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Abbreviations

AIP	-	Accountability Improvement Plan
CC	-	Complaints Committee
CAR	-	Corrective Action Request
CD	-	Country Director
CHS	-	Core Humanitarian Standard
CO	-	Country Office
CoC	-	Code of Conduct
DCA	-	DanChurchAid
DoC	-	Declaration of Confidentiality
DRC	-	Democratic Republic of Congo
ECHO	-	European Civil Protection and Humanitarian Aid Organisation
FAFPI	-	Fight Against Facilitation Payment
FP	-	Focal Point
HQ	-	Head Quarter
IFU	-	International Finance Unit
LLAB	-	Learning Lab
LLA	-	Listen Learn Act
MEAL	-	Monitoring Evaluation and Accountability and Learning
MFA	-	Ministry of Foreign Affairs
OBS	-	Observation
PDM	-	Post-Distribution Monitoring
PSEA	-	Prevention of Sexual Harassment and Abuse
SoC	-	Subject of Concern
SOP	-	Standard Operating Procedure
SQM	-	Strategy and Quality Management Unit
ToR	-	Terms of Reference

1. About the Report

The *DanChurchAid Complaints Report 2021* is DanChurchAid's (DCAs) 17th Annual Complaints Report. The Complaints Committee (CC) produced the report at DCA's Headquarters (HQ) and is endorsed by DCA's Board.

DCA commits itself to writing the yearly complaints report as it considers the report an important initiative to continue a high degree of transparency and learning as learning is one of several important ways to fight misconduct and corruption.

This report presents some of the key areas DCA worked with in relation to the Accountability and Complaints system during 2021, highlights the initiatives launched, and presents what is planned to commence in 2022.

The report gives an insight into the operational complaints received in Denmark, as well as the sensitive complaints the DCA's complaints system receives.

Sensitive complaints related to corruption are described in detail, without mentioning any names or countries. For protection reasons, complaints related to DCA's Code of Conduct (CoC) and its related policies *Prevention of Sexual Harassment, Exploitation and Abuse* (PSEA) and *Child Safeguarding* are only described in a general manner.

2. Focus Areas from 2021

In 2021, DCA strengthened its Accountability and Complaints system at both HQ and Country Office (CO) level. The 2020 Complaints Report pointed at some activities to be implemented in 2021. However, due to the COVID-19 pandemic, some of the activities were postponed or facilitated in different ways than planned. Below is a brief update on each activity.

Staff and Partner Capacity Strengthening

a. Country Offices (COs) trained in the Complaints System and Accountability Framework

Throughout the year, 14 out of 18 COs participated in online workshops where all CO and field staff were trained in the Code of Conduct, the Prevention of Sexual Harassment, Exploitation and Abuse and Child Protection Policies, and in when and how to use the complaints system. In preparation for the workshop, COs updated the description of their CO complaints systems as well as their Core Humanitarian Standard (CHS) workplan. This provided employees with a solid understanding of the policies that frame the complaints system as well as a strategic insight into the CHS at organisational and operational levels.

The remaining 4 COs [**Central African Republic, Democratic Republic of Congo (DRC), Ethiopia, and Mali**] will be taken through the session in 2022, among 2 of them, face to face (**Central African Republic and DRC**).

b. Safeguarding and protection session - including PSEA and strategy for reaching communities with information about expected staff behaviour

The 2021 CHS Recertification Audit vocalized the challenge of reaching beneficiaries with information on expected staff behaviour. The accountability and complaint focal point webinar discussed the opportunity of informing communities and beneficiaries of PSEA and expected staff behaviour of DCA during activities, such as cash or kits distributions. Further progress on this is expected in 2022.

c. Establish opportunities for partners to undertake the CHS self-assessment

DCA initiated a dialogue with the CHS Alliance to plan a strategy on how to support its partners in undertaking the CHS self-assessment. Parallel to this, the CHS Alliance initiated better solutions for how organisations can measure how they meet the nine CHS Commitments. The CHS Alliance increased accessibility of self-assessment to allow a larger number of organisations, and notably small national organisations, to embark on their verification journey. In 2022, DCA will identify DCA partners to initiate this process.

Development and Updates of Policies and Procedures

d. Develop and communicate complaints and whistle-blower system and policy

In line with the new EU whistle-blower law, DCA established a whistle-blower system that allows DCA employees to submit anonymous complaints. DCA contracted a consultancy firm to support in drafting a whistle-blower policy. DCA will implement the policy in 2022 and find a solution for how the whistle-blower and complaints system can work in consortium with each other.

e. Develop and implement appeal procedure

DCA developed a draft appeal procedure. However, due to establishing the whistle-blower system and a common policy for the two opportunities for filing complaints, the appeal procedure was delayed. DCA will finalise the appeal procedure in 2022.

f. Develop Terms of Reference (ToR) for the roles and responsibilities of the complaint investigator and the CC

To strengthen the areas of accountability, DCA developed a ToR to describe the roles, mandate, and responsibilities of the CC. This provides the CC with a clear direction when handling complaints.

g. Develop and implement action plan based on findings from the CHS re-certification audit

The CHS recertification report highlighted some recommendations called Corrective Action Requests (CARs) and Observations (OBS) that DCA will work to improve. DCA's complaints advisor and compliance manager developed an action plan and consulted DCA employees responsible for the specific areas addressed. This ensured a strong organisational focus and ownership in implementing the actions within the organisation.

h. Develop SOP to guide the CC in investigations where access to- or blocking DCA IT equipment is necessary

It was necessary to have in place a formal procedure when assessing and blocking DCA employees' computers in relation to investigations. The procedure was signed by the Secretary General in Q4 2021 and implemented with the IT unit that works together with the CC in certain cases.

Responding to Changes in Donor Compliance Requests

i. Integrate UNICEF PSEA toolkit in DCA safeguarding framework

DCA developed a Gender Based Violence (GBV) and Sexual Abuse and Harassment (SEA) Referral Guidelines and Pathways in 2020. The 2021 accountability and complaint focal point webinar introduced the documents and highlighted information on how to report cases and the processes for safety, medical care, psychosocial support, legal services, and basic material to all focal points. The focal points integrated activities for further awareness on the Guideline and Pathway to communities and partners in the CO's Accountability Improvement Plans (AIPs). This ensured a strategic approach for further implementation.

Moreover, the Standard Operating Procedure (SOP) for handling sensitive complaints was updated in 2021. DCA introduced referral pathways to guide DCA staff on handling complaints

that do not fall under DCA's mandate.

j. INGOs report Sexual Abuse and Harassment (SEA) cases to ECHO

ECHO established a requirement for all INGOs to report SEA cases. DCA followed this requirement and informed ECHO on SEA cases involving ECHO funding.

To safeguard personal information, it should be noted that only the country and number of cases are communicated.

Network and Learning

k. Improve e-learning platform

DCA will improve the e-learning platform Fabo to better track the number of employees who have completed the available training. Currently, developing the system has not progressed further than the prototype stage. This focus area is therefore be postponed to 2022.

l. Fight Against Facilitation Payments Initiative (FAFPI) webinars

The FAFPI is a collective action uniting companies and organisations in the fight against demands for facilitation payments. The initiative began in 2018 in collaboration with the Danish Ministry of Foreign Affairs (MFA), Confederation of Danish Industry, companies, and NGOs as a collective multi-stakeholder response to the challenge of the individual company or organisation who is unable to address facilitation payments on its own.

In 2021, FAFPI conducted two webinars: *The Power of Collective Action* on the 23rd of June and *Power of Data in the Fight Against Corruption* on the 26th of August. Both webinars were successfully held with insights, best practices, and challenges shared and discussed between the panel and more than 2,000 online participants.

m. Ensuring that DCA CC processes are working in accordance with the General Data Protection Regulation (GDPR)

DCA worked with third party actors such as the US and UN. GDPR does not apply for their activities when they take place outside of the European Union. However, GDPR does apply to DCA's activities in and outside the European Union. Thus, when donors request personal data from DCA, it might not be compliant with GDPR to share these data with third party actors. Agreeing on the procedures and guidelines on these legal issues are in progress. The DCA complaints advisor consulted DCA's data protection consultant and compliance coordinator to agree on the terms of these matters to ensure that the DCA CC works according the GDPR.

3. Responding to the CHS and other External Reviews and Audits

2020 European Civil Protection and Humanitarian Aid Organisation (ECHO) HQ Audit

The 2020 audit commissioned by the ECHO for DCA HQ recommended that DCA develop a whistle-blower policy and update its anti-corruption policy. Both recommendations were addressed with the rollout of the new and updated policies scheduled for 2022.

CHS Recertification Audit

The CHS Recertification Audit went on from the third quarter 2020 to the second quarter of 2021. While many observations were gained from the results of the recertification audit, only a small proportion of these observations are reflected in this report out of a consideration for space.

Because of the COVID-19 pandemic, DCA's CHS Recertification Audit for 2020-2021 was divided into two stages and organised online. The first stage was concluded by the end of 2020 and focused on policy-level and organisation wide requirements. Auditors conducted interviews with staff at DCA's HQ in Denmark and an extensive document review took place.

However, auditors found no major weaknesses and based on the first stage of the audit, DCA was officially certified in accordance with the CHS.

For the second stage, the focus was CO level in three different countries: **DRC, Ethiopia, and Palestine**. The auditors conducted interviews with a select number of implementing partners, CO staff, and two community groups where additional documentation was reviewed. While no major non-conformities were found, the auditors made several observations and two recommendations called Corrective Action Request (CAR) related to complaints and accountability that DCA must address.

The first CAR is related to complaint handling systems and that DCA does not systematically ensure that its partners have functioning complaint handling systems in place. To address this CAR, DCA developed a complaint handling system checklist with guiding actions for its complaint focal point to support DCA partners in setting up and quality assuring their complaints systems. The checklist is scheduled to be rolled out in 2022.

The second CAR noted that DCA had no formal referral mechanisms in place for complaints that did not fall within the scope of the organisation or its partners. To address this CAR, DCA developed several measures in 2021 such as a new standard operating procedure for handling sensitive complaints, including a referral mechanism and an updated referral pathway. These measures are scheduled to be rolled out in 2022 as well.

In addition, a third CAR was identified focusing on DCA does not consistently identify and monitor risks, including unintended negative effects, to act in a timely and systematic manner.

Auditors set the deadline for DCA to address these CARs for March 2023.

The next audit is a maintenance audit that will be conducted in 2022.

4. Sector and Cross-sectoral Networks

CHS Alliance

DCA is a member of the CHS Alliance. This year, due to COVID-19, the yearly CHS Exchange Workshop *Raising the standard for people in crisis: holding ourselves to account*, was conducted online. Both the DCA Complaints Advisor and the Compliance Coordinator attended. The following was presented and discussed:

- Leadership by crisis-affected people: How people affected by crisis influence decisions that affect them.
- Shifting power: What more can those who currently hold power do to create the changes needed?
- Collective action: How to come together to collectively assess and address gaps in quality and accountability?

Fight Against Facilitation Payment Initiative

Throughout 2021, DCA continued the collective action initiative FAFPI together with the Danish MFA, the Danish Confederation of Industries, and several other cross sectoral organisations and companies.

DCA took an active role in driving this initiative forward from idea to reality since it was first initiated by Danfoss and the Danish MFA. DCA saw this as a key initiative in fighting facilitation payments since it is difficult for individual organisations to address on their own and because collective action adds more value. FAFPI member organisations will collect evidence for

challenges related to facilitation payments to create awareness within the Danish MFA and eventually to gain support for confronting and preventing facilitation payments in the future. DCA also registers and reports these cases bilaterally to the Danish MFA, if their funds are involved.

Quarterly face-to-face and online meetings were conducted in 2021. The group developed a concept for defining the role of FAFPI which included establishing a reporting system, training toolkit, and procedures for getting new members. In the second and third quarter of 2021, DCA launched two webinars.

5. Complaints Received in 2021

DCA does not publish names of individuals who bring forward complaints or who are witnesses, investigators, or decision makers in the process of handling a specific complaint.

For protection reasons, complaint descriptions related to the DCA Code of Conduct (CoC) and safeguarding policies (PSEA, Child Safeguarding) are anonymised and summarised. DCA's intentions are that the readers of this report will gain an understanding of how DCA handled each case with diligence. Moreover, the report ensures that DCA utilises every donation it receives for its intended purpose and that everyone entrusted with a position of power in DCA is aware of the organisation's values regarding expected staff behaviour and the CoC.

Each year, a member of the DCA board, in their role as a designated focal point relating to the complaints system, randomly selects several sensitive cases and conducts a quality assurance of the process and decisions made during the complaints handling. Through this board-led self-assessment of DCA procedures and complaints handling, DCA strives to ensure that complaints are dealt with diligently and according to the values of the organisation.

Partner's Complaint Systems and Complaints Received

113 of 187 partners had complaints systems in place in 2021, equivalent to 60% of all DCA's partners.

142 out of 205 partners had complaints systems in place in 2020, or 69% of all DCA's partners. Despite DCA having fewer partners in 2021 than the year before, DCA experienced a decrease in the number of partners with complaints systems in place. This nine percent change could be due to the ending of projects that had majority of partners with complaints systems in place. DCA is continuously supporting partners without complaint systems in setting them up.

A new addition to the international report this year was that DCA requested COs to ask partners the number of complaints they had handled in 2021. The 2021 report indicated that 113 partners received 215 complaints.

It is the first year DCA measured the number of complaints partner organisations received and therefore the number cannot be compared to earlier years' numbers. However, this information can give COs an indication of whether partners keep track of the complaints that they receive and provide ground for a strategic capacity building plan in this regard, where needed.

Complaint's Systems and Complaints Received Globally

A total of 2,630 complaints were received globally, of these 1253 were categorised as non-sensitive and 25 categorised as sensitive complaints, handled in collaboration with DCA's HQ Complaint Committee (CC). The remaining 1352 cases were referred to HR, since they were related to staff management issues. A sensitive complaint is defined as an alleged breach of

DCA's CoC or its related policies.

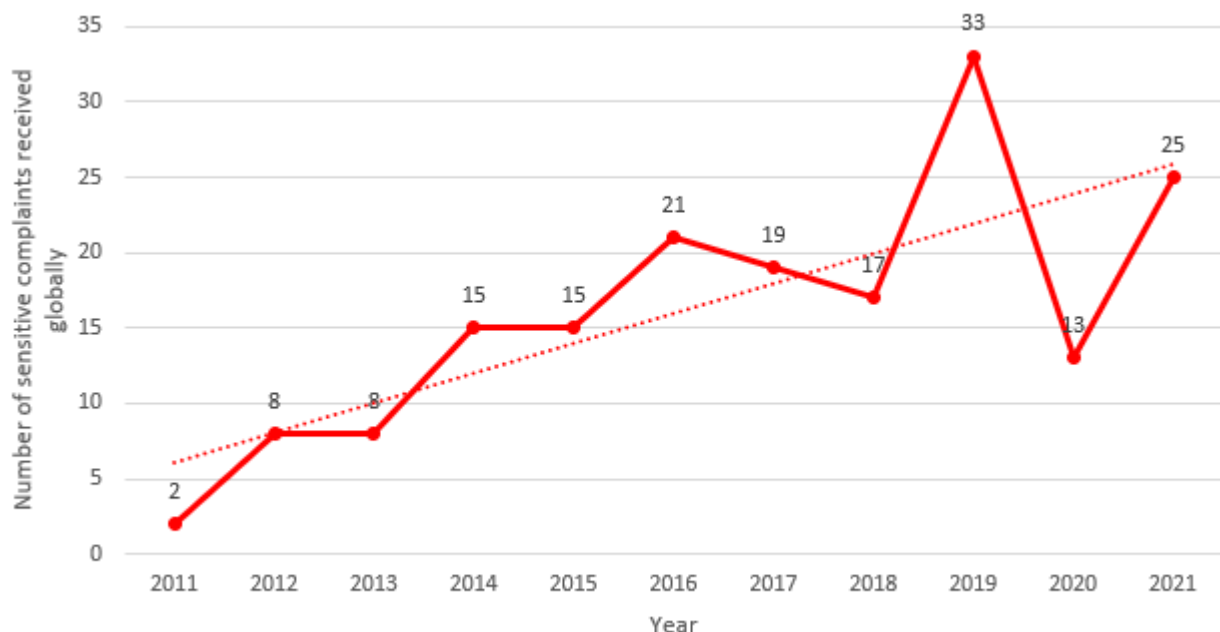
Out of the 25 sensitive complaints received, 13 were related to corruption and 12 related to a breach of DCA's Code of Conduct or (sexual) harassment. DCA experienced an increase in the number of sensitive cases received in 2021 compared to 2020 (see Figure 1).

Regarding the almost double increase in sensitive complaints (13 in 2020 and 25 in 2021), an explanation could be that after the absence of physical monitoring of checks and balances and internal controls due to COVID-19 restrictions in 2020, the internal controls were operational again in 2021 and thus an increase of reporting breaches of the CoC into the complaints system was experienced.

Moreover, an explanation to the increase might be the awareness sessions on the complaints system, held throughout the year with most COs, which made the process for making complaints clear to all employees, including information on how to report. Employees are contractually bound and trained to report any suspicion of misconduct by DCA employees, implementing partners, and other stakeholders related to DCA's mandate.

Receiving complaints is viewed as a positive indication that stakeholders trust DCA with their grievances on sensitive issues. Furthermore, it indicates that COs are becoming more effective at communicating the right, and opportunity, to report complaints to employees, partners, and beneficiaries.

Figure 1



DCA acknowledges that it takes courage to file a complaint. DCA also acknowledges that fear of complainant's safety and security as well as culture in the countries where DCA works are among the reasons for not bringing forward all complaints, where bringing forward grievances, mistrust, and complaining is not common.

The sensitive complaints related to alleged or suspected breaches to the CoC and underlying policies are highly sensitive for the persons involved. DCA does not report publicly on these cases out of respect for the safety and legal rights of those involved. The general breakdown of the cases is as follows:

Eight complaints involved the behaviour of DCA staff which constituted minor breaches of the CoC or related policies and were not related to sexual misconduct. The cases were duly investigated and concluded, and recommendations for improvements were shared by the CC with the manager of the Subject of Concern (SoC). Four of the eight cases were however concluded as not substantiated. The four other cases were substantiated and disciplinary actions against the SoC was taken accordingly.

Four complaints involved suspicion of sexual misconduct (harassment, exploitation, or abuse). Two were related to DCA's own employees. Based on the findings of the investigation, one was substantiated and the other not substantiated. The case that was substantiated led to disciplinary actions against the SoC.

The other two cases were related to employees of a partner organisation. One of the two cases was investigated by the DCA CO complaints focal point and allegations were substantiated. As the SoC worked for another organisation, actions were taken against the individual through that organisation's system. The other organisation's CC investigated second of the two cases and the conclusion was therefore not shared with DCA. The capacity of the partner's complaint system was assessed when handing over the complaint to the partner to ensure adequate quality of their internal procedures.

The remaining 13 sensitive complaints were related to confirmed or alleged breaches of DCA's anti-corruption policy. The below overview indicates from which countries received the complaints.

Bangladesh	1
Central African Republic	3
Democratic Republic of Congo	1
Ethiopia	1
Iraq	1
Lebanon	1
Mali	1
Myanmar	1
South Sudan	1
Syria	2

Non-sensitive and Sensitive Complaints

In 2021, a total of 2,630 complaints were received globally, out of which 1,253 were categorised as non-sensitive and 25 as sensitive. The remaining 1352 cases were referred to HR in the different COs since the cases were unrelated to complaints. This is an increase from 2020 where a total of 2,590 complaints were received globally of which 2,577 were categorised as non-sensitive complaints and 13 as sensitive. DCA experienced an increase in the total number of complaints globally and in the complaints categorised as sensitive, but a decrease in the complaints categorised as non-sensitive. The sharp decrease in non-sensitive complaints from 2,577 in 2020 to 1,253 in 2021 is attributed to a shift in complaint measuring in 2021 where complaints received were differentiated into three categories: sensitive, non-sensitive, and unrelated to complaints and referred to HR. This method was not used in 2020 where both non-sensitive complaints and those unrelated and referred to HR were incorporated into one category. As a result, the number of non-sensitive complaints is incomparable across the years.

Moreover, the reduction of COVID-19 restrictions in 2021 compared to 2020 resulted in an increase of received complaints globally in 2021. Based on consultancies with selected COs, it was highlighted that the complaints that might have been suppressed in 2020 now began

appearing in 2021. In **Kenya**, for instance, the below explained remote monitoring skills were improved by mid-2021 which led to better opportunities for bringing forward complaints:

Uptake of zoom technology and teams by frontline staff, faith actors, and local leaders improved due to the provision of connectivity - by providing airtime and in some cases smart phones.

Online tools that improved awareness combined with more toll-free numbers and knowledge of how to report complaints led to an increase in the number of complaints. Based on the above, project staff, partners, and those in field offices could better conduct meetings and raise awareness to local leaders, faith actors, and beneficiary representatives. Out of these meetings: a) CHS and complaints awareness was better reinforced after the more intense lockdowns were relaxed, b) space was availed for complaints using direct remote channels like toll free numbers and e-mail.

An explanation for the decrease of non-sensitive complaints could be the improvement of controlling and safeguarding measures in field activities because of learnings from previous complaints. An example is **Uganda** where field staff worked pro-actively by sharing information with communities on projects that provide them with rich information on the activities that they were part of. Providing communities with thorough information on the projects might have positively impacted information and engagement and thus fewer non-sensitive complaints. Moreover, COVID-19 prevalence drastically limited community interactions in Uganda, as activities and field engagements were limited.

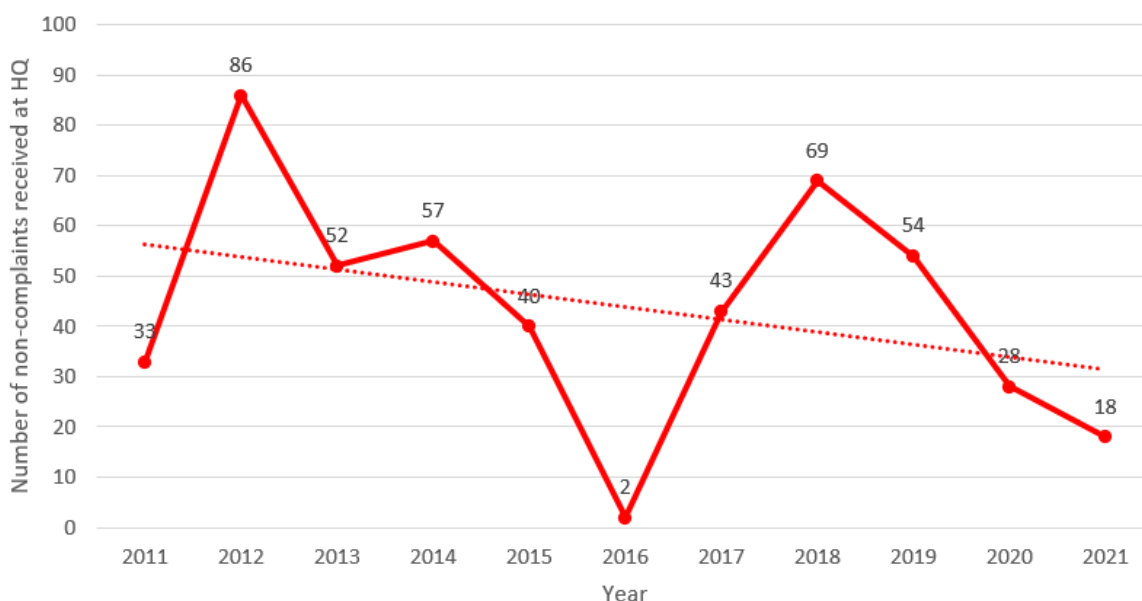
Non-sensitive complaints in Denmark

In Denmark, DCA dealt with 18 non-sensitive complaints in 2021, which decreased from the previous year where DCA received 29 non-sensitive complaints at HQ. See figure 2.

The non-sensitive cases received through the HQ complaints system had the following categories: Second hand: 12; Telemarketing: 2; Political messages: 2; Webshop: 2.

Despite the general decrease in number of non-sensitive cases in Denmark, DCA did see that the number of non-sensitive cases related to DCA second-hand shops remained around the same: 13 non sensitive complaints received in this category in 2020. DCA's Second hand shops were closed in March 2020 due to the COVID-19 pandemic. The shops gradually opened again in the beginning of May and were open throughout 2021. As such, DCA considers this a normal year.

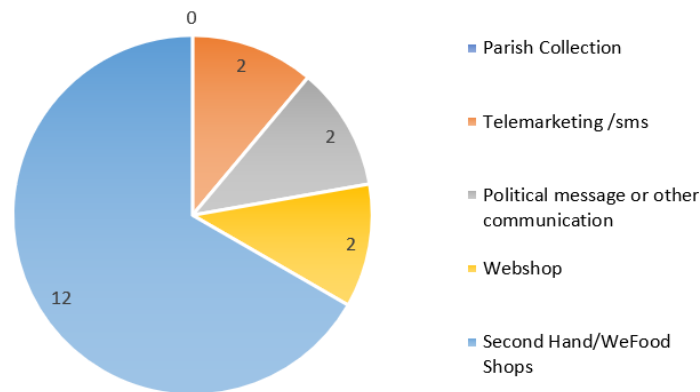
Figure 2



Below please find an overview of non-sensitive complaints from Denmark received at HQ in 2021 and their categories.

It should be noted that many of the non-sensitive complaints do not come through the complaint system and are not registered. Many non-sensitive complaints are received and handled elsewhere such as in the shops or at the telemarketing department in Aarhus.

Figure 3



In 2021, the majority of the complaints are related to DCA's Second Hand and WeFood shops, and mostly related to customers complaining about the behaviour of DCA's volunteer staff working in the shops. The head of the shops handled and resolved the complaints. 2 complaints related to telemarketing came from people who wished to be taken off the call-lists. Complaints related to DCA's political messages or other communication were reactions to articles or statements which some people disagreed with. The Head of Communication handled these cases.

DCA addressed all complaints and strived for a constructive dialogue with all complainants. All complaints were addressed, and the complainants received a response from relevant employees in DCA.

6. Corruption Complaints

The following is a description of each corruption case, how it was handled, and what DCA learned. As part of closing the loop when handling sensitive complaints, DCA considered what was learnt from each case and implemented measures to minimise the risk of the same situation to re-occur. All below cases were duly investigated with the support from the HQ CC and reported to the donor in concern.

The first four cases were brought forward from previous years.

(2019.C4) Partner Board identifies mismanagement of funds and resources

What happened: In 2019 a DCA CO received a letter from the Board of a partner who suspected fraud or embezzlement committed by the Executive Director.

What DCA did: DCA stopped the funding stream immediately and did not transfer funds as planned for 2019. Together with the other funders of the partner, they agreed to carry out an investigative organisational audit for the period 2017-2018. All funders contributed to covering the cost of the audit according to funding size while DCA led the audit process. When the report was received it showed that part of the funds DCA had transferred to the partner were

missing. DCA and the other funders requested the partner to refund the money. As a follow-up to this, DCA sent several letters to the partner and held meetings with the Board but DCA did not receive any positive reply or feedback. The main reason for passivity was that the Board had and still has internal conflicts. Board members took each other to court, staff were not paid and have consequently stopped working. So far, no funds were returned to DCA nor to any of the other funders because the organisation stopped functioning from the second quarter of 2019. Hence, the possibility for the funds being refunded is limited. The case is still not closed and attempts are still being made to get the partner to return the funds. Follow ups were done in April and October 2021 and again in January 2022.

What DCA learned: DCA recognizes the challenges working with smaller CSO's with nascent governance systems.

(2019.C6) Partner organisation suspected of corruption and embezzlement

What happened: DCA's auditor reported suspected corruption and embezzlement by a partner organisation since 2018.

What DCA did: DCA conducted an audit that found reason to uphold the allegation of misappropriation of funds and fraud. This resulted in an immediate termination of the contract with the organisation and its exclusion of future projects. DCA informed the Danish Embassy, MFA as well as the partner's Board. DCA initiated intensive activities to retrieve the funds and assets, including sending several letters to the partner to retrieve the funds. Furthermore, DCA met with the staff and Board of the organisation. All the funds from 2019 were recovered but not the funds from 2018. Most of the assets were returned to DCA.

Even though the organisation stopped operating, the case continued throughout 2020 and 2021 because DCA reached out to a local lawyer who in the legal statement recommended DCA not to institute a civic suit against the organisation for recovery of the misappropriated funds. Several observations by the lawyer, such as minimum chance of winning the case if going to court and the financial and human resources that would be spent in the process, indicated that it was advisable to close the case. DCA recommended the donor to close the case, however the donor required that DCA reported the case to the local police for criminal investigation and stressed that it is not sufficient for DCA to pay the misappropriated amount, even if relatively small.

DCA's risk assessment of the situation for civic space actors in the country, especially those fighting for civil and political rights, was that the situation was very volatile and that there was a real and high risk of intimidation, persecution, and forced closure of CSOs. Therefore, DCA feared that potential publicity related to pursuing a case like this in the current unpredictable political climate could put DCA's human rights partners more at risk than they already were, and it could also damage DCA's reputation in the country. The case is still not closed and DCA is in dialogue with the donor about the next step.

What DCA learned: Even though DCA carried out regular monitoring visits and received financial and narrative reports from partners, it is difficult to detect embezzlement of money by partners. Despite DCA's zero tolerance to corruption, it is DCA's due responsibility to consider the risk of following legal proceedings in countries where the volatile situation can put DCA and partners at risk by reporting the case to the police and following legal proceedings. Such consideration and possible derogation can go against the respective donors' policies and compliance requirements, which is the reason why this case is not yet closed.

(2019.C7) Confirmation of financial misconduct, fraud, and nepotism among senior staff of a partner

What happened: In March 2019, DCA received reports that senior staff from a partner organisation were involved in suspected fraud. DCA worked with the partner since 2012.

What DCA did:

DCA initiated an internal investigation that showed strong indications of fraud taking place in the organisation. A forensic audit was carried out and the findings were significant with

substantiated evidence that senior staff of the organisation were involved. DCA terminated the cooperation agreement, made a great effort to retrieve the assets, and managed successfully to get back some of the most valuable assets. Attempts to have the mismanaged funds returned have not been successful due to the lack of response by the former partner organisation to the various correspondences sent during the following year. Some assets- 5 laptops, 3 motorbikes, and a container- were returned to DCA. On 3rd October 2020, DCA's lawyer sent a letter of demand to the organisation requesting repayment of mismanaged funds within 14 days, with failure to do so would result in legal proceedings to pursue the case. Receiving no response, DCA instructed its lawyer to initiate legal proceedings. The case is likely to take some time (potentially between 3-5 years) in court, however DCA's lawyer believes that there is sufficient evidence to prove that the organisation is responsible for the misappropriation of the funds.

In 2021, DCA initiated legal proceedings against the former partner organisation. A civil lawsuit was filed against them for the recovery of funds. The lawyer's legal opinion of the outcome is that the court will rule judgement in favour of DCA to recover the funds. However, delays are common in the legal system and there is no guarantee that the case will be closed in 2022. The first court hearing is scheduled for 22nd April 2022.

What DCA learned: If possible and without the potentiality of causing harm to those DCA works with, pursuing the option to take the former partner to court and hold them accountable for the misuse of funds meant for supporting vulnerable populations is worthwhile and demonstrates DCA's commitment to the Core Humanitarian Standards of accountability.

(2019.C9) Fraud discovered with a long-term implementing partner

What happened: In late 2018, suspicion was raised by slow implementation of a project by a partner organisation and the quality of the project deliverables were not fulfilling DCA standards. In 2019, all donors supporting the partner carried out an institutional audit that indicated that expenses were suspicious of not following relevant rules, regulations, policies, and procedures. One of the donors claimed back their part of the money and initiated capacity development of the organisation to strengthen their systems and procedures.

What DCA did: Based on suspicion of fraud, DCA suspended their cooperation agreement and initiated a forensic audit in June 2019. When the final forensic report was delivered after deadline in late February 2020, the quality of the report was poor. In several engagements with the partner, the partner maintained that the decision of DCA to terminate the agreement was not sufficiently substantiated by the audit findings and they therefore could not accept termination of the cooperation agreement. They finally suggested arbitration. DCA engaged with an independent lawyer for a legal analysis of DCA's options and did an internal as well as external risk assessment with donors. DCA and the partner agreed on an 'out-of-court settlement' from the partner signed by all their Board members. The partner accepted the termination of the cooperation agreement, all Board members accepted DCA's analysis on the severe organisational concerns, and all Board members accepted the audit noted key challenges in financial accountability and transparency, even though the Forensic Audit could not sufficiently document the extent of the problems.

What DCA learned: DCA should not share the TOR with the partner for a forensic report, which was done in this case, because it will disrupt the investigation. A forensic audit based on spot checks is often not enough for a legal court case as the details of the mismanagement of funds is not sufficient. DCA learned that it can be challenging to find skilled auditors in some of the countries where DCA works, and therefore DCA will keep a register of those auditors that perform well and always ensure to invite them to bid when DCA tenders such tasks.

(2021.C1) Investigation into potential fraud/misuse of funds

What happened: A community group complained to DCA about a local partner who had asked them to return their funds because the donor of the partner requested the money back. Following an investigation, it was concluded that the funds were issued to the community

group 4 years earlier to build a latrine, which the partner approved and allowed the group to keep in their bank until the end of the wet season when construction could begin. The partner reported that they frequently reminded them to construct the latrine in the dry season, yet they did not implement it. The partner did not see any progress in the activities or expenditure of funds, and therefore decided to reallocate the funds to another group who could implement an activity.

What DCA did: DCA investigated the case. Following the response from the partner that the community could not spend the money despite receiving the funds, DCA requested the partner to spend the money in supporting the village according to their village development plan as well as to provide a financial and narrative report that explains what the money was spent on and how. The partner agreed, and the community was informed about this decision.

What DCA learned: Partners should have clear cash grant guidelines which are shared with DCA and the community group and it should clearly state what happens if the funds cannot be spent and within which timeframe. The response in this case was deemed to be appropriate due to the long passage of time. However, if cases are picked up more quickly, there may be a better outcome for villages in need and better communication and trust between partners and community groups.

(2021.C2) Theft in DCA Office

What happened: DCA's Logistics Assistant filed a complaint regarding an alleged theft of DCA equipment on the premises. The Logistics Assistant blamed the Logistics Officer for the theft, as he was the only employee with a key to the equipment stock.

The complainant reported that smartphones and laptops had been stolen from DCA's equipment stock at the office. The complainant stated that the theft had possibly taken place during weekends. In relation to this complaint, an inventory spot-check of the stocks was carried out by the Head of Finance and numerous items of IT equipment were found to be missing from the office's stock cupboard, kept under lock and key. No signs of forced entry were observed on the stock cupboard. It thus seemed that the equipment was removed by a person with a key to the stock cupboard.

What DCA did: The results of the complaint and spot check inventory were reported to DCA HQ CC. In addition, the Head of Finance arranged a meeting with DCA staff present in the office to request that all keys to the office be returned. The Chief Financial Officer then inventoried all staff keys and stored them in a safe place.

The Head of Finance conducted a complete inventory of the offices to cross-check for missing items.

A complaint was filed to an Attorney General with the local court. The Attorney General referred the case to the local police station for investigation. At this point, no date was provided to the DCA for the investigation. However, the police confirmed that they did not have the capacity to carry out the investigations.

In view of the accusations made against the logistician, as a precautionary measure the employment contract was not renewed. Finally, the monitoring and security of the equipment stock has been strengthened.

What DCA learned: Responsibilities must be clearly divided among employees and control procedures must be maintained. This has therefore been strengthened in the CO.

(2021.C3) DCA Staff Pressuring Beneficiaries to Share Entitlements

What happened: The DCA complaints focal point in the CO filed a complaint about a local DCA staff that had pressured a beneficiary to share their entitlements with them, including a COVID-19 modified hygiene kit.

What DCA did: The case was investigated (a recorded dialogue between the local DCA staff and the beneficiary was analysed) and as the allegation was confirmed, the CC recommended

that the employees' contract was terminated. The funds were covered with DCA's own funds.
What DCA learned: It is important to have safe and functional complaints systems in place at community level for beneficiaries to be able to file grievances by DCA staff.

(2021.C4) Forgery by DCA Staff in Country Office

What happened: A previous DCA employee approached the head of finance in the CO to inform him that he could not withdraw his leave funds as the Authorities informed him that there were no funds available. This information raised a concern against the HR manager in charge of distributing leave funds to local staff. The head of finance therefore submitted the case into the complaints system.

What DCA did: An investigation was initiated and found that the subject of concern had falsified documents to withdraw the funds himself. Based on the evidence gathered in the investigation, the allegation raised in the complaint was substantiated. The CC recommended that the subject of concern be dismissed from his duties, but the same day, the subject of concern submitted his resignation letter.

What DCA learned: DCA strengthened its internal procedures to prevent DCA staff from withdrawing funds on behalf of other staff. DCA staff now withdraw their leave funds themselves.

(2021.C5) DCA staff falsifying bank statements

What happened: DCA's Country Director informed the HQ CC that in connection with a final external audit involving all DCA operations in 2020, balance differences were identified between the bank statements in DCA field office and the bank statements received from the bank.

What DCA did: When the suspicion arose, a special investigative audit was launched. The special investigative audit report concluded that fraud had occurred by falsifying and altering accounting documents. The finance officer disappeared and DCA could not contact him. The case was reported to the police and taken to Civil Court.

What DCA learned: DCA strengthened its internal finance control procedures in the CO. Moreover, DCA no longer works with the bank in question and now works with a bank that offers an online banking system.

(2021.C6) Suspicion of Fraud With Partner Leads to Termination of Collaboration by the Partner

What happened: A complaint was submitted to the DCA CC by the CD. The complaint highlighted suspicion related to one of DCA's long time partners who had not delivered financial reports according to the mandatory reporting requirements.

What DCA did: Despite no previous audits having highlighted any suspicion or irregularities, DCA initiated a special audit with an external auditor. The ToR for the audit also covered policies, salaries, procurement, and contractual obligations. While the audit was ongoing, the partner decided to end the contract with DCA. When the final audit report was submitted, it did not indicate any evidence of fraud.

What DCA learned: Respectful dialogue between DCA and partners is essential to build trust and good collaboration.

(2021.C7) Rumours that DCA Accepts Money to Recruit New Staff

What happened: Several messages on social media were posted and circulated, claiming that DCA had agreed to receive money from a person who was a candidate for a job in DCA, in exchange for a contract.

What DCA did: DCA tried to reach the person who was posting these messages to get an interview with him. Moreover, HR files related to previous recruitments were scanned to investigate whether the complainant's name could be identified. The person did not wish to be interviewed but answered messages that the investigation team sent him. The person's identity did not match any previous candidates for any positions that had been recruited in the CO.

DCA informed him that if he didn't stop posting the rumours, DCA would involve the police. Finally, the candidate admitted that the rumours he spread were communicated under a fake name and he admitted that he was spreading them because he was angry that he had not been offered a contract with DCA for a previous position.

What DCA learned: Fake rumours about the organisation can harm its reputation, and thus the handling of them is important to minimise the spread of further misinformation about the organisation.

(2021.C9) Fraud in cash distribution programme involving former DCA staff

What happened: A fraudulent scheme was set up by some former staff in DCA, whereby some beneficiaries of direct cash assistance (IDPs and returnees) were underpaid (i.e., received only half of what they were supposed to receive). This case was repeated in 2 different locations: where also a local CBO that DCA collaborated with was involved and later in another place that involved only DCA staff. In addition, there were some fictitious beneficiaries included on the list of recipients of cash assistance.

What DCA did: Attention was called to DCA's MEAL Manager via the "green line" free phone numbers for reporting any complaints in the communities where DCA works and the Area Manager by some of the beneficiaries. The respective DCA country director informed DCA HQ CC about the case and the donors whose money had been misused. An investigation was initiated immediately which implicated several DCA field staff and the local CBO who were also present at the time of the distributions. DCA ceased its collaboration with this CBO and found another reliable local partner organisation.

The beneficiaries had complained to the police who had obliged the fraudsters to pay back most of the money underpaid to the beneficiaries before DCA's CO was informed. The investigation only found circumstantial evidence against the suspected DCA staff in one of the cases, while in the other case, at least one finance officer (whose contract had come to an end) was found guilty of wrongdoing. The other staff whose guilt could not be proven but that remained under strong suspicion were also near the end of their contracts that were also not renewed.

All the money the beneficiaries were cheated of was subsequently repaid using DCA's own funds to not impact the donor funds, and the donors were informed about the resolution of this case.

What DCA learned: DCA strengthened its procedures related to cash distribution to ensure transparency. During cash distributions, at least 2 DCA staff are present together with members of the local Community Accountability Committee and members of the local CBO that DCA collaborates with in that locality, together with at least one representative of local or traditional authorities. Senior staff also undertake a post-distribution counter verification. In addition, DCA will move away from direct cash distributions and use mobile telephone transfers (where mobile networks exist and traders with capacity to pay out the money transferred).

Finally, DCA must capitalise on its excellent community level acceptance to verify broadly the local selection of beneficiaries to ensure it represents truly the most vulnerable people in the community and not merely relatives of influential individuals – or worse, fictitious beneficiaries. A full report was produced and shared with HQ CC as well as with the donors whose funds

were misused.

(2021.C10) DCA Staff Accused of Fraud

What happened: In a letter, the Labour office accused DCA CO of having committed fraud. The labour office did not specify how or who they alleged to be involved.

What DCA did: DCA went to the Labour office several times to speak to the person who had signed the letter and to get a better understanding of the case. The Labour office could not identify the letter nor the person who had signed it, and thus the case was dismissed.

What DCA learned: No specific lessons were learned from this case

(2021.C11) Partner irregularities lead to suspicion and immediate forensic audit

What happened: DCA found out that a partner delayed payment of salaries for its staff working on DCA grants. It was found out that the partner conceded using DCA grant advances for work on another project.

What DCA did: DCA promptly commissioned a forensic audit of the partner, which found several irregularities pointing at several weak and possible fraudulent practices. DCA suspended the partnership with the partner and carried out a detailed investigation into all the audit findings. At the same time, DCA informed the donor about the incident and shared the audit report.

Furthermore, the partner agreed to improve on its weak practices, such as:

- Commitment expressly made with the National Revenue Authority (NRA), where it confessed that it had made erroneous calculation of the PIT? and agreed with the NRA on a six-month payment plan for the dues
- Accepting to reverse unbudgeted expenses incurred against DCA grants amounting
- Providing full paperwork trail for instances of partial liquidation found by the audit

The investigation process is not yet complete. DCA will summarise all findings and submit its management response to the auditors along with relevant documentary evidence where audit findings disagreed. DCA will decide on the suspension or continuation of the partnership during the final report on findings.

What DCA learned: Due diligence carried out as a prerequisite for partnership was done online due to the COVID-19 pandemic and on hindsight, DCA realised that it was not as thorough as it could have been, which could have easily avoided many of the shortcomings as found out by the audit.

In this particular case, DCA need to provide closer support to the partner with monthly financial reporting requirements as well as spot checks to help the partner avoid getting into situations such as the one it is in, owing to weak practices.

(2021.C12) Prepaid Equipment Not Delivered Raises Concerns

What happened: During implementation of a project, DCA was informed of irregularities regarding the prepayment of equipment. The equipment in question was prepaid and reported to the respective donor, even though the equipment was not delivered. Further to this, the informant suspects that the delivery of the equipment was delayed on purpose to cover 'non-existence'.

What DCA did: DCA interviewed the informant to clarify the course of the case. Further to this, procurement staff from HQ were involved to clarify the rules/regulations on the matter and to check the paper trail regarding the prepayment.

Accordingly, the equipment was confirmed, however still not delivered and the reasoning behind was explained and documented.

What DCA learned: In future instances where prepayments are necessary, the amount

should be proportionate, and instalments held back until full delivery. Further, guarantees or collateral could be an option as well.

(2021.C13) DCA Staff Alleged to Exchanging Access to Refugee Camp with Jobs in Return

What happened: A national NGO filed a complaint with DCA's management in the CO. The SoC was a former DCA staff member (Security Officer) and the allegations raised in the complaint indicated that the DCA staff member had promised partnerships, projects, and jobs in return for help with permissions and access to a refugee camp.

What DCA did: The early investigation into the DCA staff member revealed that files and documents from the DCA staff's laptop and the internet storage platform "one drive" were deleted and wiped. In addition to this, it seemed that files could not be recovered. HQ CC immediately opened an investigation but found evidence that no files, documents, nor emails had been deleted nor disappeared from the computer of the subject of concern.

The HQ CC strengthened procedures around hand over of assets, particular IT equipment. Moreover, DCA strengthened procedures related to financial oversight (finance team from HQ visited and conducted trainings with new Head of Finance), asset management, always tracking of DCA vehicles, and improved oversight of DCA staff in representational roles, including mandatory written minutes of meetings with local partners and external stakeholders. DCA CC awaits the Country Office audit from 2021. This is expected to be submitted in March 2022. As such this case is still not closed.

What DCA learned: This case is still not closed. Lessons learned will therefore be shared in next year's report.

(2021.C14) Employee falsifying documents to gain money from beneficiaries

What happened: A finance officer in the CO discovered that documentation related to a cash distribution to beneficiary was false.

What DCA did: The allegation was investigated, and the report concluded that the documentation was indeed falsified by a DCA employee. However, during the interview, the person who in charge of documentation related to the cash distribution and the SoC denied having stolen the money.

DCA CO consulted a local legal lawyer to proceed with advice for how to dismiss the SoC. However, as the labour law in the country of concern did not accept DCA's lack of factual evidence at that stage in arguing gross misconduct, DCA could not dismiss the person from DCA. The SoC's contract expired shortly after and was not renewed.

What DCA learned: The incident showed the importance of financial procedures and skilled financial employees who check the documentation in the COs to identify misconduct.

7. Planned Focus Areas for 2022

Below activities are planned to be implemented in 2022. Follow-up on each of the focus areas, will be reported on in next year's report.

1. Training the remaining 4 COs in the complaints and accountability framework (outstanding from 2021)
2. Implement complaint appeal procedure
3. Finalise and communicate complaints- and whistle-blower policy
4. Revising DCA's Anti-Corruption Policy
5. Develop complaint referral procedure for complaints that are registered in the DCA complaints system but do not fall within its scope
6. Action Plan to be developed and implemented raising the Corrective Action Required and observations including recommendations from the CHS Maintenance

Audit

7. Set-up an additional access to the digital complaints handling system for Syria CO (Pilot)
8. Update of e-learning training on FABO including establishing a system that can keep track of employees who have undergone the training
9. Expanding the questions for the international report related to the complaints system:
1: A more detailed insight into the non-sensitive complaints in the COs; 2: Number of complaints that partners have received and handled
10. Sessions on safeguarding, protection, including PSEA and strategy for reaching communities with information about expected staff behaviour