

Diakonia Complaints and Incidents Report

May 2019 – December 2019



Diakonia's Complaints and Incident Response Mechanism (CIRM)

Diakonia is committed to providing high quality development, humanitarian and advocacy programs. Being transparent and accountable to rights holders, local communities, partner organizations and other stakeholders with whom we work is core to Diakonia.

As part of an on-going process to improve accountability and programs, Diakonia has set up a CIRM to enable individuals and organizations to raise complaints and give feedback on our work, as well as the work the partner organizations do. The system also enables Diakonia staff to report on incidents.

To help Diakonia improve operations partners, rights holders, staff, donors and other concerned people are encouraged to raise comments, complaints, feedback or incidents etc. regarding anything related to Diakonia's operations. Reporting can be done in various ways, for instance directly to a staff member or via a whistleblowing system on Diakonia's web site that makes it possible to report anonymously if someone so wishes. Senior Management Team at Diakonia's Head Office are regularly informed and updated on all ongoing cases in Diakonia and they take part in decision making regarding each case.

Annual report

Since 2013 Diakonia publishes an annual report of the complaints and incidents handled. The information focuses on learnings from the cases but leaves out sensitive information to preserve confidentiality. The learnings help Diakonia improve operations. The report for 2019 is the seventh Annual CIRM Report since the start. We are happy that the system works and contributes to improve Diakonia's work. The cases presented in this report belong according to Diakonia CIRM Policy to cases that require an investigation.

During 2019 Diakonia received a total of 31 new cases, carried a balance of 1 case from 2017 and 17 cases from 2018, totaling 49 cases out of which 33 were finalized. The other cases were under investigation at the end of the year (16 cases) and have been brought forward to the year 2020 for finalizing. Out of the total of 49 cases the majority were partner related incidents (37) and the rest were staff related (12 cases).

Staff related incidents concern violation of Diakonia's Code of Conduct, security issues or working environment issues. Out of the 12 reported cases 1 case resulted in a dismissal and in 3 cases a written warning was issued. There were 4 cases that resulted in changes of internal HR-procedures or safety rules and 1 case was acquitted. 3 cases are still under investigation.

The partner related cases that have been finalized (25 cases out of 37) are described below in the matrixes. The report shows that Diakonia has ended 11 partnerships due to incidents. 14 partnerships continued since the incidents where minor and Diakonia and the partner organization agreed upon an action plan to prevent a recurring situation. One case concerned sexual harassment involving participants in a Diakonia activity. In 4 cases the partner organization did not commit any irregular actions or otherwise. The were closed down, ransacked and declared illegal by local authorities on political grounds. We have chosen to present the cases since civil society in many contexts are suffering from shrinking democratic space when fighting for Human Rights and Democracy. 12 partner related cases remained under investigation at the end of 2019 and will be reported in the CIRM Report for 2020.

Learnings from the partner related cases are incorporated in Diakonias institutional learnings, but here we present a few of the learnings from 2019:

- Regarding financial reporting and follow up several cases show that Diakonia need to monitor more closely how partner organizations follow the requirements in Diakonia's

agreements and how they implement their own organization's financial control mechanisms. Several incidents conclude that the annual audits seldom detect signs of corruption or other irregularities but are important as complement to Diakonia's own monitoring.

- Conclusions also signal that Diakonia shall continue to make staff members aware of the ethical guidelines in the Code of Conduct regarding proceedings in the offices but also in the cooperation with partner organization. One issue signaled is conflict of interest, and how a staff member needs to report to a line manager for instance should there be a close relationship between a staff member of Diakonia and someone in a partner organization or a service provider in a procurement process.
- Another, and common, conclusion is that many of Diakonia's partner organizations are grass-root organizations or smaller activist groups that lack administrative knowledge and capacity. One of Diakonia's tasks is to support and safeguard a vibrant civil society in the countries where work is being carried out. Capacity building on different thematic issues and including administrative and financial routines are therefore part of Diakonia's support to partners. Demands are high on compliance regarding financial accountability in international cooperation, and smaller organizations might not meet all requirements even though they do a very good job in their local communities with their rights holders. A vibrant civil society is needed to ensure development and democratic participation. Diakonia staff members signal that this has become a dilemma; partner organizations deliver but sometimes can't meet administrative demands. A partner organization not being able to deliver reporting on time can be a sign of this as can be seen in some the cases reported. Hands on training programs with a holistic approach, involving not only financial staff but also leadership, programmatic staff and the organizations' board members have given good results.

Complaints and incident finalized during the reporting period

File no:	CN 1: 2017	Year:	2019
Content of the complaint:			
A whistleblower contacted Diakonia regarding administrative mismanagement in a partner organization, stating that Diakonia funding was not used according to the agreement with the partner.			
What we did:			
Diakonia performed a forensic audit. The result showed that the partner organization has not done anything illegal, but it was discovered that there were shortcomings in internal controls, and some ineligible costs were found. Diakonia asked the partner to refund the amount that had not been used correctly. The leadership of the partner organization at first did not accept to do so and this was followed up by a period of talks and discussions. The partner organization finally repaid the questionable amount. Diakonia informed back-donor regarding the incident. Diakonia finalized the partnership.			
Lessons learned:			
Diakonia has the mission to support a vibrant civil society which includes supporting many organizations who accomplish a lot in their activities but suffer from administrative weaknesses. Diakonia has found that is not enough to receive annual audit reports and financial statements as proof that all is well in an organization. This is sometimes the case when supporting smaller grassroots organizations. They fail to meet back-donors reporting demands. Therefore, Diakonia supports partner organizations capacity development for strengthening internal control systems, but it takes time and the results depends on the partner organization's commitment.			

File no:	CN 2: 2018	Year:	2019
Content of the complaint:			
The partner organization did not submit their annual reporting to Diakonia in time. After several reminders they submitted the reports, but there were discrepancies in the annual report in comparison to what had previously been reported to Diakonia.			
What we did:			
Diakonia decided to make an investigation. When staff visited the partner organization and investigated the matter it became evident that the partner lacked in administrative capacities. It was clear that no fraud had taken place, but it was only with the help from Diakonia that the partner organization was able to present a correct annual report. Diakonia assessed the situation and it became apparent that the need for capacity building of the organization's administrative skills was too big for Diakonia to undertake. Diakonia informed back-donor. Partnership was ended.			
Lessons learned:			
Small partner organizations can do a great job with monitoring and advocating decision makers, keeping them under pressure to perform their duties. However, in this case the partner organization showed very weak administrative skills, and it was not possible to Diakonia to continue to support them since they could not meet back-donor's reporting demands.			

File no:	CN 3: 2018	Year:	2019
Content of the complaint:			
After several years of successful cooperation, Diakonia approved increased funding to a partner organization. During monitoring and follow up of the partner project Diakonia found suspicions that the partner organization had not followed the administrative and financial terms in the agreement with Diakonia.			
What we did:			
Diakonia immediately contacted the partner regarding the breach of the agreement. An investigation was started, and a forensic audit was commissioned. The suspicions were confirmed. Diakonia asked the partner to repay ineligible funds. Diakonia ended the partnership. The back-donor was informed about the decision.			
Lessons learned:			
This incident concerned a large national NGO. Diakonia found that even if a partner has a functional administrative work it does not guarantee that mismanagement can take place. The lessons in this case is that a risk assessment should have been done before approving an increase and the assessment should have been followed by monitoring of the performance of the partner organization.			

File no:	CN 4: 2018	Year:	2019
Content of the complaint:			
A partner organization contacted Diakonia and informed that 4 former employees had embezzled money from the organization. The partner had commissioned a special audit to assess the damage. They did not suspect that any Diakonia funding was involved. They had also filed a report with legal authorities regarding the case.			
What we did:			
Diakonia asked the partner to include the support from Diakonia in the special audit to ensure that Diakonia funds were not involved. This was granted, but the special audit could not give any clarity if Diakonia funds were involved or not. After further follow by Diakonia staff, the partner organization was able to present documentation that ensured that no Diakonia funding was involved. Partnership is continuing with close follow up. Diakonia has informed back-donor.			
Lessons learned:			
There had been a shift in the leadership of the organization, and the Board of Directors did not take their responsibility to safeguard that internal control mechanism were functioning. Monitoring and follow up by Diakonia need to be more thorough during times when leadership changes in partner organizations.			

File no:	CN 5: 2018	Year:	2019
Content of the complaint:			
A whistleblower reported on suspected corruption in a partner organization.			
What we did:			
An investigative audit was commissioned and showed several shortcomings in the partner organization's procurement routines and controls. The audit concluded that there were minor ineligible costs due to lacking knowledge in financial handling, but no illegalities had taken place. Together the partner organization and Diakonia were able to solve. However, during the investigative process, the partner organization changed their profile of work, and therefore Diakonia had to end the partnership since it did not fit the program anymore. The back-donor was informed accordingly.			
Lessons learned:			
Diakonia must make sure in our monitoring and follow up that partner organization follow their commitments in the agreement with Diakonia.			

File no:	CN 6: 2018	Year:	2019
Content of the complaint:			
Diakonia was alerted by another INGO of suspicions of mismanagement in a partner organization.			
What we did:			
Diakonia contacted the partner organization and secured balances from Diakonia funds during the investigation. Diakonia investigated annual reporting for several years, and special attention was given to the Fiscal Year's annual audit reports. The findings concluded that no embezzlement had taken place and no ineligible costs were found. However, the organization's internal administrative rules and standards regarding anti-corruption differ from what can be accepted by Diakonia and the partnership was ended. Back-donor has been informed.			
Lessons learned:			
<p>The following was noted:</p> <ul style="list-style-type: none"> • Charing information regarding possible ongoing mismanagement in a partner organization is important • Diakonia need to follow up new partner organizations more closely the first two years of cooperation • Regular visits to the administration and finance teams at the partner organizations is advised • Careful assessment of partners steering documents and administrative principles is important • Perform random administrative check-ups at partner organizations from time to time is important for Diakonia assess how partners implement requirements and how Diakonia best can assist in this respect 			

File no:	CN 7: 2018	Year:	2019
Content of the complaint:			
Internal problems in a partner organization was reported to Diakonia. Internal weaknesses in the partner organization also escalated to a point when serious risks of mismanagement were apparent. An audit was commissioned together with other donors, and it was qualified and showed some ineligible costs.			
What we did:			
Diakonia started a dialogue with relevant partner staff members. Diakonia also asked the organization to return the funds that had not been used according to contract. The internal problems caused deterioration in the organization's operations, and Diakonia had to finalize the cooperation with the partner. Back-donor has been informed.			
Lessons learned:			
In this case the conflict and crisis in the organization went out of control and Diakonia could not mediate in the conflict.			

File no:	CN 8-11: 2018	Year:	2019
Content of the complaint:			
The 4 partner organizations were suddenly closed down and declared illegal by the authorities and could not continue to operate. The partner informed Diakonia immediately and informed that their office had been ransacked. They were not able to submit annual reporting according to contract and all 4 cases became incidents according to Diakonia's internal procedures, but an investigation was not necessary.			
What we did:			
These cases had nothing to do with mismanagement or otherwise by the partners. They were all well-respected and well-functioning organizations working on Gender, Human Rights and Democracy. Diakonia informed back-donor about the situation. Diakonia supported partners former staff members in their efforts to try to report on activities that had taken place and provide a financial report. Partnerships could not continue since the organizations were not allowed to operate.			
Lessons learned:			
Diakonia works in many contexts where states restrict or violate human rights and democratic principles. Our partner organizations work with issues of gender equality, human rights and people's opportunities to participate in and influence decision-making that affect them to create a just society for all. In countries with diminishing democratic space, our partners take great risks to be able to carry out their work. It is difficult to mitigate such risks but they need to be taken seriously.			

File no:	CN 12	Year:	2019
Content of the complaint:			
The partner organization had an outgoing balance originating from Diakonia's funding at the end of a program period. Diakonia, according to back-donor guidelines asked them to repay the amount. The partner had used the balance for new activities instead of waiting for the new program year to start.			
What we did:			
Diakonia asked the partner to pay back the balance during several months, and finally the case became an incident since the final reporting could not be approved. The partnership was suspended until the repayment was done. Diakonia also made sure that no mismanagement had been going on. Partnership is ongoing. Back-donor has been informed.			
Lessons learned:			
<ul style="list-style-type: none"> • It is a major risk for a partner organization to rely on one donor which was the case here • Diakonia should allocate enough time to make sure partner understand the importance of compliance • Trust building with partners through different communication channels is important • Diakonia need to monitor partners compliance concerning the partner agreement 			

File no:	CN 13	Year:	2019
Content of the complaint:			
Diakonia received a complaint from a Board Member of a partner organization who reported being illtreated, that procedural issues were not correctly applied and that there existed lack of transparency in the organization.			
What we did:			
Diakonia acknowledge receipt of the complaint to the complainant and informed that Diakonia would try to find more information. The partner was also approached for more information, and a meeting was also held with the partner. Diakonia encouraged the partner to solve the matter and establish trust within the Board. A Board Meeting and a General Assembly were held where the different members shared their reflections on how to deal with the problems. Resolutions were agreed upon, and it was possible to find solutions on short- and long-term basis. Partnership is ongoing. Back-donor was informed.			
Lessons learned:			
In this case it was important to use partner's internal mechanisms to resolve the problem and not to act as Diakonia. It is important to support partners in developing their own governing policies so they can become impartial tools to resolve conflicts. It is also important that partners share challenges that they are going through with all donors that support them. This creates trust in the organization.			

File no:	CN 14	Year:	2019
Content of the complaint:			
Diakonia received information from a back-donor regarding a complaint filed in one of the back-donors local offices. The complaint was filed by employees in one of Diakonia's partner organizations and concerned dissatisfaction regarding end of service benefits, bullying by management at the organization and other unethical behavior of the management.			
What we did:			
Diakonia made an internal review of supporting documents which did not sustain the complainants' financial claims. Diakonia also contracted an external investigator to assess the accusations. The investigator delivered a report to Diakonia. Back-donor was informed. Partnership is ongoing.			
Lessons learned:			
During the investigation Diakonia received information that the complainants before contacting Diakonia had opened a court case against the partner organization. This information meant that Diakonia should not have open an investigation at all, to avoid interfering with the court case. However, Diakonia's investigation did not sustain the accusations.			

File no:	CN 15	Year:	2019
Content of the complaint:			
The partner organization was not able to meet annual reporting condition in the agreement with Diakonia on time. The reason given was that the organization had difficulties in meeting all their donors requirements. If a partner organization, despite reminders, has not submitted their annual reporting four months after the date in the agreement the case immediately becomes an incident in Diakonia's system.			
What we did:			
After several reminders the partner finally submitted their annual report, and the audit report was unqualified and Diakonia could close the case. Back-donor was informed. Partnership continues.			
Lessons learned:			
Diakonia will start earlier with reminders to partner organizations regarding the submission dates for reporting in the agreements to avoid this type of cases.			

File no:	CN 16	Year:	2019
Content of the complaint:			
Diakonia performed a compliance check at a partner organizations office as part of a deeper monitoring process and found that the organizations internal control system was weak and that there were breaches of some procedures.			
What we did:			
Diakonia stopped further disbursements to the partner organization and started an investigation. The partner organization, with support from Diakonia, put in place a new control system in line with donor requirements. The partner organization presented an action plan on how to strengthen internal controls and repaid ineligible costs to Diakonia. The staff member who was responsible for the breaches received disciplinary actions. Diakonia gave support and monitored the process. Partnership is ongoing, but Diakonia is closely following up on the implementation of the action plan. Back-donor has been informed.			
Lessons learned:			
<ul style="list-style-type: none"> Audit reports does not provide a full picture of the partner organization's financial management, and Diakonia need to do compliance checks directly from time to time at the office of partner organizations to make sure their administration meet requirements from donors Performing monitoring on large national NGOs is difficult, since they may have presence in and offices many parts of the county. They may also apply their own financial management routines that sometimes do not meet requirements for international cooperation. Diakonia need to work with those challenges together with partner organizations. 			

File no:	CN 17	Year:	2019
Content of the complaint:			
A partner organization did not submit reporting on time, and Diakonia was also alerted on an ongoing conflict within the organization that had consequences for the implementation of the project.			
What we did:			
Diakonia investigated. During the investigation Diakonia met with the rights holders and found out that, even though financing was stopped from Diakonia, activities had been taken place with help from the partner organization. The investigation determined that no funding had been embezzled, but the internal conflict had harmed the organization internally. The conflict was inter-personal. Diakonia gave support to the organization and its Board of Directors. An action plan was approved, and partnership is ongoing. Back-donor is informed about the case.			
Lessons learned:			
It is important to assess and make the partner organizations' Board of Directors aware of their responsibilities and make sure they have proper knowledge regarding the tasks they must deal with, especially issues concerning internal control.			

File no:	CN 18	Year:	2019
Content of the complaint:			
The partner organization did not submit annual reporting on time, and after four months of reminding the partner the case automatically became an incident according to internal guidelines.			
What we did:			
Diakonia had a meeting with the partner organization and informed them that no further payments could be issued from Diakonia without reporting of the previous support. After this, the partner submitted annual reporting. Diakonia visited the organization and their auditor. Diakonia has also ensured that the organization's representatives understand the terms in the contract with Diakonia. Partnership is ongoing. Back-donor was informed about the case.			
Lessons learned:			
Monitoring and follow up of partner organization need to be documented properly to safeguard that no issues are left out should there be a problem, and that the partner organization is aware of their obligations.			

File no:	CN 19	Year:	2019
Content of the complaint:			
An anonymous whistleblower contacted Diakonia and informed about suspected irregularities regarding formalities for the election of a new CEO in a network organization, partner to Diakonia. Diakonia was later this informed by the partner of the upcoming election with clarifications regarding the election process.			
What we did:			
Diakonia informed the organization of the reception on an anonymous complaint raising concern about the process. Diakonia decided to follow the process closely, keep communication open with the leadership and waited. The organization communicated later that as result of internal talks where the different groups had raised their concerns all parties had come to an agreement and the election of a new CEO was approved. Partnership is ongoing. Back-donor was informed.			
Lessons learned:			
In this case Diakonia decided to wait for the partner's internal mechanism to solve the matter. However, it is always good to keep close communication with a partner during issues like this because it helps to know if/when and how to act to act in order to ensure that there is a good solution. It is important that organizations have internal policies and mechanisms so if there is a conflict you can rely on them first and not have to intervene until those mechanisms have proven ineffective.			

File no:	CN 20	Year:	2019
Content of the complaint:			
Diakonia received a report from a whistleblower regarding possible mismanagement and fraud going on in a partner organization.			
What we did:			
Diakonia met with the whistleblower to get more information. After this Diakonia called for a donors meeting to discuss the matter and a special audit was commissioned together with all donors. In addition, Diakonia also performed an on-site financial check out regarding Diakonia funding. Both audit and investigation concluded that no fraud or corruption had taken place. Partnership is ongoing. Back-donor was informed.			
Lessons learned:			
It is important that partner organizations internal rules and information sharing are transparent so that the possibility for internal conflicts are reduced.			

File no:	CN 21	Year:	2019
Content of the complaint:			
Diakonia was contacted by a back-donor regarding possible anomalies going on in a partner organization. In addition, an anonymous letter was received citing allegation of financial irregularities and also a possible situation of conflict of interest by Diakonia.			
What we did:			
Diakonia instigated an investigation which however was not conclusive. A forensic audit was commissioned and concluded that there were ineligible costs, expenses that lacked documentation. The partner organization were able to supply satisfactory documentation. At the same time the annual audit was performed and was unqualified. The allegation of conflict of interest was dismissed. No further actions were needed. Partnership is ongoing and back-donor was informed about the case.			
Lessons learned:			
Any possible situation of conflict of interest by Diakonia needs to be followed up carefully and is also a breach of Diakonia's Code of Conduct. It is also important to ensure strong internal procedures regarding partner monitoring and payments to avoid undue influence.			

File no:	CN 22	Year:	2019
Content of the complaint:			
An anonymous whistleblower cited allegations regarding possible conflict of interest between a Diakonia employee and a staff member in management position at a partner organization.			
What we did:			
Diakonia started an investigation and a forensic audit was commissioned. The audit found some expenses that were lacking complete documentation. The partner organization was asked to respond to the findings. It became clear that partner organization had all documentation, but an error had been made in their book-keeping and Diakonia could check the authenticity and make sure all was corrected. The allegation regarding conflict of interest was dismissed. Diakonia saw no need for further actions and partnership continues. Back-donor was informed.			
Lessons learned:			
Diakonia's Code of Conduct stipulates that all staff members shall report to their line director any possible conflict of interest. It was not done in this case, and Diakonia will make sure staff members are updated on the internal Code of Conduct and staff members possibility to report suspected breaches through Diakonia's internal complaints and incident response mechanism.			

File no:	CN 23	Year:	2019
Content of the complaint:			
A participant in a Diakonia activity reported being harassed by another participant. The person who reported the incident was very distressed by what had happened.			
What we did:			
Participants in Diakonia's activities shall follow Diakonia's zero acceptance on any type of harassment and abuse. When made aware of the situation Diakonia immediately talked to the perpetrator and strongly denounced the action as being incorrect and abusive, and moreover not permitted. The perpetrator was remorseful and asked the victim for forgiveness.			
Lessons learned:			
It is important to continue working with partner organization's and their staff members regarding Human Rights and Gender to create awareness regarding the need to change bad oppressive behavior and create a society where people respect each other.			

File no:	CN 24	Year:	2019
Content of the complaint:			
An anonymous whistleblower reported a possible case of nepotism concerning Diakonia staff member and a partner organization.			
What we did:			
Diakonia commissioned a forensic audit that revealed some incomplete documentation regarding some expenditures. The partner organization was requested to respond to the findings and did so satisfactory by submitting additional supporting documents. The accusation regarding nepotism was not affirmed, however the accused Diakonia staff member had not declared having a relative in the partner organization previously. The staff member has since left Diakonia. Partnership is ongoing. Back-donor was informed.			
Lessons learned:			
Should a Diakonia employee have close relations or friends in a partner organization this must be reported directly by the staff member to the line Director in order to avoid a situation of conflict of interest or suspicions of nepotism. In this case the employee had a close relative working in the partner organization, but no mismanagement had taken place. Line directors shall make sure staff members are well aware of the internal Code of Conduct and the right for staff members to report suspected breaches directly to their line director or through Diakonia's internal complaints and incident response mechanism. It shall also be part of the recruiting process in Diakonia to ask about e.g. possible conflicts of interest when interviewing candidates.			

File no:	CN 25	Year:	2019
Content of the complaint:			
A rights holder contacted Diakonia and filed a complaint against a partner organization concerning inefficient and tardy reimbursement for transportation, making it impossible for rights holders to participate in the partner's activities.			
What we did:			
This type of complaint does not require an investigation according to Diakonia guidelines but shall be resolved in dialogue with partners and rights holders. In this case Diakonia responded to the complainant and contacted the partner organization. A field visit was made where all parties could discuss the matter and Diakonia also did a financial check on the partners activity financial record and made sure there were no elements of fraud. Ways forward were agreed by all parties, and the complainant later expressed satisfaction of the outcome. Partnership is ongoing.			
Lessons learned:			
<ul style="list-style-type: none"> • Important to take time to listen to all sides • Diakonia shall stay objective • Issues that does not require investigation shall be dealt with in the shortest time possible to avoid conflicts that can affect program implementation • Diakonia need to allocated resources for investigations but also for this type of cases that do not require and investigation but need resolving since it gives rights holders confidence that Diakonia is trustworthy and boosts also confidence in the complaints and incident mechanism 			