

Governance Task Force (GTF)
Relations with the International Movement (RIM) SubGroup

Report to GTF Meeting 19 July 2014

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1. SUBGROUP MEMBERS:

Sarah O’Grady, Liz Mottershaw, Tom Hedley (from 12 Oct 2013), Hannah Perry (to 12 Oct 2013)
Mike Reed (assisting with Remit Item 2), Peter Pack (assisting with Remit Item 3).

2. REMIT

Remit Item 1

To oversee a membership consultation on the role of AIUK within the context of the international movement and our agreed strategic directions 2011-2016.

Remit Item 2

Consider the need to ensure that the International Secretariat (IS) is fully accountable to AIUK for the proper, judicious and efficient application of funds provided by AIUK for the use of the IS.

Remit Item 3

Consider the relationship between AIUK governance and the international movement.

3. RECOMMENDATIONS/REQUESTS TO THE GTF

Remit Item 2: Recommendations to the Board

SG2 recommends that the GTF **approve the attached paper** (Appendix 1), which sets out SG2’s **final recommendations** on IS-AIUK accountability; and that the GTF **formally submit the paper/recommendations to the board**.

Remit Item 2: Benchmarking

Having looked in some detail at the process of benchmarking SG2 has **concluded that benchmarking would not currently be beneficial or appropriate** with respect to the remit item on AIUK-IS accountability. Our reasons are summarised in the progress report below. Our recommendation, then, is simply that the **GTF endorse this position**.

We also recommend that GTF members and SubGroups **read and consider** the attached paper (Appendix 2), which provides guidance on the benchmarking process and which may be useful for any benchmarking processes planned or undertaken by other SubGroups/the broader GTF.

Remit Item 3

SG2 would like the GTF to **discuss the attached paper (Appendix 3), which covers suggested recommendations to the Board**.

4. PROGRESS REPORT

Work since the May GTF meeting has focused on Remit Items 2 and 3.

Remit Item 2: Recommendations to the Board on IS-AIUK accountability

The SubGroup has continued work on its paper setting out recommendations to the Board on IS-AIUK accountability. The paper submitted to the May GTF has been revised, taking into account comments made by GTF members at that meeting. A revised version was sent to AIUK staff (Tony Farnfield). Tony welcomed the paper and the recommendations and made no suggestions for change. As noted above, the paper is attached, and SG2 asks the GTF to approve it and for it be formally sent to the Board by the GTF.

Remit Item 2: Benchmarking

SG2 has spent time looking into the process and potential benefits of a benchmarking exercise as part of its work on Remit Item 2. The SubGroup is of the view that benchmarking should not be undertaken at this stage. This is in part because the current IS-AIUK accountability mechanisms are in the process of being reformed and, as such, are not in a static state suitable for benchmarking. It is also because it is felt that the potential benefits are unlikely to justify the considerable input required in a properly-conducted benchmarking exercise.

SG2 has collated its preliminary research into the process of benchmarking into a brief guide. This is attached (Appendix 2) and we hope it provides useful background for any other SubGroup considering undertaking benchmarking.

Remit Item 3: Suggested recommendations on AIUK membership awareness of the international movement and ability to contribute to AIU positions

GTF members may recall that SG2 submitted a paper, informally (and perhaps misleadingly) labelled “Plan B”, to the May GTF meeting. This paper was not a plan as such, it was a statement of the scope of the work that SG2’s remit item 3 should cover. This scope was approved at the GTF May meeting.

After the May meeting SG2 discussed, in both email and conference call, some ideas for recommendations that the GTF should put to the Board concerning Remit Item 3. SG2 has set out these initial ideas for recommendations in the attached paper. SG2 would like the GTF July meeting to discuss the substance of these. SG2 has always been aware of the potential for overlap with the work of SG4 – and Liz has discussed this informally with Hannah. SG2 has asked that further discussion form part of the agenda for the GTF July meeting.

Remit Item 3: paper/leaflet/hand out on AIUK governance and the international movement

This is an ongoing piece of work. The paper has been circulated to GTF members and AIUK staff (Tim Hancock) for comments. It was discussed at both the March and May GTF meetings, as well as at the AGM, where members were very supportive of the idea of having such a document.

SubGroup 2 has incorporated comments from GTF members into the text. The most recent draft has been sent to Tim Hancock to seek input on three things:

- the final text;
- the format – whether it can form part of an existing series; how it should be presented; and
- ways of distributing/utilising it.

The SubGroup will continue to work on this, in co-operation with staff, and aims to finalise the text and a set of recommendations to the Board on its use by the September GTF meeting.

**AIUK Governance Task Force (GTF)
RECOMMENDATIONS TO AIUK BOARD
concerning financial accountability of the IS to AIUK**

1. Introduction

This paper sets out some recommendations from the AIUK Governance Task Force (GTF) to the AIUK Board on the GTF remit to “consider the need to ensure that the International Secretariat (IS) is fully accountable to AIUK for the proper, judicious and efficient application of funds provided by AIUK for the use of the IS.”¹ The concern that the IS might not be as accountable as is desirable was voiced by AIUK members (and acknowledged by the board itself) at the 2013 EGM and the 2013 AGM.

These recommendations are based on the work of the GTF’s sub-group 2, as agreed by the full GTF in plenary session. The work included a meeting and correspondence with Tony Farnfield, Corporate Services Director and Iain McSeveny, Head of Finance and Data Analysis. The GTF acknowledges with thanks the helpful assistance and cooperation of these senior managers in addressing this issue. Furthermore, the GTF applauds the excellent work undertaken by AIUK senior management in influencing improvements in IS financial management and reporting. Additional recommendations may follow if the GTF undertakes benchmarking exercises against other similar international organizations.

The GTF understands that AIUK Senior Management is currently seeking to support and influence improvements as follows, and the GTF recommendations in sections 2 and 3 below therefore build on these points.

Strengthening financial information: AIUK is supporting the IS in: encouraging all AI sections to provide timely data for the common chart of accounts; pressing for continued improvements in the clarity and quality of data; seeking more narrative to support published facts, figures and charts; seeking to achieve monthly IS financial reports.

Using financial information: AIUK is working on better interpreting the data; on making better use of information to make better decisions and secure improvements; and on connecting into global governance in relation to finance.

Challenge: A new International Transparency and Accountability Project (INTRAC) has been set up by the IS in early 2014. AIUK intends to participate fully in this group, using it to secure further improvements in transparency and accountability.

International office costs : AIUK staff have been invited to join a working group to share ideas and good practice as the IS actively reviews London office needs and costs as the Global Transition Program leads to major reductions in London-based staff.

2. Recommendations to the AIUK Board

The GTF recommends that the Board:

- (i) continues to influence the International Board and International Secretariat to improve IS accountability for funds provided to it by AIUK;
- (ii) keeps itself informed of progress in this area;
- (iii) keeps the AIUK membership similarly informed.

¹ This is item 1 in the GTF’s terms of reference and arises from 2013 AGM resolution E4, paragraph 6.

The GTF recommend the board take the following steps to achieve the above:

- (a) Establish a regular review process to analyse IS quarterly financial reports², the annual financial reports of AI Ltd and AI Charity Ltd, and other related documents.
- (b) Review relevant reports on plans to improve financial performance and management information, both from the IS and from AIUK senior management.
- (c) Provide reports on plans and progress to the AIUK membership. These could include:
 - Summaries of the IS quarterly financial reports.
 - Reports on recent and future trends in IS expenditure.
 - Updates in reports to the AIUK AGM by AIUK Chair, Treasurer and/or Director.
 - Providing an update in a session on international relationships at the AIUK AGM.

3. Recommendations on further work by the AIUK management

The GTF recommends that the Board advises AIUK senior management to continue their work on strengthening IS accountability, in particular taking action as follows:

- Play an active role in INTRAC (International Transparency and Accountability Project) and continue to liaise with IS management on improving their financial and performance management, focusing on the four key areas³ of: Information, Challenge, Processes, Culture.
- Raise AIUK concerns, issues and questions through the appropriate channels, including how global management is using management information to drive improvements in practice and processes.
- Use information and understanding of the operation of the International Board's Finance Committee and its relationship with the International Board⁴, and to keep the AIUK Board informed of its role.
- Consider seeking further improvements in the following areas:

Information - production

- Encourage the IS to further develop operational performance management information in relation to IS expenditure (where practicable and effective this should include measures of performance against targets, benchmarks or other indicators for programmes, activities, and functions; measures of outputs, outcomes and impact).⁵
- Relate operational performance data to financial performance data to understand IS financial performance against actual activity.
- Continue to improve the quality of information and its presentation by the IS.

Information – availability

² At the time of writing, the most recent such report is: *International Secretariat (IS) Management Accounts: 3 Months ending 31 March 2014 (FIN 40/006/2014)*, published 14th May 2014.

³ The GTF recommendations refer to the following simple framework, as discussed with AIUK Head of Corporate Services:

(1) Information - availability of sufficient, good quality management information; (2) Challenge - opportunities to challenge the IS based on the above information; (3) Processes - robust internal processes and systems for cost effectiveness;

(4) Culture - values and attitudes which influence cost-effective behaviour.

It is recognised that this framework is not comprehensive, and omits broader areas such as goals and strategy, management style and methods, organisation design and structure, staff and skills.

⁴ See *International Board Finance and Audit Committee: terms of reference (ORG 70/006/2013)*, December 2013.

⁵ It is suggested that performance indicators should be related to activities and short term programme objectives, rather than broader purposes and human rights goals. These larger aims and long term goals do not lend themselves to practical progress measures.

- Press for full implementation of 2013 ICM Decision 3:
The International Council INSTRUCTS the International Board to develop, by end of 2013, a comprehensive plan to ensure that key stakeholders, especially members and donors, have access to appropriate information about the use and impact of global funds in achieving our vision and mission.
- AIUK should press the IS to ensure that this plan adequately addresses the need to provide reports and information to be used by sections in reporting back to donors, e.g., an annual report on how money has been spent and impact.

Challenge

- Ensure effective review and challenge of financial and operational performance data by IS senior management.
- Provide arrangements for regular review and challenge by AI sections, e.g., at meetings such as the Chairs Assembly and Directors Forum. (The ICM mechanism is too cumbersome and infrequent.)

Business practice and Processes

- Encourage the IS to strengthen or establish and maintain business processes and practice for effective cost control such as the following:

Strategy: Cost reduction strategy and programmes; financial management and control within functions/ departments; incentives for cost effectiveness ; development of a target operating model.

Effective budgetary process: Cost allocation to activities; prioritisation and selection; performance budgeting (ie cost allocation linked to performance, cost effectiveness etc).

Monitoring: Activities assessed in terms of value for money; actual and projected costs compared with budget.

Comparison techniques: Benchmarking against best in-house and external practice ; market testing ; value for money reviews.

Review and challenge: Process for regular / routine internal challenge (e.g., project evaluation at initiation and all stages); Regular / routine cost and performance monitoring; expenditure reviews; cost of service reviews; frequent review and challenge of supplier costs (contractors, consultants, etc.);

Processes: make use of financial and operational performance data to inform business decision making; ensure there is an effective internal audit function at the IS; ensure internal accountability through management reviews of progress and performance; ensure effective communications between AI sections at Board and management levels; consider option of sign-off by AI sections for proposals on major work programmes; review management systems to ensure fitness for purpose; establish effective management and controls in new hubs.

Culture: encourage a striving for operational excellence; build cost awareness into all operations; support and encourage the current IS desire for transparency.

4. Recommendations to AIUK Board on Policy development

Review the definition, perception and understanding of the assessment, formulating a position on the following ideas, and, if they are deemed desirable, formulating ways of facilitating them:

- Seeking an understanding of the Assessment as a grant with conditions, rather than a tax on Sections.
- Attaching conditions and performance indicators to assessment payments to the IS.

Review and, if appropriate, strengthen oversight of IS financial management, including considering the following:

- The feasibility of establishing an oversight committee made up of AI sections;
- The option of providing oversight by an external body or person
- These steps may fit with the mandate and recommendations of the Global Transition Programme Reference Group initial report (ORG 30/002/2013). Its mandate includes “propose ... forward-looking measures that build trust and confidence between all” and its recommendations include: “Ensure a consistent performance management process is implemented”.

**AIUK Governance Task Force (GTF)
BENCHMARKING PROCESS – A BRIEF GUIDE**

SUMMARY

This paper sets out in some detail the process for a benchmarking study. It will provide an appreciation of the many aspects of the benchmarking process and the amount of work involved. It can be used as guidelines for undertaking a benchmarking study.

INTRODUCTION

Benchmarking is a proven, powerful tool which can help organisations improve efficiency and effectiveness. It usually involves studying the process or performance of other organisations known to be best in class or at the leading edge, and comparing these with in-house to identify areas for improvement. In this case the requirement is to identify other organisations which employ a similar process (not necessarily best in class), establish how they operate the process, understand its successes and failings, and identify whether changes or improvements can and should be made to the in house process. The process in question is one of sections of an organisation providing funds to the central body, and the oversight of the management and application of these funds to demonstrate effective and efficient use of financial resources.

Meticulous management of the study is essential to ensure its success. As there will be only one opportunity to undertake the gathering of data and information, thorough preparation is essential, particularly in advance of meeting or questioning other organisations. Preparation includes a comprehensive assessment of the information and data to be gathered, selection and preparation of people with appropriate skills, qualities and understanding to do so, careful design of questionnaires and interviews, establishment and maintenance of good relations with benchmarking partners, and careful analysis of the findings.

BENCHMARKING PROCESS

A benchmarking study will involve the following key steps.

1. Preparation of a project brief and project plan for the benchmarking study
2. Thorough understanding of the existing in-house process
3. Identification of partner organisations for the benchmarking study
4. Research of the process applied by other organisations, preceded by careful development of research tools (questionnaires, interviews etc) and preparation of the research team
5. Analysis and evaluation of the research findings to provide a comparison of the in-house process and performance with that of partner organisations
6. Identification of improvements which can be made to the in house process and performance

There is an essential requirement for overall management of the benchmarking study.

These elements are considered below.

PROJECT BRIEF AND PROJECT PLAN

Prepare a clear purpose statement for the benchmarking study
Prepare a project brief and project plan
Establish scope of benchmarking study, including inclusions and exclusions
Review and monitor project as it proceeds, and modify project brief and project plan if required
Establish rules and guidelines for the conduct of the study (eg confidentially, data protection, information sharing, use of data, access to data, conduct of interviews etc)

IN-HOUSE PROCESS

Gain a thorough understanding of the current AI process
Document in house process and check details with responsible managers and governance members
Understand current performance of the in house process, including areas of success and failure
Document any checks and measures used to review or assess current performance
Identify failings, inefficiencies and problems in the in house process
Document issues and concerns with in house process
Record any current proposed improvements
Specify the area of focus for the benchmarking study and what is included / excluded

ESTABLISH BENCHMARKING PARTNERS

Develop criteria for benchmarking partners
Identify other organisations which operate the same or similar practice
Screen and evaluate other organisations for best fit with criteria
Identify target benchmarking partners
Make contact with target organisations and enlist participation as benchmarking partners
Discuss benchmarking project with target organisations
Identify and understand expectations of partners in the benchmarking study
Draw up agreement for benchmarking study
Agree plan and process for benchmarking study with partner organisations

RESEARCH

The research requires a well briefed and skilled person or team, thorough preparation of data collection methods and instruments (questionnaires, interviews etc), and careful implementation.

Specify scope and format of information and data required
Determine how information and data will be used, managed, and distributed
Specify tools for information and data collection (eg questionnaires, telephone interviews, face to face interviews, site visits etc)
Develop and design questionnaire, formatted interviews etc
Pilot data collection instruments internally, and revise as required
Prepare scope and plan for site visits
Review and agree data collection instruments and processes with partner organisations
Appoint person or team to undertake research, bearing in mind the skills required (eg interviewing, observation, interpersonal, analytical skills etc)
Thoroughly brief and prepare research person or team, with training if required
Conduct detailed investigation
Prepare follow-up questionnaires, interviews and visits if required

ANALYSIS AND EVALUATION

Normalise data ie sort, compile and format data to make comparison practicable
Analyse and evaluate the process and performance in partner organisations
Identify the operating principles of the business practice in the partner organisation
Identify underlying reasons for successes or failures of practice in the partner organisation
Compare in house process and performance with partner organisations
Identify similarities and differences in both process and performance
Identify operational best practices and the enablers for this

PROCESS IMPROVEMENTS

Assess adaptability of partner practices and processes to AIUK
Identify options and opportunities for improvement of in house process
Develop proposals for process revisions and improvement
Identify how implementation of improvements can be accomplished
Review research findings and draft proposals with AIUK management, and revise if necessary
Set out format of benchmarking study report
Identify recipients of benchmarking report
Prepare report of benchmarking study and submit

MANAGEMENT OF THE BENCHMARKING STUDY

The management of the benchmarking study involves ensuring the proper and successful implementation of the above steps.

GTF Subgroup 2, remit item 3 – July 2014 proposal to full GTF on next steps.

This item was created by the GTF. It reads as follows:

To consider the relationship between AIUK governance and the international movement.

In particular,

(a) AIUK membership awareness of the international movement/AIUK's relationship with the international movement.

(b) AIUK membership ability to contribute to AIUK's positions in the international movement (e.g., through AGM resolutions, especially those related to international consultations; via internal consultations within AIUK on matters of international interest, such as the current consultation on strategic goals.)

Subgroup 2 has drafted the following potential set of recommendations to the board from the GTF as a basis for further discussion within the GTF (in plenary and with subgroup 4, as appropriate). We would also expect the GTF to consider getting the views of others (such as, for example, the IISC, AMSC and SOC before finalising it. We have had an initial discussion of these proposals and believe that they are now at an appropriate stage for discussion at the July GTF meeting.

1. Recommendations to strengthen AIUK members' awareness of the international movement

The overall aim of these recommendations is to encourage the development of a community of AIUK activists who are well informed about international developments within AI.

1.1. Creating an area on the website for international policy materials

"Members only" documents are in principle available to around three million AI members worldwide, so for all practical purposes they are not secret. Instead of trying to set up a cumbersome password-protected area of our website, we ought to discuss (and, if appropriate, raise as a matter of international policy) the question of whether the benefits of making many such documents available to members on an easily accessible (not password protected) part of the website outweigh any possible risks. In my view they do (and we saw with Dame Anne Owers' report that its contents were widely circulated outside AI, so any attempts to keep embarrassing information secret rarely work nowadays).

If it is not possible, or it is judged unwise, to make materials available openly, we need as a high priority to establish a members-only, password protected area to host international policy materials, etc. Presumably this could be done by making it available only to people who log in to the AIUK website, so it would not need an extra set of passwords.

1.2. Maintaining this international policy area

The section needs to use a technology that makes it easy for a non-expert to update and maintain the area. The section also needs to find the resources to maintain the area. This will mostly involve uploading new documents and occasionally deleting or archiving older documents.

This work need not be done by a staff member: it could be done by a volunteer or group of volunteers supported by staff as appropriate. For example, one or two such people could be *ex officio* part of the IISC so that they are up to date with what the section regards as priorities in document availability, etc.

1.3. Publicising this international policy area

The existence of the area needs to be well-publicised when it is launched and regularly publicised thereafter. Some options for doing this include (but are not limited to):

- (a) Emailing all members to tell them about it. (We could emphasise that those who attended the EGM or a recent AGM are likely to find it of particular interest.)
- (b) Reminding people about it regularly through the Chair's monthly e-newsletter.
- (c) Advertising it in the Amnesty journal and the Groups Newsletter.
- (d) Writing to group secretaries about it every year.
- (e) Encouraging regional representatives to remind local groups about it regularly.
- (f) Having a session at the AGM on "getting the most from amnesty.org.uk", which could cover lots of other areas of the website that people might not know about.

1.4. Specific content for the international policy area

The area should always have:

- (a) A simple overview of what is in the area, why it is there, and how the different parts fit together.
- (b) Up to date information on any current AI consultations as a matter of information, irrespective of how widespread those consultations are.
- (c) Financial reports from the international movement, such as the quarterly management accounts from the IS, the annual financial reports of AI Ltd and AI Charity Ltd.
- (d) Copies of the international board's newsletter.
- (e) Copies of the Secretary General's monthly updates.
- (g) Information on the development of the *Global Transition Programme* (such as the recent IS newsletters).
- (g) Main papers for the Chairs Assembly.
- (h) Main papers for the last few ICMs (i.e., all the numbered circulars and the decisions).
- (i) My *International Issues* newsletters.

1.5. Access to intranet.amnesty.org

In principle, any AIUK member who wishes to have access to the intranet can apply for a password and receive one. At least, that is what Ciarnan Helferty promised last year when he was the Chair. I do not know how many people took up the offer. It is worth making some efforts to ensure that key activists (board, committee members, regional reps, etc.) do have access to the intranet and that it is more widely known about.

1.6 Review of roles

The board and its principal committees should review their terms of reference and working practices to ensure that:

- (a) They themselves disseminate appropriate information about international developments in AI.
- (b) Where appropriate, they arrange for relevant information to be made available on the website area described above.
- (c) They annually review their contribution to raising members' awareness of the international movement and AIUK's role in it, and make appropriate changes.

2. Recommendations to strengthen AIUK members' ability to contribute to AIUK positions

2.1 International consultations

- (a) Information about the existence of international consultations should always be made readily available to AIUK members via the website. At minimum, this should include relevant documents produced by the IS, any additional documents produced by AIUK, and clear information on whom AIUK is planning to involve in the consultation. It should also include the outcomes of discussions at, e.g., AGM workshops.
- (b) Information on the outcomes of consultations should be made available in a similar way, e.g., by including AIUK responses to international consultations, or international summaries of all responses received.
- (c) In cases where AIUK decides to consult members, it should follow procedures proposed by SG4 (*Details to come*)
- (d) Where necessary, AIUK should invest the resources in producing additional short materials that put the internationally produced documents in context or summarise them. On any major issue, AIUK should aim to produce a two-page summary of the key issues.

2.2. AGM resolutions process

- (a) The Standing Orders Committee (SOC) should consider taking more of a lead in contacting the proposers of resolutions relating to international policy to clarify questions of fact, ensure that the proposers are up to date with their information, and that the text uses the correct acronyms and AI terminology. In cases where there is a disagreement over the facts, the SOC should make sure that, whenever possible, this is clarified to delegates at an early stage.
- (b) SOC should take a lead in assisting resolution proposers to turn resolutions into meaningful resolutions, e.g., by clarifying for them where the relevant decisions get made in AI (at national level; at the Chairs Assembly; at the ICM; as part of an international consultation, etc.).
- (c) SOC, in liaison with AIUK staff, the IISC, AMSC or board as appropriate, should aim to provide relevant background documents to proposers of resolutions to assist them in drafting or amending their resolutions.
- (d) Background notes to resolutions should include links to relevant documents or pages on the website.
- (e) Activists should be encouraged to use electronic discussion mechanisms to raise questions and seek answers in the weeks preceding an AGM.

2.3. Discussion mechanisms to inform membership contributions.

- (a) The board should investigate the feasibility, risks and costs of setting up and maintaining a formal discussion area devoted to international issues on the AIUK website.⁶
- (b) Options to link the above, formally or informally, to official consultation processes should be evaluated.

2.4. Review processes for collecting membership contributions.

Building on 1.6 above, the board and its principal committees should review their terms of reference and working practices to ensure that:

- (a) They seek members views on matters of international policy at appropriate times, even when formal consultations are not running or required. For instance, they could review the resolutions on the ICM agenda and decide on which ones they would benefit from selected membership input as part of the process of defining the AIUK position.
- (b) When members' views are sought, a summary of the outcomes should be made available on the website area described above.
- (c) They annually review the opportunities they have taken to collect members' views as part of their policy formation on international issues.

Draft, Peter Pack, 30th June 2014

⁶ Such an area could build on the initiative of the members who created the aiuk-mob@googlegroups.com discussion list, and the experience of the board in contributing to discussions there.