

Certification Summary Audit Report of HAP 2007 Standard

Application Organisation Information

Organisation:	MERCY Malaysia	Audit Ref / No:	AS003/1107-HAP
Location:	Kuala Lumpur, Malaysia and Oral, Cambodia	Head Office/Field Site:	Head Office Programme site
Auditor (s):	Katharina Samara Pauline Mwangi	Date (s):	7 to 11 th March 2011
Agency Representatives:	Nisha Sabanayagam, (Head Office) Wendy Neoh (Programme Site)	Role of Representatives:	Senior Accountability Officer, Monitoring & Evaluation Department; Senior Programme Officer

Background

MERCY Malaysia is a not for profit organisation providing medical relief, sustainable health related development, and risk reduction activities for vulnerable communities in both relief and development settings. MERCY Malaysia was established in June 1999. It implements projects primarily through partners, with support from international and national staff, as well as volunteers working on short contracts (2-3 weeks).

Audit History

- Baseline Analysis – Head Office: 4th to 8th December 2006
- Certification Audit – Head Office: 1st to 7th November 2007
- Certification Audit – Field (Aceh, Indonesia): 9th to 10th November 2007
- Certification Awarded: 28th November 2007
- Mid Term Progress Audit: 28th September to 2nd October 2009

Audit Methodology

This is a sample quality assurance audit to review current status against the HAP 2007 Standard. The review includes:

- *Documentation:*

MERCY Malaysia provided core documents electronically before, during and after the visit. Some hard copies were also provided on site in Kuala Lumpur and Oral. The auditors reviewed over 150 documents for the MERCY Malaysia audit.

- *Interviews:*

The interviews followed a semi structured approach and focused on exploring all six benchmarks of the 2007 HAP Standard.¹ The auditors interviewed a cross section of staff in Kuala Lumpur (20 Head Office staff) and Oral (sometimes written as Aoral) Cambodia (2 staff), on perceptions, awareness and understanding of the accountability framework and quality management responsibilities. The auditors also interviewed 7 partner staff of the Oral Health Centre (OHC) to assess the quality of the partnership, their awareness and understanding of the MERCY Malaysia accountability framework and quality management system. The three midwives were unavailable for interview. All partner staff interviews were carried out at the offices in Oral. The auditors conducted focus group discussions and individual interviews with members of affected communities and Community Volunteers in Ta Minh, Tang Sreung and Chum Noab villages in Oral Province to ascertain their views of MERCY Malaysia's application of its accountability and quality commitments. The auditors met with more than 50 beneficiaries, including women, men, elderly, children and participants with disabilities. In Cambodia, an independent interpreter assisted during meetings with beneficiaries and the OHC staff.

- *Observation of practice:*

The auditors reviewed documents and activity reports as well as the application of the quality management system.

Audit Plan

- Head Office - Kuala Lumpur: 7th, 8th and 11th March 2011
- Programme Site – Cambodia: 9th and 10th March 2011. The programme site was selected by the auditor. MERCY Malaysia was notified in January 2011.

The audit schedule was established by the auditor, including interviews with all staff in the office and programme sites. Some minor adjustments were made by MERCY Malaysia's staff to avoid schedule conflicts.

This summary audit report covers findings at both Head Office and the Oral, Cambodia programme site. Agreed Corrective Actions (ACA) are issued separately.

Findings

The Regulatory Services Director of HAP audited the Mercy Malaysia head office in Kuala Lumpur, Malaysia and the programme site in Oral, Cambodia for conformity with the *HAP 2007*

¹ The text indicates the source of the information upon which the findings are made, either interviews or documents. The names of the interviewees are kept confidential.

Standard in Humanitarian Accountability and Quality Management, with assistance of a Trainee auditor. The audit was carried out from 7 to 11 March 2011.

The provision of evidence in support of the application for re-certification is the responsibility of the Board and the Senior Management of Mercy Malaysia. It is the responsibility of the HAP auditors to express an opinion both on the evidence provided and on the interviews carried out during the audit. I confirm that the Regulatory Services Director of HAP conducting the audit meets the requirements for HAP auditors concerning professional competence and independence.

The audit was conducted in accordance with the procedures approved by the HAP Certification and Accreditation Review Board, and following the ISO 19011:2002 Auditor Standard, which together require that an audit be planned and performed to obtain reasonable assurance as to the agency's conformity with the HAP Standard. The auditors have audited Mercy Malaysia on a sample test basis through an examination of documentary evidence disclosed and through interviews with Mercy Malaysia staff in the Kuala Lumpur offices. In the Oral, Cambodia programme site, the auditors interviewed Mercy Malaysia staff, the staff of Mercy Malaysia partners and disaster survivors of Mercy Malaysia funded programmes. The audit findings provide a reasonable basis for the recommendation.

The HAP Certification and Accreditation Review Board reviewed the auditors' findings and on that basis determined that Mercy Malaysia is in compliance with the HAP 2010 Standard, with findings summarised in the auditor's report. The Certification and Accreditation Review Board has awarded re-certification on this basis.



Coleen Heemskerk
Chief Auditor, Regulatory Services

Summary Report compiled by Coleen Heemskerk, Chief Auditor, HAP International.
18 October 2011

Summary Table of Findings

ACA: Agreed corrective action

Timeframe: Deadline for providing a response to the ACA that demonstrates what actions have been undertaken to rectify the minor and major non-compliance identified.

HAP Standard	Head Office and Programme Site	
Qualifying Norms	Met	
Covenant	Met	
	FINDING	AGREED CORRECTIVE ACTION
Benchmark 1.1		
Benchmark 1.2 Head Office		<p><i>The agency shall demonstrate that its humanitarian quality management system enables implementation of its accountability framework including by developing a ToR, protocols, procedures and guidance for the ExCo and office bearers to enable staff and other stakeholders to understand the ExCo members' roles, responsibilities and authority compared with those of the ED/GM/SMT.</i></p> <p>Timeframe: 1 September 2012</p>

Benchmark 2.1 Head Office		<p><i>MERCY Malaysia ExCo shall ensure that information is presented to staff in an accessible and comprehensible manner by developing a regular reporting mechanism to staff that covers, inter alia: (a) criteria for determining confidential information (b) progress reports, and (c) analysis of complaints handling procedures.</i></p> <p>Timeframe: 1 September 2012</p>
Benchmark 2.2		
Benchmark 2.3		
Benchmark 2.4		
Benchmark 3.1		
Benchmark 3.2		
Benchmark 4.1 Head Office		<p><i>The agency shall maintain a statement of the competencies (knowledge, skills and behaviours) and attitudes required from its staff including a statement of competencies, knowledge, skills, behaviours and attitudes required of volunteers, specifically professional volunteers such as doctors, nurses, engineers and surveyors. Include these in volunteers' contracts along with having them sign the Code of Conduct</i></p> <p>Timeframe: 1 September 2012</p>
Benchmark 4.2		
Benchmark 4.3 Head Office		<p><i>The agency shall implement a system to review staff performance and competencies, including their knowledge, skills, behaviours, and attitudes, extending the staff performance appraisal system to professional volunteers.</i></p> <p>Timeframe: 1 September 2011</p>
Benchmark 4.3 Head Office		<p><i>The agency shall implement a system to review staff performance and competencies, including their knowledge, skills, behaviours, and attitudes and conduct a formal performance appraisal for the local staff in Oral, Cambodia</i></p> <p>Timeframe: 1 September 2012</p>
Benchmark 4.4		
Benchmark 5.1		
Benchmark 5.2		
Benchmark 5.3		

<p>Benchmark 5.4</p> <p>Head Office</p>		<p><i>The agency shall verify that all complaints received are handled according to the stated procedures</i> Ensure that complaints received using the MERCY Malaysia web site address (info@mercy.org.my) are answered.</p> <p>Timeframe: 1 September 2011</p>
<p>Benchmark 5.5</p>		
<p>Benchmark 6.1</p>		
<p>Benchmark 6.2</p> <p>Head Office</p>		<p><i>The agency shall together with its humanitarian partners monitor and evaluate the agreed means to improve the quality of the partnership with respect to the Principles of Accountability, and the Principles for Humanitarian Action.</i></p> <p>Timeframe: 1 September 2012</p>
		<p>Total: 7</p>

Audit Key

Major Non Compliance: this will result in a delay in the recommendation for certification process, which can only proceed once the correction actions have been met and verified.

A major non-compliance could be due to a number of reasons such as:

- Complete absence of a procedure as noted in the Standard
- A series of minor non-conformances all focused on the same element of the standard
- A serious violation of qualifying norms and/or humanitarian principles
- A clear lack of control on some key management issues
- Immediate dangers for the beneficiaries or for the quality of the service to the beneficiaries
- A Minor detected in a previous audit not addressed within the specified time
- False Declarations

Minor Non Compliance: this will not result in a delay of the recommendation for certification but will require corrective action within a specified time frame.

A minor non-compliance could be due to a number of reasons such as:

- Failure to implement management system policy / guidelines systematically
- Incomplete key documents / records
- Oversight

Exoneration: this is when, due to the context of the location audited, a justifiable and up to date explanation has been given by the agency as to why a benchmark / requirement has not been met – rationale should be based on the humanitarian accountability principles in the Covenant.

Recommendation: This is a non-binding improvement proposition given by the auditor that if not addressed could weaken the agency's humanitarian accountability and quality management assurance.

Observation: An observation is the value added input an auditor can give to draw the agency's attention to issues noted during the audit that could impact the agency either negatively or positively. It captures both observed good practice and areas where improvement should be looked into.