

## IDI Response to DFID Due Diligence Assessment

In preparation for a three-year DFID grant to fund the IDI Strategic Plan 2019-23, DFID contracted an independent firm to undertake a Due Diligence Assessment of IDI. The assessment took place over six months from Oct 2018-Mar 2019, with a final report prepared on 31 March 2019. IDI committed to publishing the final report, along with its response, in the interest of transparency and as a basis for creating a shared understanding of IDI's Governance and Internal Control systems amongst IDI's partners.

Overall, IDI is pleased to note no issues were identified as higher than moderate risk<sup>1</sup>, and that therefore it was assessed as moderate risk overall, on a scale of Minor-Moderate-Major-Severe. The assessment identified nine individual findings, as noted below, of which IDI has already addressed six, and the remaining three are in progress.

### Summary of Recommendations and IDI Response, 8 April 2019

Summary of those areas with a risk rating of severe, major or moderate	Strengthening measures agreed with the applicant to mitigate these risks	Implementation timetable	Means of verifying implementation	IDI Response
<b>Governance and Internal Control:</b> IDI do not currently have an Anti-Bullying and Harassment or Equal Opportunity policy Moderate	IDI should develop Anti-Bullying and Harassment guidelines which include equal opportunities protections	Within 3 months of the start date of the project	Submission of an Anti-Bullying and Harassment Policy to DFID.	Included within Safeguarding Policy approved by IDI Board 29 March 2019, published and submitted to DFID
<b>Governance and Internal Control:</b> IDI do not currently publish data on IATI Moderate	In line with DFID's standard practice IDI must, at a minimum, publish project data in compliance with IATI standards.	Within 6 months of the start date of the project	IATI data online.	Project data will be published on IATA from 2019 onwards
<b>Governance and Internal Control:</b> IDI does not have safeguarding policies in place. Previously these have not been developed as IDI does not completed frontline service delivery to vulnerable groups Moderate	As details in Appendix D, IDI should make the following improvements in safeguarding: <ul style="list-style-type: none"> <li>• IDI must develop, write, and implements its own safeguarding guidance covering the protection of both children and adults.</li> <li>• A register should be developed to record any safeguarding instances. This process should be documented in the register.</li> <li>• The role of designated senior safeguarding officer should be formally assigned and clearly identified in supporting policies.</li> <li>• Training to include a dedicated section on safeguarding.</li> </ul>	Prior to signature of grant arrangement	Submission of Safeguarding Policy to DFID.	Safeguarding Policy approved by IDI Board 29 March 2019, published and submitted to DFID

<sup>1</sup> The assessment methodology defines moderate risk as: "Findings that do not pose unacceptable negative fiduciary and/or reputational risk to DFID but which would be advisable for the Partner to address to improve their systems, processes or procedures."

Summary of those areas with a risk rating of severe, major or moderate	Strengthening measures agreed with the applicant to mitigate these risks	Implementation timetable	Means of verifying implementation	IDI Response
<p><b>Governance and Internal Control:</b> The enhanced due diligence for safeguarding in Appendix D identified further need for training in the areas of Code of Ethics and Whistleblowing. <i>Moderate</i></p>	Introduce sections of induction training to cover the Code of Ethics and awareness raising of Whistleblowing details.	Within 3 months of the start date of the project	IDI to confirm that they have amended training in these areas.	IDI's online induction training has been launched and includes Code of Ethics and Whistleblowing, as well as the new Safeguarding and Anti-Corruption policies
<p><b>Governance and Internal Control:</b> IDI does not currently have a Fraud, Bribery and Corruption policy. Whilst these topics are touched upon in the Code of Ethics and Complaints Framework, they do not provide enough specific guidance. <i>Moderate</i></p>	IDI must develop and implement a Fraud, Bribery and Corruption policy.	Prior to signature of grant arrangement	Submission of a Fraud, Bribery and Corruption Policy to the DFID.	Included within Anti-Corruption Policy approved by IDI Board 29 March 2019, published and submitted to DFID
<p><b>Ability to deliver and value for money:</b> No written references provided. <i>Moderate</i></p>	IDI to submit two written references from other donors or previous Fund Managers who are able to assess the organisation's performance.	Prior to signature of grant arrangement	Submission of written references to DFID.	Three written references submitted, in addition DFID has already reviewed IDI's previous performance in a project completion review and gave IDI a top score of A.
<p><b>Ability to deliver and value for money:</b> Aspects of the project are still to be finalised with DFID. <i>Moderate</i></p>	Project requirements to be finalised with DFID.	Prior to signature of grant arrangement	All aspects of the project to be finalised with DFID.	Aspects of the project now finalised with DFID
<p><b>Ability to deliver and value for money:</b> IDI's Evaluation Policy was drafted but has not been finalised. <i>Moderate</i></p>	Evaluation Policy to be finalised and approved by the Board	Within 6 months of the start date of the project	Submission of Evaluation Policy to DFID.	<i>Evaluation policy in progress, will be approved at or before November IDI Board meeting</i>
<p><b>Financial Stability:</b> With significant changes in the financial processes undertaken by IDI (and with the outsourcing of accounting and payroll) there is no Financial Manual in place. It is currently being drafted. <i>Moderate</i></p>	Finance Manual to be developed and made part of IDI operational guidelines.	Within 6 months of the start date of the project.	Submission of Finance Manual to DFID.	<i>IDI financial manual update is in progress, to reflect outsourcing of functions and continued digitisation of systems</i>