

INTERNATIONAL NON GOVERNMENTAL ORGANISATIONS ACCOUNTABILITY CHARTER

REPORT ON CHARTER COMPLIANCE

ORGANISATION:	PERIOD COVERED:	REPORT DATE:
OXFAM INTERNATIONAL	2006	15 th August 2007

1. Respect for Universal Principles

Intent

The Oxfam International confederation¹ was created in order to maximize the Oxfams² influence on decision-makers whose responsibility it is to promote human rights, including sustainable development, resource protection and other public goods.

External protocols

Oxfam International is committed to upholding the principles of freedom of speech, assembly and association as established in the Universal Declaration of Human Rights.

In the interest of regulating the way in which members apply the common principles of the its governing documents - the Constitution, the Code of Conduct and the Rules of Procedure - the confederation has made a series of agreements, including subscribing to:

- ? the Universal Declaration of Human Rights, its Covenants and protocols
- ? the Code of Conduct for the International Red Cross and Red Crescent Movement and Non-Governmental Organizations in Disaster Relief
- ? the Sphere Project's Humanitarian Charter and Minimum Standards in Disaster Response;
- ? International Humanitarian Law (*Geneva Convention* & its additional protocols)
- ? the International Non Governmental Accountability Charter
- ? the Global Reporting Initiative (and participation in development of the GRI NGO Sector Reporting Initiative)

Internal protocols

The confederation has also developed its own:

- ? Working Principles
 - ? Contract for Humanitarian Action
 - ? Principles for Humanitarian Responses
 - ? Programme Management Standards
- } both contained in the OI³ manual,
} the 'Humanitarian Dossier'

¹ Oxfam International is legally registered as Stichting Oxfam International

² As from January 2007 there are 13 full affiliate licensed to use the name 'Oxfam'; there are also two associated – Oxfam India and Oxfam Japan – who are working towards affiliation, along with one Observer Member – Fundacion Rostros y Voces (Mexico).

³ 'OI' is the usual abbreviation for Oxfam International or Stichting Oxfam International

? Financial Performance Standards

Oxfam International's Objects are described in this extract from the *Constitution*:

Article 2

'Whereas conflict, injustice and the denial of basic rights are, inter alia, major causes of poverty, and empowerment of the poor is necessary to achieve change, the objects of the Foundation are:

- a. to relieve poverty, combat distress and alleviate suffering in any part of the world regardless of race, gender, creed or political convictions;
 - b. to research the causes and effects of poverty, distress and suffering and to educate the general public and decision-makers as to the same;
 - c. with a view to the objects set forth under a. and b. to work as an international partnership of goodwill."
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The *Mission Statement* is:

"Oxfams believe that:

1. Poverty and powerlessness are avoidable and can be eliminated by human action and political will.
2. Basic human needs and rights can be met. These include the rights to a sustainable livelihood, and the rights and capacities to participate in societies and make positive changes to people's lives.
3. Inequalities can be significantly reduced both between rich and poor nations and within nations.
4. Peace and substantial arms reduction are essential conditions for development."

"Oxfams understand that:

5. Poverty is a state of powerlessness in which people are unable to exercise their basic human rights or control virtually any aspect of their lives. Poverty manifests itself in the inadequacy of material goods and lack of access to basic services and opportunities leading to a condition of insecurity.
6. All poverty is almost always rooted in human action or inaction. It can be made worse by natural calamities, and human violence, oppression and environmental destruction. It is maintained by entrenched inequalities and institutional and economic mechanisms."

"The Oxfam approach is that:

7. Our programs will:
 - a. address the structural causes of poverty and related injustice
 - b. work primarily through local accountable organizations, seeking to strengthen their empowerment
 - c. help people directly where local capacity is insufficient or inappropriate for Oxfams' purposes
 - d. assist the development of structures which directly benefit people facing the realities of poverty and injustice and which are accountable to them.
8. In all our actions our ultimate goal is to enable people to exercise their rights and manage their own lives.
9. For people to be able to exercise their rights:

- a. opportunities must be created so people can participate in governing all aspects of their lives, and
- b. they must have the genuine capacity to organize and take advantage of those opportunities.
- 10. Gender inequalities and other diversity issues will be addressed in our actions and programs.
- 11. In the economic arena, we will seek:
 - a. to enable people to meet their needs by creating opportunities within markets, while protecting themselves against the excesses of unregulated market forces
 - b. to strengthen institutions intervening in the market in the interests of the poor.
- 12. Preventing and reversing damage to the environment is essential to achieving sustainable livelihoods.
- 13. Action against violence must include:
 - a. coming to the aid of victims,
 - b. strengthening people's capacity to peacefully resolve conflicts, and
 - c. demanding a determined response from the international community where the situation warrants it.”

In working together the Oxfams believe that:

- 14. Oxfam International offers a unique potential to achieve greater impact on the causes of poverty and powerlessness by combining the diverse experiences of Oxfams and their partners.
- 15. The name "Oxfam" will stand for a clear and consistent approach. We can achieve this through closer cooperation in our communications, advocacy, education and public campaigns; fundraising; emergency, development programs and fair trading.

Oxfam International's purpose is to:

- 16. Further the Oxfams' common goals.
- 17. Promote, assist and co-ordinate collaboration among the Oxfams where this will result in a greater impact of the sum total of their joint efforts.
- 18. Protect the Oxfam name and enhance its standing.

Ethics

Underpinning the above is Oxfam International's approach to an important group of ethical principles: *impartiality, independence and neutrality.*

Impartiality

Oxfam International makes no discrimination as to nationality, race, religious beliefs, class or political opinions. It endeavours to relieve the suffering of individuals, being guided solely by their needs, and to give priority to the most urgent cases of distress. This is most simply expressed as being the fact that our responses will be driven by need and need alone.

Independence

The confederation is independent. The affiliates maintain their autonomy and resist any interference, whether political, ideological or economic. When accepting funding from any institutional or governmental source, affiliates ensure that there is no 'hidden

agenda' to that funding and that the organisation or its activities cannot be used to further a particular political or religious standpoint.

Neutrality

When working in situations of conflict and insecurity, it is important that Oxfam International or an Oxfam affiliate is perceived as a "neutral" actor on the ground in terms of the local political realities or conflicts. However, whilst Oxfam International strongly maintains its "impartiality", much of its global focus means that it cannot be completely "neutral" in all its work. The organisation's advocacy and campaigning work constantly takes it into discussions of a political, racial, religious or ideological nature. It is important that Oxfam International engages in these debates, expressing clear views and calling for policy changes to improve people's access to basic rights. These calls may be generic or in relation to specific issues or areas and by their very nature cannot be 'neutral'.

Strategy

The *Oxfam International Strategic Plan*⁴ defines how the confederation will ensure the achievement of the objectives set out in its Constitution and of the intent framed in the Mission Statement presented above.

The vision is structured into five 'Aims', each of which is described by 'Strategic Change Objectives'⁵ and supported by specific programme strategies:

Aim 1: the right to a sustainable livelihood.

- ? People living in poverty will achieve food and income security as well as greater protection of, and control over the natural resources on which they depend.
- ? People living in poverty will achieve access to secure paid employment, dignified working conditions, labour rights and be empowered to participate in and benefit from markets.

Aim2: the right to basic social services.

- ? People living in poverty will achieve tangible improvements in their health through increased access to affordable and adequate basic health services, clean water, sanitation and public health services.
- ? All children living in poverty will achieve their right to a good quality basic education, and adults living in poverty will have educational opportunities to help them overcome their poverty.

Aim3: the right to life and security.

- ? A significant reduction in the number of people who die, fall sick, or suffer deprivation as a direct result of armed conflict or natural disasters.
- ? A significant reduction in the number of people who suffer personal or communal violence, forced displacement or armed conflict.

Aim 4: the right to be heard – social and political citizenship.

⁴ The 2001-2006 Plan is entitled 'Towards Global Equity'. The 2007-2012 Plan, entitled 'Demanding Justice' was adopted at the November 2006 Board meeting and launched at the end of May 2007. Versions of both documents are available from the Oxfam International website, www.oxfam.org

⁵ Strategic Change Objectives are abbreviated to 'SCO/s'. They are listed under each Aim here. Programme strategies are described at length in the Strategic Plan document.

- ? Marginalized people will achieve their civil and political rights; will have an effective voice in influencing decisions affecting their lives; and will gain the moral support and skills they need to exercise these rights.

Aim 5: the right to an identity – gender and diversity.

- ? Women, ethnic and cultural minorities, and other groups oppressed or marginalized because of their identity, will enjoy equal rights and status.”

“Strategic Change Objectives” are the sustained positive changes in the lives of people suffering from poverty, injustice, insecurity and exclusion. To achieve these SCO’s, the policies and practices of institutions, communities and individuals must change. By definition, such objectives cannot be met by any one organization. Work is needed on a significant scale with the people concerned, and with local, regional, national and international policy-makers and institutions.

The SCO’s set high ambitions for impact and also provide a standard against which Oxfams’ program decisions, including appraisals and proposals, are measured.

2. Independence

Fundraising and decision-making

One of the basic tenets of Oxfam International, or indeed of being an ‘Oxfam’, is that of independence – in decision making, sourcing and application of funds, policy setting, etc. This principle is upheld in the structure of the confederation’s core agreements and Strategic Plans. Although the nature of a confederation is to remove a degree of *independence* in fundraising and planning, Oxfam maintains the *autonomy* of each organisation and its responsibility to manage and apply its assets in a substantially independent fashion.

The Oxfam International *Code of Conduct* sets a condition on members that they must:

3.h *typically, raise a minimum of 20-50% of their income from their local community in order to guarantee independence from government and to demonstrate that they are strongly rooted in their own society with local community support. The contribution of an active local volunteer base should also be taken into consideration in assessing independence and local support.*

4.i *exclude formal religious or political affiliations or other such affiliations which may compromise its independence;*

Oxfam International

The activities of the ‘*Oxfam International*’ confederation are governed only by its Board, which consists of the Chairpersons of each Affiliate Board, or their designated alternative person, and the Executive Director of each affiliate.

The relationship between affiliates and the confederation is regulated by the Oxfam International Constitution, to which all have signed, but also by an *Affiliation Agreement* that details the obligations of affiliation.

The activities of the *central coordination and liaison body*, the Dutch-registered 'Stichting'⁶ *Oxfam International*, are also governed by the Board. The Oxfam International Secretariat is the liaison office for the confederation of 12⁷ affiliates, and has seven representative offices around the world⁸. It coordinates aspects of the Oxfams' work around the world and protects the Oxfam brand.

All Stichting activities are funded by annual contributions from affiliate members. Additional funding is occasionally sought from external sources for specific projects as agreed by the Board. Such contributions support rather than direct these projects.

Intellectual Property

Stichting Oxfam International owns the trade mark for the Oxfam International logo – the visual mark. Oxfam GB owns the trade mark in the name 'Oxfam' and has delegated to the Stichting the responsibility for licensing and protecting the use of the name.

A licence has been established with each affiliate assigning permission to use the OI logo and, where relevant, the Oxfam name. Founder affiliates already held the right to use the name and their obligations are managed within their commitment to uphold the provisions of the OI Constitution.

3. Responsible Advocacy

The strength of Oxfam's brand depends on the highest standards of integrity, transparency and accountability in its advocacy, campaigning, development programming, humanitarian response, fundraising and communications.

Oxfam International affiliates have undertaken⁹ 'to plan and undertake their activities, including public advocacy and campaigning activity, in the spirit, and with the intent, of avoiding a material adverse effect on other Affiliates, Oxfam International or the Oxfam name or brand more generally'.

Oxfam International advocacy staff are highly knowledgeable about the thematic and geographical areas with which they work. They research facts and intelligence from Oxfam's program and partners, and maintain close communication with external experts, to ensure accurate and timely information. This information is used to develop strong policy positions which Oxfam staff advocate to the highest level political decision-makers.

This evidence- and research-based policy and advocacy forms the intellectual and strategic bedrock of Oxfam International's campaigns. Oxfam campaigns aim to generate public understanding and support to secure political change, by maximizing the impact of Oxfam's voice and that of its partners, on decision-makers.

In communicating Oxfam's work, our campaigns and media teams operate to agreed strategies and terms of reference to reach consensus from key stakeholders (e.g.

⁶ A 'Stichting' in this instance is a Netherlands 'not-for-profit foundation'

⁷ Oxfam France – Agir ici joined the confederation in January 2007, bringing the total affiliation to 13

⁸ Oxford (UK) – Secretariat Headquarters; Washington DC (USA), New York (USA), Brussels (Belgium), Geneva (Switzerland) – these are all advocacy offices; Spain (Humanitarian Coordination); Tokyo (Japan) - Japanese liaison.

⁹ Article 6b) of the Code of Conduct

regional staff, OI affiliates, partners) about content and tone as early as possible in the process.

Involvement of these stakeholders, internal and external to OI, helps to ensure a sensitive and appropriate presentation of issues, highlighting the facts and avoiding exaggeration and inaccuracy.

Advocacy work and related communications often carry an institutional and sometimes individual risk due to the nature of the issues addressed. Oxfam takes such concerns very seriously and considers the management and mitigation of such risk carefully.

4. Effective Programmes

Oxfams believe the most effective programmes take an inclusive approach towards the communities which those programmes are supposed to benefit. This includes upholding the principle of participation and leadership of partners in work that will affect the quality of their lives and the preservation of their rights. Oxfam International and other international coordination bodies must be willing and able to prove that their approaches work and that their model of participation will make a lasting difference.

Indicators

The NGO sector must plan in such a way that its effectiveness can be monitored and evaluated properly. Much work has been carried out on this during the evaluation phase of Oxfam International's Strategic Plan which covers 2006, and during the preparation of its new Plan. Oxfam acknowledges that quantitative data to support the qualitative assessments of program effectiveness is difficult to obtain. Oxfam intends addressing this as a priority in its next operational phase, as described in its 2007-2012 Strategic Plan.

Planning and management structures and tools to support effective programmes

Within Oxfam International, programme budgets sit at the affiliate level . Programme managers collaborate through the Regional Strategic Teams¹⁰, but are managed through the affiliate lines. Programmes and affiliate strategic plans are increasingly being *aligned*¹¹ to the overall OI Strategic Plan and refer to a tool called the Indicative Allocation of Financial Resources¹².

The *Programme Management Handbook* and *Programme Management Standards* were developed in 2002 to provide OI guidelines and a standard approach to support effective programming. These documents are updated from time to time as the nature of the confederation changes and its level of joint work increases.

¹⁰ RST – the cross-confederation regional cooperation structures

¹¹ 'Alignment': Oxfam affiliates determine their own programming strategy as a function of course of need, but also related to the interests of their local funding and advocacy market, and their historic geographical links. Within Oxfam International, affiliates have committed to *aligning* their programme profiles with the global Oxfam profile, but this does not preclude their undertaking other independent programme activities which are broadly consistent with the agreed overall OI policy.

¹² IAFR – a joint projection by the Oxfams, for internal management purposes, of the spread of programme resources currently and over time. This is used as a guide for reallocation of resources between global Oxfam-funded programmes and management structures, in the interests both of addressing most effectively the needs and of increasing efficiency in use of resources, whilst maximising benefit from the distinctive competencies of the affiliates.

All work in the humanitarian, advocacy and campaigns arenas is defined as joint OI work. This means being held accountable to multiple stakeholders, including partners, and affiliates holding each other to account in the RSTs for implementing joint agreements. This includes joint investments in areas such as monitoring, evaluation and learning, research and development and capacity building of staff and partners. Joint work does not however imply joint management unless affiliates decide to do so, taking quality, impact and efficiency into account.

Monitoring, Evaluation and Learning

'MEL' has long been a focus for Oxfam. Programmes are evaluated at field level via affiliate systems at various levels of engagement and expenditure.

Joint Oxfam programmes are subject to differing levels of evaluation and audit, according to the level of joint investment with a particular partner organisation. For instance, a \$250,000 joint investment by the Oxfams with one partner is a trigger for a full audited partner annual financial statement, together with an activity analysis showing how the Oxfam grant(s) were used¹³.

An audit or an evaluation reveals lessons on how a program can be improved. The ongoing challenge is to bring those lessons into the wider Oxfam programme and the NGO sector as a whole, where possible.

Oxfam International invests in people and time to increase the learning, monitoring and evaluation capacity of the confederation, both at headquarters and in regions. Narrative evidence is available from across our work: we can show our advocacy work having a direct influence in major policy areas, and our humanitarian response clearly helping to change peoples' situations. However, quantitative data is much more difficult to obtain in relation to long-term development programming. It is important that Oxfam International be able to demonstrate the effect that its involvement with partners has had on improving people's lives and rights.

Oxfam intends to be better able to identify and present its impact on the humanitarian and development arena, and to feed this information into improvements in programme practice. This is one of the main areas in which we will develop future reporting, both internally and externally.

Data collection

To date, we have collected income and expenditure data annually through a spreadsheet-based 'mapping' process. This has provided valuable management information about distribution of resources, according to a number of subsets such as Region, Country, DAC¹⁴ sector and income source, but has been insufficient in itself to contribute to empirical programme impact assessment.

Information consolidation is labour-intensive because most Oxfam affiliates have different operational systems, legislative contexts and financial years. Such is the evolutionary nature of a confederation. Oxfam's central coordination body, the Stichting, is not a control structure with a mandate to implement joint systems and solutions. However, the Stichting is improving the collation and presentation of the basic information about what the Oxfam confederation does, and how effective it is.

¹³ As specified in the Oxfam International Financial Performance Standards, first produced in 1999, and updated in 2006. These are commonly referred to as the 'Financial Standards'.

¹⁴ Development Assistance Committee

An OI Management Information Review will determine the level of information which the confederation needs now and in the future to contribute to its transparency and effectiveness. This assessment will also cover the level of consolidation and consistency which it is possible, or desirable, to achieve in joint data holding, analysis and reporting.

Recommendations are expected during 2007 on possible common systems which the Secretariat, affiliates, or the confederation could adopt to improve data coherence, consistency and reporting.

5. Non-discrimination

Non-discriminatory action is enshrined in Article 2a of the Oxfam International Constitution (quoted at the beginning of this report). In all activities Oxfam International aims to avoid discrimination – the exception being as described above in relation to advocacy initiatives where the rights of the disadvantaged need to be prioritised in different ways in order to advance and protect them in relevant fora.

Article 4.h of the OI Code of Conduct states that each affiliate must: ‘adhere to a principle of non-discrimination in its staffing, individual volunteer membership and programmes with respect to race, religion, gender, sexual orientation and physical ability;’

The organisation states its intent to be an Equal Opportunity Employer and at all times considers applications from suitably qualified or experienced candidates irrespective of race, gender, creed or political convictions.

6. Transparency

Oxfam International is committed to transparency in its affairs and has undertaken initiatives (some described above, such as the Management Information Review) to promote this. Adherence to a range of sector accountability mechanisms, including the IANGO Charter, is part of that.

Where security and data protection considerations are not relevant, information is available on request from the Oxfam International Secretariat, subject to the availability of time.

The OI website presents a range of information about Oxfam International – the coordination function as well as the confederation – and includes links to affiliate websites where details can be found about their programmes and campaigns. The Constitutional documents, along with the Annual Report and the Board Accountability policies, are published on the OI website. Public enquiries received via the site are handled by staff that have access to relevant information to respond to a range of questions, or to redirect the query to affiliates as appropriate.

6.1 Reporting

External

OI publishes an *Annual Report* (which contains a summarised Balance Sheet and Statement of Financial Affairs). This is produced by the Oxford office of the Secretariat

and normally presents snapshots of the activities of the confederation, along with limited data on programme spend across the affiliates. Detailed reporting on this spend is currently achieved via affiliates' own reporting mechanisms. The Management Information Review referred to above may enable OI to produce auditable centrally-consolidated expenditure reports, but this is likely to be some time in the future.

We seek to comply with all relevant governance, financial, accounting and reporting requirements in all of the countries where we operate. The national OI offices report as required within their local regulatory environment, for instance the UK office deposits its *annual accounts* with Companies House, the US operations submit the annual *Federal 990PF* form and bi-annual forms *5500c*.

OI reported within the *One World Trust* framework for the 2006 year and within the *Global Reporting Initiative* guidelines for the 2005 year. It is also helping to develop the NGO Sector supplement of the GRI. This present report is the first in the *INGO* context and covers the year since the Charter was established.

Internal Confederation

Affiliates report on a range of issues to the OI Board each year, including institutional and policy developments, infrastructure plans, key achievements, development and humanitarian issues of concern, and institutional risk. These reports contribute to the *OI Executive Director's*¹⁵ *report to the Board* and to the overall OI Risk Report.

A bi-annual system of *Peer Reviews* exists to monitor compliance with the OI Financial Standards. Reports from this are published internally and highlight areas where affiliates can learn from each other, including changes in financial systems and policies. The Finance Directors' group manages the Peer Review process, within terms of reference agreed by the OI Board. The OI Secretariat participates in the reviews.

Stichting

The Management Team meets fortnightly and receives reports on team members' activities and on those of their own teams.

Monthly expenditure-against-budget reports are available from the accounting system for all budget holders. Summarised Management Accounts are prepared quarterly and presented to the Management Team. Limited staff resources mean that the Secretariat has restricted the level and frequency of internal financial reporting, but this is to increase in 2007.

The OI Executive Director's report to the Board includes sections on all operational areas of the Secretariat's work: Advocacy; Brand and Communications; Finance; HR; IT; Legal Affairs; Marketing; and Programme.

Reference has already been made above to the *Mapping* process; reports based on this data are presented annually to the Board and to other groups as required

¹⁵ The Oxfam International Executive Director is also referred to in this report as the 'OIED'.

6.2 Audit

The Financial Standards provide the framework for audits within the confederation, and demand that all audits are regulated by national law and generally accepted accounting principles (GAAP). Published financial statements must carry a certificate from an accredited external auditor indicating they have examined them in accordance with *either* national standards *or* the International Standards on Auditing published by the International Federation of Accountants (IFAC).

The Financial Standards themselves were designed in collaboration with external consultants, who developed the details and verified compliance with relevant regulatory mechanisms.

The Oxfam International accounts are consolidated and audited in the UK each year. This audit includes test verification of evidences from the non-UK offices.

6.3 Accuracy of information

The Financial Standards require that all transactions are coded and recorded accurately in the accounts. The audit process verifies this.

Oxfam International is registered under the Data Protection Act (UK) 1998. This requires Oxfam to retain, in secure storage, only essential details about individuals, and that these are maintained in an up-to-date state and with the knowledge of those individuals. The organisation updates information in its contact database, HR records, financial records, etc. and is adapting its systems to ensure its obligations are met.

The source data from affiliate recording systems is accurate as per audit requirements. However, the accuracy in *consolidated* mapped global programme information is unreliable due to differing reporting periods and some differences among affiliates in classifying expenditure. Although there are manual reconciliations of affiliate components back to audited figures, the overall numbers cannot easily be verified. They have thus been primarily used for internal indications of the spread of programming and application of Plans, rather than externally. The Management Information Review is addressing this. It is intended that in future it will be possible to produce accurate, consolidated reports for both internal and external use.

7. Good governance

Oxfam International's Board comprises the Chairs (or their designated alternates) of each affiliate Board, and the Executive Director of each Affiliate. Each Affiliate holds one equal vote in the Board, and this vote is exercised by the Affiliate Chair.

OI Board Officers including the Chair¹⁶ are elected by the affiliates through a secret preferential ballot. All board members come from affiliate boards – there are no independent trustees. The Chair may be the chair of an affiliate or may be an additional person from an affiliate board. OI Board Officer posts have Job Descriptions and their terms of office are governed by Article 15 of the Rules of Procedure.

Decisions are usually made by consensus. Where votes are needed, normal decisions

¹⁶ Board Officer posts are Chair, Deputy Chair, Treasurer

may be decided by a 75% majority of affiliates. Constitutional changes can be blocked by any two affiliates. This may relate to proposals which could compromise an affiliate's sovereignty (which is protected by the Constitution).

Each affiliate uses its own method of selection for its chair. Affiliate boards have adopted accountability mechanisms for electing or selecting their boards which are appropriate to their context. In the case of OI, the 'members' are the affiliates. Any affiliate can request to put an item on the OI agenda or call a special meeting of the board.

The OI Board meets in person once per year (usually November) to consider governance issues, strategy and financing. The Executive Directors meet as part of the Board but also separately in November and May to do board preparatory work, to share operational management and to manage the executive affairs of Oxfam International. In approximately alternate years the Board meeting is supplemented by a Consultative Forum comprising a wide range of partners and stakeholders. This Forum provides a space for discussion about concepts and strategies as well as for getting feedback direct from partners about OI's involvement in the development, humanitarian, advocacy and campaigning arena.

Board members and the Executive Directors also meet in their groups regularly by teleconference (quarterly and monthly respectively).

The OI Board has adopted Board Accountability policies – in the interests of transparency and good governance these are published on the OI website. They include: 1) Information on governance; 2) public information disclosure policy; 3) complaints; 4) whistleblower policy. As appropriate, these are reproduced below within the body of this report.

8. Ethical Fundraising

Oxfam International engages in very limited fundraising, mainly to support the fundraising activities of affiliates and occasionally to contribute to a confederation development initiative that cannot be funded by internal contribution. The principle of ethical fundraising has been adopted across the confederation.

8.1 Donors

All donors to Oxfam International (the organisation as opposed to the confederative structure) are subject to ethical checking procedures at levels appropriate to the scale of donation. Mechanisms used include internal assessment criteria as well as those available through, for example, EIRIS¹⁷.

Clear criteria are established for all donations received and financial/narrative reports are available according to schedules and requirements agreed with donors.

¹⁷ EIRIS: Ethical Investment Research Service (www.eiris.org). European research organization founded by churches and charities to investigate companies' ethical, environmental and social policies and performance. Also provides information to the general public

8.2 Use of donations

Donations to Oxfam International are generally for specific purposes and are managed as 'restricted' or 'allocated' funds to facilitate tracking of the use of donations through the accounting system.

Donations in 2006 were chiefly contributions in cash and time towards the development of a major open-source-software Content Management System to run public and internal websites for the Secretariat and the affiliates, providing online collaboration, and working and information-sharing spaces. Detailed reporting has been delivered on this funding.

8.3 Gifts in kind

Oxfam International benefits from pro bono legal advice and legal services in a number of locations. In 2006 it received second-hand office furniture donated for the Oxford office.

8.4 Agents

Oxfam International does not currently appoint, fundraise via, or work through, agents.

9. Professional Management

9.1 Financial controls

Operation of the financial systems is guided by the Financial Standards, which comply with international accounting standards.

Overall budgets are approved yearly at board level and, once issued, are the responsibility of designated budget holders. The OI Executive Director is responsible for ensuring that the financial activities of the Stichting are carried out within policy and broadly according to the budget projections agreed by the Board. The ED has the freedom to adjust allocation of budget as necessary to achieve the objectives, within the funding realities of the period in question. Any proposal for expenditure outside agreed policy or previously agreed budgets is referred for advice to the Global Coordination Team¹⁸ and for decision to the Executive Directors and/or the board, as appropriate.

There are established standard authorisation levels for all expenditure within Oxfam International, with two signatories required for all payments above a certain level depending on the country and currency of operation.

If an authorised signatory/ies is temporarily absent, notification of a temporary alternate signatory/ies is circulated in advance.

The accounting function in the USA is outsourced to a firm which prepares the detailed accounts and undertakes local statutory and management reporting on behalf of OI. This firm helps in ensuring that financial controls are implemented as intended and according to US law. Other offices run their accounts on a spreadsheet-based imprest system, with external advice sought when necessary, and with the financial reports submitted to the UK office on a monthly basis.

¹⁸ The 'GCT' is a cross-disciplinary non-representational group of senior managers with affiliate-level budget and strategy responsibility; this group (and its sub-groups) advises the Executive Directors on planning and operations reality, recommends decisions on strategy and budget, and leads implementation of the Operational Plan across OI.

All OI office financial reports are centralised into the UK office for verification and consolidation into the overall management accounts. The UK accounting function leads on ensuring the implementation of financial procedures and controls in all offices, adjusting systems and introducing new tools as needed. The basic financial procedures and forms are documented in the OI Handbook, though further work is planned to expand this once more staff are in place.

9.2 Evaluation

Oxfam International's role in evaluation is that of facilitating the processes of the Learning, Evaluation and Accountability Programme, led by the LEAP cross-confederation standing committee (a sub-group of the GCT).

The LEAP group, consisting of the affiliate staff with the greatest experience in this area, advises on evaluation and monitoring standards and develops frameworks for use in monitoring progress towards the joint strategic objectives. LEAP reviews sample programme evaluations or contributes to such evaluations. Programme evaluations are planned, scheduled and paid for within the affiliates implementing the programmes.

Mid-term and period-end evaluations of the Strategic Plan 'Towards Global Equity' were undertaken under the guidance of the LEAP and GCT, together with the coordination and leadership of Secretariat staff.

Major investment is planned for 2007 and 2008 to strengthen Secretariat staffing support for the processes and to place staff in regional centres to develop evaluation and learning in the work of the Regional Strategic Teams.

9.3 Public criticism

Oxfam ensures that comments made about other actors in the public arena, whether individuals or organisations, are based on conclusions drawn from factual evidence. As described in Section 3 – Responsible Advocacy, this factual basis, along with partner and other stakeholder participation, helps to avoid inaccuracy.

Whilst being responsible about its own public comments, Oxfam International believes that it must be prepared also to receive and address comments from the public.

Oxfam International's Accountability Policy states that:

"Oxfam believes that any stakeholder has the right to raise a complaint, have that complaint addressed and receive a response for mistakes, wrongful actions or breaches of the codes to which OI and its affiliates subscribe.

3.1 Making a complaint

The OI website will provide information to stakeholders on how to make a complaint either about OI activities or affiliate activities. These will be referred appropriately (as happens now) to the relevant affiliate or dealt with by OI staff, and the OI ED if necessary. Every effort will be made to address and resolve the complaint at affiliate level. All complaints will be logged.

All complaints should be addressed to the Executive Director in writing by email or mail. OI will endeavor to assess and respond to complaints in writing as quickly as possible

(preferably within two weeks). Complainants will be kept informed of delays to investigation of an issue (e.g. due to unavailability of relevant staff, etc), or where it has been referred to an affiliate. This process is not open to affiliates or their staff and does not replace an affiliate's own processes.

3.2 Complaints about affiliates' activities

In the first instance complaints about an affiliate's activities will be referred to the affiliate and no further action will be taken by OI.

If the complainant comes back to OI with a complaint that is well-founded but not satisfactorily addressed by the affiliate, it will be discussed with the affiliate ED, in line with the process for managing brand risk in the Code of Conduct, and using that process, may be escalated to the OI Board if not solved at ED level.

3.3 Complaints about OI activities

Where there is a complaint about the joint activities of OI (e.g. an OI campaign, a programme, or advertising, etc), the relevant OI manager will investigate and, if the complaint is well founded, endeavour to provide redress (e.g. a retraction, or recompense, etc), or where this is not possible or appropriate, provide a formal written apology. If a complaint involves the manager it will be dealt with by the OI ED, or if s/he is implicated the OI Chair of the Board.

If the complainant is still not satisfied, the complaint may be referred in the first instance to the OI Management Team for a response through the OI ED, and beyond that to the Board. Frivolous or vexatious complaints will not be investigated.

3.4 Complaints about OI Secretariat

Where there is an unresolved complaint about the OI Secretariat, the Chair will nominate up to three affiliate Executive Directors to deal with the issue so as to offer the complainant a separate process from the Secretariat to seek redress. If this is not resolvable, the issue will be dealt with by the Board.”

9.4 Partners

The relationship with partners is a crucial feature of Oxfam International's approach. We work with partners to build alliances and movements for change. Our partners range from community groups and local or national NGOs, to large alliances, governments and corporations. Oxfam intends always to sustain a reliable, open and mutually respectful relationship with its partners, to hold them to account, as well as to be held accountable by them.

Improved reporting and access to internal and on-line information systems will improve mutual accountability. It will also help partners to contribute their ideas to the development of Oxfam strategies and programmes, and of each others'.

The most effective programmes are those where there is full and appropriate participation of the people whose lives are affected. Due to the nature of field programme work, most of Oxfam's partner relationships are maintained by affiliates rather than with Oxfam International. It is important that relationships are managed responsibly, so all Oxfams are required to establish contracts with their partners which detail the mutual obligations, establish that due attention has been paid to the validity of

the funding, and that there is as much certainty as possible that no funds will be used for money-laundering or terrorist purposes. This provides mutual protections to the partner, Oxfam and donors that resources are being applied and managed responsibly.

9.5 Human Resources

Numbers and roles

In 2006 OI employed 46 people across seven locations. They covered a range of roles from management to specialist advocacy, humanitarian response and programmatic skills. The structure is as non-hierarchical as possible, whilst providing for clear decision-making responsibility and accountability. The Management Team comprises the seven senior managers, including the Executive Director who is responsible to the Board, and there is a small middle-management cadre which coordinates specialist team activities.

Recruitment and selection

OI aims to be an equal opportunities employer. Most posts are advertised externally as well as internally (exceptions would include for example short-term secondments within the confederation, or posts ring-fenced in the case of restructuring) and all are open to all suitably qualified and/or experienced candidates.

Appointment to posts is dependent on the availability of appropriate visas and permits. OI operates within the employment legislation of the base country.

Where location is not critical for delivery of the duties of a particular post, OI will consider alternative locations.

Operational guidelines for staff

The Secretariat maintains a manual for staff on how to operate within OI offices, including guidance and regulations for staff and managers, and financial and other system templates. This manual is being revised better to support the increased staffing level and systems complexity.

Remuneration policy

OI intends to provide a fair remuneration for all employees, taking into account affiliate and other comparable-NGO pay schemes, local economic conditions, purchasing power in the country of employment, and depending on funds available to Oxfam International.

Oxfam's principle is to avoid very large multipliers between post groups, along with the intention to pursue a non-hierarchical working atmosphere, within the constraints of the need for a clear decision-making structure and points of responsibility for the work of OI.

Posts are established in 'job groups'; OI operates a system of annual pay progression for all staff, in addition to any cost of living increase which may be awarded. This is subject to the availability of funds. A Performance Review system manages the application of any increases.

There is a clear route for handling any staff grievance with the remuneration policy or practice.

9.6 Bribery and Corruption

OI expects the highest levels of integrity from its staff and workers. Subscription to international principles provides the ethical and legal framework within which staff and

partners must operate. Within the OI offices, evidence of bribery or corruption by a staff member would be cause for dismissal. The whistleblower policy provides the framework for reporting such behaviour.

Oxfam International affiliates establish codes of conduct for their staff including reference to the unacceptability of corrupt or illegal activities.

The principles established in the Sphere Handbook Common Standards, and the associated Guidance Notes frame the Oxfam International approach to handling bribery and corruption in *humanitarian responses*. These principles demand that staff can recognise such activities, refrain from them and understand how to deal with the positions of relative power in which they and others are placed when managing resources.

These principles carry through into long-term development programmes: the Program Management Standards as contained in the Program Handbook provide guidance to staff on programme appraisal issues in relation to accountability, non-discrimination and the absence of corruption.

9.7 Respect for Sexual Integrity

This subject is often most in focus during humanitarian responses. Staff are inducted to be aware of the issue and affiliate codes of conduct specify expected behaviour from employees and stipulate that inappropriate sexual conduct is not acceptable, as well as the responsibility of staff to protect the rights of others in this context.

The notes to Sphere Common Standards No 7 apply here, and the importance of the issue is stressed as part of programme planning:

Extract begins:

1. Staff need to be aware of the extent to which crimes of violence, including rape and other forms of brutality against women, girls and boys, can increase during times of crisis. Staff and field partners should know how to refer women, men and children seeking redress for human rights violations, and be familiar with procedures for referring survivors of rape and sexual violence for counselling, medical or contraceptive care. Staff should be aware that women and children are frequently coerced into humiliating, degrading or exploitative behaviour. Sexual activity cannot be required in exchange for humanitarian assistance nor should aid workers be party to any such forms of exchange.

Extract ends

9.8 Whistle-blowers

Per 7.0 above, the Board has adopted a specific Whistleblowers Policy, which is included in the Board Accountability Policy. The Policy states that:

“Oxfam International encourages Board members, managers, staff, interns and volunteers to report evidence-based instances of malpractice of OI or its affiliates to their manager, the Executive Director or if necessary the Chair of the Board or another Board Officer. This may be done in confidence and without fear of reprisal; OI will protect whistleblowers from victimization and dismissal.

If the matter relates to an affiliate the issue will be directed to the appropriate manager or affiliate ED.

4.1 Raising a concern

Any member of staff, intern or volunteer who has evidence of an instance or instances that the actions of someone working for OI could lead to, or has knowingly resulted in:

- A criminal offence;
- A failure to comply with any legal obligations;
- A breach of ethical standards subscribed to by OI;
- A miscarriage of justice;
- Damage to the environment;
- Danger to the health and safety of any individual, or
- The deliberate concealment of information, which may lead to any of the matters listed above,

should raise the matter with their immediate manager or that manager's manager if the former is implicated in the issue. This may be done verbally or in writing and should include full details and supporting evidence.

4.2 Assuring confidentiality

Under this policy, OI guarantees full confidentiality. If it is not possible to resolve the concern without revealing the complainant's identity, the manager will discuss the implications with the complainant and a decision to proceed (or not) with the investigation will be made.

In order to avoid hindering an investigation into malpractice and to prevent frivolous or malicious complaints, anonymous disclosures will be discouraged.

4.3 Investigation of allegation

OI will endeavor to deal with disclosures as sensitively and quickly as possible. An appropriate person nominated by the OI ED, or where necessary the Chair, will investigate the allegation within two weeks of the disclosure having been made. The complainant may be asked for further information during the course of the investigation.

4.4 Outcome of investigation

On completion, appropriate action will be taken to resolve the issue, which may result in disciplinary action (including dismissal or referral to relevant authorities). The complainant(s) raising the issue will be informed of the outcome of the investigation as soon as is practicable. If they are not satisfied with the response, the matter will be referred to the OI ED or if that person is involved in the case, to the Chair.

4.5 Protections

Oxfam International will take appropriate disciplinary action (including dismissal) in accordance with Disciplinary Procedure against any OI staff member:

- Found to be victimizing another staff member, intern or volunteer for using this procedure, or deterring them from reporting genuine concerns under it; or
- Making a disclosure maliciously that is known to be untrue, or without reasonable grounds for believing that the information supplied was accurate."

REPORT ENDS

[In Annexe is the Oxfam International Annual Report for 2006; this will be supplied as soon as it is finalised]