

Diakonia Complaints and Incident reports 2017



Diakonia's complaints and response mechanism

Diakonia is committed to work in an open and responsible way that builds trust in development and humanitarian programming and seeks to work with affected communities and populations in the best way possible.

To ensure continuous improvement we are open to receive complaints regarding our work in the countries where we operate, including Sweden. This can be done anonymously via our web site. We also encourage that comments and complaints are raised and discussed with Diakonia employees and managers in the countries where we operate.

Annual report on complaints

Diakonia set up a web based complaints and response mechanism (CRM) during 2013, when the CRM roll-out plan for the entire organization started. Diakonia summarizes the organizational learning from complaints handling in annual reports revealing as little information about the details of the complaints, and, most importantly, leave out any information about the complainant. The annual reports are focusing on lessons learnt and how Diakonia aims at improving our work. This report for 2017 is the fifth since the start, and we are happy the system works and is available on Diakonia's website.

From January – December 2017 Diakonia received a total of 5 new complaints out of which 2 cases have been finalized. All pending cases from 2016 (8) have been finalized during 2017. All of these complaints were related to partner organizations. Lessons learned from the cases are incorporated in Diakonia's monitoring routines. Diakonia has also an internal report system for employees that are used for reporting of security issues, working conditions and breaches of code of conduct. 9 such incidents were received during 2017. The Senior Management at the Diakonia Head Office get information about staff related issue through the internal report system. Lessons learned from such cases are incorporated into Human Resource routines and procedures.

Complaints and incident during 2017 through CRM complaints/incident system

File no:	2017 CC1	Year:	2017
Content of the complaint:			
Diakonia was informed by board members of a partner organization in a meeting that the implementation of the Diakonia financed project was not going well. Several problems were mentioned, e.g. the organization had not been able to hire an administrator. It was clear that the board members were not aware of the conditions in the contract with Diakonia and that there were quite a few problems within the partner organization and no activities had been implemented.			
What we did:			
Diakonia immediately froze the contract, and also asked for repayment of funds. Diakonia informed the Back Donor. The partner organization paid back the entire funding they had received from Diakonia.			
Lessons learned:			
To finance a new partner organization, even with small amounts, is often a risk even if Diakonia takes all necessary steps according to internal routines. To have follow up meetings with the partner organizations and their boards early on in the implementation is important, especially with new partners.			

File no:	2017 CC2	Year:	2017
Content of the complaint:			
A whistle blower contacted Diakonia to inform that a partner organization had failed to pay taxes according to local law, and that they had used money allocated for taxes for other purposes.			
What we did:			
Diakonia informed the Back Donor. An investigation was made and concluded that no malicious use of tax funds could be found. It also concluded that the financial situation of the partner was secure and that there were no indications of financial jeopardy. It was decided that the complaint should be dismissed. Partnership is ongoing.			
Lessons learned:			
Diakonia's CRM policy requires the organization to investigate anonymous complaints. In this case it meant that the partner was acquitted from the accusations.			

File no:	2017 CC3	Year:	2017
Content of the complaint:			
A partner organization failed to submit annual audit report on time. After a certain time such cases becomes incidents for Diakonia, and require special attention.			
What we did:			
Diakonia was in contact with the partner organization on several occasions to get the missing report. After a lot of effort the partner finally submitted the audit report. It was unqualified. Partnership is ongoing.			
Lessons learned:			
One conclusion is that monitoring and follow up are essential and should be documented and shared within Diakonia. The situation in this case was partly caused by change in staff which created an administrative chaos in the partner organization. Diakonia need to give support to strengthen the organization through capacity building and dialogue in such situations.			

File no:	2017 CC4	Year:	2017
Content of the complaint:			
An ex-employee in a partner organization approached Diakonia to inform about alleged mismanagement by the organization's director in relations to lack of internal control, failing recruitment routines, severance payments issues etc. There were also allegations regarding some operations that were said not to be properly registered.			
What we did:			
Diakonia performed an investigation that revised financial and administrative documents and vouchers at the partner office. The investigation team also met with the organizations employees and board members to collect information. Some weaknesses were detected, but nothing significant. Partnership is ongoing.			
Lessons learned:			
Diakonia will follow up the partner with support and a higher frequency of financial check-ups to make sure the partner organization strengthens their capacity and follows internal control systems.			

File no:	2017 CC5	Year:	2017
Content of the complaint:			
A partner organization did not submit the annual reporting on time stipulated in the agreement. Since this can be an indication of problems it requires special attention.			

What we did:	
Diakonia contacted the partner to find out the reason behind the delay. The partner informed that the auditor had delivered the audit report late, which had delayed the process. Diakonia got the report but there were some observations that had to be discussed with the partner, and an action plan was made together with partner. Most of the recommendations were implemented immediately but a few remain to be implemented during the coming year. Partnership is ongoing.	
Lessons learned:	
Financial and administrative issues have to be followed up closely together with the partners in order for Diakonia to give support but also to control that partners follow the conditions in the agreements.	

File no:	2017 CC6	Year:	2017
Content of the complaint:			
The partner organization and Diakonia signed a phase-out agreement. The cooperation had been on-going for more than 10 years, but was ending due to changes in Diakonia's program. The partner failed to submit the annual reporting on time.			
What we did:			
After several contacts Diakonia finally received a narrative and financial report from the partner organization, and then commissioned an audit. It was unqualified. Partnership has ended.			
Lessons learned:			
It is important to monitor and be close to partner organizations during phase-out processes. Partners may require support e.g. to meet conditions in the mutual agreements.			

File no:	2017 CC7	Year:	2017
Content of the complaint:			
A partner organization, member of a consortium, informed Diakonia that their bank account had been frozen by a court decision aiming at securing funds to pay for a debt concerning another member of the consortium. The partner had just received funding from Diakonia and could not implement the activities.			
What we did:			
Diakonia informed the Back Donor and contacted a lawyer, and a legal case started to stop the implementation of the court decision. The court procedure took a long time, but finally after more than 2 years the court decided to release the partner's money. However when actions were taken to implement the decision it was found that the money had been released to another member of the consortium, and had been spent. Diakonia pay back the lost funds to the Back Donor. Partnership is ongoing.			
Lessons learned:			
Partner organizations shall have their own bank accounts to secure funding.			

File no:	2017 CC8	Year:	2017
Content of the complaint:			
Diakonia received information from a former employee in a partner organization regarding the director. The allegations concerned bad leadership, mismanagement, falsifying receipts etc.			
What we did:			
Diakonia reported to the Back Donor and investigated documentation at the partner office. Investigators were able to look at book keeping and other relevant documentation. They did find some minor irregularities that were corrected immediately, and the employee responsible for the error received a written warning. The investigation could not find any evidence of fraud or falsification of receipts etc. Partnership is ongoing.			

Lessons learned:

Diakonia involved the partner organizations board of directors and they encourage Diakonia to bring up a discussion with the management to raise awareness regarding anti-corruption issues in the organization. It is important to monitor that internal control systems are followed and make management aware of their responsibility to uphold them.

File no:	2017 CC9	Year:	2017
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Content of the complaint:

The partner organization did not submit the audit report on time. After a certain time such cases becomes incidents for Diakonia, and require special attention.

What we did:

The Diakonia office made a visit to the partner organization and made a financial spot check in the office. They met with the partner management and team. Diakonia made recommendations to the partner to engage in organizational development through capacity strengthening. The partner requested an extended dead line for the submission of the audit report due to change of financial staff and failed obligation of the former auditor to deliver the audit on time. This was granted and Diakonia finally got the missing audit. Partnership is continuing.

Lessons learned:

Internal control can fail suddenly within a partner organization due to change of staff or other factors and needs to be monitored, and tackled by capacity building and dialogue with partner's staff and management. It is important to establish mutual agreements with a partner to be able to come to terms with a situation quickly before it escalates to a point where partnership will have to be finalized.

File no:	2017 CC10	Year:	2017
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Content of the complaint:

A partner contacted Diakonia to ask for an additional sum to be able to have an audit made for Diakonia's support since the scope for the audit was more expensive than budgeted. Diakonia approved the amount and the partner organization forwarded the payment to the auditors. Upon receiving the payment the auditor contacted the partner saying that his firm was not aware of the audit that the extra payment was to support. He also stated that he and his firm had not been doing the audits for the partner during the years that Diakonia had received audits said to have been done by him and his firm.

What we did:

Diakonia stopped payments to the partner and informed the Back Donor. An investigation took place, showing that a person had falsified the auditor's signatory and set up a false bank account. Diakonia reported the case to the police. Diakonia also commissioned an audit of the partner's finances corresponding to all years they had received support from Diakonia. All audits were un qualified. Partnership continues with the partner.

Lessons learned:

The Diakonia office suggested some additions to the Diakonia Auditor Assessment Format. The case made it clear that Diakonia should control the signature of the auditor, to make sure s/he is actually representing the audit firm doing the audit. Another measure could be to ask for a list of authorized auditors, the names, signatures and perhaps also stamps from respective audit firms when procuring for audit service. Tenders should also include bank account information. It was also suggested to meet personally with auditors to be able to verify IFAC-certificates etc.