

CAFOD's People In Aid Code of Good Practice Audit Report

AUDITOR'S STATEMENT

To be included in CAFOD's Report dated July 2009

I received CAFOD's report on 14th August 2009 and responded with my initial analysis on 18th August. We arranged a date for the audit visit to CAFOD's office in London for 30th September.

CAFOD is the official overseas development agency of the Catholic Church in England and Wales. It was formally established by Trust Deed on 29th September 1982 by the Bishops of England and Wales, to address the concern of the Catholic community for the needs and problems of the developing countries. Through long term partnerships with more than 500 local organisations in 40 countries CAFOD promotes human development and social justice for the people living in poverty across Africa, Asia and Latin America.

CAFOD acts as part of the global Caritas network, a federation of 162 Catholic relief and development agencies.

The number of staff employed (June 2009) was 420. In the Brixton HQ office there are 255 employees, a further 50 are based in Diocesan Offices in England and Wales and 115 are international staff.

CAFOD has been a member of People In Aid since 2004.

AUDITOR'S REMIT, INDEPENDENCE AND QUALIFICATIONS

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

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

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

PURPOSE OF THE AUDIT

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

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

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

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

The aim of the audit process is to help managers reflect on their people management and support systems, to give them an independent opinion as to whether they are in compliance with the People In Aid Code Principles and to provide an independent report to People In Aid, on the basis of which it decides whether to award the organization the Quality Mark verifying compliance with the People In Aid Code.

AUDIT METHOD

The audit of the report was limited to examining the report, reviewing supporting documentation and interviewing CAFOD staff regarding the claims made and the management systems that support staff in the UK and in field operations. I have not visited any field operations, or diocesan offices in the UK, but did interview, by telephone, a union shop steward based in the Northampton Diocesan Office.

During my visit to CAFOD's London office on 30th September, I interviewed:

Barbara Wilson Director of OD and People
Cathy Fitzgibbon International HR Manager
Jean-Claude Vivier Internal Audit Officer

On 1st October I interviewed by telephone:

Frank Sudlow Diocesan Manager, Northampton, Unite Shop Steward
FINDINGS

People management policies

The report states:

Over the last 5 years the number of CAFOD staff has increased markedly (by 100%) and the number of staff based in international offices even more (by almost 400%). The HR section has grown correspondingly and has reviewed and developed policies and procedures to support this larger and more dispersed organisation.

To help ensure that these developments are sound and appropriate the CAFOD Board and Corporate Leadership Team decided to implement the People In Aid Code of Good Practice. A formal **commitment** was made in May 2008, complementing our commitment to HAP. We see the People In Aid process as a good opportunity to take a systematic corporate view of HR, find out our strengths and areas for development and begin to address them.

I have verified the following claims in the report:

- CAFOD's ODP team grew from 7 in 2005 to 20 in 2009
- New HR database put into place in 2006
- Major review of HR policies 2007 – CAFOD People
- Development of HR strategy as part of mid term review of strategic framework in 2007, including consultation with managers and staff
- Establishment of HR Committee in 2008 as sub committee of Board
- During 2008 the HR team was restructured, and a new international HR team was formed, with a team leader, 4 HR Advisers and 2 HR support officers. This was necessary in order to provide the support necessary to ensure HR policies and practice overseas received adequate attention given the rapid recent growth.

Section 7 of the report is a matrix of the internal assessment of the status of policy development and performance against the seven People In Aid Code Principles and the Guiding Principle. In the course of the audit I was satisfied that the self appraisal was correct including the critical appraisal of *Consultation and Communication* (Principle 4) and *Health, Safety and Security* (Principle 7).

Appendix 3 contains a Self Audit Checklist of HR policies, processes and practices, and a detailed HR Effectiveness Questionnaire analysing the 'perception', 'risk' and 'action priority' for all of CAFOD's HR responsibilities and policies.

Appendix 6 is an index the policies and guidance notes contained in the 'CAFOD People' Staff Handbook (also on intranet).

In Section 10 *Performance Data* there is a section under each of the People In Aid Code Principles, *Reference to relevant policies in place*, which provides additional commentary on policy context and development.

I can confirm that policies are consistent with the People In Aid Code Principles and that a rigorous and detailed process for monitoring performance is in place.

Internal Audit

I interviewed CAFOD's Internal Audit Officer, who also provided documentation covering the Internal Audit remit, work plan, approved Board statement of top 10 corporate risks, which includes HR issues, and a very detailed Self Audit Checklist for International Offices. Since his appointment, three years ago, much valuable work has been completed in defining risk and agreeing audit and mitigation procedures. As well as audit work in relation to the London and Diocesan offices the Internal Audit Officer has a substantial timetable of work relating to CAFOD's international offices, including visits.

The value of this appointment is notable.

Employee engagement survey

A critical part of the People In Aid social audit process, or any social audit process, is to find out what employees think about the HR policies and the performance of the organisation.

A staff survey was deemed to be the most appropriate means of engaging all staff in the PIA Code process and was conducted as follows:

- It was agreed to revise CAFOD's traditional bi-annual survey to make appropriate to serve the needs of the Code and CAFOD's need for continuity in survey questions
- Agenda Consulting were appointed to administer the survey
- The working group did a review of CAFOD's survey questions used in 2006 questions, People In Aid standard questions and questions from Agenda's benchmark database to develop the new questions
- The survey opened online on 5th September and closed on 1st October 2008
- The survey was administered to 406 employees. In total 366 people completed the survey, a 90.1 % response rate. (The previous average response rate to our bi-annual survey was around 30%.)
- The survey included several benchmarked questions from Agenda Consulting's database of 13 third sector organisations.

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

The analysis of the results of the survey was carried out by Agenda Consulting. I am satisfied that the survey was carried out and analysed properly.

The report contains, in Section 10, a complete analysis of survey responses set out under each of the People In Aid Code Principles. The analysis includes: Reference to relevant policies in place; Survey findings; Relevant management information; and Key areas for action. The analysis is detailed and honest, particularly where staff was critical of the organisation's performance and HR management practices.

Union Feedback

I welcome the inclusion of feedback from the employees' union (Unite) representatives. I interviewed one of the three shop stewards and was satisfied that their views had been reported fairly in the body of the report.

An appendix contains the full feedback statement. I was impressed that the union concerns embraced the views and interests of CAFOD's international staff even though the shop stewards are UK based. Though the statement has critical as well as positive observations of CAFOD's HR performance I was reassured by Frank Sudlow that good progress is being made on the issues raised.

Responsiveness and action plans

I was impressed by the description in the report of management's rapid response to the survey findings.

The results of the staff survey were received in early October 2008 and reviewed by the steering group on 16 October. Agenda Consulting prepared a brief summary of the key themes. The steering group reviewed the survey answers and also the responses to the free text questions. The data was grouped into core areas on the basis of consistent themes/issues being raised.

On 7 November the regular monthly CAFOD Staff Briefing was dedicated to presenting the summary results to staff. This briefing is recorded and sent to all overseas offices. In addition a special version of CAFOD One, CAFOD's internal newsletter, was produced focussing on the survey results. The overall survey results were also publicly made available on CAFOD Connect (CAFOD's intranet).

A number of Staff Discussion Forums on survey results took place in order to develop the action plan. The main forum took place in Brixton on 12 November, with diocesan offices and overseas offices feeding in separately.

Actions already taken or necessary have been set out in detail in Section 10 *Performance Data*. I have also reviewed the HR strategic action plan. I am satisfied that CAFOD has demonstrated its commitment to the People In Aid Code and to implementing improvements in its policies and practices.

MY OPINION

On the basis of the report, the documents I examined and my interviews with CAFOD staff, I believe the report presents a *complete* and honest view of CAFOD's implementation of the People In Aid Code of Good Practice.

Further, I believe it has heard through the staff consultations, identified through the Staff Survey, and through its Internal Audit function addressed the issues which are of concern (*material*) to employees and has clearly set out how it will *respond* to the limited shortcomings in its practice and to their needs.

In my opinion, CAFOD complies with the requirements for the award of the Quality mark for compliance with the People In Aid Code of Good Practice.

Comments on the reporting and audit processes

This is a very well produced report containing a comprehensive and thorough analysis of CAFOD's policies and performance in managing and supporting the people who work in the organisation. I did not consider it necessary to ask for any changes or additions to the draft report I received.

The Internal Audit function has made a notable addition to CAFOD's ability to monitor and manage its support and management of its employees.

The response to the Staff Survey is exceptional. Compared to response levels to CAFOD's previous staff surveys (around 30%), the 90% achieved with this survey was the result of a well planned and actioned communication campaign. Apart from the efficiency of CAFOD's process, the response indicates a high level of confidence on the part of the employees in the organisation's commitment to acting on the results. The short time span for completing returns gives the auditor a good level of confidence in the accuracy of the view given of staff opinions.

CAFOD is also highly commended for informing all employees of the results of the survey just over 5 weeks after the survey closed and for initiating extensive open consultations with staff only five days after the briefing.

I would suggest that other People In Aid member organisations could learn from CAFOD's achievement.

My thanks are due to Cathy Fitzgibbon for preparing the report and responding to my requests for clarifications and supporting data as well as to Barbara Wilson, OD and People Director, and Frank Sudlow, Unite shop steward.

Richard Evans

ethics etc...

Alnwick, 2nd October 2009