

Training Handouts at Seminar Workshop on Child and Family Healing Recovery and Re-integration using Family Development Strategy for CV Clusters Members, October 18–20, 2006, Cebu

Accounting System Manual, 1990

*5.3.2 Planning Documents*

2007 Work and Financial Plan

*5.3.3 Audit Reports*

Michelle S Avanzano-Dela Cerna Certified Public Accountant: 2006 financial statements and Audit Reports for the three projects funded by SCS

Michelle S Avanzano-Dela Cerna Certified Public Accountant: Financial statements for the 5 months period ended August 31, 2007 on Protecting and Alleviating the situation of Fire-affected Children and their Families, 01 April–31 August 2007

*5.3.4 Reports*

2006 Annual Report

Budget monitoring report Fire Rehabilitation Project 01 April to 31 August 2007

Programme Coordinator Bidlisiw: Request to use balance for additional activities, Nov 9, 2007–11–27

Programme Coordinator SCS Philippines: Decision with approval to use the funding, Nov 15, 2007

3rd Quarter Financial Report Children's Justice SAPP – Jul to Sept 2007

3rd Quarter Fund Bal Children's Justice SAPP as of 30 Sept 2007

3rd Quarter Report Children's Justice SAPP – Jul to Sept 2007

Annual Financial Report Education 2006

Annual Report Education 2006

Fund Bal Education as of 31 Mar 2007

Fund Bal Support for Fire Survivors as of 31 Aug 2007

Impact Report Education 2006

Notes to Finance Report Children's Justice SAPP – Jul to Sept 2007

Notes to Finance Report Education – Jul to Sept 2007

Project Finance Report Support for Fire Survivors 2007

Project Report Support for Fire Survivors 2007

Quarterly Financial Report Education – Jul to Sept 2007

Quarterly Report Education – Jul to Sept 2007

Quarterly Fund Balance Education as of 30 Sept 2007

*5.3.5 Other Documentation*

General Ledger Book, January to December 2007

General Journal Book, January to December 2007

Cash Receips Book, January to December 2007

Cash Disbursement Book, January to December 2007

## 6. Others

ÖhrlingsPriceWaterhouseCoopers: Revisionsintyg för Rädda Barnen avseende rambidrag budgetåret 2006, 2maj 2007

ÖhrlingsPriceWaterhouseCoopers: Revisionsintyg för Rädda Barnen avseende rambidrag budgetåret 2005

# Appendix 5

**Table 1: Summary of audited financial reports from Partner Organisations in SCS/Kenya**

| | Partner Organi-zation | Agree-ment | Compliance | Advan-ces | Deviations | Own contri-bution | Not used | Explicit | SCS Contri-bution. |
|---|---|---|---|---|---|---|---|---|---|
| 1 | ANPPCAN | Yes | Non-compliance | Yes | Incomplete | Yes | None | N/A | USD 25,308 |
| 2 | DICH | Yes | Non-compliance | Yes | Incomplete | Yes | None | N/A | USD 31,581 |
| 3 | SCCA | Yes | Non-compliance | Yes | Incomplete | Yes | None | N/A | 0 |
| 4 | GINE | Yes | Non-compliance | Yes | Incomplete | Yes | None | N/A | USD 30,151 |
| 5 | COPO | Yes | Non-compliance | Yes | Incomplete | Yes | None | N/A | USD 85,797 |
| 6 | CLAN | Yes | Non-compliance | Yes | Incomplete | Yes | None | N/A | USD 57,319 |
| 7 | FOCH | Yes | Non-compliance | Yes | Incomplete | Yes | None | N/A | USD 35,663 |
| 8 | PSTCK | Yes | Non-compliance | Yes | Incomplete | Yes | None | N/A | USD 3,133 |
| 9 | SCDE | Yes | Non-compliance | Yes | Incomplete | Yes | None | N/A | USD 15,389 |
| 10 | SCUK | Yes | Non-compliance | Yes | Incomplete | Yes | None | N/A | USD 9,870 |

ANPPCAN – African Network for the Prevention and Protection against Child Abuse and Neglect (Kenya)

DICH – Department of Children Services

SCCA – Save the Children Canada

GINE – Girl Child Network

COPO – Commissioner of Police

CLAN –Children Legal Action Network

FOCH – Forum for Child rights Initiative

PSTCK – Police training college

SCDE – Save the Children Denmark

SCUK – Save the Children UK

# Appendix 6

We have selected partner organizations in various countries in the South-east Asia and Pacific region in order to present the spectrum of partnership that SCS engages in. The chosen partners are partners whom which SCS have long-term collaboration with, as well as partners who have minor cooperation agreements with SCS for specific interventions.

**Table 2: Summary of reviewed documents from Partner Organisations in SCS/SEAP**

| Partner | Country | Materials reviewed |
|---|---|---|
| Hong Kong Committee on Children's Rights HKCCR | Hong Kong | Cooperation Agreement 2004–2005, 2006–2007<br>Extension and amendments<br>Annual report and Mid-term report |
| Save the Children UK - Mongolia (SCUK) | Mongolia | Cooperation Agreement |
| Child Rights Foundation (CRF) | Cambodia | Cooperation Agreement 2006–2007<br>Project Document 2006–2007<br>Annual and Bi-Annual Reports 2005–2007 |
| National Council for Child and Youth Development (NCYD) | Thailand | Agreements 2005, 2006, 2007<br>Justification<br>Narrative Report July 1, 2005 – August 31, 2006 |
| Rabatbai Youth Group (RYG) | Thailand | Minor Cooperation Agreement 2005–2006 |
| Thai Volunteer Service (TVS) | Thailand | Cooperation agreement 2005, 2006, 2007, Addendum<br>Justification 2005, 2006,<br>Project Description<br>Memo on reports Narrative report July 2006, Narrative report July – Dec 2006 |

# Appendix 7

**Table 3: Analyses of Partner Agreements LAM 2007**

| Agreem't number | Project number | SEK | No of instalms | Fin'l reports due |
|---|---|---|---|---|
| 00048/07 | 24847 | 164880 | 2 | Jul/Jan |
| 30012/07 | 24689 | 97200 | 2 | |
| 10003/07 | 24631 | 259200 | 2 | |
| 00005/07 | 24811 | | | |
| | 24815 | 144000 | 2 | |
| 00006/07 | 24629 | | | |
| | 24779 | | | |
| | 24808 | | | |
| | 24809 | 458640 | 2 | |
| 00010/07 | 24808 | 86400 | 2 | |
| 00012/07 | 24815 | 108000 | 2 | |
| 00024/07 | 24815 | | | |
| | 24811 | | | |
| | 24817 | | | |
| | 24785 | 169200 | 2 | |
| 00026/07 | 24815 | 72000 | 2 | |
| 00027/07 | 24807 | 115200 | 2 | |
| 00028/07 | 24781 | 115200 | 2 | |
| 00032/07 | 24787 | 288000 | 3 | Jul/Nov/Jan |
| 10007/07 | 24631 | 93600 | 3 | Apr/Jul/Nov |
| 10008/07 | 24601 | 180000 | 3 | |
| 10009/07 | 24601 | | | |
| | 24815 | 180000 | 3 | |
| 30002/07 | 24601 | | | |
| | 24605 | 576000 | 4 | Apr/Jul/Nov/Jan |
| 30003/07 | 24661 | 252000 | 4 | |
| 30004/07 | 24845 | | | |
| | 24873 | 453600 | 4 | |
| 30005/07 | 24841 | | | |
| | 24691 | 943174 | 4 | |
| 30006/07 | 24815 | 216000 | 4 | |
| 3009/07 | 24689 | 252000 | 4 | |

| | | | | |
|---|---|---|---|---|
| 30010/07 | 24661 | 288000 | 4 | |
| 30011/07 | 24603 | 467982 | 4 | |
| 10005/07 | 24789 | | | |
| | 24841 | | | |
| | 24871 | | | |
| | 24873 | 803524 | 4 | |
| 10010/07 | 24631 | 144000 | 4 | |
| 10012/07 | 24789 | 252000 | 4 | |
| 10013/07 | 24811 | | | |
| | 24815 | | | |
| | 24847 | 396000 | 4 | |
| 10014/07 | 24841 | 108000 | 4 | |
| 00015/07 | 24815 | | | |
| | 24789 | 199627 | 4 | |
| 002/07 | 24629 | | | |
| | 24808 | | | |
| | 24809 | | | |
| | 24898 | 494640 | 4 | |
| 0003/07 | 24691 | | | |
| | 24783 | | | |
| | 24787 | | | |
| | 24815 | | | |
| | 24841 | | | |
| | 24873 | 1224000 | 4 | |
| 004/07 | 24815 | 252000 | 4 | |
| 00011/07 | 24815 | 144000 | 4 | |
| 00017/07 | 24605 | | | |
| | 24607 | | | |
| | 24661 | | | |
| | 24691 | | | |
| | 24783 | | | |
| | 24789 | | | |
| | 24843 | | | |
| | 24845 | | | |
| | 24871 | | | |
| | 24873 | 1029600 | 4 | Global Infancia, Paraguay |
| 00018/07 | 24691 | 144000 | 4 | |
| 00022/07 | 24781 | 194400 | 4 | |
| 00023/07 | 24781 | 180000 | 4 | |
| 00025/07 | 24605 | 216000 | 4 | |
| 00029/07 | 24843 | | | |
| | 24873 | 396000 | 4 | |
| 00030/07 | 24781 | 295200 | 4 | |
| 00007/07 | 24629 | | | |
| | 24808 | | | |
| | 24809 | 505440 | 4 | |

# Acronyms and Abbreviations

| | |
|---|---|
| ANPPCAN | African Network for the Prevention and Protection Against Child Abuse and Neglect |
| CBO | Community Based Organisations |
| CD | Country Director |
| CLAN | Children Legal Action Network |
| CLG | Country Leadership Group |
| COPO | Commissioner of Police |
| CPM | Country Participating Member |
| CRC | Convention on Rights of the Child |
| CRP | Child Rights Programming |
| DICH | Director of Children Services |
| DDR | Demobilization, Disarmament and Reintegration |
| EC | European Commission |
| ECAF | Eastern and Central Africa Region (of SCS) |
| ECHO | European Commission's Humanitarian Aid Department |
| EU | European Union |
| FGM | Female Genital Mutilation |
| FOCH | Forum for Child Rights Initiative |
| GINE | Girl Child Network |
| HAC | Humanitarian Aid Commission |
| HO | SCS's Head Office in Sundbyberg, Sweden |
| HR | Human Resources |
| HRM | Human Resources Management |
| IDP | Internally Displaced Population |
| INGO | International Non Government Organization |
| IPD | International Programme Director |
| KCT | Key Challenge Task Force |
| LFA | Logical Framework Analysis |
| LPO | Local Purchasing Order |
| M&E | Monitoring and Evaluation |
| MCH | Maternal and Child Health |

| | |
|---|---|
| MDGs | Millennium Development Goals |
| MG | Management Guide |
| MM | Managing Member |
| MMCAP | Managing Member Capacity Assessment Panel |
| MP | Member of Parliament |
| MSC | Most Significant Change |
| NCCW | National Council for Child Welfare |
| NEEDS | National Economic Empowerment and Development Strategy |
| NGO | Non Government Organization |
| NNGO | National Non Government Organization |
| OECD/DAC | Organization for Economic Cooperation and Develop ment /Development Assistance Committee |
| OCHA | Office on Coordination of Humanitarian Affairs |
| OLS | Operation Lifeline Sudan |
| PAYE | Pay As You Earn Tax |
| PM | Participating Member |
| PO | Partner Organisation, Project Officer, Programme Officer |
| PPM | Project Participating Member |
| PSTCK | Police Training College |
| RBM | Results Based Management |
| RO | Regional Office |
| RR | Regional Representative |
| SCCA | Save the Children Canada |
| SCDE | Save the Children Denmark |
| SAS | Statement of Accounting Standards |
| SCS | Save the Children Sweden |
| SCUK | Save the Children UK |
| SC US | Save the Children USA |
| SEAP | Southeast Asia and the Pacific (of SCS) |
| Shs | Kenya shillings |
| Sida | Swedish International Development Cooperation Agency |
| SMART | Specific, Measurable, Achievable, Relevant, Timebound |
| SNCTP | Sudanese National Committee on Traditional Practices |
| SNSD | Sudanese National Society for the Deaf |
| SPICED | Subjective, Participatory, Interpreted, Cross-checked, Empowering, Diverse/Disaggregated |
| SUD | Summary of Unadjusted Differences |
| SWOT | Strength, Weakness, Opportunity, Threat |
| UK | United Kingdom |
| UN | United Nations |
| UNDP | United Nations Development Programme |
| UNHCR | United Nations High Commissioner for Refugees |
| UNICEF | The United Nations Children's Fund |
| UNIFEM | United Nations Development Fund For Women |
| UNOPS | United Nations Office for Project Services |

| | |
|---|---|
| UP | Unified Presence |
| USAID | United States Agency for International Development |
| WB | World Bank |
| WBI | World Bank Institute |
| WHO | World Health Organization |

*Halving poverty by 2015 is one of the greatest challenges of our time, requiring cooperation and sustainability. The partner countries are responsible for their own development.*
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