

# LESS DUPLICATION, NOW.

A solution at hand: Using independent audits against the Core Humanitarian Standard (CHS) to reduce duplication of donor due diligence requirements

## A technical solution to a sector-wide problem

A 2018 report "Unleashing more time and money for humanitarian aid" (Norwegian Refugee Council NRC, and Boston Consulting Group) states that "if the NRC's nine largest donors consistently used the same format, the organisation would save approximately 11,000 hours per year on financial reporting alone. Multiplied by the 27 largest NGOs in the NRC's peer group, the amount of time saved would be 297,000 hours per year."

Different donors have different requirements. Accountable for the funds they provide and conscious of the risks linked to this responsibility, most donors have individual Due Diligence (DD) systems in place. On the other hand, NGOs must invest significant resources (financial, technical, human) to meet these different requirements. **Duplication can be found across the board**, but although the need for harmonisation is widely acknowledged (e.g. Grand Bargain), there is little expectation to see significant advancements in that area in the coming years.

## More efficiency, same rigour.

HQAI has a technical solution at hand: There can be significant overlaps between the information collected during an HQAI CHS audit and the data typically required for DD assessments. Bridging from one assessment to another by using audit-validated data for more than one purpose can be a driver towards reduced complexity, cost effectiveness and simplified reporting. If specific beads are available on one string, we propose to reuse them on yet another string.

This way HQAI can meet several assessment requirements with a single professional audit (we call this a CHS+ audit). The process can **benefit organisations, donors, and the sector at large:**

- #efficient** Time and money efficiency for organisations and donors
- #individual** Responding to all specific donor DD settings (not a one-size-fits-all solution)
- #rigorous** HQAI's certification scheme is internationally accredited under ISO/IEC17065:2012
- #accountable** Strong push for the CHS and its positive impact on aid quality and accountability, including PSEAH

Applied to local and national organisations, the process will not only reduce the DD burden but can also lead to facilitating direct funding for local responders, thus tackle another sector-wide challenge, the **#localisation** agenda.

The trending image of **passporting** illustrates how a fast line can be opened for entities that already have a defined set of validated data at hand. HQAI is exploring common ground with donors and governments to promote cooperation on reducing duplication.



## Case study: Meeting ECHO requirements with a CHS+ audit

An HQAI audit collects information that goes beyond the indicators of the CHS ("dormant" data). With this wealth of information, HQAI's string of beads covered 80% of the requirements on ECHO's FPA ex-ante string. We enhanced our CHS audit with additional questions (CHS+) so that we could match 100% of ECHO's requirements.

- We conducted one audit but produced two separate reports (CHS audit report and ECHO FPA ex-ante assessment)
- Not a one-size-fits-all: we answered to every ECHO requirement and used ECHO's report format
- The audited organisation saved a significant amount of human, administrative and financial resources (employing a separate auditing firm to perform the ECHO audit independently would have cost 10 times more than using HQAI to add the missing 20%).

