

HAP INTERNATIONAL

Humanitarian Accountability Partnership International

GENERAL ASSEMBLY AND BOARD MEETING 10-11-12 December 2003

MINUTES

THURSDAY 11 DECEMBER – TRANSITIONAL BOARD MEETING

Chair: Niels Dabelstein

Participants: Marie-Louise Weighill (BRCS), Alistair Dutton (Cafod), Denis Caillaux (Care International), Howard Bell (Care International), Niels Dabelstein (Danida), Andreas Kamm (DRC), Peter Klansoe (DRC), Erik Volkmar (Medair), Randall Zindler (Medair), Mamadou Ndiaye (Ofadec), Maurice Herson (Oxfam GB), Lars Gustavsson (WVI), Ton van Zutphen (WVI), Agnès Callamard (HAP International), Nicholas Stockton, Noria Mezlef (HAP International), Sara Davidson (HAP International), Helena Zihlerl (HAP International), Maximilien Zimmermann (HAP International).

The objectives of this brief meeting included:

- Approval of 2003 expenditure report, including feedback on closure of HAP account with the IFRC
- Implementation of Sept 03 Actions and decisions
- (Temporary) Approval of HAP International Full and Associate members, and Observers
- Approval of letters of intent

1 - 2003 EXPENDITURE:

Presentation: Noria Mezlef, HAP International

IFRC undertook the closure of HAP International account after HAP International audit. During the reconciliation process IFRC informed HAP International that the estimated amount due by HAP is 249'175 CHF (as compared to the figure of CHF 25,000 identified in September.)

Two different issues were brought up to our attention (successively):

1. Payroll February-March 2001: According to IFRC, the payroll was reversed from HAP account and reallocated to a different account, which results in no expenses booked to the project G42003 (HAP account).
2. Oxfam Payment: In January 2002 the IFRC issued a payment of GBP 65,046.20 to Oxfam as hosted agency in Sierra Leone. As per the IFRC accounting rule, this payment was an advance payment and therefore was booked on a supplier account. In November 2002 Oxfam issued HAP with an invoice for a total amount of GBP 86'782.78 including the advance payment of GBP 65,046.20. HAP forwarded the invoice to the IFRC for payment, with the indication that only the difference between the advance and the actual expenses should be paid (i.e. GBP11,120,72). Instead, the IFRC paid the full amount to Oxfam (GBP 86,782) and it does not appear to have transferred the original advance of GBP 65,046 on HAP budget account (as should have been done as per the accounting rules as we understand them.). When HAP International realized a double payment had been made, it asked Oxfam to reimburse GBP 75'662.06 (the differences between the advance and the actual expenses). Since the reimbursement could not be issued before the end of the project, HAP International requested Oxfam to transfer the reimbursement to HAP International bank account.

(HAP account was audited at the time, and the Oxfam payment into the HAP International was discussed with the auditor. (The Oxfam payment was finalized on 24 July 2003). The IFRC is arguing that the amount of GBP 65'046.20 could not be cleared because the reimbursement of GBP 75'662'06 was not issued to IFRC bank account.

Discussion

Points brought up during the subsequent discussion include:

- HAP refused donations from Dfid during this period, because both the audit and the IFRC had led us to believe we had a surplus.
- It will be difficult not to reimburse the Oxfam sum due.
- It will be difficult to get a donation by IFRC considering their difficult financial situation.
- We should finalize ASAP the issue not to have it coming back at every board meeting

Decisions:

Issue a letter from the Chair of HAP International to the Secretary General of the IFRC with the following:

- (i) HAP International will cover all HAP expenses covering the period June-September 2003;**
- (ii) HAP International should not have to cover the payroll reversal;**
- (iii) In view of the fact that HAP refused donations from Dfid during the period considered, that HAP has paid services charges, including for the financial management provided by the IFRC, kindly suggests to the IFRC that it cancels HAP debt.**

2 – INDEPENDENT BOARD MEMBERS

Agencies wanted to review the selection of independent members, in relation with HAP International conflict of interest policy. Questions were raised regarding the political affiliation and political work of independent members, and whether this could be seen as problematic for HAP International image. The proposal was made to exclude any acting politician from independent membership.

Decision

Eligibility criteria for independent board members to be discussed at the next board meeting.

3 – TEMPORARY APPROVAL OF FULL AND ASSOCIATE MEMBERS

The application documents were tabled. The Chair requested the Executive Director to confirm that all applicant agencies were eligible. Niels Dabelstein informed HAP International that Danida intended to become an associate member. Agnès Callamard pointed out that a few agencies had requested to attend the General Assembly meeting as “interested” participants, and that there may be a need in the near future to elaborate on who can qualify as interested agencies.

Decisions:

1 – All applications for membership temporarily approved

2 – Criteria for “interested” agencies to be discussed at the next board meeting.