<div align="center">

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

Report to GTF Meeting 10 May 2014

</div>

NB This report has been drafted by Liz and has not been approved by other RIM members.

CONTENTS

1. **SubGroup members**
2. **Remit**
3. **Recommendations/requests**
4. **Progress Report**

Appendix 1: Recommendations to the Board on Remit Item 2 (draft)
Appendix 2: Benchmarking proposal (draft)
Appendix 3: Remit Item 3: "Plan B"

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

The RIM group's progress since the March GTF meeting on Remit Items 2 and 3 is outlined below under **Progress Report**. SubGroup 2 would like advice/input from the broader GTF on the issues below.

Process

In addition to the specific issues below members of the SubGroup also feel **that a general discussion about the ways in which the GTF and SubGroups work would be beneficial**. Liz and Peter circulated some suggestions for discussion on this in a separate letter emailed to all GTF members. This is also something Liz mentioned at the March GTF meeting - would we make better progress if we take some of our work in sequence, rather than doing it all at the same time? It would also be useful to discuss the roles of board members (what issues/work can/should they contribute to?); and the extent to which work needs to be consulted on – both within SubGroups and with the wider GTF.

Remit Item 2: Recommendations

A set of recommendations to the Board are attached as Appendix 1. The SubGroup would like to request that the **GTF discuss these and agree a process[1] for finalising them and sending them to AIUK**

---

[1] This could, for example, be that GTF members simply approve them at the May meeting and Sheila send them to the board; it could be that GTF members undertake to send comments by email and that the SubGroup circulate a finalised text; or similar.

staff (before finalisation if the GTF thinks it appropriate) and the Board. Please note that these are not agreed by the full SubGroup (see Progress Report).

Remit Item 2: Benchmarking
Some preliminary notes on benchmarking are attached. The group would **welcome comments and feedback** from the GTF on taking such work forward on SubGroup 2's Remit Item 2.

Benchmarking: general
The preliminary notes on benchmarking may also be useful for other benchmarking work being contemplated by the wider GTF. **A wider discussion on their content may be useful**.

Remit item 3: Scope – Plan B
A new proposal for the scope of Remit Item 3 is attached as Appendix 3. **The SubGroup would welcome feedback/approval in order to be able to progress this work.**

4. PROGRESS REPORT
Work since the March GTF meeting has focused on Remit Items 2 and 3.

Remit Item 2: Recommendations to the Board on IS-AIUK accountability
Since the March GTF Mike Reed has drafted a set of recommendations to the board. These have been commented on by Liz and her comments incorporated. Other SubGroup members have not commented on them. These recommendations, then, are what Liz and Mike propose the GTF should put to the Board. They are attached as Appendix 1. These recommendations themselves have two appendices – these are labelled Appendix A and B.

Remit Item 2: Benchmarking
Some preliminary thoughts on the process of benchmarking are attached as Appendix 2. This is a draft process put together by Mike and gives a detailed idea of the potential work involved in such an exercise. This was put together with SubGroup 2's Remit Item 2 in mind but may be useful for benchmarking more generally. Feedback from the GTF would be appreciated – in terms of the specifics of taking such work forward for SubGroup 2, Remit Item 2. Discussion about its wider usefulness would be productive.

Remit item 3: Scope – Plan B
After discussion at the GTF March meeting Peter put together a new proposal for the scope of Remit Item 3. Liz commented on this and her comments have been incorporated. Sarah also commented. As these comments were sent on 7 May, the SubGroup has not had the opportunity to discuss them and agree the proposal. The current draft is attached as Appendix 3. GTF feedback would be appreciated. SubGroup 2 is aware that some of the issues highlighted in "Plan B" are being discussed by the Board and is very open to exploring ways of co-ordinating such work. SubGroup 2's next step will be to discuss this with the Board (probably via Tom) and identify an appropriate way of undertaking the necessary research. It is likely to comprise selected interviews and possibly a survey.

Remit item 3: draft paper discussed at AGM
After the March GTF meeting the SubGroup made minor changes to the paper "How Does it All Work". This was discussed in the Governance workshop at the AGM. The general opinion was that such a paper would be useful; should be sent to all new members; and should be made available more widely. These suggestions from interested members at the AGM will be incorporated into the SubGroups's recommendations on Remit Item 3.

Appendix 1

<div align="center">

AIUK Governance Task Force (GTF)
RECOMMENDATIONS TO AIUK BOARD

</div>

SUMMARY

This paper sets out the recommendations of the AIUK Governance Task Force (GTF) to the AIUK Board on the following item within the overall remit of the GTF: *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 recommendations are based on a meeting and correspondence with Tony Farnfield, Corporate Services Director and Iain McSeveny, Head of Finance and Data Analysis. This was undertaken to address concerns expressed by AIUK members at the 2013 EGM and AGM, which were referred to the GTF, and to identify what steps have been taken, and what further steps can and should be taken. The GTF acknowledges with thanks the helpful assistance and cooperation of these senior managers in addressing this issue.

RECOMMENDATIONS

Recommendations on further work for AIUK Management

The GTF applauds the excellent work undertaken by AIUK senior management (Corporate Services Director and Head of Finance) in influencing improvements in IS financial management and reporting, and recommends that the Board advise senior management to continue this work, in particular taking action as follows:

- Continue to liaise with IS Management to influence further and continuing improvements in IS financial and performance management, focusing on the four key areas of information, challenge, processes and culture[2]
- Play an active role in the IS Transparency Group[3] to secure improvements in management and financial information, which will help to demonstrate the effective and efficient application of funds provided by AI sections, including AIUK
- Raise AIUK concerns, issues and questions at the IS Transparency Group[3] including:
  - How is global management using management information to drive improvements in practice and processes?
  - Consider the proposal for an oversight committee made up of AI sections
  - Consider the option of oversight by an external body or person
- Obtain information and understanding of financial management at the IS and impart this information to the AIUK Board
- Obtain information and understanding of the operation of the Finance Committee and its relationship with the International Board (IB), and impart this information to the AIUK Board. (Questions include: How does the IB Finance Committee work? Who sits on it? What are the TOR? Will it provide reports to AI Sections? Is it fully independent? Can it commission independent audits? Can it provide an independent view?)
- Encourage implementation of the planned improvements and further improvements set out in Appendix A below.

Recommendations on actions by AIUK Board

The GTF recommends that the Board ensure continuing progress on this matter, that they are kept informed of progress, and that they keep the AIUK membership informed, by taking the following steps.

- Establish a process to keep this issue under review to maintain continuous improvement
- Receive and review relevant reports from AIUK senior management including plans and progress in work undertaken with the IS towards improved financial and performance management and improved financial and management information
- Provide reports on plans and progress to the AIUK membership. These could include:
  - Publish a report on current status and future direction

- Provide updates in reports to AIUK AGM by AIUK Chair, Treasurer and/or Director
- Provide an update in a session on international relationships at AIUK AGM

APPENDIX A
PLANNED AND FURTHER IMPROVEMENTS

1.   PLANNED IMPROVEMENTS
AIUK Senior Management are currently seeking to support and influence improvements as follows.

Information
Chart of Accounts
- Encourage all AI sections to report on time
- Continue to improve clarity and quality of data
- Add a narrative to the facts, figures and charts
- Seek to achieve monthly reports
- Work at interpreting the data
- Make better use of information to make better decisions and secure improvements
- Connect into global governance

Challenge
Global Transparency /accounting Group
- AIUK to participate fully in this Group
- Seek to secure further improvements in transparency and accountability

Processes
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 following major reductions in London based staff.

2.   FURTHER IMPROVEMENTS
AIUK management recognise the need for further improvements and are committed to seeking to bring these about. The following further improvements are suggested for management consideration.
Information
- Develop operational performance management information[4] (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).
- Relate operational performance data[4] to financial performance data to understand financial performance against actual activity.
- Continue to improve the quality of information and its presentation

Information – availability
- Provide reports and information to be used by sections in reporting back to donors eg an annual report on how money has been spent and impact
- Make management and financial information available to all AI sections
- Ensure a dialogue between AI sections and IS

Challenge
- Ensure effective review and challenge of financial and operational performance data by IS senior management
- Establish regular reporting and review of financial and service performance data by appropriate governance bodies (eg IB Finance Committee)

- Provide arrangements for regular review and challenge by AI sections, eg in representative forums. (The ICM mechanism is too cumbersome and infrequent.)
- Consider the proposal to attach conditions and performance indicators to assessment payments to the IS.
- Seek an understanding of the Assessment as a grant with conditions, rather than a tax on Sections.

Processes
- Establish and maintain business processes and practice for effective cost control. (Some examples are given in Appendix B below)
- 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

Cost Control – Processes and Practice

These are some recommended examples of business processes and practice for effective cost control.

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 (eg 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)

_____

NOTES

1.   Further recommendations may follow if the GTF undertakes benchmarking against other similar organisations (eg Greenpeace which also uses an assessment system).

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

- Information   Availability of sufficient, good quality management information
- Challenge   Opportunity to challenge the IS based on the above information
- Processes   Robust internal processes and systems for cost effectiveness
- 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.

3.   The name of this new IS group, established early 2014, needs to be confirmed

4.   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.

AIUK Governance Task Force (GTF)
BENCHMARKING PROPOSAL (DRAFT)

SUMMARY
This paper sets out draft proposals for a benchmarking study on the oversight by AIUK of funds provided to the IS. The purpose is to research alternative approaches and practices, compare these with AIUK processes, and identify potential improvements. This work will be undertaken by the AIUK Governance Task Force (GTF) as part of the response to the following requirement within its overall remit: *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.*

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
The 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 (1-6) are considered below.

1. 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)

2. 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

3. 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

4. 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. It should comprise:

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

5. 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

6. 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.

Appendix 3

GTF Subgroup 2: Remit item 3: "Plan B"

Following discussion at the 8ᵗʰ March 2014 GTF meeting, the subgroup has decided to amend remit item 3 to read as follows, and it now seeks the agreement of the whole GTF on this item. Point (a) is unchanged from before whereas point (b) is new and completely replaces the previous version. For both (a) and (b) it is proposed to keep the focus on the role of governance, as per discussions at the 8ᵗʰ March meeting.

3. *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, focusing on the means by which information about the international movement is communicated, and the role of governance in this.*

    (*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.)*

The two points are linked – AIUK membership's **ability to contribute** to AIUK positions internationally clearly **depends on its being aware** of relevant developments internationally. It also depends on AIUK adopting the sort of protocol on consultation that was discussed at the 9ᵗʰ March GTF meeting on the basis of the draft from SubGroup 4. However, as a piece of work complementary to the work of SubGroup 4, SubGroup 2 could consider the following points. These will all contribute to understanding **membership awareness** of the international movement and **ability to contribute**, and the role of governance structures in both. As with other GTF work the proposal is to take stock of the status quo – in terms of what means and methods are currently employed to inform members about the international movement – and aim to make recommendations to the Board on improvements:

1. For matters of international policy, how much involvement by members in formulating section policy is appropriate?
    At present, there are three international consultations underway which require different amounts of membership involvement: on sex-work; on strategic goals; and on human rights in the digital age. There are also continuous processes, such as monitoring the progress of the GTP, where some members may have an interest in contributing to section positions.

2. Top-down and bottom-up contributions to AIUK positions.
    AGM resolutions on international issues, for example, are sometimes submitted by the board and sometimes come from members. What steps do existing governance structures currently take to inform debate on such resolutions and what further steps would be beneficial?

3. Discussion mechanisms to inform membership contributions.
    Discussions can take place at the AGM (plenary and workshops), at regional meetings, and via home-grown email lists (e.g., aiuk-mob@googlegroups.com). Do these work? Are there improvements that could be made? Should there be other means of structuring discussion within AIUK and can/should AIUK governance structures play a role?

4. Structures to oversee membership contributions.

Is the current setup of IISC, AMSC, directorate, board, etc., optimal for organizing membership involvement? For instance, are all parties clear about their roles and responsibilities?

5. Information flow.
   This links back to (a). It is essential for all concerned to receive the right documents at the right time. At present, this does not always seem to happen. What role should governance structures play?

NB Considerations of these questions may result in recommendations on changes to existing structures and means and methods of keeping members informed about AIUK's relations with the international movement. Some recommendations may address more than one of the questions. They may also cover similar ground to that which is being considered by other SubGroups. SubGroup 2 sees this as unproblematic as long as overall the GTF recommendations are aligned with one another and complement one another. This will involve an exercise in cross-referencing and co-ordinating all our recommendations – something that has been discussed previously.