CBM Quick Process Reference Guide (QPRG)

for Critical Issues

Process description

1. Purpose of process

To safeguard CBM funds and reputation in case of serious critical issues within a partner project or with a partner during project implementation.

2. Introduction and scope

This QPRG outlines the process steps of the critical issue management and proviso setting/lifting. It includes the definition of a critical issues, steps and tools to mitigate CBMs risks in case of non-partner compliance.

For issues classified as critical for CBM, this process needs to be followed to ensure Executive Management is informed and that we have thorough tracking in place to ensure timely closure of issues. An overview of all active critical issues is reported to Executive Management on a regular basis according to reporting calendar.

Safeguarding issues are covered by a separated process and do not form part of this QPRG. Operation or programmatic non-performance are not critical issues and will be addressed by country, regional and international level management (see QPRG for Reporting and Monitoring).

3. Key stakeholders in the process

Management, accountability and reporting of critical issues lies within the remit of the CBM office closest to the issue, with others responsible to provide advice and support as effectively as possible.

Function	Role
(critical) issue initiator	Reports a critical issue
Internal audit	takes the (Critical) Issue and qualifies in terms of conflict of Interests reports back to the (Critical) Issue Initiator
Director Regional Finance and Compliance	qualifies in terms of criticality defines Primary Owner reports to Executive Management reports regularly an overview of current status of all active Critical Issues
Executive Management (CEOs)	approve proposed actions decide on further actions to be taken if issue resolution takes longer than agreed timeline
Primary Owner	responsible for critical issues (often country director)

	defines stakeholders defines the proposed actions to be taken
Stakeholders	prepare action plan take actions according to action plan
Proviso approver (CEOs, Regional Hub Directors, Director of Finance and Operations or Director Regional Finance and Compliance)	approve setting and/or lifting of a proviso Only one approver is required to set/lift proviso
Finance operations	Sets and lifts proviso upon request

4. Key process principles and considerations

Issues may be identified via the whistleblower system, via the partner complaint mechanism, during internal and external audit or during project visits.

Issues can be reported by anyone to Internal Audit. A template for reporting, assessment and tracking of critical issues is to be used.

A resolution should always be sought as soon as possible, and where possible, within 8 weeks of identification. It will be decided on a case-by-case basis whether a longer timeframe needs to be set. The target is to resolve more than 50% of all Critical Issues within 4 weeks.

Issues are classified as **Critical Issues** if there is clear proof or reasonable strong suspicion of the occurrence of any of the following:

No.	Criteria
1.	Fraud, including bribery, corruption, theft, embezzlement, mismanagement or misappropriation of property or assets
2.	Terrorist financing or support of terrorism
3.	Drug-trafficking
4.	Human trafficking
5.	Sexual exploitation - staff and or beneficiaries (refer to CBM's Safeguarding Policy)
6.	Serious lack of or dysfunction in governance responsibilities that has a potential significant negative impact on donor relations, overall functioning of the organization, legal compliance or oversight of programming
7.	Partiality or discrimination in beneficiary selection
8.	Partiality or discrimination in employee selection
9.	Any other major issue that the Executive Management will decide on a case by case basis should be classified as a critical issue.

5. Detailed process step and responsibilities

Key process/Phase	Detailed process steps	Who	Participant stakeholders	Tools/Reference	Time/when
Issue identification	1. Report Issue to Internal Audit immediately after identification via email to Internal.Audit@cbm.org	Issue initiator	Internal audit		Within two working days
Assess Issue	2. Assess potential conflict of interest with Division "Finance and Operations Development" - In case there is no conflict of interest the steps in this QPRG apply - In case there is a conflict of interest Internal Audit takes over responsibility for all further steps from "Finance and Operations Development"	Internal audit		Critical Issue Management Template	Immediately
Assess Issue	3. Report assessed Issue to Head of Business Service Management	Internal audit	Head of Business Service Management	Critical Issue Management Template	Immediately
Assess Issue	4. Review and assess Issue - In case issue is assessed as "not critical" feedback is provided to Internal Audit and case is closed - In case issue is assessed as "critical" the steps (5-16) in this QPRG apply	Head of Business Service Management		Critical Issue Management Template	Within two working days after receipt of incoming report
Assign & manage critical issue	5. Assign critical issue to a Primary Owner and inform Primary Owner and Executive Management	Head of Business Service Management	Primary owner, Executive management	Critical Issue Management Template sent via email	Within two working days after receipt of incoming report
Assign & manage critical issue	6. Update project status box in ProMIS by ticking critical issue check box	Primary owner		ProMIS	Immediately

Key process/Phase	Detailed process steps	Who	Participant stakeholders	Tools/Reference	Time/when
Assign & manage critical issue	7. Decide who the relevant stakeholder group is and inform them accordingly	Primary Owner		Via email	Within 3 working days after appointing the primary owner

Assign & manage critical issue	8. Define the proposed actions to be taken, with input and support from relevant stakeholders.
	
	This includes a recommendation of whether a proviso is to be set.
	
	If a proviso is approved by one proviso approver,
	    - Request proviso to be set via finance@cbm.org
	    - Change partner/project status in ProMIS to 'on proviso'
		Primary Owner	Relevant stakeholders	Critical Issue Management Template, ProMIS	Within 3 working days after appointing the primary owner

Assign & manage critical issue	9. Forward action plan to Executive Management for final approval. Executive Management approves plan.	Head of Business Service Management	Executive Management	Critical Issue Management Template to be sent via email	Within 3 working days after receiving action plan
Assign & manage critical issue	10. Inform Primary Owner of decision on action (approved or changes requested).	Head of Business Service Management	Primary owner	To be informed via email	Immediately
Assign & manage critical issue	11. Inform stakeholder group of agreed action plan, implements actions and provides status report to Head of Business Service Management	Primary Owner	Relevant stakeholders, Head of Business Service Management	Critical Issue Management Template (to be informed via email)	According to time plan
Review & close critical issue	12. Inform Head of Business Service Management and stakeholder group once actions completed and satisfactory	Primary Owner	Head of Business Service Management, stakeholder group	Critical Issue Management Template (to be informed via email)	Latest within 8 weeks after identification of a Critical Issues

Key process/Phase	Detailed process steps	Who	Participant stakeholders	Tools/Reference	Time/when
Review & close critical issue	13. Review deliverables, closes issue and informs Internal Audit and primary owner.	Head of Business Service Management	Primary Owner, internal audit	Critical Issue Management Template	Within 3 working days

Review & close critical issue	14. Liaise with proviso approver to lift proviso.
	
	If lifting of proviso is approved by approver,
	    - Request proviso to be lifted via finance@cbm.org
	    - Change status of partner/project in ProMIS
		Primary owner	Proviso approver		

Review & close critical issue	15. Update project status box in ProMIS by unticking critical issue check box	Primary owner		ProMIS	Immediately
Review & close critical issue	16. Give feedback about closed critical issue to Initiator.	Internal Audit	Initiator		Within 3 working days after receiving the closing report from Director "Regional Finance and Compliance

Process owner: Business Service Management

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