

DanChurchAid Complaints Report 2018

Contents:

1. About the report.....	1
2. Executive summary and highlights	2
3. Complaints received in 2018	3
3.1. Non-sensitive complaints	3
Non-sensitive complaints in Denmark.....	3
Non-sensitive complaints received in our country-offices.....	5
3.2. Sensitive complaints	5
4. Activity report 2018.....	9
4.1. Evaluation against the core humanitarian standard	9
4.3. Measures related to Anti-corruption.	10
4.4. Working with partners.....	10
4.5. Planned focus-area for 2019	10

1. About the report

Transparency, accountability and learning continues to be a central commitment in our work. In this annual report, we present some of the key issues we have been working on related to the complaints mechanism during the past calendar-year and then we publicise an overview of the complaints we have received in our complaints system throughout the year on our website.

DCA categorises the complaints we receive into two types: sensitive and non-sensitive complaints:

- **Non-sensitive complaints** are complaints about **shortcomings** in the performance of activities and processes of DCA, for example if partners, rights-holders or donors believe DCA has not lived up to its operational standards (and the issue addressed is not classified as a sensitive complaint).
- **Sensitive complaints** are complaints about (suspected) breaches of national or international law, the DCA staff code of conduct, and the policies referenced in it or issues relating to international human rights law. Sensitive complaints have two overall sub-categories: cases related to corruption (corruption-cases), and cases related to other sensitive issues such as staff misconduct (other sensitive cases).

Cases related to alleged corruption are published on our website as they are received throughout the year. They are then collected in this report year by year. We are committed to this high degree of transparency because we believe that one of the key ways to fight misconduct and corruption is a way to ensure broad organisational learning.

As the character of the cases most often is sensitive, it is very important to safeguard the people involved and the evidence collected. Thus, we decide on a case-by-case basis to what extent we need to anonymise the information before it is made public. For the same reason, we never publicise names of individuals who

bring forward complaints or are either witnesses, investigators, decision makers in the process of handling a specific complaint.

Alleged cases of sexual misconduct or breaches to our Staff Code of Conduct are not publicised. This is based on safety and protection considerations as it often involves matters that are extremely sensitive to everyone involved, but most of all the victims of abuse and exploitation.

We hope this report will give the reader an understanding of the great lengths to which we go to handle each case with diligence as well as of our constant effort to ensure that every donated kroner is used for its intended purpose and that everyone trusted with a position of power in DCA, is aware of our values regarding expected staff behaviour and code of conduct.

Each year, a member of the DCA board acting as a designated focal point relating to the complaints mechanism selects several sensitive cases and conducts a quality assurance (spot check) of the process and decisions made during the complaints handling process.

2. Executive summary and highlights

This year's report gives insight into the special efforts made to address the shortcomings identified by the external auditors who conducted the audit of DCA against the Core Humanitarian Standard. This has included: 1. Roll-out of an interactive online training course for all staff on our Staff Code of Conduct and the expected staff behaviour; 2. Development and roll-out of an updated staff policy to prevent sexual exploitation, abuse and harassment, and 3. Continuous strengthening of our global network of focal point persons engaged in maintaining and improving complaints procedures in our country offices.

A total number of 86 complaints were received in 2018 at Head Office in Copenhagen. Of these, 69 were non-sensitive complaints received and resolved at our Head Office. There were 17 sensitive complaints received globally and resolved at Head Office; 9 of these complaints related to corruption or alleged corruption and 8 related to alleged sexual misconduct or other breaches to our staff code of conduct.

The total number of non-sensitive complaints at Head Office is a bit higher than what we have seen over the past years. The number of sensitive complaints is the same as in 2017, but with a decrease of cases related to suspected corruption or financial misconduct and an increase in cases of other types of breaches to the code of conduct, hereunder sexual misconduct.

Like 2017, some of the sensitive cases dealt with in 2018 also required the use of considerable resources and time and were more complex than previously experienced. In several cases we have hired and assisted external investigation teams to ensure independent and professional investigations that follows due process for administrative investigations.

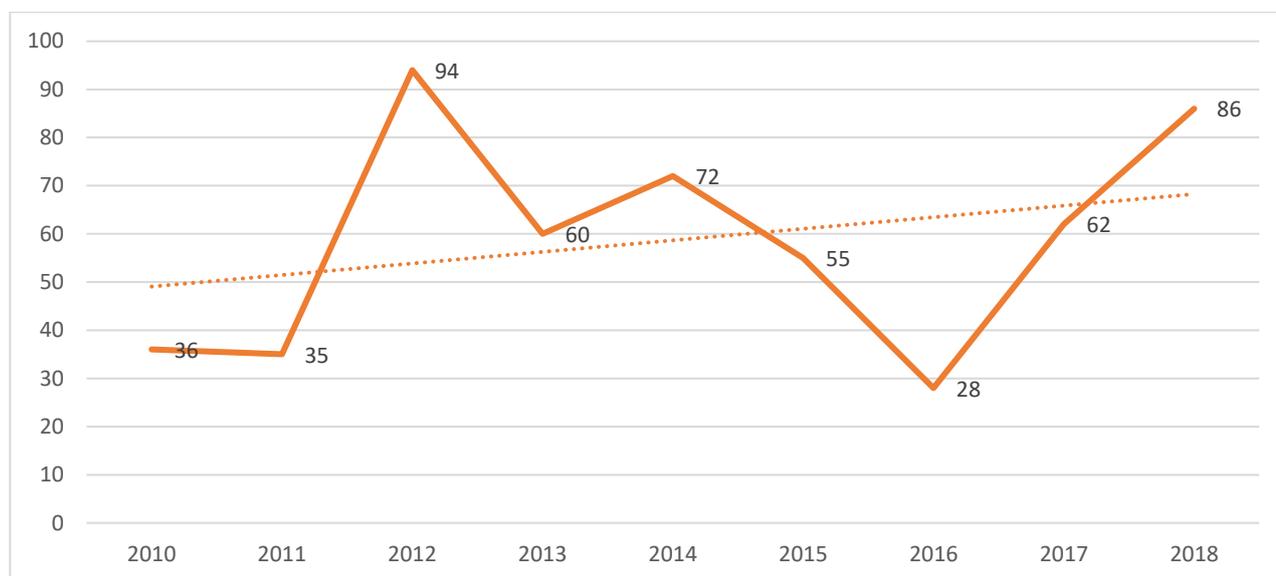
Non-sensitive complaints received at the DCA country offices around the world are handled as close as possible to the place of origin of the complaint. In 2018 we received and resolved a total of 133 non-sensitive complaints at the country office level.

The section below presents a breakdown of the numbers presented above and some further details on the types of complaints received throughout 2018.

3. Complaints received in 2018

In 2018, DCA received a total of 86 complaints including both sensitive and non-sensitive complaints at Head Office in Copenhagen.

The graph below shows the development in the total number of all types of complaints received at Head Office over the past nine years:



The fluctuations we can see can be explained by specific activities or campaigns – please see section 4.1 on operational complaints for a detailed analysis.

Globally, we received a total of 219 complaints, of which 202 were non-sensitive complaints. This is the second year where we report on the total global number so there is little data to use in terms of analysing trends.

Generally, we see an increase in the number of complaints as a success: the indication is that our staff and stakeholders trust us to deal with their grievances in a responsible and safe manner. When we compare the total number of complaints to the number of people we reach, the many stakeholders we engage with and the complexity of the world we work in, we do not find the numbers shocking or disproportionately high.

Below, we give a breakdown of types of complaints received.

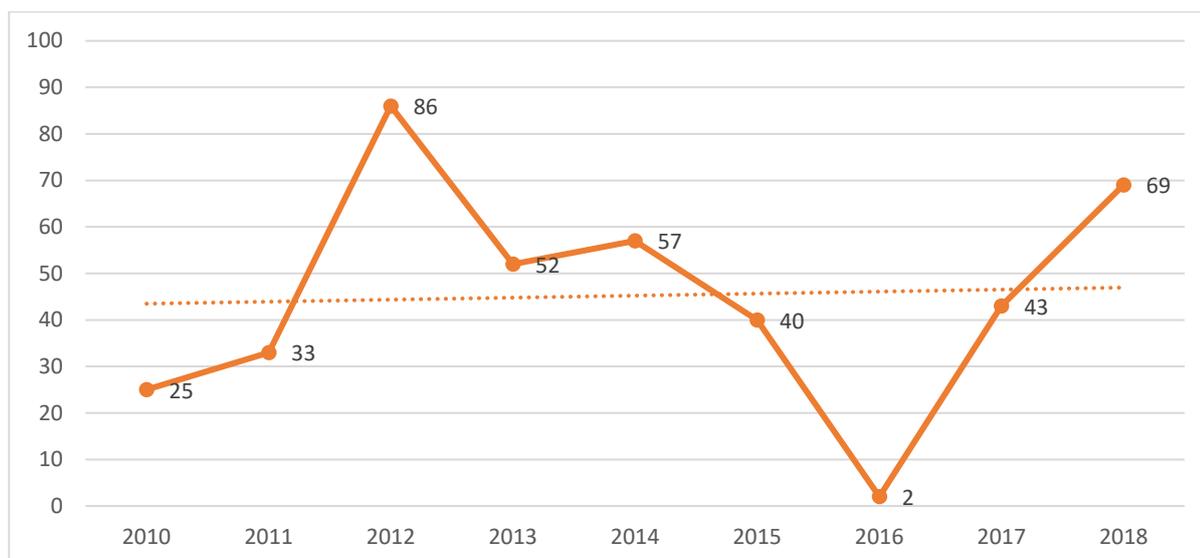
3.1. Non-sensitive complaints

Non-sensitive complaints are handled as close as possible to where they arise. In other words, non-sensitive complaints that are raised in Denmark are handled in Denmark, and likewise complaints raised in Uganda are handled in Uganda and so on.

Globally, we received, recorded and responded to 202 non-sensitive complaints in 2018.

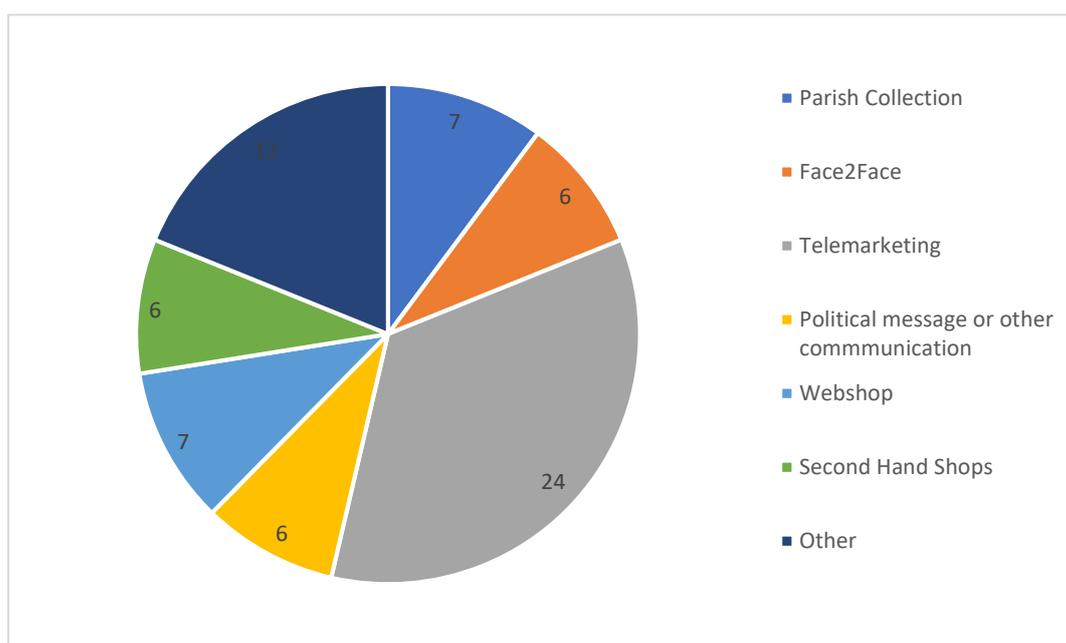
Non-sensitive complaints in Denmark

In Denmark, we dealt with 69 non-sensitive complaints, which reflects the average as seen from the graph below:



With some exceptional anomalies, the number of non-sensitive complaints related to the operations in Denmark is relatively stable. The dramatic drop in 2016 is most likely an expression of the fact that not all non-sensitive complaints reached the official channels but were directed either to our general email addresses or to specific people. In 2017 we increased the visibility of the official channel on our website and made efforts to ensure that complaints reached the official channel, and this is the likely explanation for the number of complaints returning to the average. The year in which there was an exceptional increase (i.e. 2012) reflects reactions to some of the more controversial campaigns and advocacy efforts by DCA in that year, which included the building of a wall at the Danish Music Festival in Roskilde to raise awareness about the conflict in Palestine. One explanation for the increase in 2018 could be that it was identified that some complaints were received by DCAs front-desk and not the complaint mechanism. These have now been directed to the complaints mechanism and have been so since mid-2018.

Looking at the content of the non-sensitive complaints received in 2017, they fall within 7 overall categories:



As previous years, most of these complaints are related to our telemarketing efforts and are coming from people who wish to be taken off our call-lists. In 2018, we received 24 complaints in this category and considering the high number of individuals we reach, we think that the level of complaints received is a reasonable number, though we continuously strive towards zero complaints. The same applies to complaints related to our Face2Face work on the streets in Danish cities. We address all complaints and strive for a constructive dialogue with all complainants.

The complaints related to the Webshop were mostly of a technical nature and were quickly resolved. The complaints related to our political messages or other communication efforts were reactions to articles or statements made by our General Secretary, or to choices made around our communication – for example when we sent famous people to visit our projects and partners, which gives us a platform to tell about our work in a different manner than traditional reports. This expectedly makes some people disagree with our means of communication.

We have added the category “Second Hand Shops” this year, to reflect the complaints we get about service or other issues in the second-hand shops in Denmark.

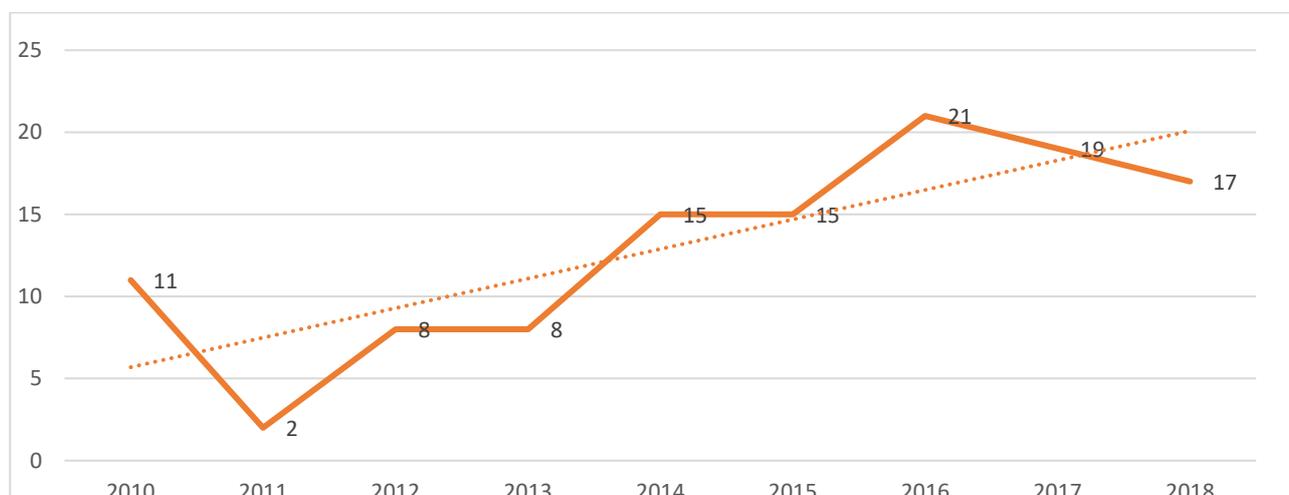
All complaints were resolved, and the complainants received a response from relevant members of staff in DCA.

Non-sensitive complaints received in our country-offices

This year, a total of 133 non-sensitive complaints has been reported by our country-offices. This is a big difference with the 929 reported non-sensitive complaints from last year. This difference can largely be attributed to the change in DCA’s annual reporting that did not properly consider the actual reporting of the number of non-sensitive complaints. For 2019, our aim is to report more thoroughly on this number.

3.2. Sensitive complaints

All sensitive complaints, whether they are made in Denmark or in our Country Offices, are reported to the DCA Head Office, Copenhagen, and handled according to strictly defined principles and procedures by designated staff with the mandate to do so. In 2018 we received a total of 17 sensitive cases, which were two less than in 2017 and four less than in 2016:



We see the fact that we receive complaints as a positive indication that more and more stakeholders trust us with their grievances, including when it comes to the sensitive issues. Considering the contexts in which DCA staff and partners operate, we still believe there is a possibility of underreporting, and therefore we see the rising numbers of cases during the last 5-8 years as an indication of a success in the way we communicate our complaints handling mechanism. We are very serious in making sure that learning and improvement is extracted from every single complaints case – we do not wish to repeat mistakes, and we strive to ensure that failures or weaknesses identified by a complaint will inform future action and activities.

Out of the 17 sensitive complaints, 8 are related to alleged or suspected breaches to our staff code of conduct and underlying policies. Almost all these 8 cases are highly sensitive for the persons involved. We choose not to report publicly on these cases out of respect for the safety and legal rights of those involved.

The general breakdown of those eight cases is as follows:

Three involved internal staff matters of behaviour that constituted minor breach to our staff code of conduct or other underlying policies, but not related to sexual misconduct.

Five involved suspicion of sexual misconduct (harassment, exploitation or abuse). Out of the five, four related to DCAs own employees whereas one related to a partner organisation. The case related to a partner organisation resulted in the termination of the partnership and the alleged sexual misconduct is being investigated by the national law enforcement authority. DCA supported the victims as a follow-up measure. The four cases related to DCAs own staff have all been duly investigated. As a rule, DCA will always hire external and professional investigators for cases of alleged sexual misconduct. However, in rare cases the security of the alleged victim makes it impossible to onset an investigation without compromising their safety against their will. In other cases where the misconduct is confirmed by the alleged perpetrator as well, an investigation is not needed. One of the cases handled in 2018 led to termination of contract, but did not involve exploitation or abuse, rather improper conduct of a sexual nature.

The remaining 9 sensitive complaints related to real or alleged breaches to our anti-corruption principles. Below is a detailed description of each case, of how it was handled and what lessons we took away.

1. (2018.C01) February 2018: Worry about potential for nepotism in partner organization

What happened: Members of staff in DCA worried about a new partner organization who were very small and new in DCAs portfolio. They wished to rent their office space from a close family member. The case never contained a real allegation of actual misconduct, and was therefore dismissed as a complaint case, but was filed for information

What we did: It was agreed to monitor the partner closely and support them in financial management as well as other capacity development needs.

What we learned: The most valuable learning was to appreciate that staff are aware and attentive to risks and acts in accordance with the policies and guidelines.

2. (2018.C02) February 2018: Fraud discovered in consortium partner organization in Malawi

What happened: A financial review conducted by the donor to a consortium partner revealed that misappropriation of funds and/or fraud had been taking place. DCA did not have the direct contract

with the partner but had the role as consortium lead. The partner under suspicion was contracted by another member in the consortium.

What we did: A forensic audit was conducted by the organization who had the contract with the partner under suspicion of fraud. DCA was close to the process and contributed recommendation and inputs to the process as well as the concrete Terms of Reference developed and finally the draft audit report.

The audit found reason to uphold the allegation of misappropriation of funds and fraud. This resulted in an immediate termination of the contract with the organization and exclusion of future consortium projects.

The loss incurred was covered by the consortium member that had the direct contract, who claimed it back from the partner that had been found to commit fraud.

What we learned: The complexity of this case was that the partner-organization was not directly contracted by DCA and hence we were one step removed from the process and decisions to be made. However, it proved valuable that DCA could contribute learnings from previous processes.

3. (2019.C03) March 2018: Internal staff disputes led to anonymous allegations of fraud

What happened: DCA head office received a message that members of staff in a DCA country office were suspecting fraud or embezzlement committed by a middle-manager.

What we did: DCA head office looked in to the finance system to identify the alleged fraudulent activities that were related to travel expenses and conducted 2 interviews to further inform the complaint raised. None of these initiatives substantiated any suspicion. The case was referred to management for proper follow-up and conflict resolution among the relevant staffs.

What we learned: Complaints can be motivated by many things and it is therefore always important to follow due process when receiving and doing the initial analysis of them without jumping to rash actions or conclusions.

4. (2018.C04) March 2018: Suspicion of financial misconduct by staff

What happened: Suspicion was raised about the conduct of a (now former) employee in one of DCAs programs. The suspicion was raised by a driver who thought to have seen suspicious behavior.

What we did: The suspicion and concern was immediately brought to HQ – still unsubstantiated. Further interviews with potential witnesses was conducted. There were no findings to substantiate further action based on a suspicion of fraudulent activities, however, due to other difficulties in the working relationship the contract with the employee in question was not continued.

What we learned: The core challenge associated with the case was the lack of access to legal support in the country in question. Since, DCA has asked all country directors to ensure that they have access to a legal advisor with knowledge about the relevant local labor laws and regulations.

(2018.C05+C08) April 2018 & December 2018: Allegation of misconduct in the procurement function of DCAs local office

What happened: Concerns were raised twice about the integrity of the procurement function in one of DCAs country offices. Various allegations were put forward but not substantiated.

What we did: We interviewed relevant members of staff to further inform the complaint and find out whether it could be substantiated, and we looked for other evidence. Nothing we found could substantiate the allegation and hence the case was dismissed.

What we learned: The case showed the importance of following due process and not jump to conclusions or action upon receiving the complaint. Not all complaints are based on actual misconduct or breaches to the Code of Conduct and by following the right procedures this can be concluded.

5. (2018.C06) May 2018: Director in Partner organization suspected of financial mismanagement or fraud

What happened: In the Central African Republic (CAR) DCA had engaged with a new partner organization following a partnership assessment process and signing of our cooperation agreement. The total transfer made to the partner amounted to around 8.000 USD which were to be spent over a 4 months period on agreed activities. Unfortunately, the partner did not deliver on the agreed activities and subsequently didn't deliver the agreed monthly reports.

What we did: DCA repeatedly asked the partner organization to deliver as agreed but did not get any response and had no success in setting up meetings. The DCA CAR Country Director involved local authorities and asked them for assistance in putting pressure on the organization. It turned out, that the director of the organization has allegedly decided not to show up and might have accessed the money on his own and defrauded the organization as well as the DCA project. DCA has hired a lawyer and are currently busy with legal proceedings concerning the case.

What we learned: Learnings will be collected and described once the case is concluded.

6. (2018.C07) September 2018: Fraud discovered in Cash eVoucher Programme

What happened: A whistleblower among DCAs frontline staff on the programme reported his concern about financial misconduct and corruption to both the Complaints Mechanism in Head Office and to the management in the Country Office. The suspicion was collusion between key members of staff and some of the vendors on the programme for personal financial gain.

What we did: Because of the report from the whistleblower an immediate internal investigation was done which gave rise to more questions and resulted in a fact-finding mission done by DCA Head Office staff. The findings from interviews, observations and data-analysis substantiated the suspicion and hence an external forensic audit was procured and carried out. The conclusion was, that corruption had indeed been taking place. The fraud had involved transactions made on non-distributed cards registered to non-existing beneficiaries. Though it was hard to place responsibility, a number of the

implicated members of staff are no longer in DCA and the vendors has been blacklisted from any future collaboration.

What we learned: The case has produced a lot of learning for DCA, both in the country programme in question, but also globally. The guidelines and standard operating procedures around cash transfer programming and eVoucher programmes have been strengthened and DCA is now looking in to possibilities for introducing biometric registration of beneficiaries to minimize opportunities for fraud. However, there are personal data-protection challenges in these approaches which are still being analyzed.

7. (2018.C09) December 2018: Partner reporting on suspicion of corruption with one of their partners

What happened: DCA received a notice from a partner in a country programme about suspected corruption in one of their partner organizations.

What we did: The case is being investigated as this report is written and DCA's country office is following the process closely.

What we learned: Learnings will be collected and described once the case is concluded.

4. Activity report 2018

This section is a brief report on the specific activities taken in relation to the complaints handling mechanism and the key issues that the sensitive complaints relates to.

4.1. Evaluation against the core humanitarian standard

As a part of being committed to the Core Humanitarian Standard, DCA is also certified against the standard by external auditors. The audit process produces useful observations and guidance to DCAs continued work with accountability and accountability mechanisms. The audit runs in cycles of four years, and the initial audit was concluded in early 2017, where DCA received several recommendations and requests for corrective actions (CARs). The CARs and recommendations addressed an observed weakness in DCAs ability to make sure that partners and communities were aware of DCAs complaints mechanisms and the behaviour they can expect from DCAs staff. The auditors observed a lack of awareness of expected behaviours of staff, including commitments made on prevention of sexual exploitation and abuse, and that communities were not sufficiently informed about how relevant stakeholders can access the complaints mechanism and the scope of issues it can address. In the 2017 complaint report we reported on activities undertaken to address particularly the weaknesses in relation to the complaints mechanisms which was the primary focus of 2017. In 2018 the focus has been on further strengthening policy and practice related to prevention of sexual exploitation, abuse and harassment. Specific activities have included:

- Development and approval of an updated staff policy on prevention of sexual harassment, exploitation and abuse (PSEA&H)
- Roll-out of mandatory e-Learning on expected staff behaviour and code of conduct, including prevention of sexual misconduct and protection of children.
- A face-to-face training-of-trainers workshop for the accountability focal point persons working with implementation of the Core Humanitarian Standard commitments at the country office level. The purpose of the workshop was to equip the focal point persons to work with partners and

communities on awareness raising around our commitment to welcome complaints and to prevent sexual harassment, exploitation and abuse.

4.3. Measures related to Anti-corruption.

In 2018 DCA was proud to be present at two workshops at the International Anti-corruption Conference (IACC) held in Copenhagen in October 2018, where we shared our experiences, challenges and lessons learned while at the same time learning from peers. In connection with the conference DCAs Secretary General issued a feature article together with the Danish Minister for Development Cooperation with the overall message: we must keep fighting corruption and we cannot leave the countries we work in, because there is corruption.¹

In March 2018 we were finally able to launch the collective action initiative FAFPI (Fight Against Facilitation Payment Initiative²) together with the Ministry of Foreign Affairs, Danish Confederation of Industries and several other organisations and companies. DCA has taken an active role in driving this initiative forward from idea to reality since it was first initiated by Danfoss and the ministry. We see this as a key initiative in fighting a type of corruption that is difficult to address alone as individual organisations and were collective action will add a lot of value.

4.4. Working with partners

DCA does not currently require that the partners we work with around the world have their own complaints handling mechanism, anti-corruption policy or code of conduct. Still, we strongly encourage that they get these things in place and offer capacity building and support to that end. It is our declared goal that all our partners eventually get a complaint mechanism in place, but where partners do not have a complaint mechanism in place themselves, we ask that they make DCA's mechanism available to the beneficiaries and communities affected by our joint projects. Furthermore, our CHS/accountability Focal Point persons and colleagues works continuously with partners to support them in developing complaints handling mechanisms.

Unfortunately, due to the new method of annual reporting, there is currently no data available of the number of partners that have a functioning complaints system. DCA aims to ensure an accurate update on these numbers for next year's reporting.

4.5. Planned focus-area for 2019

1. Continued focus on reaching the beneficiary level with information about expected staff behaviour and the access to DCA's complaints mechanism.
2. Focus on the inter-linkages between the M&E processes, feedback and then the complaint mechanism. This will also be a focus area for the face2face workshop for the CHS Focal Point persons.
3. Contributing to strengthened collaboration with the ACT agencies that we co-implement with in various forms.
4. Strengthening DCA's annual reporting on non-sensitive complaints at both HQ as well as country office level.
5. Strengthening DCA's annual reporting on the partner implementation of complaints mechanisms.

¹ <https://borsen.dk/nyheder/opinion/artikel/11/210156/artikel.html>

² www.fafpi.com