



Commonwealth
Foundation

Civil Society Accountability
Principles and practice

South Africa Toolkit

CORE

Civil Society Accountability: Principles and Practice

**A toolkit for civil society
organisations in South Africa**



CORE

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Contents

Abbreviations	vi
Preface	vii
1. Introduction	1
What is the aim of the toolkit?	1
How was the toolkit developed?	1
How is the toolkit structured?	2
How to use the toolkit	2
Who is the toolkit for?	4
2. Why is Accountability on the CSO Agenda in South Africa?	6
Accountability in a civil society context	6
What does it mean for a CSO to be held accountable?	7
Some key themes which emerge from CSO responses	8
Who are CSOs accountable to and for what?	10
Accountability provisions in some key South African legislation	11
3. Accountability Self-Assessment	13
How the self-assessment is structured	13
How to use the self-assessment	13
4. How to Put Accountability into Practice	17
A Accountability basics: to whom, for what and how is your CSO accountable?	17
B Accountable governance	21
C Accountable programmes	42
D Accountable resource management	60

5. Moving the CSO Accountability Agenda Forward in South Africa 71

Appendices

1. List of CSOs Engaged in the Research	73
2. Template for Appraisal of the Executive Director	74
3. Template for a Feedback Process	75
4. Template for a Feedback Form	76
5. Template for CORE CSO Board Management	77
6. Validation Workshop Participant List	78

References 79

Boxes

1. What is the difference between accountability principles and standards?	3
2. Navigating the toolkit	3
3. A selection of responses from South African CSOs to the question: What is your understanding of CSO accountability?	8
4. Key principles of accountability for CSOs in South Africa	9
5. Why should you identify and prioritise your stakeholders at project and organisational level?	18
6. Land Access Movement of South Africa (LAMOSA)	25
7. AIDS Consortium	25
8. Mvula Trust	26
9. Economic Justice Network	26
10. What is monitoring? What is evaluation?	48
11. What are the differences between outputs, outcomes and impacts?	52
12. Key questions for reflection and learning	54
13. Key principles of a feedback and response mechanism	56

Tools

1. To whom, for what and how is your organisation accountable?	20
2. A checklist of CSO regulations in South Africa	22
3. How to develop or revise a mission statement	28

4. Items to include in an annual report	30
5. How to develop a transparency policy	33
6. Steps to take when recruiting new board members	35
7. Checklist of what to communicate to organisations applying for membership	39
8. Linking project and programme plans to mission	43
9. Exploring CSO transparency with beneficiaries	46
10. Checklist for involving beneficiaries in monitoring and evaluation	50
11. Issues to consider when involving beneficiaries in monitoring and evaluation	51
12. Key considerations for effectively involving beneficiaries in learning and reflection events	55
13. Key considerations when planning a complaints and response mechanism	58
14. Staff development checklist	63
15. Developing a staff grievance policy	66
16. How to report financial information to beneficiaries and what should be reported	69

Figures

1. A CSO's potential stakeholders	10
2. Incorporating vision into your programmes and projects	24
3. Key stages of the project cycle in which beneficiaries should be involved	44
4. The ladder of beneficiary participation	45

Abbreviations

AFU	Asset Forfeiture Unit
CBO	Community-based organisation
CCMA	Commission for Conciliation, Mediation and Arbitration
CEO	Chief executive officer
CF	Commonwealth Foundation
CORE	Co-operative for Research and Education
COSATU	Congress of South African Trade Unions
CSO	Civil society organisation
DFID	Department for International Development (UK)
DoL	Department of Labour
DSD	Department of Social Development
EJN	Economic Justice Network
GDP	Gross domestic product
HBC	Home-based care
IDS	Institute of Development Studies
IIED	International Institute for Environment and Development
LAMOSA	Land Access Movement of South Africa
MDG	Millennium Development Goal
NCC	National Council of Churches
NGO	Non-governmental organisation
NPO	Non-profit organisation
OSMI	Open Society Monitoring Index
PAIA	Promotion of Access to Information Act
PAJA	Promotion of Administrative Justice Act
PCD	People-centred development
PRA	Participatory Rural Appraisal
PRIA	Society for Participatory Research in Asia
SANGONeT	South African NGO Network
SARS	South African Revenue Services
SETAs	Sectoral education and training authorities
UNFPA	United Nations Population Fund

Preface

Civil Society Accountability: Principles and Practice – A toolkit for civil society organisations in South Africa was developed by the Commonwealth Foundation and the Co-operative for Research and Education (CORE), South Africa. It explores what accountability means for civil society organisations (CSOs) in the uniquely South African context. The aims of the toolkit are threefold: to recognise and lay down the foundation for working with common principles of accountability for CSOs in a constitutional democracy; to identify current good accountability practices that exist among CSOs and identify areas where capacity needs building in the sector and further support is required; and to provide practical steps, tools and templates that CSOs can use to realise accountability in their day-to-day activities and interactions with stakeholders.

CSOs are also playing a greater role in shaping national policy. Given this multiplicity of roles, the imperative for CSO accountability comes from a variety of actors: from governments looking to tighten up on regulating the sector; from public pressure, as scandals related to mismanagement of CSOs now have a much higher profile; from within the sector, as CSOs feel the need to demonstrate their work more effectively and transparently. This leads to key questions that need to be addressed, including: Who are these CSOs? What is their role? Who is funding them? Who are they accountable to? In an emerging democracy context these questions are all the more important, given some of the challenges noted in the preceding paragraph.

While the toolkit is designed specifically for organisations in South Africa, it has been developed with a keen eye to recognising the role that an emerging democracy may play in the accountability of civil society in South Africa and in other countries working within a similar context.

This toolkit has been developed through a participatory process involving a wide range of representatives from the South African CSO community. Special thanks goes to our various civil society partners in South Africa who participated in this project and also provided valuable insights and feedback during interviews, the validation workshop and the editorial phases.

1. Introduction

What is the aim of the toolkit?

Civil Society Accountability: Principles and Practice is a toolkit developed by the Commonwealth Foundation (CF) in partnership with the Co-operative for Research and Education (CORE). It explores what accountability means for civil society organisations in South Africa and provides suggestions on how to put accountability into practice. The aims of the toolkit are threefold:

- 1 Identify common principles of accountability for CSOs in South Africa
- 2 Highlight some of the current good accountability practices that exist among CSOs and identify areas where capacity needs to be built in the sector
- 3 Provide practical tools and frameworks that CSOs can use to achieve accountability in their day-to-day activities and interactions with stakeholders.

The toolkit has been developed through a participatory process involving a wide range of representatives from the CSO community in South Africa. Whilst there are organisations that were not contacted, we hope they can still draw insights from the toolkit, relate to the issues being discussed and experiment with some of the approaches and tools outlined. At the same time we would also like your feedback. If you have any suggestions you would like to share, please contact us at foundation@commonwealth.int or corejhb@mail.ngo.za.

How was the toolkit developed?

The toolkit was developed through four stages of research that took place from February 2012 to July 2012. First, desk-based research was conducted on the nature of civil society in South Africa, the current debates on CSO accountability, and the regulatory and self-regulatory (e.g. codes of conduct) structures that exist.

Second, interviews were conducted by CORE with representatives from the CSO sector. These explored understandings of, and challenges to, accountability and existing good practices. The organisations included CSOs concerned with human rights issues, women's groups, umbrella NGOs, advocacy organisations and service delivery NGOs (see **Appendix 1** for a full list of organisations interviewed).

Third, an online forum in partnership with SANGONeT was hosted, bringing together CSOs from South Africa to discuss CSO accountability and share experiences.

Finally, a two-day validation workshop was held in Johannesburg, South Africa, which engaged CSOs in identifying common principles of accountability, sharing

practices and discussing ideas for the toolkit. This was held on 25 and 26 June 2012 and was attended by 18 participants (see **Appendix 6** for a full list of participants in the validation workshop).

As well as being shaped by discussions with CSOs in South Africa, the toolkit has also been informed by international best practice in CSO accountability and good governance. Where possible it provides examples and links to resources that draw on the experiences and knowledge of organisations and researchers in promoting CSO accountability worldwide and those of specific country initiatives.

How is the toolkit structured?

The toolkit is divided into five sections. Each section has been designed to be self-standing and can be read and applied separately.

Section 1 describes how the toolkit was developed, what it aims to do and the objectives of the larger project on CSO accountability in Commonwealth countries.

Section 2 engages with the question: What is accountability and why is it important? Drawing on the workshop discussions, interviews and online forum, this section identifies the key factors pushing accountability onto the agenda of CSOs in South Africa. It explores the different understandings of accountability that exist within the sector, draws out the common elements and identifies a set of basic principles of accountability for CSOs.

Section 3 provides an accountability self-assessment for CSOs. It identifies standards that CSOs should be meeting and helps identify strengths and weaknesses in accountability systems, procedures and practices.

Section 4 details how CSOs can put accountability into practice. It mirrors the structure of the self-assessment, explains why each standard is important to accountability and offers advice on how to fill gaps and strengthen existing practice. It details a range of tools that will help CSOs translate accountability from a relatively abstract concept into concrete practices that will help build trust, credibility and legitimacy with stakeholders.

Section 5 provides some discussion about how accountability and the accountability debate can be taken forward in the South African context.

How to use the toolkit

The accountability self-assessment in **Section 3** is a core component of the toolkit: it takes the accountability principles identified in **Section 2** and translates them into a set of accountability standards. These detail specific steps that CSOs should take to embed accountability into their governance, management and programmes (see **Box 1** for more details on the difference between accountability principles and standards).

Box 1 What is the difference between accountability principles and standards?

Principles of accountability are the core values that underpin what it means to be answerable for your actions. For example, the research in South Africa has identified the following as key principles of accountability among CSOs:

1. Transparency
2. Information sharing
3. Responsibility
4. Financial management
5. Integrity
6. Individual values
7. Independence.

In addition, membership-based organisations need to be democratic in character and practice.

Standards of accountability are more prescriptive than principles and detail the specific actions or activities a CSO should take to put accountability into practice. For example, standards that reflect the principle of transparency and information sharing are:

1. The production and wide dissemination of an annual report to all stakeholders
2. Sharing project and programme information with participating beneficiaries
3. Recruiting staff through an open and merit-based process
4. Sharing information with donors – both successes and failures
5. Compliance within an enabling environment
6. Compliance that does not violate the principles of accountability.

The self-assessment helps the reader identify what part of **Section 4** to focus on. For example, if you apply the self-assessment to your organisation and find that your governance structures meet most accountability standards, but accountability in your programmes is lacking, you can go straight to **Section 4, sub-section B**, where you will find tips and advice on how to integrate accountability into operations. Likewise, if your accountability is weak in governance, you should read **Section 4, sub-section B**. Under each accountability standard, symbols are used to help the reader skim the text and identify the issues of most relevance to them (see **Box 2** for an explanation).

Box 2 Navigating the toolkit

In **Section 4**, under each standard, three symbols have been used to help the reader navigate the text.

-  Explains why a particular standard is important for CSO accountability
-  Highlights the challenges to CSOs
-  Provides tips, tools and checklists for putting standards into practice

Who is the toolkit for?

In this toolkit, the term civil society organisation is used to encompass all public benefit organisations which occupy that space outside family and government and which are not part of the market. These organisations are characterised by the following features:

- **Independent:** It is independent of government or business
- **Legitimate:** It subscribes to the law of the country
- **Organisation:** It is a duly constituted organisation
- **Board:** It has a board independent of staff and donors
- **Management:** It has a professional management
- **Registration:** It is registered as a civil society organisation under current legislation
- **Not for profit:** It is a not-for-profit organisation with surplus funds being absorbed within the organisation and not accruing to its founders, directors, members, staff or any other group
- **Public benefit:** It is constituted for public benefit and provides assistance without any discrimination
- **Funding:** It has diverse sources of funding without domination by any one source

Recognising this diversity in civil society, the toolkit does not try to appeal to all types of CSOs in South Africa. It has been primarily designed for and informed by discussions with CSOs, donors, community-based organisations (CBOs), service delivery organisations and CSO umbrella organisations representing a wide variety of interests (gender, health, youth, etc.). Where there is still considerable variation even among this group of organisations, the research indicated that they share many of the same accountability challenges.

This is not to say that private associations, trade unions or any other organisation that falls within ‘civil society’, but outside the audience of this project, will not find elements of the toolkit useful; the accountability principles identified in **Section 2**, for example, are by design broad and in many ways applicable to any type of organisation (public or private, state or non-state). Because the toolkit has not been designed with this wider group in mind, however, it does not necessarily speak to the specific accountability challenges they face.¹ Should you need any further assistance in this phase, contact foundation@commonwealth.int or corejhb@mail.ngo.za.

Even among the toolkit’s primary audience, its application needs to be approached with flexibility. Specific standards identified in **Sections 3 and 4** will be more suited to some organisations than to others. Certain standards assume a level of institutional development that may not exist in all types of CSOs. For example,

having in place internal staff policies on recruitment, remuneration, promotion, and health and safety (accountability **Standard D5**) is perhaps less relevant to a small rural grassroots organisation than to a more sizeable urban CSO. A CBO may not feel that the development of formal policies is the most appropriate way of addressing such concerns given its limited capacity. It may prefer to address staff welfare issues in other more informal ways. If a standard does not neatly fit your particular CSO, however, do not ignore it: try and adapt it to your organisational context. Explore the possibility of realising the standard in another way. However, in so far as the Basic Conditions of Employment Act applies in all employment situations, the minimum provisions of the Act must be adhered to.

The toolkit singles out and gives special emphasis to network or umbrella organisations and what accountability means to them. These organisations have been singled out because:

- (a) Network or umbrella organisations have a distinct organisational structure, which sets them apart from other CSOs and requires specific attention when looking at accountability; and
- (b) They can play an important role in leading by example within the sector and supporting members to do the same. Leading by example can help to galvanise reform within the sector. **Section 4** therefore includes accountability standards that speak to the specific accountability challenges faced by CSO umbrella organisations and offer specific tips and tools on how to overcome them.

2 Why is accountability on the CSO Agenda in South Africa?

Accountability in a civil society context

In the past decade, South Africa has seen a proliferation of CSO activity on a range of issues from environmental conservation to health care delivery, governance to women's rights, and the sector has had a growing voice in public policy. While in the past the relationship between government and civil society has been characterised by 'distrust', in recent years it has moved towards 'partnership and collaboration', with the realisation that CSOs are as important to development outputs as any other sector. CSOs are now represented on a range of government commissions, national committees and advisory bodies and their involvement in governance has been institutionalised through the Non-Profit Organisation Act [Act 71 of 1997] (NPO Act), which gives both legal definition to NGOs and formal recognition of their role in public policy.²

This shift toward greater CSO involvement in public policy is not unique to South Africa. Worldwide, there has been a rapid expansion of the CSO sector and its ability to influence national and international policy discussions. CSOs advocate on behalf of poor and marginalised groups, mobilise people and resources through their commitment to social values, monitor government compliance with their commitments and are increasingly taking on state functions by becoming involved in service delivery. As such, they have become a powerful force for shaping and influencing public policy.

Yet with this visible increase in power has come greater scrutiny of their activities. Questions are now asked in South Africa and internationally about where CSOs get their mandate and funding from, who they represent, how they make their decisions and what impact they are having on society. In cases where mismanagement and corruption has been discovered, CSOs have been rightly criticised and in some instances prosecuted. Failing to adequately respond to such criticisms is both damaging to individual CSOs and the sector as a whole. The South African CSO sector has over the past three to four years received negative publicity for the corrupt dealings of a select few. Unfortunately, the general public and critics of civil society tend to misconstrue these dealings as being sector-wide.

South African civil society organisations believe that self-regulation is the best method to govern their affairs. To this end, most organisations practise principles of accountability commensurate to their capacities and budgets. The integrity of board members and executive officers has assumed paramount significance. The voluntary nature of board positions, as well as the range of organisations in South African civil society, makes this a complex matrix of responsibility. Integrity is

therefore essential. In recent years, South African civil society organisations have also had to deal with the question of sustainability and continued relevance. It is essential that organisations continue to perpetuate or reinvent themselves. Both board and staff members have to recognise that when an organisation has achieved its mission objective it can be disbanded. To create an imposed mission drift on an organisation would only perpetuate its unsustainable nature.

The responsibility lies with CSOs in South Africa to openly address these challenges and demonstrate that they are exercising their new power in a legitimate and responsible manner. CSOs must clarify from where they draw their legitimacy and identify more clearly, to whom, for what and how they are accountable. Steps to this effect have already been taken with the passing of the NPO Act and developing voluntary codes of conduct. CSOs were involved in the drafting of the legislation and in many ways it represents an acceptance by the sector that involvement in national decision-making necessitates a basic level of regulation. The NPO Act requires CSOs to have basic structures of good governance, be independent from government, be non-profit in nature and have objectives consistent with the principles of human rights and sustainable development. In this regard it lays the foundations for CSO accountability, providing the framework in which organisations should operate and outlining basic minimum standards.

However, the NPO Act is only a first step to realising a more legitimate and accountable CSO sector in South Africa. As this toolkit identifies, accountability is a multi-dimensional concept which not only encompasses issues such as governance, organisational purpose and legal status, but also relates to how an organisation engages, communicates and listens to stakeholders, e.g. beneficiaries, donors, government and the public. How it demonstrates its effectiveness in delivering on its mission is based on this understanding. CSOs in South Africa need to do more than comply with existing CSO legislation to be able to claim they are accountable.

Positively, many CSOs already see the inherent value of strengthening accountability and believe it has the potential to strengthen organisations in many ways. CSOs involved in the research of this toolkit noted that greater accountability would help organisations identify the impact they are having, focus limited resources on targeted developmental needs and so help generate additional funds.

What does it mean for a CSO to be held accountable?

Accountability is a malleable concept that means different things to different people. This conceptual ambiguity poses a challenge when trying to develop a common approach. **Box 3** lists some of the different ideas that were expressed by workshop participants and interviewees during the research on what CSO accountability means. The wide range of views in many ways reflects the state of the debate on accountability within South Africa.

Some key themes which emerge from CSO responses

From the discussions and debates on CSO accountability within South Africa, three common themes emerged:

- First, **accountability is about being open and sharing information**. For a CSO to be accountable, it needs to be transparent about what it is doing, what it is planning to do and how it is performing in relation to the goals it has set itself. This information should be made available to all stakeholders, such as donors and beneficiaries. Furthermore, the information that it makes available should be timely and accessible to those it is intended for. It needs to be communicated through appropriate mediums and languages.
- Second, **accountability involves engaging individuals and stakeholders in the activities and decisions that affect them**. This is relevant for both internal stakeholders, such as staff, and for external stakeholders such as the communities that a CSO works with. Importantly, engagement needs to be more

Box 3 A selection of responses from South African CSOs to the question: What is your understanding of CSO accountability?

- Accountability is being transparent about your activities, your sources of income and how you spend the income. It includes getting mandates from your various constituencies. Reporting to these constituencies is accountability. This is done through your narrative reports and your financial reports, which should be contained in an annual report (NGO, Johannesburg).
- Accountability is like a testimony of events and time. One needs to be responsible and one needs to be able to prove what they did with their time and with the resources of the organisation (Government Department, Pretoria).
- Being held liable for your actions, agreed upon outputs and commitments, and having a responsibility to stakeholders (CBO, Cape Town).
- Accountability has got something to do with taking responsibility for actions taken. In it is included monitoring, review and evaluation of certain actions. This does not exclude reporting and receiving feedback. In terms of governance accountability, it includes providing updates, projections and compliance matters (NGO, Cape Town).
- Taking responsibility for your actions. For what you are entrusted to do. If you're entrusted with funding, for instance. One must practise good stewardship. Do your reporting in time, on time and do whatever is required to be done to fulfil those criteria for reporting (national NGO, Durban).
- CSOs are accountable for their values and purposes. Even mass-based organisations can only be accountable to their members if they are accountable for their values and purposes. As a nation we are accountable to our national constitution and humanity in general (network/umbrella organisation, Johannesburg).
- This is about accountability of CSOs to their board of directors, constituencies and supporters (CBO, Johannesburg).

Box 4 Key principles of accountability for CSOs in South Africa

Respondents identified the following key principles, depending on their size and work:

- **Adherence to organisational structure:** The internal structure, reporting lines and hierarchy must be respected. Internal rules on external relationships must be followed faithfully to ensure a credible image of the organisation.
- **Openness and information sharing:** Providing stakeholders with timely and accessible information about activities and intentions and being open about decision-making.
- **Ongoing learning:** Organisational development is not static. All organisations develop over time; it is essential, therefore, that organisations continuously assess their learning and develop policies and procedures to integrate such learning.
- **Stakeholder participation:** Involving key stakeholders in the decisions and activities that affect them, and listening and responding to their concerns and ideas.
- **Constant communication:** This is a key accountability principle, which is often neglected due to limited resources. Internal as well as external communication has to be consistent, credible, constant and continuous, in mediums understood by the various stakeholders.
- **Honesty:** Many respondents stress this principle. CSOs have to be honest in all their interactions at all times and with all stakeholders. Errors of judgement, omissions or commissions must be readily admitted and adequately responded to. This will ensure confidence in the organisation.
- **Monitoring, evaluation and learning:** Monitoring and evaluating performance, being open to feedback and feeding learning into decision-making.

than listening to stakeholder views; it also needs to lead, when appropriate, to practice being changed. Effective engagement requires responsiveness. Particular emphasis should be given to the involvement of communities and beneficiaries. Participants in the research noted that this is the stakeholder group that CSOs exist to support, and empowering them to influence the activities and decisions that affect them is a core value of the sector.

- Finally, **accountability is about knowing how effectively an organisation is performing and being able to demonstrate this to stakeholders.** This involves monitoring and evaluating progress in relation to goals and objectives and feeding the learning from the process back into the organisation. It also requires being open to feedback from stakeholders, whether it is positive or negative, and learning from this.

Yet, among the wide range of views expressed throughout the research, there are a number of common ideas and values that underlie people's understandings of accountability.

For example, providing timely financial reports to donors and being open about internal decision-making might be very different actions, but they relate to the

same underlying principle of being transparent about what one is doing. Being responsive to the needs and interests of beneficiaries and involving members in internal decision-making might relate to two different sets of stakeholders, but both speak to the underlying value of involving people in the activities and decisions that affect them. Likewise, while some participants spoke of accountability as delivering against commitments and others as ‘reporting to stakeholders what you are doing and how you are doing it’, both these interpretations relate to the underlying idea of assessing and tracking performance.

Based on these themes, seven common principles were identified that underpin CSOs’ understanding of accountability in South Africa (see **Box 4**).

A CSO that is accountable takes the necessary steps to embed openness and information sharing, stakeholder participation, and monitoring, evaluation and learning at all levels. **Section 4** offers specific guidance on how this can be achieved.

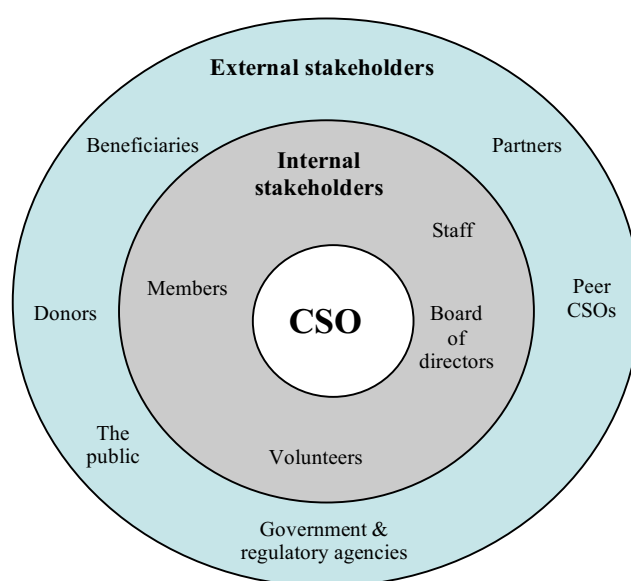
Who are CSOs accountable to and for what?

The relationship between a specific stakeholder group and a CSO will vary, depending on various factors such as the influence the group has over the organisation and how important the group is to the success of its work. While it is important that a CSO maintains its relations with each group, it cannot be equally accountable to them all. This would pull the organisation in too many directions and drain resources. CSOs need to prioritise. To do this a CSO must reflect what its values and mission are: **why** the organisation exists, **what** it is seeking to achieve and **who** it supports. It also needs to look at **what** it is account-

able to different stakeholders for. Reflecting on these questions can help an organisation disentangle its stakeholder web and identify those stakeholders that are most integral to its success from those that are important, but secondary, in nature (see **Figure 1**).

To date, debate on CSO accountability in South Africa has largely centred on the relationship with donors and regulators; as

Figure 1. A CSO's potential stakeholders



such the accountability that organisations have focused on has been financial and legal in nature – accounting for how funds have been used and meeting legislative requirements. While these are important accountabilities, as one interviewee noted, they are often pursued to ‘the neglect of mission accountability and accountability to communities’. Being accountable requires CSOs to strike a balance between being responsive to the needs and interests of donors, on the one hand, and remaining accountable to communities, on the other.

Accountability provisions in some key South African legislation

The following are some immediate examples of accountability written into various pieces of South African legislation:

The South African Constitution

The founding provisions of the Constitution provide that:

The Republic of South Africa is one, sovereign, democratic state founded on the following values:

- Human dignity, the achievement of equality and the advancement of human rights and freedoms;
- Universal adult suffrage, a national common voters roll, regular elections and a multi-party system of democratic government, to ensure **accountability**, responsiveness and openness.

The provisions on internal arrangements, proceedings and procedures of the National Assembly require it to:

- Make rules and orders concerning its business, with due regard to representative and participatory democracy, **accountability**, transparency and public involvement.

Similarly, the internal arrangements, proceedings and procedures of the National Council of Provinces require it to:

- Make rules and orders concerning its business, with due regard to representative and participatory democracy, **accountability**, transparency and public involvement.

Section 92 of the Constitution provides for the accountability and responsibilities of the Deputy President and Ministers responsible for the powers and functions of the executive assigned to them by the President.

Section 199 of the Constitution provides for the establishment, structuring and conduct of security and requires:

- To give effect to the principles of transparency and **accountability**, multi-party parliamentary committees must have oversight of all security services in a manner determined by national legislation or the rules and orders of Parliament.

Section 215 of the Constitution provides that:

- National, provincial and municipal budgets and budgetary processes must promote transparency, **accountability**, and the effective financial management of the economy, debt and public sector.

The Non-Profit Organisations Act No. 71 of 1997

Among the objectives of the Non-Profit Organisations (NPO) Act is the following:

- Encouraging non-profit organisations to maintain adequate standards of governance, transparency and **accountability** and to improve those standards.

The Companies Act of 2008

Among the purposes of the Companies Act is the following:

- Provide for the formation, operation and **accountability** of non-profit companies in a manner designed to promote, support and enhance the capacity of such companies to perform their functions.

3 Accountability Self-Assessment

How the self-assessment is structured

This section provides an opportunity to give your organisation an accountability health check. It includes a self-assessment tool which will provide insights into where their organisation's accountability is strong and where it might be weak. The self-assessment is divided into four main components:

- 1 **Accountability basics** are concerned with identifying and prioritising stakeholders' needs and interests; it is the starting point for any CSO wanting to address its accountability.
- 2 **Accountable governance** relates to how decisions are made at an organisational level and how policy and strategy is formulated.
- 3 **Accountable programmes** relates to how projects and activities are developed, implemented and managed.
- 4 **Accountable resource management** relates to how human and financial resources are managed and allocated.

Within each of these components, specific accountability standards are identified that indicate the practical steps that a CSO should take to embed the principles of adherence to organisational structures, openness and information-sharing, ongoing learning, stakeholder participation, constant communication, honesty, monitoring and evaluation, and learning into its systems, policies, processes and practices.

How to use the self-assessment

The self-assessment can be undertaken individually or in a group. Having more than one person complete the assessment can offer interesting insights, as it may expose standards where there is a difference of opinion as to whether the standard is being met. As mentioned in **Section 2**, there may be some standards that may not neatly apply to an organisation. If this is the case, thought should be given to whether and how they can be adapted to fit a particular context. When assessing an organisation against the standards, use the following criteria to guide your answers:

- **Yes:** We do this consistently and, where appropriate, practices are supported by policies, procedures and/or mechanisms.
- **Partly:** While we sometimes do this, we are not consistent and practice is not supported by any procedures, policies or mechanism *OR* we have the policies, procedures and/or mechanisms in place, but often fail to follow them in practice.
- **No:** Although we are aware of the importance of the issue, we have taken no action to address it.
- **Don't know:** We are not knowledgeable about this position or issue in our organisation.

Accountability Self-Assessment Tool

	Yes	Partly	No	Don't know
A. Accountability basics – to whom, for what and how is your CSO accountable?				
A1. Your organisation has a clear understanding of who its stakeholders are, and for what and how it is accountable to them				
A2. Your organisation is clear on which are its priority stakeholders				
B. Accountable governance				
B1. Your organisation is legally registered with the appropriate authorities and complies with all relevant national legislation				
B2. Your organisation has governing documents that formally identify where and how decisions are made				
B3. Your organisation has a mission, vision, values and goals that are known throughout the organisation and shared with the public				
B4. Your organisation has a strategic plan that has been developed and shared through a participatory process				
B5. Your organisation has a strategic plan against which progress is monitored and evaluated				
B6. Your organisation produces an annual report that is disseminated widely				
B7. Your organisation actively ensures there are no conflicts of interests among staff and board members				
B8. Your organisation is consistent in what information it makes publicly available				
Role of the Board in governance				
B9. Your Board periodically reviews the performance of the organisation in relation to the objectives set out in the strategic plan				
B10. Your Board receives adequately detailed and timely information to perform its oversight functions effectively				
B11. Your Board has a formal and transparent procedure for the election of new members that is based on merit and needed skills				
B12. Your Board conducts regular evaluations of its own performance and capacity needs				
B13. Your organisation involves beneficiaries in board discussions and decisions				
B14. Your Board has procedures for monitoring and evaluating the performance of the executive director/head of the organisation				
B15. Your organisation has a clear separation of roles between the Board and management				

Accountability Self-Assessment Tool (continued)

	Yes	Partly	No	Don't know
Accountable governance in CSO umbrella organisations				
B16. Your CSO network/umbrella organisation has clear membership criteria and a transparent process for accepting new members				
B17. Your CSO network/umbrella organisation keeps a members register that is updated regularly and made publicly available				
B18. Your CSO network/umbrella organisation ensures the active involvement of members in the development of policy and strategy				
B19. Your CSO network/umbrella organisation ensures meetings of the Board are open to all members				
B20. Your CSO network/umbrella organisation ensures that decision-making is not dominated by a small group of members				
C. Accountable programmes				
C1. Your organisation has project and programme specific plans that link to and support the realisation of the overall mission and goals of the organisation				
C2. Your organisation involves beneficiaries at all stages of the project planning process				
C3. Your organisation provides beneficiaries with sufficient information to understand its objectives and activities				
C4. Your organisation systematically monitors and evaluates its projects				
C5. Your organisation involves beneficiaries in the monitoring and evaluation of projects				
C6. Your organisation has made efforts to measure the long-term impact of its projects and programmes				
C7. Your organisation incorporates learning from project and programme evaluations into the strategic planning process				
C8. Your organisation has learning practices in place that involve a range of key stakeholders				
C9. Your organisation has in place a process for handling and receiving feedback from external stakeholders				
Accountable programmes in CSO network and umbrella organisations				
C10. Your CSO network/umbrella organisation can demonstrate that it represents the voice of its membership				
C11. Your CSO network/umbrella organisation actively engages members in the development of programmes and projects				
C12. Your CSO network/umbrella organisation can identify how it has strengthened the organisational capacity of its members to achieve their goals				

Accountability Self-Assessment Tool (continued)

	Yes	Partly	No	Don't know
D. Accountable resource management				
Accountable human resource management				
D1. Your organisation recruits staff in a transparent manner according to merit				
D2. Your organisation ensures staff receive regular feedback on their performance				
D3. Your organisation has a staff development system				
D4. Your organisation has built beneficiary accountability into staff induction, appraisal and development plans				
D5. Your organisation has in place internal staff policies on recruitment, remuneration, promotion, disciplinary and grievance mechanisms, and health and safety.				
Accountable financial resource management				
D6. Your organisation has its accounts audited annually and they are open to public scrutiny				
D7. Your organisation has in place a whistle-blowing procedure				
D8. Your organisation has in place effective systems to account for all income and expenditure				
D9. Your organisation reports financial information to beneficiaries				
D10. Your organisation receives funds that are consistent with its mission or goals				

4 How to Put Accountability into Practice

Civil society organisations have come to play an important role in South African society. Whether it is through the provision of essential services, managing natural resources or advocating and influencing laws and public policy, CSOs impact on citizens' lives in a multitude of ways. Recognising this new-found power, steps have been taken through the NPO Act to set minimum requirements on issues of governance, disclosure and the basic objectives of non-profit organisations. Yet discussions on wider accountability issues are still embryonic; many CSOs view accountability from a narrow financial perspective (i.e. accounting on how funds are used), and few are able to clearly demonstrate to whom and for what they are accountable. Drawing on discussions and the experience of CSOs that participated in the research, this section provides suggestions on how CSOs can put accountability into practice. It is structured according to the four components of the self-assessment:

- A** Accountability basics
- B** Accountable governance
- C** Accountable programmes
- D** Accountable resource management

Under each standard, details are provided on:

- ?** Why the standard is important to accountability
- !** Challenges to implementation
- ✓** Tools that can be used to put it into practice.

A Accountability basics: to whom, for what and how is your CSO accountable?

Addressing the questions to whom, for what and how an organisation is accountable is key to the effectiveness and efficiency of any CSO. Unless an organisation is clear about who, primarily, it exists to serve and unless it has in place the mechanisms to support and sustain these relationships, it will struggle to realise its core objectives and mission, and allocate resources effectively (see Box 5).

A1. Your organisation has a clear understanding of who its stakeholders are, and for what and how it is accountable to them

- ?** CSOs are affected by, and have impacts on, a variety of individuals and groups. These are its stakeholders. As mentioned in **Section 2**, being aware of the needs, interests and views of different stakeholders, and balancing them when making decisions lies at the core of accountability. It is therefore crucial for a CSO to determine who its stakeholders are, what they are accountable to them for and how they should be accountable.

Box 5 Why should you identify and prioritise your stakeholders at project and organisational level?

- Helps identify the interests of stakeholders in relation to the problem a project is seeking to address.
- Helps identify the most appropriate types of engagement for different stakeholders at successive stages of the project cycle or in relation to organisational governance.
- Helps identify potential conflicts of interest between stakeholder groups at project and organisational level.
- Helps create an overall picture of who is impacted by a project or the organisation as a whole.
- Helps create clarity about who the organisation primarily serves.

The outcome of a stakeholder analysis will vary depending on what level of the organisation is being assessed; a stakeholder analysis for a project, for example, will result in more specific stakeholders being identified than if the analysis is being made at organisational level, where general groups of stakeholders, such as beneficiaries, donors and the general public, are likely to be identified.

- !** When undertaking a stakeholder analysis at the organisational level, staff can sometimes find it difficult to remove themselves from their day-to-day areas of work and think about organisational interests (this is not peculiar to organisations in South Africa, but is a common occurrence). This can lead to stakeholders being identified that may be important to a particular project, but have less relevance at organisational level. Encouraging participants to put themselves in the shoes of the Board when they are having these discussions can help to overcome this problem.
- ✓** Tool 1 is a stakeholder mapping exercise that can be used by a CSO to identify its stakeholders, what they are accountable to them for, and what mechanisms are in place to support this accountability. It can be used at project, programme or organisational level.

A2. Your organisation is clear on which are its priority stakeholders

? While it is important that a CSO maintains relations with each of its stakeholders, it cannot be equally accountable to all of them. To do this an organisation first needs to reflect on what its missions and values are. Why does it exist? What is it seeking to achieve? Going through this process helps to disentangle the stakeholder web and differentiate between those stakeholders that are integral to the success of the CSO from those that are important, but secondary in nature.

Prioritisation also informs how stakeholders' interests are balanced and which ones, when necessary, should take priority in decision-making. For example, a CSO that has identified beneficiaries as a primary stakeholder might decline to participate in a joint campaign that is tangential to the most pressing needs of communities. Likewise, the CSO might rethink an internal reporting system that provides management and the Board with more information, but deters staff from dedicating time to engage, listen and learn from beneficiaries.

! Participants in the validation workshop commented that prioritising stakeholders can be a difficult process, as all stakeholders are in some way important to the success of an organisation. While this may be the case, making strategic choices around which stakeholders' interests should take priority in a particular decision or project can help keep an organisation focused on the issues that are most important to the realisation of its mission and strategy, and in turn improve its effectiveness.

✓ The fourth column in **Tool 1** asks CSOs to assign either A, B or C to each stakeholder category based on how important they are to the success of the organisation, programme or project, depending on which level the analysis is being conducted. Ideally, no more than two or three priority stakeholders (category A) should be identified. If there are more than this, the organisation will be pulled in too many directions and lack strategic focus.

At project/programme level it may be appropriate to revisit the stakeholder prioritisation periodically as the project/programme evolves: an organisation may choose to reprioritise stakeholder involvement at varying stages of the project/programme cycle. Stakeholder prioritisation at organisational level, on the other hand, is more static, as it relates to the core purpose of the CSO and does not need to be undertaken as frequently.

Staff, volunteers and the Board should be involved in the process of both identifying and prioritising stakeholders; it helps re-affirm why an organisation has been established and who, primarily, it exists to serve. This can in turn motivate staff and help them focus their efforts on the stakeholder relationships that count the most.

TOOL 1 To whom, for what and how is your organisation accountable?

Specific stakeholder	Stakeholder category (e.g. donors, beneficiaries, government)	What are you accountable to them for?	How important are stakeholders' interests to the success of the project, programme and/or organisation? A. Very important B. Fairly important C. Not very important	What mechanisms and/or practices do you currently have in place to support accountability (e.g. openness and information sharing; participation, evaluation and learning)?	What steps are you going to take to improve accountability to this stakeholder? (Try to fill this column in once you have read the entire toolkit. The following sections will give you ideas on ways of improving accountability.)
Example: Lethukukhanya Health Institute	Beneficiaries: The aged and the sickly; provincial government, corporate donors, National Lotto	To provide education and training aimed at improving the quality of life of rural and informal, as well as urban communities ³	A. Very important	Currently, six care-givers who are placed as volunteers in the areas of Braam-fischerville and Dobsonville taking care of the elderly. Training of social auxiliary workers	

B Accountable governance

Governance relates to the processes and structures a CSO has in place to ensure the effective and efficient running of the organisation. Governance in the South African context has assumed a significant role, given the legacy of apartheid, as well as the growing culture of responsible action. It is contained in the Constitution and is also now a key fundamental for good governance at all levels of society.

The following section outlines the basic standards that can help CSOs realise this.

Governance basics

B1 Your organisation is legally registered with the appropriate authorities and complies with all relevant national legislation

? All CSOs in South Africa must comply with government legislation that regulates the sector. Laws such as the NPO Act (Act 71 of 1997)⁴ are in place to ensure CSOs meet a basic level of public accountability. They mandate practices such as disclosing financial records and detailing activities. Failure to comply means an organisation's very status as a CSO can be challenged.

! While the NPO Act of 1997 is a relatively enabling piece of legislation, CSOs should be aware that the government reserves the right to refuse registration if an organisation is viewed to be 'offensive to good morals'. This is a subjective clause. For example, an organisation which is critical of the government's position on a particular issue could be silenced by having its registration revoked. While an appeal can be made, this is to the Supreme Court and there are major cost implications associated with this.

✓ Tool 2 provides a regulation checklist. It offers a basic list of criteria that organisations need to meet to qualify as an NGO in South Africa and the information that needs to be submitted annually to remain registered. For further advice on legal issues as they relate to the legislative environment of CSOs in South Africa please visit www.corejhb.co.za, or the related government department websites such as those of the Department of Trade and Industry, the Department of Social Development and South African Revenue Services.

B2 Your organisation has governing documents that formally identify where and how decisions are made

? The governing documents of a CSO outline a number of basic issues:

- 1** Why the organisation exists, its purpose and objectives
- 2** Who the organisation's key stakeholders are

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- 3** How the organisation will operate: broad principles, basic internal structures and how to deal with the finances and assets of the organisation, including provision for the disposal of assets should an organisation decide to dissolve itself.

The governing documents identify how power is distributed within a CSO and provides checks and balances for internal accountability. They are important as they clarify internally and to the wider public how decisions are made. Without a governing document, the lines of responsibility within a CSO become blurred and this can lead to confusion over who actually governs. Examples of such documents might be the articles of association, articles of incorporation, constitution, by-laws and rules of procedure or statutes. While the label may vary, the purpose of any such document is always the same: to clearly identify how the organisation will be governed.

TOOL 2 A checklist of CSO regulations in South Africa

All CSOs in South Africa must comply with the Non-Profit Organisations Act (1997). To qualify to register under the NPO Act an organisation must be:

- Independent of government control
- Have the objective of achieving sustainable development on a voluntary and non-profit basis
- Have a board of directors
- Have a Constitution.

To register as an NPO, organisations need to submit to the NPO Directory:

- A memorandum of incorporation, constitution or trust deed
- Name and address of the NPO
- Details of aims, objectives and purpose
- Organisational structure (membership and management details, including election of directors and their duties/powers)
- Information on intended programmes
- Standard accounting information.

To stay registered, within four months of the end of each financial year, an NPO must submit to the registrar:

- A statement of the accounts
- A certified financial statement
- A report detailing the programme of activities during the financial year.

! While the specific governance structures of a CSO are sometimes stipulated in legislation, in South Africa the NPO Act simply stipulates that a board of directors, committee or governing body shall be the principle policy-making organ. The NPO Act is more detailed, however, on what issues should be addressed in the memorandum of incorporation. These include:

- How the chair of the governing body is elected
- The period of appointment for the chairperson
- The frequency of governing body meetings
- The criteria under which a person would be ineligible for becoming a member of the Board
- Who the Board can delegate power to
- Provision for the establishment of sub-committees

✓ For more information on approaches to CSO governance, visit the Community Toolbox website. This outlines different governance structures that can be used for CSOs depending on size and stages of organisational development. The section 'Organisational Structure: An Overview' is particularly useful.⁵ Conversely, see the CORE booklet, *CSOs Practising What They Preach: A Composite Report on Civil Society Governing Boards in South Africa, 1997–2001*.

B3 Your organisation has a vision, mission, values and goals that are known throughout the organisation and shared with the public

? A CSO's vision, values, mission and goals give direction and focus to the organisation (see **Figure 2**). They are the basis on which programmes are planned and help create a stable and effective organisation. They also communicate internally and externally what the organisation seeks to achieve.

! Mission statements provide the context in which specific projects and programmes are developed. As **Figure 2** details, clear links should exist between what a particular project is seeking to achieve and the realisation of the organisation's strategic goals, mission and vision.

✓ If your organisation does not have currently a mission statement or wants to review an existing one (organisations have found this a useful exercise to undertake as it helps reaffirm among staff and the Board the core purpose of the organisation), see **Tool 3** for guidance. **Boxes 6, 7, 8 and 9** are examples of South African CSOs' mission, vision and values.

Figure 2. Incorporating vision into your programmes and projects



B4 Your organisation has a strategic plan that has been developed through a participatory process

A strategic plan maps out the organisation's strategy over a three to five year period. It is an important tool for bringing structure and coherence to a CSO's work and helping to track its performance. While it should provide a framework for future activities, it should not be too prescriptive: changes in the political and economic environment may present new opportunities or challenges to which an organisation needs to be able to adapt.

Given that a strategic plan sets the direction of the organisation, it is important that key stakeholders are involved in the process of developing it. They have a stake in what the organisation accomplishes, and they should be involved in deciding how it moves forward and what areas it prioritises. Wide consultation will also help build a more accurate picture of the operating environment and lead to better strategic decisions.

Box 6 Land Access Movement of South Africa (LAMOSA)

Vision: Sustainable community members, families, organisations, institutes and/or enterprises are engaged in and are in control of sustainable collective social, economic and political actions.

Mission: To combat poverty, inequalities and oppression through people-centred development (PCD). Advocacy for access to land that was brutally and forcefully taken from our ancestors. Build substantive democracy, as well as profound social, economic and political structural transformation, and facilitation of sustainable development for prosperity.

Values

- Accountability
- Promotion of indigenous cultures, science and technology
- Replicable programmes
- Participation
- Transparency
- Voluntarism
- Ubuntu
- Gender equity

Box 7 AIDS Consortium

Vision: To facilitate and grow an established network of AIDS service organisations to effectively address the needs of the people infected and affected by HIV and AIDS, thereby ensuring dignity for all.

Mission: The AIDS Consortium is a human rights organisation committed to openness and non-discrimination on the basis of HIV/AIDS. To this end, the Consortium brings together organisations and individuals in a network that processes information and works toward an equitable responses to the pandemic, and also addresses issues of stigma and discrimination.

Affiliates: These are CBOs and individuals motivated by the needs of the community within which they reside and the drive to see their situation change for the better. Many of the organisations are staffed and led by people who are personally invested in a problem with which they identify very strongly. They offer a wide variety of services within a broad array of scales and levels of sophistication. They range from small groups of volunteers offering feeding programmes, home-based care or assistance with documents and grants, to large national organisations offering access to national media, advocacy campaigns and large-scale treatment services.

Box 8 Mvula Trust

Vision: A South Africa in which all enjoy safe and affordable water and sanitation that contribute to good health and productive livelihoods. Mvula Trust is the leading development institution in South Africa in terms of improving livelihoods linked to water and sanitation.

Mission: To improve the health and livelihoods of poor and disadvantaged South Africans, using and maximising community-based approaches to facilitate the delivery of integrated and sustainable water, sanitation and related services, while ensuring that people's voices are heard.

Values:

- Transparency
- Community orientation
- Empowerment and participation
- Professionalism and efficiency
- Co-operation and teamwork
- Effective communication

Box 9 Economic Justice Network

Vision:

- To harness all resources of the east and southern African region for all its people
- To facilitate economic justice through the transforming agency of Christians compelled by the gospel of Jesus Christ

Mission:

- To strengthen the commitment of the church in its advocacy work on economic justice and to act as a catalyst for engaging people in the promotion of just economic and social structures
- To establish mechanisms to raise the experience and concerns of the marginalised and the poor on the agenda of the church and in society in general

Objectives:

- To strengthen the effectiveness of the churches in influencing economic policies, informed by the experience and concerns of the poor and marginalised
- To develop and extend effective advocacy strategies and interventions on selected priority issues affecting the region through hosting conferences, seminars and workshops
- To undertake relevant research on issues of concern to strengthen advocacy initiatives of the national councils of churches (NCCs), EJA and partner organisations
- To facilitate the gathering, dissemination and exchange of information within the EJA and with partner organisations around the key issues of trade, debt and food security
- To encourage economic literacy programmes by the church at all levels
- To liaise and collaborate with similar networks in southern Africa, Africa and internationally around issues of global concern

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- ! Strategic planning requires CSOs to balance what they want to achieve with the resources that are available to them. This requires decisions on where the organisation can add the most value and therefore have the biggest impact. While the strategic plan should be challenging, it must also be achievable.

Involving beneficiaries in the process of developing the strategic plan is particularly important. As recipients of a CSO's work, it is important that their thoughts on where the organisation should focus its efforts are heard. Yet this is an area where many participants in the research thought current practice was weak in South Africa. While engagement takes place on operational activities, they commented that it has not always been scaled up to the governance level. A number of reasons were provided to explain this, including low literacy rates among beneficiary communities, which made their involvement in strategic decisions difficult; a lack of interest among beneficiaries in being involved in strategic decision-making; and a lack of available time among communities to both participate in project level activities and strategy discussions.

- ✓ There are different ways that beneficiaries can be involved in the strategic planning process. Which method(s) are chosen depends largely on how widely a CSO wants to consult and the level of involvement it wants beneficiaries to have in the process. Here are some methods:

- **Community focus groups:** If an organisation wants to involve a wide range of beneficiaries in the process, it can run community consultations. These can be used to either gather information to inform the planning process or as a way of getting feedback on draft plans. However, to be effective, you need to think through how the discussions can be made accessible and engaging for beneficiaries.
- **Involvement in a planning committee:** Depending on how an organisation has designed the planning process, it may set up a committee or working group to lead the process. If this is the case, consider involving beneficiary representatives in the group. The benefit of this approach is that beneficiaries are being involved in the decision-making, rather than just being asked for their opinion. There are challenges to this, however: selected beneficiaries need to be able to meaningfully engage in discussions around strategic prioritisation and budget allocation. Also, if a number of beneficiaries are interested in participating, there needs to be a clear and transparent selection process.

For a 'How-to' on developing a strategic plan, see CORE's *Principles of NGO Management* manual. Should you wish to acquire a copy of this manual, please contact CORE at corejhb@mail.ngo.za

TOOL 3 How to develop or revise a mission statement

Writing a mission statement or reviewing an existing one is a good way to unite staff around a common vision while producing a consistent message for all your internal and external communications. Here are some basic steps you may wish to take.

Step 1: Set aside time for a focused discussion, ideally led by an independent facilitator. Be sure to include the Board, Executive Director, senior staff and even some volunteers.

Step 2: At the meeting ask yourself these questions, first individually and then as a group:

- What kind of organisation are we?
- What needs do we address?
- Who are our beneficiaries?
- What do we do and how do we do it?
- Where do we do it?
- Why do we do it?

Step 3: Try to reach a consensus about your answers. If this is not possible, you may have uncovered a basic tension in your organisation that needs to be addressed.

Step 4: Express your consensus in one or two short, energetic sentences.

Step 5: Show your results to a few stakeholders, staff and some people not directly associated with the organisation. What do they think? Does everyone understand it? Does it speak to their values and why they work for the organisation? If the answers to these questions are 'yes', then you now have a mission statement. If not, you need to work on the words some more.

Source: Child Helpline International (CHI) (2008), *Good Governance and Accountability: A guide to strengthening your helpline* (2008)
<http://www.childhelplineinternational.org/en/publications>

B5 Your organisation has a strategic plan against which progress is monitored and evaluated



The strategic plan is a document that is developed so that an organisation may consistently return to assess how it is doing on a regular basis in relation to its wider goals and mission. It is a useful exercise for the organisation to set programmatic and project goals/outputs/outcomes that can be used to reflect on the progress of a strategic plan.

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- ! It is difficult to keep track of the wider objectives and goals of an organisation while dealing with day-to-day activities and projects. However, it is also easy to depart from the mission and goals, so regular reviews are important.
 - ✓ The Free Management Library provides tips on how to monitor and evaluate a strategic plan and offers advice on what to do if you start to deviate from the initial objectives.⁶

B6 Your organisation produces an annual report that is disseminated widely

- ? An annual report is an important tool for transparency, as it demonstrates in a consolidated fashion the work that a CSO has been undertaking and provides a review of how money has been spent. While the specific content of an annual report will vary, there is a basic level of information that should be made available. This includes key financial figures, information on governance structures and what activities have been undertaken. In South Africa the disclosure of much of this information is required by law, and once the information has been deposited in the NPO Directorate, the law provides that the public has access to such reports.

Increasingly, organisations are also using annual reports as a tool for learning. They are being used as an opportunity to engage stakeholders in an honest conversation on how they are performing in relation to key goals and objectives and communicating the outcome of this dialogue publicly, along with other evaluation findings. This openness and honesty around what is working and what is not strengthens learning and builds trust with stakeholders.

- ! When developing an annual report it is important to be clear on who the primary audience is. This will shape its style and content, and the dissemination strategy. For example, if the organisation views the annual report as a tool for communicating with communities and beneficiaries, it should be written in an accessible style and made available through appropriate mediums. Such a report would be very different from one that has donors as its main audience.

Being frank in an annual report about the setbacks an organisation has experienced can be controversial; CSOs often resist disclosing information about their mistakes for fear of jeopardising future funding. While this is understandable, failing to be open about the challenges an organisation faces is myopic. Issues such as environmental conservation, poverty alleviation and human rights are all complex questions; setbacks are inevitable. Not communicating this reality to stakeholders can lead to their developing inflated and unrealistic expectations about what a CSO can achieve. Report on these matters accurately, with recommendations on how such challenges will be met in the future.

TOOL 4 Items to include in an annual report

Any annual report should cover the following:

- ✓ Opening statement from the chair of the Board providing an overview of the year and identifying highlights
- ✓ Vision, mission and objectives of the CSO
- ✓ Overview of organisational growth and development
- ✓ Overview of activities, broken down according to areas (e.g. services, advocacy, research)
- ✓ Evidence of the impact the CSO has had on the lives of beneficiaries and the key lessons that have been learned over the year
- ✓ List of key donors
- ✓ Overview of financial accounts
- ✓ Explanation of governance structures
- ✓ List of board members and staff
- ✓ List of partners
- ✓ Appropriate pictures, diagrams and maps

✓ **Tool 4** provides a basic outline of what issues to cover in an annual report. Also, if you want to make the annual report accessible to a wide audience here are some useful hints:

- Use limited text – instead try to use graphs, flowcharts and diagrams to illustrate the achievements, set against goals and objectives. This will make the content more accessible to a wider range of stakeholders
- Keep the length of the report to a minimum
- Consider if parts of the annual report could be communicated to communities at public meetings.

B7 Your organisation actively ensures there are no conflicts of interest among the staff and board members

? Accountable internal governance requires that the interests of the staff and Board align with that of the organisation. Yet there may be instances where board members or staff could potentially be biased or influenced in their

decisions and actions by their private, personal or professional lives. For example, board members could be involved in deciding if a relative is hired. CSOs need to create a favourable environment, which enables staff to disclose potential conflicts, and organisations also need to have in place procedures for actively avoiding them. Conflicts of interest can involve anyone. However, they are particularly common on boards whose members are influential people with many ties in the community.

! A conflict of interest situation does not automatically mean that an individual has done anything wrong. The danger may be the appearance rather than the actual wrongdoing. A situation like this can be just as damaging to the public perception of a CSO's accountability and needs to be dealt with proactively.

✓ A practical way of addressing conflicts of interest is to develop a policy on the issue and get staff and board members to sign it. This will help the Board monitor behaviour within the CSO and deal impartially with situations in which an individual's multiple interests compete. The policy typically requires full disclosure of potential or actual conflicts and abstention from decision-making in which an individual has a personal interest. Many CSOs require their board members and staff to sign conflict of interest disclosure statements annually. Of course, it is not enough for the policy just to exist on paper. To be effective the Board must make sure it is enforced. Here are some examples of potential conflicts of interest that you should be aware of:

- A board member is also an executive director of another organisation that competes with your CSO
- A board member receives an interest free loan from your CSO
- A relative is hired to provide services to your CSO (e.g. catering)
- A relative is recruited as a member of staff of your CSO.

For more information on how to manage conflicts of interest, CORE has produced a best practice note as well as a declaration form on managing conflicts of interest. Should a copy be required, please e-mail corejhb@mail.ngo.za.

B8 Your organisation is consistent in what information it makes publicly available

? Transparency is a core component of accountability: without information on what a CSO is doing and how well it is performing, it is difficult for stakeholders to engage in the decisions that affect them, monitor activities or hold a CSO to account for transgressions. It is also important that the information is made available to stakeholders in a consistent, accessible and timely way.

! Problematically, the research indicated that many CSOs do not have a consistent and coherent approach to what, when and how they make

information available to key stakeholders. Information disclosure is often ad hoc and few commitments are made against which CSOs can be held to account. Organisations must familiarise themselves with the provisions of both the Promotion of Administration of Justice Act 2000 (PAJA) and the Promotion of Access to Information Act 2000 (PAIA). Details of these are available on the national government website at www.info.gov.za.

- ✓ Developing a transparency policy can be a good way of achieving consistency in information disclosure. In such a document an organisation clearly states what information it will make proactively available and through what means, and also what information it will make public if asked.

It is also good practice for a transparency policy to be based on the presumption of disclosure. This means that if the information is requested, the default position of a CSO is towards disclosure. If information is to be withheld, it is the responsibility of the CSO to justify why it should not be made public, and not that of the person requesting the information. To bring consistency to this process, CSOs should identify a set of narrowly defined conditions for non-disclosure. These are clear instances when information will not be made public: these could encompass, for example, information on staff issues, contractual information and internal correspondence. CSO leaders should also familiarise themselves with the Promotion of Access to Information Act. This Act, whilst it is not applicable to CSOs, is an indicator of how CSOs should behave, if approached for information by a third party (see **Tool 5**).

Role of the Board in governance

The Board provides collective leadership for an organisation. It represents the interests of a CSO and helps it to stay focused on the mission. The Board has a breadth of perspective and depth of experience surpassing the abilities of a single leader. But as a single body, the Board can bring together multiple views into a shared vision and goals. If a CSO is committed to the principles of accountability, it is crucial that this is reflected in how the Board functions. This sets the tone for the rest of the organisation and sends a strong message to stakeholders that accountability is a core organisational value.

B9 Your Board periodically reviews the performance of the organisation in relation to the objectives set out in the strategic plan

- ? As the body with the oversight responsibility for a CSO, part of the Board's job is to ensure performance is aligned with the objectives set out in the strategic plan and annual work programme. The Board plays an important role in holding management and staff to account for the commitments made. In order for the Board to provide effective oversight of performance it is important that it receives timely and succinct reports on the implementation of the CSO's activities and budget (see **Standard B9**).

TOOL 5 How to develop a transparency policy

Try to engage a cross-section of staff and the board in these discussions. In this way, you are more likely to uncover differences of opinion around why information should or should not be disclosed and address potential challenges to greater transparency before the policy is rolled out.

As a group consider the following questions:

- ? What information does your CSO think it should be making public either proactively or in response to an information request? Start by thinking about what you are legally required to make public (e.g. financial statements, audited accounts), and then perhaps think about what you have an ethical responsibility to make public (e.g. evaluation reports, list of donors, details of board members).
- ? Have there been instances where your CSO has refused to make information public? Why was this? Is there other information your CSO would not be prepared to make public? Why?

Consider the provisions of PAJA and PAIA.

The answers to both sets of questions will form the basis of the transparency policy. In your policy first list the information you will make public proactively, and then list the information that can be requested by stakeholders. Finally, list which information will be kept confidential and state the reasons why. Remember, try and keep the definition of confidential information as narrow as possible. The purpose of a transparency policy is to encourage disclosure.

! Many boards are reluctant to implement performance appraisals of themselves. The peer pressure applied not to do so is counterproductive. In keeping with the principle of transparency, boards should be able to agree to evaluate themselves periodically, so that they are able to assess whether they are still making a positive contribution to the organisation. Board members with poor attendance or performance records should be encouraged through counselling sessions by the chairperson to relinquish their positions. Constitutional provisions should also be vigorously implemented. There is also a dearth of volunteer board members in South Africa. Through training and capacity building, volunteers should be encouraged to serve on boards. The Johns Hopkins Study (2001) estimates that South Africa has nearly 100,000 CSOs. At five members per organisation this translates to at least 500,000 board members serving CSO missions.

✓ Several tools exist in South Africa to evaluate performance management of boards, including the Code of Good Governance Practice developed by the Department of Social Development (DSD), available at www.dsd.gov.za.

B10 Your Board receives adequately detailed and timely information to perform its oversight functions effectively

? Effective communication between management and the Board is an important element of internal accountability. Board members need complete and timely information in order to exercise effective oversight and make informed decisions. Staff should help board members prepare for meetings by providing concise, carefully chosen materials well in advance. They can also help keep board members informed by distributing more general information from time to time. At the same time, boards should not rely on the staff as a sole source of information: they may need to seek out other perspectives to make sure they are getting the full story. Every board member should be expected to come to meetings having read all background materials.

! Beware of providing board members with too much information; it is important to remember that they are volunteers and may have other commitments. Board members must keep themselves informed of the organisation's activities and issues, but not engage in day-to-day operational matters.

B11 Your Board has a formal and transparent procedure for the election of new members that is based on merit and needed skills

? The Board plays a crucial role in the governance of a CSO, so when new members are being recruited it is important that a transparent process is in place for finding the best person for the job. Important to the process is that the CSO has criteria in place to guide the selection, that the recruitment is undertaken based on merit and that there is a formal application and interview process in place. There is no reason why a board member should not be recruited in the same way as a member of staff.

! Often the recruitment of CSO board members is driven by who the Board knows, rather than a competitive process aimed at finding the most qualified candidate. This should be avoided wherever possible. Participants who engaged in the research in South Africa also noted that it can be a challenge to find qualified board members who are willing to give up their time for free; as a result, organisations have to recruit the next best candidate or those who are able to offer the required time commitments. In these cases, thought should be given to what support can be provided to them to build their capacity in the future. Board members should have a variety of skills and knowledge to support the CSO, such as legal, financial and developmental expertise.

✓ For guidance on steps to take when recruiting a new board member see **Tool 6**.

TOOL 6 Steps to take when recruiting new board members

Step 1: Depending on the number of new board members that are being recruited, you may want to set up a selection committee to lead the process.

Step 2: Develop a set of criteria for selecting board members. This will help guide the selection and also ensure that you know when you have found the right people. Qualities that your CSO may be looking for include:

- ✓ Understanding of your stakeholders and their needs
- ✓ Passion for your CSO's mission and values
- ✓ Willingness to commit time for board meetings, committee meetings, planning sessions and special events
- ✓ Good connections in the local community
- ✓ Team player - someone who works well in a group
- ✓ Someone who listens well and is thoughtful in considering issues

In cases where specific expertise is needed (for example finance or legal skills), those talents should be considered in addition to the qualifications needed by all board members. Having these basic qualities will be essential for them to carry out their role, irrespective of their specialised skills.

Step 3: Recruit a pool of candidates for each post. You may be recruiting three new members. Recruit them one at a time, seeking a pool of candidates for each seat - just as one would for a paid position. This involves publicising the fact that you are looking for new board members.

Step 4: Set up an application and interview process.

Source: Child Helpline International (CHI) (2008) *Good Governance and Accountability: A guide to strengthening your helpline*. <http://www.childhelplineinternational.org/assets/cms/File/PDF/Manuals/Good%20Governance%20Manual%20-%20final.pdf>

B12 Your Board conducts regular evaluations of its own performance and capacity needs



While the board holds management to account for its performance, it also needs to hold itself accountable for the quality of the oversight and governance it provides. The Board therefore needs to evaluate its own performance annually against defined indicators. As well as providing an opportunity to assess progress in relation to goals and targets, self-

evaluations also provide an opportunity for the Board to review its capacity as a collective governance body and identify if there is a need for additional skills or capacity.

- ! At the outset of each new financial year, the Board should set individual and collective performance targets. They should also agree on how these targets will be measured. On a six-monthly basis the chairperson and the chief executive officer (CEO) should set up an evaluation process and provide the necessary feedback individually and collectively to the board members. Board members who require counselling should be counselled by the chairperson. The organisation needs to decide in what manner it wishes to acknowledge and reward board members.
- ✓ A template of self-evaluation for board members to assess their performance and that of the Board as a whole can be found in **Appendix 5**.

B13 Your organisation involves beneficiaries in board discussions and decisions

- ? Empowering communities to get involved in the activities and decisions that affect them is a core value of CSOs in South Africa and one that many organisations seek to reflect in their own practices. Yet, while discussions with CSOs in South Africa indicated that many organisations engage beneficiaries in project level activities, few have scaled up participation to the governance level. This represents a gap in accountability. The Board is the key decision-making body within a CSO and it is important that beneficiaries, the people on whose behalf the organisations functions, have a voice in its activities.
- ! In the same way that there are barriers to involving beneficiaries in the strategic planning process (**Standard B4**), there are a number of potential barriers to the effective engagement of beneficiaries in governance. For example, they may lack the time to attend board meetings. For example, a number of workshop participants highlighted the challenge of getting beneficiaries to consistently attend meetings, given other commitments that made competing demands for their time. Participants also noted that beneficiaries often have little interest in governance and oversight functions and would prefer to limit their engagement to activities that are directly related to their community. The issue of capacity was also raised as a barrier; some participants noted how community members may struggle to provide effective oversight of a CSO's activities and engage in discussions around fundraising, budgeting and strategy development. While these are very real challenges, they are by no means insurmountable. Board meetings, for example, can be arranged in communities to allow beneficiaries to attend more easily. Likewise, the Board can agree to avoid jargon and insider language during meetings to ensure they do not exclude beneficiaries unnecessarily. Provided an organisation is committed to involving the ultimate beneficiaries of its work in governance, arrangements can be developed to make their engagement meaningful and effective.

✓ If an organisation is interested in involving beneficiaries at board level, here are two different approaches that may be used:

- **A seat on the Board:** A voting seat on the Board can be set aside for a beneficiary representative. Importantly, it needs to be made clear to them that they are not representing, in a democratic sense, beneficiary interests, but rather providing a beneficiary perspective. If there are a number of potential candidates, ensure that the recruitment process is open and merit-based as described in **Standard B10**.
- **Representation on an advisory panel:** Advisory panels are bodies made up of external stakeholders, which periodically meet with the Board to provide advice and guidance on policy and strategy. They can be composed entirely of beneficiary representatives or reflect the diversity of a CSO's key stakeholders, e.g. donors, peer CSOs, beneficiaries and members of the public.

B14 Your Board has procedures for monitoring and evaluating the performance of the executive director/ head of the organisation

? As part of its oversight function the Board should review the executive director/head of the organisation's performance regularly, preferably annually. The review should be based on predetermined criteria, such as the written job description and agreed annual goals. The review will help the executive director understand what the Board expects of them and identify any areas for improvement or support. The review is also important for establishing a basis for compensation and, when necessary, identifying inadequate performance that may lead to dismissal. While the chairperson of the Board should take the lead in conducting the executive director's review, it is important that the Board conduct the evaluation as a body. The chairperson can then communicate the results of their assessment to the executive director, along with recommendations.

! The close relationship between the Board and the executive director can make it difficult for the Board to independently and honestly evaluate the executive director's performance. If the chairperson is taking the lead in the appraisal, consider consulting a senior staff member to get thoughts and insights into how the executive director is performing.

✓ The specific performance criteria for an executive director will of course vary from organisation to organisation, based on the specific challenges it faces. **Appendix 3** provides a template of the general areas that could be covered in the appraisal of an executive director.

B15 Your organisation has a clear separation of roles between the Board and management

? A core principle of accountable internal governance is that management and oversight are separate. This separation helps ensure decisions are made with the organisation's interests in mind. A board that is not separate from management (i.e. a board whose membership is the same as, intimately connected to or dominated by staff) is not independent and will face conflicts of interest. These difficulties arise because the people making decisions and evaluating their appropriateness will be the same as (or close to) the people affected by, or actually carrying out, those decisions. For example, a staff member serving on the Board might be involved in approving their own budget, setting their own pay or assessing their own programmes. Likewise, a board member involved in the day-to-day operations of a CSO will find it difficult, for example, to relinquish an area of work in which they have been involved, even though this may be in the best interests of the organisation. A board that is not separate from management functions is in a state of real or perceived conflict of interest. A board that is independent of management, on the other hand, avoids the possibility that its actions are motivated by interests other than those of the CSO. In a CSO with a clear separation between staff and oversight, management runs the organisation from day to day, while the Board sets policy, exercises oversight and strategically guides the organisation. This does not mean that the management, staff or volunteers have nothing to do with strategy or that board members are never involved in day-to-day issues. What it does mean, however, is that there is a fine but important line between these two areas, which must be recognised and protected by both sides.

! The relationship between board and management can often become blurred because of capacity problems: board members may get involved in operational issues because staff are struggling to deliver on commitments or, vice versa, management may get involved in governance because board members lack the skills and knowledge to provide effective oversight. It is the role of the executive director to manage this relationship.

✓ The specific performance criteria for the head of the organisation will of course vary from organisation to organisation, based on the specific strategic direction and objectives of the organisation for that period. Specific templates should therefore be developed for the appraisal.

Accountable governance for CSO umbrella/ network organisations

CSO umbrella/network organisations perform a variety of functions for their members and for the sector more widely, ranging from advocacy to capacity building, training to networking. While a number of such organisations in South Africa have in recent years disbanded, others, such as the National Welfare Forum and the AIDS Consortium, continue to play an important role in the sector. To

sustain their influence it is crucial that these organisations are governed in a way that keeps them focused on their mission and responsive to their members' needs.

B16 Your CSO umbrella/ network organisation has clear membership criteria and a transparent process for accepting new members

? Openness and clarity in membership selection is an important aspect of accountability for CSO umbrella organisations. If membership is restricted to specific types of organisations, agreed selection criteria need to be in place. Making these publicly available can in turn remove the scope for ad hoc decisions being made. To strengthen the integrity of the selection process some CSO umbrella organisations also establish an independent body or involve the Board in assessing membership applications.

! Membership criteria must be set and implemented uniformly without fear or favour. Individual organisations should not be favoured. The principle of equity should be applied. Organisations which are rejected from membership should be given an opportunity to appeal against the decision. The outcome of the appeal should be the final decision of the organisation.

✓ **Tool 7** provides a checklist of basic information that should be made available to applicants when applying for membership.

TOOL 7 Checklist of what to communicate to organisations applying for membership

Tick the boxes where you think your CSO umbrella organisation currently makes the information available to applicants:

- ☐ Types of membership available to organisations - full, associate, honorary - and the rights, obligations and fees associated with these
- ☐ Types of organisations to which the membership is open - faith-based organisations, umbrella groups, grassroots organisations and livelihood groups.
- ☐ Documents that need to be submitted by an organisation to be considered for membership: application form, constitution, annual report
- ☐ Letters of recommendation that an organisation may need from an existing member as part of the application
- ☐ Details of the process followed by the CSO umbrella organisation on verifying applications, including timeframes and method of communication

B17 Your CSO umbrella/network organisation keeps a members' register that is updated regularly and made publicly available

- ?** A CSO umbrella organisation's members' register details how many and what types of organisations the umbrella group works with and represents. Its membership base is a key source of legitimacy and should be communicated to external audiences. It is also important to keep the register up-to-date.
- !** Given that we live in the electronic age it should be a simple task to create and maintain a membership register. For purposes of updating information, the member should be provided with a secure log-in number to enable it to make changes without burdening the umbrella/network organisation.
- ✓** To keep records up-to-date, CSO umbrella organisations should contact members each year to see if the information on record has changed. The register should contain basic information on each member, including its name, contact details, main goals and activities, and date of entry.

B18 Your CSO umbrella/network organisation ensures the active involvement of members in the development of policy and strategy

- ?** The capacity of a CSO umbrella organisation to support members and advocate for the sector more widely hinges on its ability to effectively engage, listen, respond and represent the views of its membership. Unless a CSO umbrella organisation is actively involving members in deciding core areas of work or strategy and developing policy positions on key issues, it will lack legitimacy.
- !** While many CSO umbrella groups recognise the importance of involving members in the development of policy and strategy, the biggest barrier is often the members themselves. Faced with limited resources and competing priorities, members will often prioritise activities internal to their own organisations before engaging in sector level consultations or workshops.
- ✓** The following are some tips on how you can involve members in sector level consultations:
 - Build strategy and policy consultations onto other types of events, such as conferences and networking meetings. If members are already attending an event, little effort is required to convene a consultation.
 - Do not rely on a single channel for reaching out to members; solicit their views using as many means as possible (face-to-face meetings, e-mails and phone calls, SMSs, Facebook, Twitter etc.).

B19 Your CSO umbrella/ network organisation ensures that meetings of the Board are open to all members

? While the authority to make key organisational decisions lies with the Board of a CSO umbrella organisation, all members should be able to influence the decision-making process by attending board meetings and inputting into discussions. Representative democracy mechanisms either on a sector, qualification, or regional geographical basis, should be developed in the organisation's constitution to ensure diverse representation.

! There may be times when it is not appropriate for organisations from the wider membership to attend a board meeting because sensitive topics such as staff disciplinary issues or member misconduct are being discussed. In these instances, it is acceptable to exclude outside observers, but a clear prior rule should be involved and an explanation should be given.

✓ To facilitate the involvement of the wider membership in board discussions, make sure that all board meetings are advertised well in advance. Also ensure members are aware of their right to attend board meetings in the first place, by perhaps including this information in the induction material they receive when they join.

To avoid board agendas becoming overloaded with too many items, some umbrella/network organisations stipulate in their governing documents that a member's resolution needs to have support from other members. This avoids items being placed on the agenda that only apply to a single member and that could be resolved through the secretariat, rather than at board level.

To avoid confidential information being discussed in plenary sessions, it is possible to divide meetings into a public section and an in-committee section. In the in-committee section, confidential information such as performance appraisals, salaries, leave or other sensitive areas can be tabled and dealt with.

B20 Your CSO umbrella/ network organisation ensures that decision-making is not dominated by a small group of members

? CSO umbrella groups gain leverage and legitimacy from their ability to represent the collective views of their members. It is crucial, therefore, that key decisions are not made by a small group of organisations, but reflect the views of the majority. In practice, the Board of a CSO umbrella organisation is where key decisions are made outside the annual general meeting. It is important, therefore, that safeguards are in place at this level to ensure equitable decision-making.

✓ There are a number of steps that can be taken to avoid a small group of members dominating decision-making at board level:

-
- Assign seats on the Board according to members that share certain characteristics. Some CSO umbrella organisations divide up their membership according to organisational income bands. An equal number of seats is then assigned to each group to ensure that different voices within the membership are heard on the Board.
 - Stipulate in the governing documents that the Board makes decisions only in formal quorate representative meetings.
 - Specify in the governing documents how many members are required for a meeting, how meetings are called, and the manner in which decisions are taken and recorded.
 - Stipulate that the Board can only take decisions outside meetings in times of emergency. When it must make decisions outside meetings, the constitution should provide a mechanism for doing so and such decisions must be formally approved at the next meeting.
 - Set terms and limits for board members and have regular elections. Term limits can help ensure new ideas and enthusiasm, and that members will join the Board in an orderly fashion. It will also ensure that older board members do not have a controlling interest that influences the decisions of the organisation.

C Accountable programmes

A CSO's programme relates to the structures, processes and practices that are in place to deliver high quality activities (services, projects, campaigns or research) that meet the needs of beneficiaries and contribute to the realisation of its mission. Actively sharing information with stakeholders, engaging them in the design, implementation and delivery of activities, and having appropriate systems in place to monitor performance and facilitate learning are all crucial to realising accountable and effective programmes.

C1 Your organisation has project and programme specific plans that link to and support the realisation of the overall mission and goals of the organisation

? The key indicator of success for any CSO should be the extent to which it is realising its mission and goals. As such, there always needs to be a clear link between project and programme plans and the overall purpose of the CSO. Ensuring this link keeps the organisation focused on its core objectives and avoids mission creep.

! A CSO's mission, while a core reference point when planning, is a rather general statement of intent that leaves room for a wide range of different

activities to be undertaken. Make sure, therefore, that project and programme plans also tie in with the strategic plan. This is a more action-orientated and focused embodiment of your mission.

- ✓ **Tool 8** will help you think through the links that exist between your organisation's mission, projects and programmes.

TOOL 8 Linking project and programme plans to mission

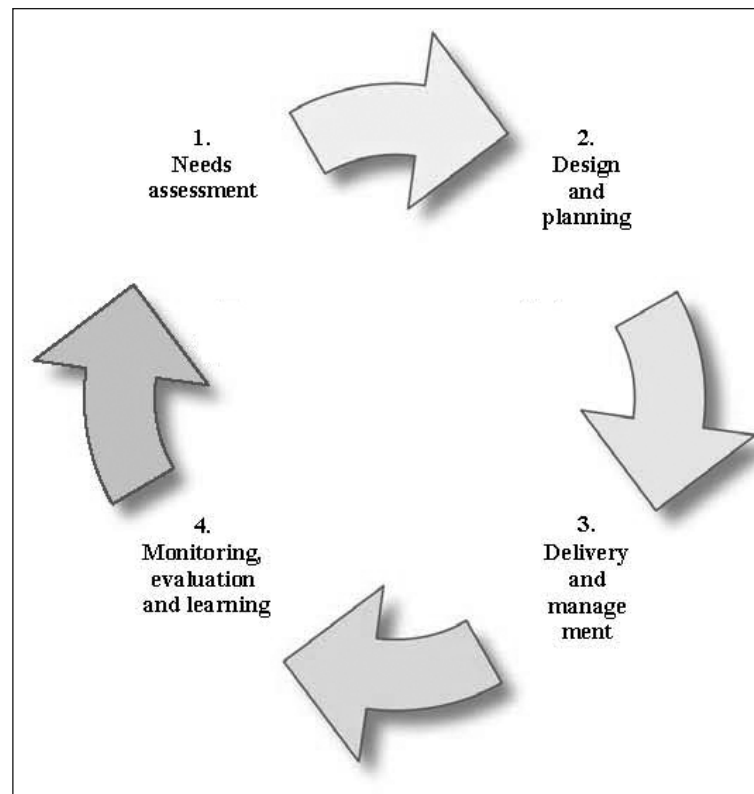
- 1 Start with a clear understanding of the **vision and mission** of your organisation
- 2 Identify the aims of each of your projects and programmes - provide a quick summary of the goals of each of your operational areas
- 3 Identify what the expected outcomes of each project/programme are
- 4 Draw a link between the outcome/objective of the project and programme and the vision/mission of your organisation.

Name of project	Aims of project	Expected outcomes	How do the aims and expected outcomes of your project/programme link to the mission of the organisation?
Project/ Programme 1			
Project/ Programme 2			

C2 Your organisation involves beneficiaries at all stages of the project planning process

- ? Involving beneficiaries in the activities and decisions that impact upon them is key to CSO accountability. It ensures activities are in line with needs, helps create ownership and can play an important role in empowering people to take control of their lives. At the operational level, therefore, CSOs need to involve beneficiaries in all stages of the project cycle, from needs assessment to project design, and from planning, implementation and management to monitoring and evaluation (see **Figure 3**).
- ! Involving beneficiaries in the project cycle means more than simply sharing information with them; it requires listening to their views and making adjustments where appropriate. Feedback is crucial to quality engagement.

Figure 3. Key stages of the project cycle where beneficiaries should be involved



Even if a stakeholder's views are not taken on board, the organisation should explain why. Failing to do this can quickly lead to 'consultation fatigue', where communities stop engaging with a project out of frustration over participating in consultations, but never being told why their inputs have not been taken on board.

As far as possible, decisions at project level should be made jointly with beneficiaries, as this helps generate ownership of the activities. In some projects it may even be appropriate to move towards empowering beneficiaries to co-ordinate the project themselves, with the CSO playing more of a supporting role (see **Figure 4**).

- ✓ A considerable amount of work exists on applying participatory approaches throughout the project cycle. International resources you may wish to consult are:
 - The Food and Agriculture Organization's *Participatory Project Formulation*, which provides a comprehensive step-by-step guide to tools and methods that engage beneficiaries in a participatory manner throughout the key stages of the project cycle outlined in **Figure 3** above.⁷

Figure 4. The ladder of beneficiary participation



- The *Methodological Guide for Participatory Needs Assessment* is a Spanish language toolkit developed by Family Care International specifically for sexual and reproductive health, but that can be easily adapted to other contexts.⁸
- The Caribbean Development Bank and the Department for International Development (DFID) have developed a manual, *Data Collection Protocols and Participatory Research Techniques*. Chapters 5 and 6 provide useful tools for engaging and empowering communities, using participatory methods.⁹
- The *Eldis* web resource is a good repository of different tools and manuals on participatory techniques.¹⁰

C3 Your organisation provides beneficiaries with sufficient information to understand its objectives and activities

- ?** In order for beneficiaries to meaningfully engage with a CSO, there needs to be transparency on what the organisation is doing and how it is doing it. At the very minimum, beneficiaries should have access to information about a CSO's mission and vision, project goals and objectives, beneficiary selection criteria and finances (see **Standard D9** for how to approach financial reporting to beneficiaries). Communicating such information to beneficiaries enables them to scrutinise a CSO's activities more effectively, fosters more informed engagement in the project and can help generate greater ownership of activities.

! To strengthen transparency to beneficiaries, a CSO needs to take the time to understand what methods and modes of communication are best suited to the needs of communities. Where there are high illiteracy rates, for example, a CSO will need to use appropriate ways of communicating information. One participant in the South African workshop also noted the need to be aware of the risks associated with disclosing certain information. In their experience, communicating to beneficiaries the total budget for a programme without explaining the breakdown of costs can lead to unrealistic expectations of what can be achieved; in the long term this can undermine the relationship with communities.

✓ **Tool 9** is an exercise one can use with beneficiaries to explore current levels of information disclosure at community level.

TOOL 9 Exploring CSO transparency with beneficiaries

This exercise works best in groups of five to ten people. Try to ensure there is representation from across the community, as different groups may have different experiences of accessing information.

The aim of the exercise is to get beneficiaries thinking about how transparent their organisation is, where there is a need for greater disclosure and how information can be made more accessible.

In a group, ask participants to answer the following questions (feel free to modify these):

- What are the objectives of the CSO beyond that of the project or programme?
- What activities does the CSO undertake within its community?
- What are the criteria for being a beneficiary of the project?
- Who within the community is the key point of contact for the CSO's activities?
- How much money does the CSO allocate to its community?

For each of these questions also explore:

- How they were made aware of this information and could it have been made more accessible. If so, how?

Rather than simply asking open questions, you may want to provide participants with three potential answers to each question and have them place marks against the statement they most agree with. For example, 'How much money does the CSO allocate to its community?'. Is it: (a) R100,000; (b) R500,000; or (c) R1,000,000?

Based on the answers to these questions you will get a sense of how informed beneficiaries are about your CSO, and where you may need to improve information dissemination and transparency.

C4 Your organisation systematically monitors and evaluates its projects

A theory of change, whilst being informed by different points of view, must be as thorough and robust as possible. It should therefore involve all stakeholders, preferably in a workshop format and facilitated by a third party. This will allow all the participants to question everything, regardless of their position or hierarchy. The following stages are one example of creating a theory of change:

1. Identify a realistic and definite goal

The goal must be as clear and realistic as possible.

2. Work backwards from the goal to determine intermediate outcomes

The workshop participants have to work backward through each step asking the question: What has to happen in order for this to be achieved? This process will generate all the intermediate outcomes required.

3. Establish a link between the outcomes and their order of priority by working out causes and effects

It is important to work through this process in detail and with patience, questioning whether one outcome actually leads to the next.

4. Work out which activities lead to which outcomes

This is a fairly straightforward process. Remember, however, that some activities can result in multiple outcomes.

5. Identify what else is needed for the process to work

An effective way to work this out would be to list all the risks which would potentially derail the intervention.



Monitoring and evaluation are crucial components of accountability (see **Box 10** for definitions of the two terms). They help a CSO identify what is working, where there are problems and if there is a need to change. They also enable an organisation to account to donors and beneficiaries on how they are using funds. At project level, monitoring and evaluation require clear performance indicators to measure success, and a monitoring plan that identifies what information is to be collected, by whom and when. In addition, regular events need to be built in to the project cycle, when stakeholders come together and reflect on what the monitoring data are indicating and agree on follow-up actions.



Monitoring and evaluation is an area where CSOs in South Africa struggle. Previous studies of the sector have found, for example, that many organisations fail to monitor or evaluate the impact of their work, and that if they do, this is rarely done in a systematic manner.¹¹ A number of participants in the research supported this finding, saying that monitoring and evaluation are not prioritised within organisations. They also noted that when it is conducted, the monitoring and evaluation process is driven by donor reporting requirements rather than a desire to strengthen organisational effectiveness and learning. Linked to this, participants raised

the issue of multiple donor reporting frameworks. As one workshop participant noted, 'Having to report to so many donors, each with their own reporting demands, makes it difficult for a small organisation such as mine to have a coherent monitoring and evaluation framework that suits its needs'. The issue of capacity was also raised. Many CSOs simply lack the skills and knowledge of monitoring and evaluation techniques.

The challenges associated with monitoring and evaluation are compounded by the fact that some activities are more difficult to monitor and evaluate than others: advocacy, for example, can be particularly problematic. Changing policy happens through a complex process, influenced by multiple factors, many of which are outside the control of any one organisation. Moreover, frequently a number of organisations will work towards advocating for a particular policy change, and therefore isolating the impact of one organisation's advocacy from that of others can be difficult

Box 10 What is monitoring? What is evaluation?

Monitoring is the ongoing and systematic collection of data throughout the life-cycle of a project or programme to enable an assessment of progress against stated goals and objectives.

Evaluation is the assessment at one point in time of the impact of a project, and the measurement and analysis of what has been achieved in relation to the stated objectives.

Source: Islamic Relief, *Islamic Relief Quality Management Systems*, p. 38.

✓ A number of tools exist that can help you monitor and evaluate your projects. Here is a selection:

- The *Monitoring and Evaluation Toolkit* developed by CIVICUS outlines some of the tools and different approaches to monitoring and evaluation. It is simply laid out and applicable for most organisations.¹²
- The World Bank's *Toolkit for Monitoring and Evaluation of Agricultural Water Management Projects*, while focusing on a specific type of activity, still has general applicability. Part A, Sections 3.0 and 4.0 provide background information on why monitoring and evaluation are important, while parts B and C provide resources and tools.¹³

For organisations that conduct advocacy, *Monitoring and Evaluating Advocacy: A Scoping Study* by ActionAid International will be particularly useful as it identifies a number of methods that can be used to monitor and evaluate the impacts of advocacy work.¹⁴

The One World Trust toolkit on *Accountability Principles for Research Organisations* is also a useful resource on this issue. It looks at the monitoring and evaluation challenges that are faced by organisations which use research

as a basis for advocacy and provides different methodological approaches that can be used to overcome these.¹⁵

C5 Your organisation involves beneficiaries in monitoring and evaluating projects

? Involving beneficiaries in monitoring and evaluation is an important means of realising accountability. Beneficiaries should be involved at each stage of the process. To begin with they should be involved in identifying what project success would look like and how it will be measured. Involving them at this early stage of developing the monitoring and evaluation framework helps foster ownership and, in turn, enables them to be more easily involved in the ongoing monitoring of the project.

Beneficiaries should also be involved in the periodic analysis of the monitoring information through project review meetings or monitoring reviews, and in deciding how to adjust project plans and activities accordingly. Lastly, beneficiaries are best placed to say how a project is performing and should therefore also be involved in any overall evaluation of the project. Their views should be sought on what impact activities have had in their community and they should be involved in the analysis of the evaluation information and in drawing out key findings.

✓ **Tool 10** provides a checklist of the different stages in the monitoring and evaluation process in which beneficiaries should be involved. **Tool 11** outlines some of the key issues that should be taken into consideration when involving beneficiaries in monitoring and evaluation.

Again, there are a number of international resources that can support you in involving beneficiaries in the monitoring and evaluation process. Here are a few:

- The Institute of Development Studies (IDS) Policy Briefing *Participatory Monitoring and Evaluation Learning from Change* provides an overview of the key steps in involving marginalised groups in the monitoring and evaluation process and provides some practical examples of when such techniques have been used.¹⁶
- The UN Population Fund (UNFPA) tool *Programme Manager's Planning, Monitoring and Evaluation Toolkit* outlines the role of participatory monitoring and evaluation, when to use it, how to design a process and whom to involve.¹⁷
- *Participatory Monitoring and Evaluation for Natural Resource Management and Research* by the International Institute for Environment and Development (IIED) outlines the various steps that need to be taken when planning a participatory monitoring and evaluation framework, the obstacles that organisations may face and what issues to keep an eye out for. Although the focus is on natural resource management, the tools are widely applicable and can be adapted to other types of activities.¹⁸

TOOL 10 Checklist for involving beneficiaries in monitoring and evaluation

Tick the boxes where you think your CSO currently meets good practice

Monitoring

- ☐ Beneficiaries are involved in identifying baseline data
- ☐ Beneficiaries are involved in collecting baseline data
- ☐ Beneficiaries are involved in identifying what project success would look like and designing the indicators that will be used to measure this
- ☐ Beneficiaries are involved in developing the monitoring plan (what information, and when and how it will be collected)
- ☐ Beneficiaries are involved in collecting monitoring data
- ☐ Beneficiaries are involved in analysing the monitoring data and adjusting plans and activities accordingly.

Evaluation

- ☐ Beneficiaries are involved in project review meetings
- ☐ Beneficiaries are involved in developing the terms of reference of an evaluation
- ☐ Participatory techniques such as focus groups, community interviews, questionnaires, mapping and PRA are used to solicit the views of a wide range of beneficiaries
- ☐ Draft evaluation findings are shared with beneficiaries and their response is sought as part of the evaluation
- ☐ The final evaluation report is made available to all key stakeholders.

- *Society for Participatory Research in Asia (PRIA)*. Since 1982, the Society for Participatory Research in Asia has embarked on a set of key initiatives focusing on capacity building, knowledge building, participatory research, citizen-centric development and policy advocacy. PRIA works with several partners, both national and international. Its resources can be accessed at www.pria.org.¹⁹

TOOL 11 Issues to consider when involving beneficiaries in monitoring and evaluation

- Identify the best methods and processes for collecting information and supporting the participation of beneficiaries. Should the information be collected through group discussions so as to get a number of perspectives at the same time? Or is the information you are collecting sensitive and should it be discussed individually?
- Be aware of constraints to data collection. For example, where many people cannot read and write, having cards with words written on are not useful. Use a more appropriate method, such as pictures.
- Identify who you will speak to within the community. Ideally you need a big enough sample to be confident that what you find is representative of the entire beneficiary group and not just the opinions of a few individuals. You also need to ensure that the voices of a range of people are heard – both men and women, the poorest and most vulnerable. Try to validate information from one group by speaking to others who may have been affected in a different way.
- Think about which members of your CSO should be involved in data collection. For example, include women in the team if there is a need to speak to women in the community on sensitive issues.
- Ensure that you always fully inform people why you are seeking their opinions and how the information will be used. Inform them whether the information will be attributed to them or not.

Source: Oxfam Great Britain (2009), *Increasing our Accountability to Communities through Programme Monitoring: A Guide for HECA Programme Managers*.

C6 Your organisation has made efforts to measure the long-term impact of its projects and programmes

- ?** As well as evaluating the immediate effects of their work (outputs and outcomes), CSOs should also make efforts to track the long-term impact of their activities. Impact evaluation seeks to assess the long-term changes that occur as a result of a project or programme (see **Box 11** for a summary of the difference between outputs, outcomes and impacts). Impact assessment is important to accountability as it enables a CSO to demonstrate to donors that their support has led to the intended results. It also supports organisational learning by generating information on what strategies and approaches are most effective in bringing about sustainable change.

Box 11 What are the differences between outputs, outcomes and impacts?

Outputs: What the organisation generates directly through its activities in the short-term – the processes, goods and services that it produces. For example, the building of a school, the running of a training session or the publication of a report.

Outcomes: Observable changes in individuals, groups or institutions that potentially contribute to the long-term sustainable improvement in people's lives or the state of the environment envisioned in the mission of the organisation. For example, a rise in the number of girls moving into higher education and therefore getting paid employment.

Impacts: Long-term, sustainable changes in the conditions of people and the state of the environment that structurally reduce poverty, improve human well-being and protect and conserve natural resources. For example, changing attitudes towards women, both as income earners and valuable members of society.

Source: <http://www.outcomemapping.ca/resource/resource.php?id=179>

- ❗ While many CSOs recognise the need to assess and capture the long-term impact of their work, they struggle with the practicalities of undertaking such an evaluation. This stems from the inherent challenges of trying to evaluate long-term social change. Among them are:
 - **Attribution:** Change often comes about through the efforts of multiple actors; it is difficult to disentangle the specific contribution that your organisation made.
 - **Timeframe:** The timeframe in which social change takes place can be very drawn out. Real changes in the structures of society can take decades to emerge.
 - **Cost:** A rigorous impact evaluation can take considerable time and resources.
- ✓ These challenges aside, there are a number of useful resources on how to conduct impact evaluation.
 - The World Bank handbook, *Evaluating the Impact of Development Projects on Poverty: A Handbook for Practitioners*, provides a range of tools for evaluating project impact.²⁰
 - *NGOs and Impact Assessment*, on the INTRAC website, also looks at the relevance of impact assessment for NGOs and the current tools and methods used by many NGOs to assess their long-term impacts.²¹

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- The National Council for Voluntary Organisations in the UK has also produced a useful resource, *Measuring Impact – A Guide to Resources*, which provides details on the challenges to measuring impact, and also directs you to a number of different tools that CSOs can use to capture long-term social change.²²
 - The Feinstein international Centre has produced a tool entitled *Participatory Impact Assessment: A Guide for Practitioners*, which provides a range of tools, case studies and participatory methods for capturing impact.²³
 - Society for Participatory Research in Asia (PRIA).²⁴

C7 Your organisation incorporates learning from project and programme evaluations into the strategic planning process

? In order to be a learning organisation lessons identified at project and programme level need to feed into and shape planning at the strategic level (towards developing the strategic plan – on a three to five-year basis). CSOs need to have procedures and practices that enable upward (and downward and lateral) flows of information to ensure that learning is taking place throughout the entire organisation. If strategic planning is detached from on-the-ground experiences and learning, false assumptions may be made and key issues may be missed.

! In a small CSO, where there are few steps between senior management and operational staff, the barriers to lessons being shared may be minimal. In larger organisations, however, there is a higher likelihood that learning remains within project teams and fails to move up the organisation. Larger CSOs need to be mindful of this.

✓ To ensure that learning at the operational level feeds into strategic planning, consider asking project managers to identify two key lessons that have been learned in their annual reporting to management. Alternatively, ask management to conduct one-on-one interviews with a range of staff in advance of the strategic planning process to capture key challenges and learning. Another option is to involve a cross-section of staff in the strategic planning process itself to make sure a diversity of views are being heard from across the organisation.

C8 Your organisation has regular learning events that involve a range of key stakeholders

? Learning is the process of reflecting on past actions, identifying what worked well and not so well, and agreeing future actions. While we may all do this informally, it is important that it also happens in a more formal and structured way through regular learning events. At such events, discussion should be grounded in the monitoring information that a CSO is collecting

for its projects and programmes. This helps ensure that discussion is informed by what is actually happening, rather than by people's perceptions. In addition, a range of stakeholders should be present. A diversity of voices helps check assumptions and fosters ownership of the project. Beneficiaries are a particularly important group to involve in the process.

- ❗ It can be difficult to make the time to reflect and learn in a structured way. Heavy workloads and competing priorities can get in the way and mean that 'doing' is emphasised at the expense of thinking about whether what is being done is the right thing. Having a specific time in the annual work plan that is set aside to ask key questions about what we are doing, why we are doing it and whether we think we are being effective can help overcome this.

Involving beneficiaries in a meaningful way in the process of reflection and learning has its challenges. It can be difficult to get beneficiaries to criticise a CSO's work, as they may fear losing essential services. To encourage critical reflection there needs to be a strong relationship of trust between a CSO and its beneficiaries. Beneficiaries may also find it difficult to reflect on the performance of a project if they have not been involved in designing the monitoring and evaluation framework.

- ✓ **Box 12** provides a list of some of the basic questions you may want to ask when running a reflection and learning event.

Box 12 Key questions for reflection and learning

- 1 What should have been achieved by now?
- 2 What is working well, and why?
- 3 What are the challenges we are facing?
- 4 What have we learned?
- 5 What are we going to do about the challenges we have identified?
- 6 Who will take the action?

Tool 12 identifies types of issues that need to be considered when involving beneficiaries in learning and reflection events.

C9 Your organisation has in place a process for handling and receiving feedback from external stakeholders

- ❓ Feedback, positive or negative, assists in building an organisation. Response procedures are a form of feedback mechanism. Like participatory monitoring, evaluation and participatory learning and reflection, they are a way for beneficiaries and other stakeholders to provide feedback on a CSO's activities and operations, and where appropriate raise concerns. That said there are

TOOL 12 Key considerations for effectively involving beneficiaries in learning and reflection events

- 1** Involve beneficiaries in the process of developing the plan for the meeting and agreeing what should be the focus of the discussions.
- 2** Communicate to all participants before the event that the purpose of the discussions is learning and their opinions will not have negative repercussions.
- 3** Ensure representation from different sets of stakeholder to ensure a diversity of voices.
- 4** Create a safe and comfortable space to hold the meeting that will encourage honest feedback from beneficiaries. For example, run the meeting in the communities where you have beneficiaries. Entering beneficiaries' space can give them more confidence to speak up. Having local staff that beneficiaries are familiar with and trust to facilitate the discussions can also help encourage open reflections and critical feedback.
- 5** Be mindful of communication barriers.
- 6** Make sure the facilitator asks probing questions: learning often happens best when difficult questions are asked. For example, if beneficiaries are vague or have not given enough information, seek to further understand them by asking for clarification:
 - What exactly did you mean by 'abc'?
 - What, specifically, will you do next week?
 - Could you tell me more about 'xyz'?
- 7** Involve beneficiaries in agreeing future actions.
- 8** Provide feedback to beneficiaries how actions have been taken forward

Source: Oxfam Great Britain (2009), *Increasing our Accountability to Communities through Programme Monitoring: A Guide for HECA Programme Managers*

also some important differences between complaints procedures and other feedback mechanisms.

First, feedback and response mechanisms guarantee that all relevant feedback is investigated and a response is given (see **Box 13** for more on identifying what a valid complaint is).

Second, as well as handling grievances on issues such as beneficiary entitlements, feedback response mechanisms are also designed to handle serious grievances on issues such as corruption, sexual harassment and mismanagement. Given the risks associated with coming forward with such concerns, feedback mechanisms need to guarantee protection such as confidentiality and non-retaliation. They must be designed so that individuals feel safe in sharing feedback. A participant at the workshop in South Africa, for example, spoke of their organisation having an ‘open door policy’, where beneficiaries can come into the office and raise concerns whenever they want. While such a mechanism may be appropriate for lower levels of feedback, for feedback on mismanagement, fraud or sexual harassment it is inappropriate.

There are a number of benefits to establishing procedures:

- They empower users by providing them with greater influence over a CSO.
- They help focus a CSO on users’ needs.
- They allow CSOs to rectify minor and unintended mistakes.
- They alert CSOs to major problems that might pose reputational risk.
- They support learning and improve the quality of work.

Box 13 Key principles of a feedback and response mechanism

The specific form of a feedback and response procedure will vary depending on the context. However, a number of key principles should be reflected in any mechanism:

- There is clarity among staff and users on what constitutes valid feedback.
- Staff and users understand the procedure.
- The procedure is accessible to the users and culturally appropriate.
- The procedure guarantees independence, confidentiality and non-retaliation.
- Procedures are in place to investigate and provide a timely response to all valid feedback.

- ! Participants in South Africa commented that their proximity to beneficiaries and the long-standing relationship that they have with them is adequate for ensuring complaints are raised. However, experience suggests this is not always the case. Irrespective of the strength of the relationship that field staff have with communities, issues such as corruption or sexual harassment can be distressing to raise and need to be handled sensitively.

CSOs also need to be sensitive to the fact that staff may resist the introduction of complaints procedures; they may be fearful that once in place complaints will be made against them. It is therefore important to communicate to staff that complaints are primarily opportunities for learning, and except when there is serious misconduct, they will not lead to staff being disciplined.

Lastly, it is important to be aware of 'context' when developing complaints mechanisms. In some communities, there may be a stigma attached to anonymous complaints. Involving users in the design process is a good way of ensuring complaints mechanisms are sensitive to such factors.

✓ While the specific form of a complaints procedure will vary depending on context, below are some examples of how other CSOs have approached the issue.

- Complaints boxes are established within communities, where beneficiaries can make anonymous written complaints.
- An appeals process is instituted, which individuals who are not selected as beneficiaries for a project can use to challenge the decision.
- An hour once a week is set aside when beneficiaries can come to a CSO's project office and raise concerns with a member of staff assigned responsibility for handling complaints.
- A phone number is set up, which beneficiaries can call anonymously to make complaints regarding the project.
- Time is set aside at the end of every community meeting where beneficiaries can voice concerns and complaints either publicly or privately with the local staff.
- A village complaints committee composed of local staff and community representatives receives and investigates concerns and complaints from beneficiaries and decides follow-up actions.

Tool 13 provides a guide to what issues you need to be aware of when designing an effective feedback and response mechanism.

Accountable programmes in CSO umbrella/ network organisations

C10 Your CSO umbrella/ network organisation can demonstrate that it represents the collective voice of its membership

? Demonstrating that a CSO umbrella/network organisation represents the views and opinions of its membership is an important exercise in internal and external accountability. It also plays a key role in effectiveness. Members are more likely to support CSO umbrella/network organisations' activities if they feel their views and interests are being taken on board. Likewise, the

TOOL 13 Key considerations when planning a complaints and response mechanism

Policy and process

As a first step you need to define what a valid complaint is and which stakeholders the mechanism will apply to. You need to set limits, but at the same time allow for unforeseen events. General issues that a complaints mechanism could cover are:

- Staff behaviour and attitudes
- Quality and appropriateness of services and activities
- Targeting and entitlements of beneficiaries
- Non-compliance with the standards and procedures to which a CSO has made a commitment (e.g. a code of conduct or project standards). Importantly, beneficiaries need to be made aware of these commitments in the first place.

You also need to identify what the process is for receiving and handling complaints. Who should receive them? In what timeframes will responses be given? How will complaints be recorded?

To help you think through these different steps you may want to develop a complaints process map. This is also a good way of communicating the complaints handling process to users. To record complaints and what responses were made, you may also want to develop a complaints log. See **Appendices 3 and 4** for templates for a feedback process and a feedback form.

Management

You also need to think through how the complaints and response procedure will be managed. Who is going to oversee the procedure? Who will be responsible for receiving complaints and investigating them? Should this be one person or a team of people? Also give some thought to how complaints can feed into higher-level decision-making. An overview of what complaints have been received over the year can be useful information when undertaking annual planning.

Resources

Think about what financial resources will be needed to develop and implement the procedures. Also consider what staff members will be trained in complaints handling and investigation and how this can be done.

Accessibility

Consider how to make the procedure accessible to its users. A good way to address this issue is to involve users in the design process. This can help you develop an understanding of culturally appropriate ways of complaining.

Staff values and attitudes

Think through how staff will react. Will they be resistant? If so, what steps will need to be taken to bring staff behaviours and attitudes into line with policy? You may want to consider undertaking sensitisation training.

targets of advocacy campaigns are more likely to positively consider a CSO umbrella/network organisation's arguments if they are collectively endorsed by a representative membership. One way of ensuring (and in turn demonstrating publicly) that activities have wide support is by using working groups composed of members to lead in the development of policy positions and then have members offer their support by formally endorsing statements.

C11 Your CSO umbrella/ network organisation actively engages members in the development of programmes and projects

? The ability of a CSO umbrella group to effectively support members through training, networking or advocacy largely depends on its ability to identify where the most pressing needs are, and to develop activities that support these. Actively engaging with and listening to members in the development and design of programmes and projects is key to this.

! When annual reviews are conducted by the umbrella/network organisation, it should be able to set targets for the next period of activity. It should actively engage members through workshops, imbizos, questionnaires, SMS and social media to help set agendas for consideration. Once such programmes or projects are agreed (and funded), feedback should be provided to the members on the agreed programmes and projects.

✓ Here are a few approaches you might want to take in involving members in the development and design of projects and programmes:

- Use the **annual general meeting** as a platform to generate discussions on the direction that the umbrella group should take on its programmes and projects.
- Use **working groups** to involve interested members in more in-depth discussions on thematic areas.
- Send out **surveys and questionnaires** to members to solicit their views on priority areas of work.
- Set up an **e-group for members** that are interested in an issue. These can be used to debate, discuss and review project and programme plans.
- Do not wait for members to come to you. **Visit members' offices** to hear their thoughts and gain their inputs into new and existing projects and programmes.

C12 Your CSO umbrella/ network organisation can identify how it has strengthened the organisational capacity of its members to achieve their goals

? While CSOs should be able to identify how they are having an impact, so too should CSO umbrella/network organisations. In the absence of this evidence, it becomes difficult for umbrella/network organisations to justify why donors

should fund them and why CSOs should become members. Effective monitoring and evaluation systems therefore need to be in place that enable CSO umbrella/network organisations to track progress and assess the extent to which they are strengthening the capacity of their members and in turn delivering on their missions. In the South African validation workshop, a number of enthusiastic suggestions were made on how technology, including mobile phones, could be used to solicit and obtain feedback.

- ! As an ongoing practice, umbrella/network organisations should continuously provide feedback on whether their engagement has strengthened or weakened them. This feedback should be honest and constructive. The umbrella/network organisation should also be open to such feedback and engage in self-corrective mechanisms so that it strengthens itself and avoids the mistakes of the past.
- ✓ Many of the tools and techniques for monitoring and evaluation that are detailed in **Standards C4 and C5** can be adapted to meet the needs of CSO networks.

D Accountable resource management

An organisation has human and financial resources; both need to be managed in an accountable manner. Ensuring that a CSO is accountable to and nurtures its staff is important for organisational development, staff morale and the delivery of effective programmes. Likewise, accountable financial management ensures that resource allocation is aligned with needs and enables an organisation to account to donors and communities on how funds have been used.

Accountable human resource management

Staff are at the core of any organisation. They put plans into operation, work directly with beneficiaries, advocate for change and, through their work, help realise the mission. Even the most well-intentioned CSO will be ineffective if the people implementing the activities lack capacity, motivation and commitment to the values and work of the organisation. Embedding principles of accountability in human resource management is key to nurturing the potential of staff. Transparency in recruitment helps ensure that the best candidates are recruited; regular feedback on performance helps staff to learn and improve; engaging staff in internal processes helps create ownership of internal decisions; and human resource policies and structures help bring consistency and provide a basis for internal accountability.

D1 Your organisation recruits staff in a transparent manner according to merit

- ? Transparent merit-based recruitment of staff is an important way of identifying and hiring the most suitable candidate for the job. A good recruitment process

should have criteria in place to guide the selection, with a formal application and interview process.

- ! It can sometimes be challenging to find qualified staff. In these cases, it can be useful to look for potential in candidates and think about what support could be provided to enable them to undertake the role more effectively in the future.
- ✓ Listed below are a few of the stages that an organisation can go through when planning a recruitment process:
 - Identify the specific job requirements and qualifications work experience and education that candidates need to have.
 - Publicise the vacancy as widely as possible.
 - Alongside the job description, highlight the recruitment process (criteria used and timelines).
 - Where possible, convene an interview panel qualified to identify whether candidates have the appropriate skills. It is good practice to have more than one person making the final decision on whom to recruit. You may also invite beneficiaries to serve on the panel.
 - Provide unsuccessful candidates with feedback, if requested.
 - Respond to all unsuccessful candidates. This is a courtesy which should be extended to all candidates, especially in this electronic age.

To help realise accountability to beneficiaries, some CSOs have experimented with involving beneficiaries in the recruitment process for field staff by including them on the interview panel. While some candidates may find this unnerving, it is a good way of building trust with the community and communicating to new recruits the importance of beneficiary involvement in the work of the organisation.

D2 Your organisation ensures that staff receive regular feedback on their performance

- ? Providing staff with regular feedback on their performance is crucial to fostering learning and improvement. It strengthens individual capacity and can help motivate people. In order to effectively monitor and assess staff performance, goals must be put in place. These should be agreed annually between the staff member and their manager. Goals should be achievable, but challenging. They should relate to individual projects and the individual's role in them, but also address personal development issues, e.g. public speaking skills. Staff should then be appraised against these goals on a regular basis, and at a minimum annually. This assessment should form the basis for salary reviews and promotions. However, feedback should not be limited to annual appraisals; managers should provide praise and constructive criticism on an ongoing basis.

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- ! All CSOs should have a performance management system in place cascading down from the director to the lowest ranks within the organisation. The performance objectives should be written down and indicators to measure such objectives must be agreed upon between the parties. Performance must be appraised and feedback provided to the employee biannually. An aggrieved employee should have the opportunity to raise any grievances in regard to the appraisal. It is not always possible in a CSO environment to properly and/or adequately reward high performers. Therefore CSO managers and board members need to consider non-financial rewards for such staff members.
 - ✓ Staff appraisals should occur regularly and at least once a year.

D3 Your organisation has a staff development system

- ? A core component of human resource management is improving employee performance by strengthening skills and knowledge. This requires a CSO to have given thought to how it can support and develop staff and set aside resources to realise this. A number of methods were discussed in the validation workshop in South Africa. One of the suggestions was that South African CSOs explore the use and funding available at the various sectoral education and training authorities (SETAs).
- ! Many CSOs struggle to devote staff time and financial resources towards training and personnel development. This is partly a result of donors' reluctance to fund such activities, but it is also a product of CSOs not giving the issue sufficient thought. Tension can also exist between individual development needs and organisational priorities. Sometimes it may not be in the interests of a CSO to invest resources into building the capacity of a staff member in a particular area, if these skills are not necessary for their current position and are unlikely to support them in moving up in the organisation.
- ✓ There are a number of ways in which an organisation can support staff with training. Here are a few examples:
 - Mentoring programmes, where more experienced staff build junior staff capacity in new areas.
 - Secondments to other organisations, local and foreign, where skills and knowledge can be built in new areas.
 - University courses at institutions your organisation has relationships with.

Tool 14 provides a checklist to assess the health of your CSO's staff development system.

TOOL 14 Staff development checklist

Tick the boxes where you think your CSO currently has good practice:

- ☐ Your organisation has a plan for staff training and development.
- ☐ Your organisation has a budget for training and development.
- ☐ Your organisation encourages staff training by providing incentives like financial contributions and/or time off for courses.
- ☐ Your organisation requires managers to assess the training needs of their staff.
- ☐ Your organisation ensures that training is demand driven, as opposed to filling courses that are available in the market.
- ☐ Your organisation trains and mentors younger staff to help them advance in their careers.
- ☐ Your organisation has a way of dealing with succession.
- ☐ People see career opportunities in your organisation.

Source: Lusthaus, C et al. (1999), *Enhancing Organisational Performance: A Toolbox for Self-Assessment*.

D4 Your organisation has built beneficiary accountability into staff induction, appraisal and development plans

? While a CSO can spend time putting in place policies and procedures for strengthening accountability to beneficiaries, few will have the desired effect without the commitment of staff. For accountability to be realised, it needs to be ingrained in the culture of the organisation. Staff need to see the value of listening to beneficiaries and being responsive to their needs. In the absence of this, it is unlikely that practices such as participatory project management or mechanisms such as complaints procedures will have the desired effect. Identifying the skills, attitudes and behaviours that are needed to realise accountability, and building these into staff inductions, appraisals and development plans can help embed accountability into the culture of a CSO.

! Staff may resent targets on beneficiary accountability. For many, empowerment, participation and accountability are core personal values and lie at the heart of why they work in the sector. Being asked to demonstrate how they are listening and responding to beneficiaries may seem like an

unnecessarily formal measure and some may feel that it is questioning their commitment to their work. While you need to be sensitive to these concerns, it is important to recognise that not all staff will share the same values. Building accountability to beneficiaries into personal targets and the appraisal process is a way of recognising those whose attitudes and behaviours are in line with the values of the organisation, and pushing others to change.

✓ Here are some steps an organisation may want to take to ensure that staff attitudes and behaviours are in line with an organisation's commitment to beneficiary accountability:

- Try to identify the attitudes and behaviours that your organisation is looking for in staff that will help to realise the organisation's commitment to beneficiary accountability. Here are some possible characteristics:
 - ✓ Effective listener
 - ✓ Self-reflective
 - ✓ Committed to learning
 - ✓ Good facilitator
 - ✓ Adaptive and flexible.
- Build an introduction to beneficiary accountability into the staff induction process. Use this time to explain the values of the organisation, including its commitment to accountability and the role of individual staff members in upholding this. This should be communicated to all staff, not just those involved in operations. It is important, for example, that logistics and finance staff are also aware and embody the values of the organisation in their daily activities.
- Build accountability into the appraisal process. Assess staff based on their technical abilities, but also the attitudes with which they carry their work out.
- Identify the areas where staff need further training and support in realising accountability to beneficiaries.

D5. Your organisation has in place internal staff policies on recruitment, remuneration, promotion, disciplinary and grievance mechanisms, and health and safety

? A core component of internal accountability is having the systems in place that create consistency in human resource management and can be used by staff and other stakeholders to hold the CSO to account (see **Tool 14**). To this end it is good practice to have policies and procedures in the following areas:

- **Recruitment:** To ensure consistency in the recruitment process, it is useful to have a policy which details the different steps that need to be taken and the values and principles that should inform the process. This policy should be made available to all candidates (see **Standard D1**).

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- **Remuneration:** Although salaries are often confidential, it is important to be open internally about the pay brackets for different tiers of staff. This is an important exercise in internal transparency.
 - **Promotion:** It is important to have a clear and transparent promotion process. Criteria should be in place that allow an objective assessment of performance (see **Standard D2**).
 - **Grievances:** All staff should be made aware of, and have access to, procedures that allow them to raise issues with their employer without fear of losing their job. These procedures should cover any feeling, real or imagined, of dissatisfaction related to any situation in the workplace including:
 - ✓ Staff terms of employment
 - ✓ Pay and working conditions
 - ✓ Disagreements with co-workers
 - ✓ Discrimination and harassment.
 - **Health and safety:** Like all employers, CSOs are responsible for the health and safety of their employees. It is important to identify these responsibilities in a policy towards:
 - ✓ Making the workplace safe
 - ✓ Preventing risks to health
 - ✓ Providing adequate first aid facilities
 - ✓ Setting up emergency plans
 - ✓ Checking that the right work equipment is provided and is properly used and regularly maintained
 - ✓ Ensuring that fieldworkers are protected and safe from dangers while in the field.
- ! Smaller CSOs tend to lack internal administrative policies and procedures. This can be the result of implementation taking priority over organisational development issues, or simply a lack of time and capacity. This is potentially problematic. For example, raising grievances can become particularly difficult in a small CSO with a small staff who work closely with each other. While formal grievance procedures do not necessarily remove such difficulties, their existence communicates to staff that their concerns will be dealt with professionally.
- ✓ The Commission for Conciliation, Mediation and Arbitration (CCMA) and the Department of Labour (DoL) websites have guideline notes and procedures which CSOs can follow as good practice. An example of these can be found at www.ccma.org.za. See **Tool 15** for a template of a staff grievance policy.
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TOOL 15 Developing a staff grievance policy

Issues that need to be addressed

- The participation of both the employer and employee in discussions.
- The disclosure of relevant information to employer and employee.
- The attendance of a companion or trade union representative in support of the employee.
- Communicating the confidential nature of the proceedings.
- Communicating an appeals process.

Stages in a grievance process

- 1 Informal discussion
- 2 Written statement to be submitted by employee
- 3 Meeting attended by employer and employee
- 4 Appeals process if proceedings are unsatisfactory

Accountable financial resource management

Donations make up the core of a CSO's financial base. At the most basic level, therefore, financial accountability requires that organisations have in place systems to enable them to account to their donors on how funds have been used. But CSOs also often raise funds on behalf of others, such as marginalised groups and poor communities. Therefore financial accountability should also mean having in place the procedures and practices that enable an organisation to account to beneficiaries on how funds have been spent on their behalf.

D6 Your organisation has its accounts audited annually and they are open to public scrutiny



Audited accounts are an important component of internal accountability. They verify and thus add credibility to management's assertion that the financial statements fairly represent the CSO's yearly position and performance. An audit also communicates to stakeholders that the CSO has adequate finances, and is stable and reliable. In South Africa, having accounts audited is a legal requirement. The Non-Profit Organisations Act of 1997

requires CSOs to disclose an annual statement of financial accounts to the registrar. The New Companies Act 2008 has a number of provisions on how financial accounts need to be presented. CSOs should familiarise themselves with these requirements. See www.info.gov.za for relevant information.

! Importantly, the person undertaking the audit should not be compromised by any other relationship to the CSO. Furthermore, the commissioning of audits should be a board activity and should not be undertaken by staff.

✓ Audited accounts are an important component of internal accountability and should be disseminated widely. There are a number of ways in which organisations make them publicly available:

- Post the accounts on the organisation's website.
- Display a summary of the accounts on the noticeboards in the office.
- Provide a summary of the accounts in the organisation's newsletter.
- Display a summary of the accounts in the communities in which it works.
- Publish the accounts as part of the annual report.

See **Standard D10** for tips on how to make financial information accessible specifically to beneficiaries.

D7 Your organisation has in place a whistle-blowing procedure

? Like complaints mechanisms for external stakeholders such as beneficiaries, CSOs need to have procedures in place for staff to make complaints or report irregularities. This mechanism is different from grievance procedures, which deal specifically with employment-related issues. Complaints procedures (often called whistle-blower procedures) cover issues relating to internal fraud, corruption and waste, and provide basic guarantees such as non-retaliation, independence and confidentiality. They also provide scope for escalation whereby an independent (unbiased) party would be in a position to adjudicate.

! Similar to beneficiary complaints mechanisms, procedures for handling staff complaints are underdeveloped in the CSO sector in South Africa. For the sector to be accountable, it needs to develop individual procedures and policies to ensure that whistle-blowing can take place in a safe and secure manner, without victimisation. The recent initiative by various civil society organisations and the Congress of South African Trade Unions (COSATU) in establishing an Anti-Corruption Watch (2012) should be supported by the sector.

✓ It may be useful to collaborate with other small NGOs to set up an independent reporting system, thereby making it much more cost-effective. The National Council of Nonprofit Associations provides a sample whistleblower policy, which can be adapted to suit organisational contexts.²⁵

D8. Your organisation has in place effective systems to account for all income and expenditure

? In order to account for how funds are used, CSOs need to keep basic records of income and expenditure. This requires keeping a record of the contracts for money received and the receipts and the invoices for things that are bought. These prove that each and every transaction has taken place. They are the cornerstones of financial accountability. CSOs need to ensure that all these records are carefully filed and kept safe; the details of each transaction (how much you spent, on what and when) needs to be recorded.

! All organisations within South Africa, whether registered or not, need an effective accounting system commensurate to their size. Where guidance is required on these matters, local bookkeeping agencies, the accounting profession, government departments, as well as the South African Revenue Service (SARS) office, can be approached.

✓ CIVICUS has produced a useful resource on basic financial management called the Financial Control and Accountability Toolkit.²⁶

D9. Your organisation reports financial information to beneficiaries

? Accounting to communities and beneficiaries on how money is being allocated and spent on projects is an important way of strengthening accountability to them. It is important for a number of reasons.

- It strengthens participation in the planning and management of activities.
- It can help build the confidence of beneficiaries and strengthen their ownership of the project.
- Involving beneficiaries in monitoring actual expenditure can help identify efficiencies or savings.
- It can help prevent or spot fraud.
- It can indicate to government agencies what is possible and help build CSOs' legitimacy when calling for more budget transparency from governments.

! The context in which a CSO works will shape what financial information it makes available to beneficiaries. In some locations, for example, disclosing staff salaries may expose staff to security risks. In others, it could lead to tensions with the community, with community members arguing that staff earn too much and that more resources should go directly to activities. It is important, therefore, to think through what benefits financial disclosure may bring, but also the potential risks. There is little value in disclosing information for the sake of transparency, if making it public could undermine what a CSO is seeking to achieve.

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- ✓ See **Tool 16** for some of the issues you will need to consider when reporting financial information to beneficiaries.

D10. Your organisation receives funds that are consistent with its mission or goals

- ? A CSO's mission should be the focus of all its activities. It represents the reason why the organisation exists. Funds should only be raised for activities that align with, and directly contribute to, the realisation of this core purpose. Ensuring this prevents mission creep and the loss of strategic focus.

TOOL 16 How to report financial information to beneficiaries and what should be reported

What should be reported to beneficiaries?

- Aim to be as open as possible about your finances. This means publishing how much money is available for each community (budgets) and how much you have spent.
- It may be easier to start being transparent about direct project costs (like the amount of money spent building a new school), rather than indirect costs (like overheads and staff salaries). The important thing is to make a start with whatever you are comfortable with.

How should it be reported to beneficiaries?

- Financial information should be accessible and easy to understand.
- Present information in local languages and local currencies, using the media that people find easy to access.
- Think about any barriers that beneficiaries might face to understanding the information; it may be easier to present financial information in graphic form, using simple charts.
- Expenditure can be summarised by activity or geographical area or local partner. It should be presented for activities that are relevant to beneficiaries.
- Reports should be as short as possible and should be updated regularly (perhaps every month, while projects are active).

Source: MANGO (2007). *Top Tips on Reporting to Beneficiaries*, available at <http://www.hapinternational.org/pool/files/mango-top-tips-for-reporting-to-beneficiaries.doc>

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- ! For many CSOs funding is limited and organisational survival can be an ongoing struggle. Under these conditions it is common for organisations to take whatever funding is offered to them, irrespective of whether it ties in with their core mission. While this is understandable, it is short-sighted. Lacking the necessary expertise in an area means a CSO is unlikely to deliver high quality work. This in turn may impact upon its credibility among external audiences, particularly donors, and undermine its potential to fundraise in the future.
 - ✓ The Board should ensure that this principle is observed. If it is not observed, organisational mission drift will occur, and the core mission will be compromised.

5 Moving the CSO Accountability Agenda Forward in South Africa

The purpose of this toolkit and the consultative process that informed it has been to stimulate debate and practice on issues of CSO accountability in South Africa. It has sought to introduce the issue of accountability and identify the key principles and tools for strengthening the practice. Hopefully it has shown organisations that accountability is achievable, and that few are starting from scratch. It is now down to organisations and the sector more broadly to move the accountability agenda forward. Within South Africa, individual CSOs can do a number of things:

- Share the toolkit with colleagues and encourage them to use it.
- Assess their own organisation and share the results internally.
- Convene a workshop of staff, communities, board members and partners, and jointly conduct the accountability self-assessment and agree on action points.
- Use the self-assessment to assess the organisation's accountability annually. This could be an annual exercise where, together with partners, staff and beneficiaries, a discussion is had around performance in relation to the accountability standards. Organisations could even add and modify the self-assessment to suit their particular context.

The accountability agenda, however, also needs to be moved forward by CSOs collectively. While it is important that CSOs develop organisation-specific accountability systems and practices, unless standards are raised across the entire sector, individual organisations risk having their reputations damaged by the practices of substandard CSOs. Furthermore, as the sector grows in scope and influence in South Africa, there is an increasing need for self-regulation. Two possible approaches CSOs could use to raise standards within the sector are:

- Establish an accountability working group. This could be a virtual group or a group that meets periodically. Its purpose would be to share lessons, experiences and challenges on accountability. This group could lead on taking the accountability agenda forward within the sector.
- Develop more formalised self-regulation. This could take the form of a code of conduct/ethics that details basic principles of accountability that CSOs sign up to, or a certification scheme where CSOs comply with accountability requirements. However, a participant reflected on the Ugandan self-regulation example and noted that after a few years of compliance the self-regulation monitoring exercise has fallen into disuse. Whilst a number of codes of conduct exist in South Africa, it may be prudent for CSOs to develop their own code of conduct, commensurate

to their operations, and ensure viable monitoring on an annual basis. Where funds allow, it may be possible to hire a third party evaluator to measure compliance.

- Standards are certified (this could be through self-certification, peer assessment or third party monitoring). In both approaches adequate consideration needs to be given to the issue of compliance. How are organisations going to show that they have met the principles or standards?

CSOs now play a key role in governance in South Africa. They provide essential services, monitor the government's compliance with promises, advocate on behalf of marginalised groups and manage natural resources. In this way their actions have a profound impact on the lives and livelihoods of individuals and communities across the country. With such power and influence comes a certain responsibility and accountability. CSOs need to demonstrate that they have the systems, procedures and practices in place that enable them to give an account, take into account and ultimately be held to account by the people and communities they impact upon. This is both a core value of the sector and a requisite of being actors in the democratic process.

Appendix 1

List of CSOs Engaged in the Research

Activists Networking Against the Exploitation of Children (ANEXCDW)
Advice Office Hermanus
The African-American Institute (AAI)
African Medical and Research Foundation (AMREF)
Catholic Healthcare Association of South Africa (CATHCA)
Centre for AIDS Development, Research and Evaluation (CADRE)
Childline South Africa
Clanwilliam Advice Office
Community Based Development Programme (CBDP)
Community Development Resource Association (CDRA)
Community Health Media Trust (CHMT)
Department of Agriculture, Land Reform and Rural Development
Du Noon Advice Office
Ecumenical Service for Socio-Economic Transformation (ESSET)
Epilepsy South Africa
Ford Foundation
Foundation for Professional Development (FPD)
Health-e-news
Heifer International South Africa (HISA)
Khulumani Support Group
Land Action Movement of South Africa (LAMOSA)
Mitchells Plain Network Opposing Abuse
Montagu Advice Office
Mossel Bay Advice Office
Nababeep Advice and Development Office (NADO)
National Institute for Occupational Health (NIOH)Nyanga Youth of Change
National Youth Development Agency
Paarl Advice Office
Rockfalls SDC
Rural Legal Trust (RLT)
Saldhana Bay Advice Office
SANGOCO Western Cape
Solam CareersSouth African Council of Churches (SACC)
Steve Biko Foundation (SBF)
West Coast Music Art and Drama NPO
Wildlife and Environment Society of South Africa (WESSA)

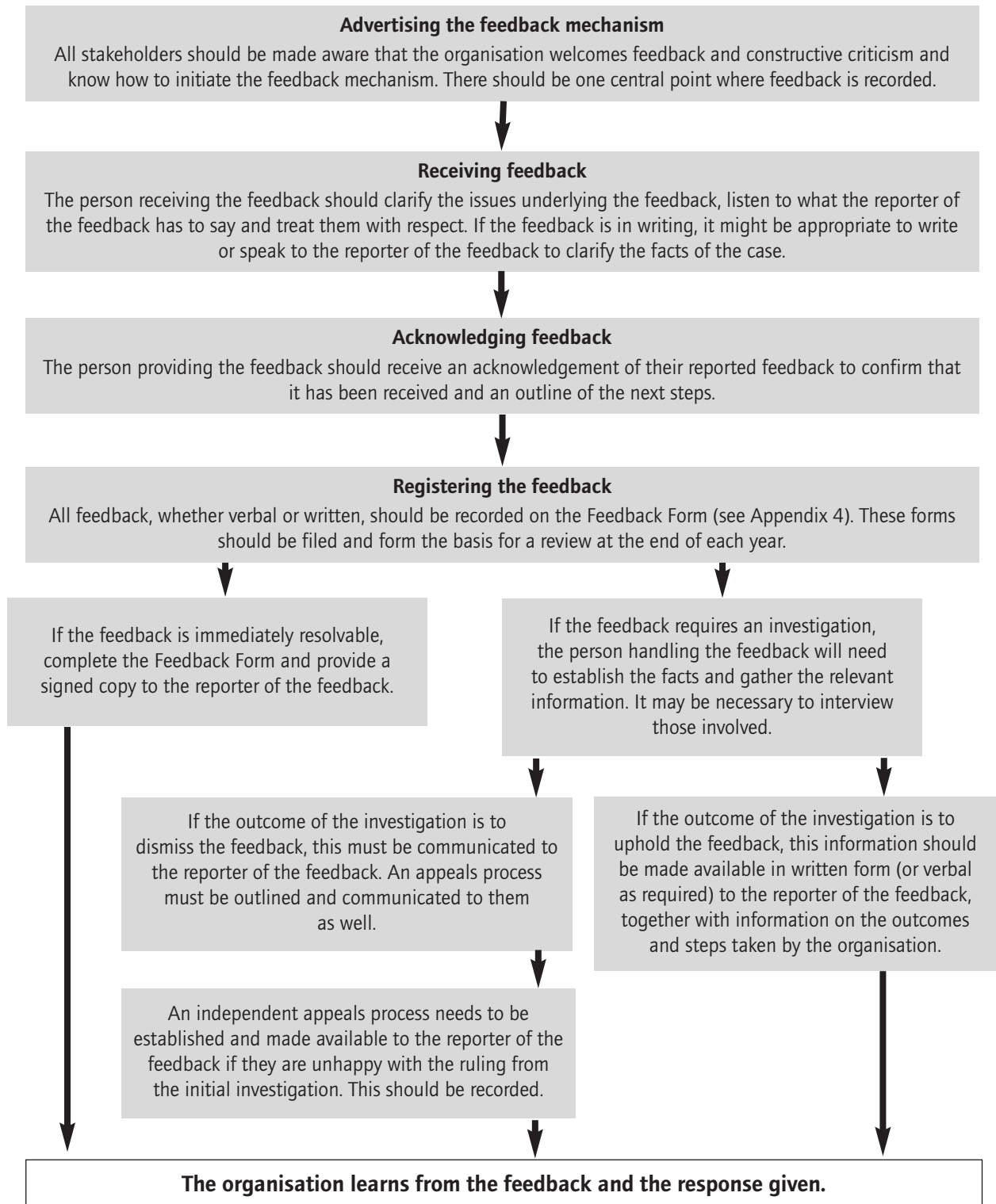
Appendix 2

Template for Appraisal of the Executive Director

Questions to be addressed	Rating on a scale of 1–10 (10 = excellent)
Finances No loss of operating funds and no prolonged legal difficulties Develops realistic budgets and stays within them Maintains needed cash flow and receives a 'clean' financial audit	
Sustainability Raises enough revenue to accomplish significant programme goals Maintains or builds a financial balance in keeping with organisational policy	
Human Resources Maintains or increases productivity of staff Maintains sufficient and effective volunteer corps No evidence of undue staff turnover	
Programmes Maintains or expands programmes according to mission and plans Programme evaluations demonstrate quality and effectiveness Meets yearly programme goals and objectives	
Facilities Maintains a healthy and safe working environment	
Mission and Governance Adheres to a clear mission statement and strategic plan Maintains an active board that provides sound governance for the organisation	

Appendix 3

Template for a Feedback Process



Appendix 4

Template for a Feedback Form

All feedback received by an organisation should be recorded and logged. These records can be used to ensure that feedback is dealt with efficiently and effectively, monitor trends and foster organisational learning. Below is a template of a feedback record form which can be adapted to suit your organisation's requirements.

Feedback record form	
Date Date feedback is received	
Personal details of respondent Name, contact details, if appropriate	
Nature of the feedback Brief outline of the feedback	
Details of feedback A detailed description of the feedback the person has given and any supporting documents	
Who dealt with it Name of person who is or has responded to the feedback	
How it was dealt with Action taken to handle the feedback	
Outcome Outline of what has happened as a result of the feedback	
Follow-up as required Any action required as a result of the feedback. This may include a change to the organisation's procedures and policies	

Appendix 5

Template for CORE CSO Board Management

In order to understand whether it is functioning effectively, a governing board should plan for regular assessments of its own performance. These assessments can be of two types: self-assessment or external assessment. Any assessment needs to be carefully planned and board members need to understand and agree to the process in order to feel comfortable with it.

Board assessment template						
Score: 1 to 5, where 1 = poor and 5 = excellent						
Criteria	Chair	Deputy	Treasurer	BD 1	BD 2	BD 3
Attendance						
Preparation						
Contribution						
Familiarity with projects						
Committee attendance						
Financial awareness						
Fundraising assistane						
Etc.						
Etc.						
Total						

Appendix 6

Validation Workshop Participant List

Organisation	Full Name		E-mail Address
1. Black Sash	Thandiwe	Zulu	thandiwe@blacksash.org.za
2. Catholic Help Care Association	Yvonne	Morgan	director@cathca.co.za
3. CIVICUS	Sifiso	Dube	sifiso.dube@civicus.org
4. CIVICUS	Megan Jane	Macgarry	megan.macgarry@civicus.org
5. Department of Agriculture, Land Reform and Rural Development	Nthabiseng	Timothy	gtimothy@ncpg.gov.za
6. Department of Agriculture, Land Reform and Rural Development	Nonceba	Mdibe	nmdibe@ncpg.gov.za
7. EISA	Grant	Masterson	grant@eisa.org.za
8. Epilepsy South Africa	Indra	Naicker	pro.gp@epilepsy.org.za
9. Ford Foundation	Russell	Ally	r.ally@fordfoundation.org
10. GAD Consulting Services	Buhlebenkosi	Mkhwanazi	buhle@gadcs.co.za
11. Khulumani Support Group	Sally	Musandire	admin@khulumani.net
12. Lethukukhanya Health Institute	Josiah	Ntsibande	josiahn@lethukukhanya.org.za
13. Mott Foundation	Mamotshidisi	Mohapi	mmohapi@mott.org
14. Teddy Bear Clinic	Sheri	Errington	sherie@ttbc.org.za
15. Wits Law Clinic	Junaid	Noor Mohamed	junaid.noormohamed@wits.ac.za
16. Commonwealth Foundation	Guy	Holloway	g.holloway@commonwealth.int
17. Co-operative for Research and Education	Phiroshaw	Camay	corejhb@mail.ngo.za
18. Commonwealth Secretariat	David	Kalete	d.kalete@commonwealth.int
19. Commonwealth Secretariat	Nabeel	Goheer	n.goheer@commonwealth.int

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