

PARTNERSHIP WORKING

Comic Relief fund UK organisations to work with local partners in Sub-Saharan Africa (and other countries). Comic Relief provide funding for international projects to UK organisations that will have identified and assessed the partner organisations running the project at a local level. This document aims to set out some guidance notes to help UK partners when selecting the organisations they will work with for the duration of the grant. Part 1 of this document focuses on the advantages of partnership working and offers guidance for assessment when identifying a partner. Part 2 sets out guidance around good practise for working in partnership.

WHY IS IT NECESSARY?

It is essential to know who you are working with when considering any form of partnership working. After identifying a potential partner to work with, the next step is to undertake an assessment of the suitability of this partner in order to gain an understanding of what the organisation does; and so that you and the organisation get to know each other and plan work together. Why is it important to undertake partner assessments?

- To enable the two organisations to understand each other, and to establish whether there is a basis for them to work together successfully
- It builds confidence in the organisations you work with (potentially allowing for lighter on-going monitoring processes)
- It acts as one element of safeguarding the funds being provided, as you have a better understanding of how they will be used and accounted for
- It demonstrates knowledge of where and how funds are ultimately being applied (for legal and donor reporting requirements).

WHAT THE CHARITY COMMISSION SAYS

In its guidance 'Projects staff and collaborations' for Charities working internationally, the Charity Commission includes a specific paragraph headed 'What should my charity think about when selecting a partner?'. This states:

When choosing local partners to work with, trustees must conduct thorough checks to ensure that:

- the activities they intend to carry out through their local partners are in furtherance of their charity's purposes
- their partners are and continue to be appropriate for the charity to work with
- the trustees have taken reasonable steps to monitor the use of funds to make sure that:
 - a) their partners can and will apply their funds for proper charitable purposes
 - b) the funds reach their partners and end beneficiaries.

As part of these checks we advise you to:

- speak to others with the same interests to identify potential partners
- take up references wherever practical
- assess the viability of the potential partner
- get to know the type of people and organisation you are dealing with and the way in which they operate before entering into a written agreement
- ask all potential partners to provide costed budgets and forward plans
- identify clearly what results you are working towards and how to know when they have been achieved
- establish local audit procedures, bearing in mind what is practical and possible
- check local regulations on partnerships between local and foreign organisations.

Ultimately, partner assessment is about developing effective relationships, and managing risks. You are likely to be working closely with this organisation over a period of time and therefore it is appropriate for both organisations to find out more about each other and make a well informed choice about whether and how they want to work together. This includes asking some structured initial questions about each other, to make sure all the key areas are considered.

CONSIDERING BOTH POINTS OF VIEW

Assessments can be quite intrusive for local organisations, requiring a lot of management, time and attention. It is important to keep in mind the power dynamics that external funding can create, and to make sure that assessments are sensitive to managers' priorities and as constructive as possible from their point of view.

A good rule of thumb is to consider the 'two faces of funding': how would you feel about being assessed in the same way by one of your donors?

Many partnerships have the goal of 'building capacity'. This naturally involves helping managers and staff in partner organisations to build up their self-confidence, self-belief, and abilities. A one-sided or heavy handed assessment may actually push the other way, and undermine their self-confidence.

AN APPROACH TO PARTNER ASSESSMENT

There is no single approach to assessing potential partners. The anticipated partnership relationship, the nature of the project work and the amounts of money involved may determine the most appropriate approach. Whatever approach is taken, it is vital that the assessment is based on clear criteria and conclusions are clearly documented.

OBJECTIVES OF THE ASSESSMENT

- Ascertain structure, management, resources and strategy
- Establish level of technical capabilities
- Establish financial position and processes.

METHODOLOGY

- Review relevant documentation
- Discussions with partner's board/committee and management team
- Discussions with field staff and beneficiaries.

The overall assessment is made against seven organisational criteria:

1. ORGANISATIONAL VISION

- Does the organisation share your vision?
- Does the organisation have a mission statement or other statement of aims and objectives?
- Does the organisation have a constitution/governing document?
- Are the organisation's activities consistent with its mission/objectives?

2. OVERALL ORGANISATIONAL CAPACITY

- Does the organisation have a successful track record of working with you?

- Does the organisation have a successful track record working with other organisations/agencies?
- Does the organisation have an overall record of achievement in the relevant field?

3. GENERAL MANAGEMENT

- Is there an organisation chart/organogram showing the structure of the organisation and how posts and committee relate to one another?
- Are there clear responsibilities for board/committee members?
- Are there clear reporting processes to the board/committee?
- Is there a manual of all administrative procedures which clearly assigns responsibilities?
- Is there evidence of regular minuted board/committee meetings?
- Is there a functioning office with adequate telephone and e-mail facilities?

4. FINANCIAL MANAGEMENT

- Does the organisation have current annual accounts?
- Are the accounts independently audited?
- Are there documented financial procedures clearly assigning responsibilities?
- Do the procedures allow for an adequate level of internal control?

- Does the organisation maintain adequate financial records, including:
 - A cash book detailing all cash transactions and cash in hand?
 - A bank book detailing all bank payments and receipts
 - Files of all purchase documentation including original receipts and invoices?
 - A file of bank statements and a record of bank reconciliations?
- Is there an up to date budget for the current financial year including an indication of costs already covered by other partners/donors?
- Are regular financial reports provided to the board/committee?
- Does the accounting system make a clear separation of funds received from different partners/donors and how these have been spent?

Mango's Financial Management Health Check can also be used as a financial assessment tool. It includes a broader range of financial questions than this model.

5. PROCUREMENT

- Are there documented purchasing and procurement procedures specifying who is authorised to approve purchases?
- Is there a requirement for obtaining quotations/tenders for large purchases?
- Is there an inventory of all equipment owned by the organisation?

6. HUMAN RESOURCES

- Does the organisation have skilled and experienced staff who will be able to successfully implement the planned project?
- Does the organisation have sufficient staff to meet its responsibilities effectively?
- Is there an open and participative working environment?
- Does the organisation have adequate recruitment and HR procedures, including:
 - Transparent job advertising, short listing and interview procedures
 - References for all new staff
 - Employment contracts for all staff
 - Regular staff appraisals
 - Disciplinary and grievance procedures
 - Annual leave entitlements

7. PROJECT MANAGEMENT

- Does the organisation have up to date project files containing:
 - Background information including project design, baseline studies, stakeholder consultations
 - Project plan/timetable
 - Project budget
 - Monitoring and evaluation reports
 - Donor conditions

Is the organisation able to demonstrate how beneficiaries are involved in the whole project process from design to evaluation?

EXTENDED DUE DILIGENCE FRAMEWORK

(designed for use in non-UK diligence processes)

Below is some further guidance for conducting an assessment with a locally based partner organisation.

ASSESSMENT QUESTION	EVIDENCE	SATISFACTORY? (Y/N)
Evidence of proper local registration	Inspect registration documents. Ensure registration is current.	
Verify address	Verify operational address to registration documents (or equivalent)	
Verify listed trustees (per application form)	Agree to audited accounts or other official document	
Is there evidence of legal objects and is proposal consistent with these?	Check objects as stated in constitution document	
Compliance/filing track record?	Check objects as stated in constitution document	
Have accounts been audited (or equivalent)? Have they received any qualified audit reports?	Review audit reports for last 3 years of filed accounts	
Have the auditors reported any significant concerns in relation to financial management?	Review management letters for last 3 years	



Are reporting accountants members of a recognised accounting body?	Do a web search on auditors	
Do they receive any other forms of large institutional funding?	Review accounts/ web-site	
Do any existing donors require specific audited certificates? If so, are the auditors able to give clean reports?	Review donor audit reports	
Comment on overall health of the organisation:	<p>Review:</p> <ul style="list-style-type: none"> • Latest filed accounts • Latest management accounts • Latest cash flow forecasts • Current year budget <p>Comment on liquidity, free reserves and overall sustainability</p>	
Do they have a documented financial procedures manual? Do the documented procedures represent good practice?	Review financial procedures manual	
Does the finance manager (or equivalent) possess formal accounting qualifications?	Enquiry and can request sight of certificates	
Is there evidence of the key stated procedures being operated?	Limited spot check review	



PARTNERSHIP AGREEMENTS

The second part of this document offers guidance around drawing up written partnership agreements. These are important for documenting the expectations and responsibilities of different organisations when working together in collaboration. Partnership agreements can help to reduce misunderstandings, increase trust and make it clear how both organisations expect the relationship to work.

Agreements generally take time to negotiate between organisations, and are no substitute for building up relationships of mutual confidence between the individuals involved. Often the process of developing the agreement is as important as the written document itself. However, the written document is also important as the basis for mutual accountability and, for instance, if key staff change.

Partnership agreements can be called many different things depending on the nature of the relationship between the partner organisations. They are sometimes referred to as partnership protocols, contracts or a memorandum of understanding (MoU). The typical relationship is based on working towards a shared objective with one organisation

providing the financial resources and the other organisation(s) implementing the project.

Depending on the nature of the relationship between the parties, some organisations are uneasy entering into a formal agreement written in legal sounding language. Understandably some see this as an indication of a lack of trust and not in the spirit of a true 'partnership'. For instance, it may not encourage flexibility and joint decision making during the course of a project, or joint sharing of any risks faced.

Furthermore, it is also questionable whether legalistic agreements actually can or will be legally enforced in practice.

However, a partnership agreement is about much more than setting out the legal position and protecting the organisation's own interests (although this is inevitably one aspect). It is about setting the whole tone of the relationship, including broader aspects of project management including mutual accountability, shared learning, communication and flexibility.



WHAT SHOULD BE INCLUDED IN A PARTNERSHIP AGREEMENT?

The following is a list of suggested points that could be covered when drawing up a comprehensive partnership agreement:

- Shared overall aims and values and an overall statement of the nature of the relationship between partners
- Background to the project
- Responsibilities of 'funding' partner (this allows the implementing partner to hold the funding partner to account)
- Responsibilities of the implementing partner
- Communication and feedback mechanisms
- Amount of funding being provided (specifying the relevant currency)
- Back donor/original source of funds (if relevant)
- Purpose of the funding, including agreed project objectives/ outcomes/milestones and budget
- Disbursement schedule
- Reporting requirements and timescales (recognising all partners' other commitments)
- Monitoring and evaluation, linked to opportunities for learning and development (including defining how 'success' will be determined)
- Procedures for changing how funds will be used
- Funding partners' right to check use of funds
- Right to terminate/suspend the funding and refund of any inappropriate expenditure
- Commitment to comply with local and international law.

