

World Vision International **Accountability Report**



Fiscal Year Ending
September | **2016**

World Vision is a Christian relief, development and advocacy organisation dedicated to working with children, families and communities to overcome poverty and injustice. Inspired by our Christian values, we are dedicated to working with the world's most vulnerable people. We serve all people regardless of religions, race, ethnicity or gender.

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President's Statement

When I travel to visit World Vision projects around the world, I usually make time to sit with the communities we serve and ask them how they think we are doing.

I am routinely impressed by how articulate people are about their own developmental needs and how knowledgeable they are about the opportunities and constraints for World Vision as we partner with them. I am especially inspired when I meet children and youth who have responded to an offer to form clubs, parliaments and networks, and then use those to help World Vision refine its work. It's a great indication that they are comfortable having these conversations and are ready to hold us accountable.

On a single day in Rwanda, in June 2016, I had the opportunity to hear from mothers and their children in a feeding centre run by World Vision, from families in formerly warring communities in a reconciliation project, and from the President of the Republic, Paul Kagame. Each of them had some wisdom and insight about our work, and all of that feedback helps keep us on track.

In 2016, World Vision engaged in a collaborative effort developing a global strategy that will guide our work in the years ahead. Called *Our Promise 2030 – Building Brighter Futures for the World's Vulnerable Children*, it has impact, accountability, collaboration and focus at its heart.

Before we can meaningfully address the significant changes we desire in our practical ministry, we have to look at what kind of organisation we are and want to be. We seek four mind-set changes, and each reinforces aspects of our accountability.

In a complicated world, we are called on to act as *one aligned, global organisation* – accountable to one another and to those we serve. We promote *wise stewardship* in the use of our resources and in our relationship to those who entrust them to us. We deliberately seek out new partners, promising greater transparency as we intensify our *external orientation*. And a commitment to *timely truth-telling in love* affirms our desire for honesty, openness and respect – along with the practices they imply, from strong audits to independent whistle-blower hotlines.

Children were involved in helping us develop the new strategy. In our 2013 Triennial Council, the pinnacle of our leadership and governance process, we invited 34 young people from our programmes to attend as representatives of broad networks of children. They made recommendations to World Vision, and for the next three years 1,599 children around the world tracked those proposals and the way we were incorporating them. At the 2016 Triennial Council in Bogota, Colombia, more representatives of children's networks presented their reports and observations

to our most senior leaders, National Board chairs and World Vision International Board members. This represents a real commitment to listening to children and encouraging them to hold us to our promises.

Our strong record of accountability has helped us following the arrest in 2016 of a staff member in Gaza who is alleged to have diverted funds. The charges are still being tried in court. We have yet to see any evidence to support the charges, but if we do, World Vision is committed to rectifying any flaws in its internal systems and processes and to strengthening any weakness in oversight and monitoring of its programmes.

I am pleased that this year's Global Accountability Report incorporates our biennial statement to the United Nations Global Compact, reinforcing our commitment to transparency to it and to all our partners. World Vision promotes the 10 principles of the Global Compact with respect to human rights, labour, environment and the prevention of corruption. This report focuses on our engagement at the global level and emphasises our clear intention to remain committed to the initiative.

I commend this report to you, and trust that it will encourage greater partnership and support for the work we do.



Kevin J. Jenkins
President and Chief Executive Officer,
World Vision International



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Highlights

In 2016 World Vision sought to strengthen its accountability, both internally within its partnership of offices in 85 countries and to its stakeholders. The following are selected highlights from this report.

- Accountability to children was put into practice with 1,599 children from 25 countries participating in an assessment of the progress World Vision has made in including children in its activities and decision-making.
- Accountability to the communities World Vision serves, as well as its donors, was enhanced through a greater focus on programme learning and the quality of evidence. An increasing proportion of field offices (59 per cent) achieved the highest rating for their child well-being reports, the exercise that aggregates the contribution of their programming towards child well-being and identifies lessons learned. In 2016 World Vision launched its first Partnership-wide 'Fail Fest: Celebrating Learning Champions', a virtual event that involved all parts of the organisation and enabled open sharing of failure as basis for learning.
- Children shaped World Vision's new global campaign: *It takes a world to end violence against children*. In addition to drawing learning from the previous global campaign, the campaign design was informed by a consultation involving more than 2,000 children across 28 countries.
- In the context of constrained resources, the proportion of funds available for programmes rose from 84.7 per cent in 2015 to 85.4 per cent.
- Control systems are being strengthened, and the annual self-assessment of anti-corruption systems showed an improvement from the previous year. In 2016 there were 94 cases of financial loss (fraud/embezzlement, misappropriation of assets, misuse of assets or theft), with total confirmed losses of US\$593,548 (which represented 0.02 per cent of expenditure). All cases were investigated and closed. In World Vision's microfinance subsidiary, VisionFund International, fraud losses were 0.08 per cent of total assets (US\$645m). In 2016 the loans written off across our microfinance network were US\$10.1 million, which represented 2 per cent of our average loan portfolio of US\$518 million.
- An increased proportion of purchases were backed up by contracts, increasing the per cent of World Vision field office and Global Centre spend executed under contract from 9 per cent in 2015 to 32 per cent in 2016, saving an estimated US\$23.5 million.
- Child protection incidents are monitored and reported on in each of the 65 field offices, improving accountability for wider child-protection systems and ensuring that World Vision takes decisive steps when there is any involvement of a World Vision-affiliated individual (staff, volunteer, donor or other). In 2016, there were 19 incidents involving either harm to a child participating in a World Vision activity or harm to a child caused by a World Vision-affiliated individual. These were tracked and investigated, and disciplinary action was taken as required, applying a zero-tolerance approach towards harm or abuse of children.
- World Vision continues to value its staff and strives to hire locally, with 99 per cent of staff being citizens of the country in which they are hired, which is an increase from 95 per cent in 2012.



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Introduction

This report covers the World Vision (WV) Partnership's progress in strengthening accountability for the fiscal year 2016 (the period from 1 October 2015–30 September 2016).¹ It is designed to complement the accountability function that national-level reports contribute to, as well as to provide an update on Partnership-wide initiatives and processes.

This report is submitted as part of our membership in Accountable Now and complies with the Accountable Now reporting template;² it also represents our broader commitment to being transparent and challenging ourselves to deepen our accountability to all of our stakeholders.

This year the report is structured around World Vision's six core values, as ultimately we are accountable to our mission and values. The process of reporting represents an opportunity to reflect on how well we are living out these values. These values are described in full on our website,³ but excerpts most relevant to accountability are included in the summary below:

1. We are **Christian**: We will maintain our identity as Christian, while being sensitive to the diverse contexts in which we express that identity.
2. We are **committed to the poor**: We are called to serve the neediest people of the earth; to relieve their suffering and to promote the transformation of their condition of life.
3. We **value people**: We regard all people as created and loved by God. We give priority to people before money, structure, systems and other institutional machinery. We act in ways that respect the dignity, uniqueness and intrinsic worth of every person – the poor, the donors, our staff and their families, boards and volunteers.
4. We are **stewards**: The resources at our disposal are not our own. They are a sacred trust from God through donors on behalf of the poor. We are faithful to the purpose for which those resources are given and manage them in a manner that brings maximum benefit to the poor.
5. We work as **partners**: We maintain a co-operative stance and a spirit of openness towards other humanitarian organisations. We are willing to receive and consider honest opinions from others about our work.
6. We are **responsive** to life-threatening emergencies where our involvement is needed and appropriate. ... We are responsive in a different sense where deep-seated and often complex economic and social deprivation calls for sustainable, long-term development.

These values overlap, and this report as a whole aligns most closely with our value of being good stewards; however, each main section of the report is linked to one or more particular values:

- Section 1 (Who We Are) aligns with our values of being Christian and committed to the poor.
- Section 2 (What We Do) aligns most closely with our values of being responsive and working as partners.
- Section 3 (How We Use Resources and Manage Risk) details how we are seeking to act as good stewards in light of our wider responsibilities to society and the environment.
- Section 4 (How We Value People) extends the principle of valuing people to frame a discussion of how we care for our supporters and staff.

¹ References to 2016 in the report thereby correspond to this financial year, rather than the calendar year.

² Appendix B details how the report aligns to the Accountable Now reporting standards, as well as detailing the reporting process.

³ See <http://www.wvi.org/vision-and-values-0>.

1.0 Who We Are:

We are Christian and committed to the poor

1.1. Overview of World Vision

WorldVision is a global Christian relief, development and advocacy organisation dedicated to working with children, families and communities to overcome poverty and injustice. WorldVision is dedicated to working with the world's most vulnerable people and serves all people, regardless of religion, race, ethnicity or gender.⁴ Our vision for every child, life in all its fullness; our prayer for every heart, the will to make it so.

WorldVision was founded in 1950 in the United States and is now a federation (often referred to as a 'partnership' but not in the sense of a legal entity) operating in 99 countries, with offices in 85 of them. In these 85 countries, there are two main types of national-level offices and in this report we use the term *field offices* to describe those which primarily conduct programming (65), and *support offices* for those which primarily provide financial support (20). In addition, there are a number of WorldVision International (WVI) Global Centre offices distributed around many of these countries, including seven regional offices. World Vision International was established in 1977 and provides global coordination for the WV Partnership and ensures that global strategies, policies, standards and controls are pursued, in addition to operating many of the field programmes. The Global Centre's Executive Office, based in London, houses the president's office and WVI executives. Other key functions such as IT, finance, programming, human resources and supply chain are clustered in various locations around the world, and many teams, particularly relating to programming, are multi-site.⁵

As of the end of 2016, WorldVision had 42,227 staff members and 39,253 registered volunteers committed to improving the well-being of vulnerable children to ensure that they enjoy life in all its fullness. We partner with a wide range of stakeholders, including families, communities, governments and other civil society organisations, with the key stakeholders determined by each WorldVision office as part of their strategic and programme design processes. The primary sectors that we work in are Child Protection, Health & Nutrition, WASH (water, sanitation and hygiene), Education and Livelihoods (which also incorporates the work of VisionFund International, WorldVision's microfinance subsidiary).

The scale of WorldVision's operations did not change dramatically in 2016. In the context of income remaining at a similar level to 2015, the focus has been on using resources effectively. The yield to programming (proportion of funds available for programmes) ratio increased from 84.7 per cent in 2015 to 85.4 per cent. This indicator tracks the proportion of income used for programming activities after calculating in support office and Global Centre fundraising and administration costs.

In 2016 there was also some consolidation of programming, with a 3 per cent reduction in the number of long-term 'area development' programmes (from 1,609 to an estimated 1,560⁶ by the end of 2016). As detailed in the section on staffing, there was a strategic reduction in staff levels (by 5 per cent) in anticipation of launching the new strategy in 2017, Our Promise 2030.⁷

Awards and recognition

WorldVision does not centrally track all awards received, given the scale of our operations. However, in 2016, the following examples were recorded:

■ Presidential Friendship Medal

On 28 September 2016, Kevin Jenkins, President and CEO of WorldVision International, received Vietnam's highest award bestowed upon foreigners by His Excellency Mr Tran Dai Quang. This honour recognises WorldVision's support to reduce poverty and improve the well-being of vulnerable children in Vietnam.

■ WV Canada and WV UK Honoured for Employee Excellence

In 2016, for the seventh consecutive year, WV Canada was recognised as one of Canada's Top 100 Employers. WV UK

moved up to ninth place in the Sunday Times Best 100 Not-for-Profit Organisations to Work For.

■ WV Sierra Leone Bronze Award

WV Sierra Leone was awarded the Bronze Medal by His Excellency the President of Sierra Leone, Dr Ernest Bai Koroma, in recognition of its exceeding support for Sierra Leone during the Ebola crisis.

■ VisionFund award

VisionFund was the winner of the Asian Development Bank's (ADB) inaugural Civil Society Partnership Award for 2016 – in recognition of the development of an innovative 'Asian Region Disaster Insurance Scheme' (ARDIS), which helps bring capital and liquidity into areas affected by disasters.

⁴ A detailed description of our vision, mission statement and core values can be found here: www.wvi.org/about-world-vision.

⁵ For more information see the governance section (Section 1.3) and <http://wvi.org/structure-and-funding>.

⁶ Data on the exact number of programmes lags a little, given that sometimes programme closures planned for one financial year overlap into the following one, and this takes time to document.

⁷ See <http://ourpromise2030.org/>.

I.2. Scope of World Vision programmes, revenue and human resources

The scope and scale of the WV Partnership is shown in Table I below. These figures are for the WV Partnership (World Vision International and its affiliated entities).

Table I: Scale of World Vision

World Vision in Fiscal Year 2016	
Programmes	
Countries in which World Vision works	99
Number of children benefitting from World Vision relief/development programming	40 million
Resources and Expenditure	
	in millions of US\$
Total revenue (cash, food commodities and gifts-in-kind)	2,718
Total expenditure	2,812*
Expenditure on development programmes	1,987
Expenditure on relief and rehabilitation programmes	403
Expenditure on community education and advocacy	27
Yield to Programming (proportion of funds available for programmes)	85.4%
Administration	132
Fundraising	263
Financial Assets	
	in millions of US\$
VisionFund microfinance loan portfolio	538
Staff/Volunteers	
Number of employees (includes VisionFund International)	42,227
Number of volunteers	39,253

*The total expenditure recorded is higher than revenue because support offices used their reserves to fund projects in 2016. Also, their carry-forwards (underspending in 2015) were utilised in 2016.

I.3. Operational structure of the organisation

WorldVision International, incorporated in 1977 as a non-profit religious corporation in the State of California, USA, is the registered legal entity which, through its Council and Board of Directors, provides the formal international structure for the WV Partnership. The WV Partnership refers to the entire World Vision family throughout the world and includes World Vision International and all other offices using the World Vision name, as well as VisionFund International and its network of microfinance entities.

The WV Partnership has adopted a federal model of governance. National offices (members) sign a Covenant of Partnership that signifies their commitment to the WV Partnership. The federal governance model strives to capture the benefits of being both global and local at the same time. It encourages the empowerment of national offices to capitalise on local knowledge and timely decision-making for ministry operations in the field,

while leveraging its global scale by coordinating certain key tasks at the centre (Global Centre).

The WV Partnership's 53 national offices are part of the federal model, 35 having governing boards and 18 having advisory councils. These 53 national offices constitute the membership of the WV Partnership. National offices have varying degrees of governance responsibility. There are two types of offices: 1) those that are in 'Intermediate' and 'Interdependent' stages in World Vision's governance system, being locally incorporated separate entities with a governing board, and 2) branches of World Vision International, which are not separate entities. Eighteen branches have an advisory council, which provides advice but has no governing authority. Offices with boards or advisory councils relate to World Vision International through the Covenant of Partnership. Offices with advisory councils, along with 32 programme offices, are line managed by World Vision International.

World Vision International has a wholly owned subsidiary, VisionFund International (VFI), which is also a non-profit religious corporation and which provides oversight for World Vision's affiliated microfinance network. The VFI network provides financial access for economic development in strategic alignment with World Vision national offices in 30 countries.

The Executive Office of World Vision International is based in London and houses the president's office and some WVI executives. The table below indicates the national and regional offices along with their governance status. The full list of locations where World Vision International and its affiliated entities work can be found on the WVI website: <http://wvi.org/map/where-we-work>.

Table 2: Summary of Offices and Governance

Interdependent national offices (governing boards)	Intermediate national offices (governing boards)	Office branches (advisory councils)	Programme offices (managed by WVI)	Total
24	11	18	32	85
Asia: India* Indonesia Philippines* Thailand (RO) <u>Asia Australasia</u> Hong Kong Japan Korea Malaysia Taiwan Australia New Zealand <u>Latin America</u> Brazil El Salvador Guatemala* Honduras* <u>Europe</u> Austria Finland Germany Netherlands Ireland Switzerland United Kingdom <u>North America</u> Canada United States	Asia Sri Lanka* Africa Kenya (RO)* South Africa (RO) Swaziland Tanzania* Uganda* Zambia* <u>Latin America</u> México* Perú* <u>Europe</u> Romania France	Asia Support Singapore [RO] Africa Chad Ethiopia* Ghana* Lesotho Malawi* Mali* Mozambique Sierra Leone Zimbabwe <u>Latin America/ Caribbean</u> Bolivia* Colombia Dominican Republic* Ecuador* Haiti Nicaragua <u>Mid-East</u> Jerusalem/West Bank Lebanon	Asia Cambodia* China* DPRK (North Korea) Laos Mongolia* Myanmar* Vietnam* Bangladesh Nepal Pacific Timor Leste (PTL) Africa Angola Burundi Congo (DRC)* Mauritania (with Mali) Latin America Chile Europe Mid-East Afghanistan Albania*/Kosovo* Armenia* Azerbaijan* Bosnia* Niger Rwanda* Senegal*(RO) Somalia Sudan South Sudan Costa Rica (RO) Georgia Jordan Pakistan Spain Italy	
Global Centre offices: London, UK Nicosia, Cyprus (RO) Geneva, Switzerland Los Angeles, USA New York, USA Panama City, Panama (RO) Kuala Lumpur, Malaysia Manila, Philippines Dubai, UAE			■ Support office ■ Field office RO: Regional office hosted by this national office * Microfinance Finance Institution (MFI)	

Governance structure and decision-making process at governance level

In this section we outline how we aspire for our structures to reflect our values, particularly in ensuring good, representative governance of our operations. The WVI Council is World Vision International's highest governing body and comprises representatives from each of the 53 members. It meets every three years, and its key role is to review, evaluate, restate or change the agreed-upon objectives and standards by which WorldVision is governed. It is the only body empowered to make changes in certain WV Partnership's core documents.

The WVI Board provides oversight to World Vision International and to the WV Partnership within the context of the Covenant of Partnership. The WVI Board is both representational (regional representation) and skills based, with a diversity that ensures effective governance oversight. As part of its governance role, the WVI Board formulates policies that have Partnership-wide application and approves the WV Partnership Strategy, ensuring that it is aligned with the core documents, which include the mission statement and the core values.

The WVI Board has **six** committees that assist it to fulfil its oversight responsibilities. They have mandates that define their key responsibilities. The committees are as follows:

1. **Executive Committee:** Acts for the full board in matters delegated to it.
2. **Stewardship Committee:** Advises the board in fulfilling its responsibilities with regard to financial integrity, resources utilisation and oversight to the microfinance subsidiary, VisionFund International.
3. **Audit and Risk Committee:** Advises the board in fulfilling its responsibilities with regard to the audit and risk functions.
4. **Ministry Strategy Committee:** Advises the board in fulfilling its responsibilities with regard to programme strategy.
5. **People Committee:** Advises the board in fulfilling its responsibility with regard to human resources.
6. **Governance Committee:** Advises the board in fulfilling its governance responsibilities as they relate to the WV Partnership and its own self-governance.

National boards provide governance oversight to their local entities within the context of local legislation, the Covenant of Partnership, Partnership policies and the Partnership Strategy. Advisory Councils, on the other hand, do not have governing authority but provide valuable advice to management, based on the members' deep understanding of the context and their valuable networks, which help facilitate implementation of programmes at the local level. VisionFund International (VFI) has its own board, and all 30 of the microfinance entities in the VisionFund network have local boards.

All national offices are expected to have a risk management framework that aligns with the WV Partnership risk management policy.

Board membership

The WVI Board has 24 members, 23 being independent/non-executive. The full list can be found on <http://www.wvi.org/board-directors>.

Division of powers

The Council is chaired by a Moderator, who is selected by the members every three years. The WVI Board is chaired by an independent director, who is elected by the WVI Board members.


The WVI Board sets the key performance indicators (KPIs) for the WVI President and CEO every year, and board members are involved in evaluating his or her performance, based on the KPIs. National boards do the same for chief executives of national entities.

Support for board performance

Board members for the WVI Board are drawn from national offices and advisory councils and are elected through regional forums to ensure broad representation. They serve on the WVI Board for three-year terms, with the possibility of serving a total of nine years (three terms of three years each). Any candidate who has not adhered to term limits in their national office is not eligible for election to the WVI Board, unless they are a continuing WVI Board member.

The WVI Board has the following evaluation mechanisms:

1. **Peer review:** This is undertaken by a team of peers within the WV Partnership (i.e. national board and advisory council members). This is conducted every five years. It gauges the board or advisory council's effectiveness as well as its knowledge and application of the WV Partnership's core documents, which include the Mission Statement, Core Values, and Vision Statement.
2. **Board self-assessment:** This alternates with the peer review; hence the board goes through a formal assessment of its governance effectiveness every board cycle (three years). This review is based on critical success factors for the board's effectiveness.
3. **Exit interviews:** All departing board members complete a formal exit interview aimed at drawing out the members' experience and key recommendations for the board's improvement.
4. **Meeting evaluations:** After every board meeting, members complete a rapid assessment evaluation of the meeting to determine the effectiveness of the meeting and other aspects



that would help improve future meetings (e.g. committee meetings, board pre-reads and meeting information, etc.).

All the recommendations are reviewed by the Governance Committee, which develops action plans for the board's approval. This is used to focus and improve the board's agendas and governance processes.

World Vision embraces diversity of race, ethnicity, gender and culture. In the important area of gender, both the WVI Board Standing Policy and the National Boards Policy require that each gender be represented by at least one-third of the board. Currently the international board has a diversity of 57 per cent male and 43 per cent female. Efforts are also made to ensure age-group diversity.

Regarding diversity of national boards and advisory councils, 79 per cent of all of them combined meet the gender diversity standard of at least one-third. Those that do not meet the requirement are advised and guided to come into compliance through a development plan.

Compensation for members of the board

WVI Board members are volunteers and are not compensated. However, the organisation covers their costs of travel and accommodation to attend board meetings. The WVI President and CEO is the only executive board member and is paid a salary.

Managing conflicts of interest

All WVI Board members must meet a high standard of criteria for selection, which includes ethical behaviour in all realms. They are selected based upon their Christian values and must have a highly regarded reputation. They are required to complete an annual conflict-of-interest declaration and are expected to disclose any actual or potential conflict of interest, to guard against even a perception of impropriety that could damage the ministry.

Mechanisms for internal stakeholders to provide recommendations to the highest governance bodies

Engagement between members and the highest governance bodies occurs at various levels:

1. **At the Council**, there is opportunity for national offices that are members of the WV Partnership to make recommendations on how the Partnership should be governed. These recommendations are discussed and, if agreed upon by members, are passed to the WVI Board for consideration and implementation. The most recent Council was held in November 2016, at the beginning of our 2017 fiscal year.
2. **Boards and advisory councils** have an opportunity every three years to meet at the regional level and discuss matters of interest to the ministry. Board and advisory council chairs also have a closed-door meeting with the president/CEO and WVI Board members from that region, to discuss matters of interest and concern. The latest regional forums were held in 2015.
3. **Board and advisory council surveys** aimed at gauging the governance health of the WV Partnership are carried out on a regular basis and form the basis of engagement with boards and advisory councils. The latest survey was undertaken in 2016.
4. **Staff** have opportunity to engage in an annual anonymous survey, 'OurVoice', which gauges staff engagement and other issues that help point to staff concerns. The results are shared with the international board, and specific country results are shared with national boards and advisory councils. Peer reviews determine the extent to which the staff concerns have been addressed at governance level.

2.0 What We Do: We are responsive and work as partners for lasting change

In this section we give an update on our journey towards living out our values in our programming, ensuring that our commitment to the poor, undergirded by our Christian faith, is worked out in ways that are responsive and that partner more effectively with others who share the same goal.⁸ This section is structured in line with Accountable Now's reporting guidance, exploring how we 1) engage with the children and communities we serve so as to be responsive to their agendas, 2) invite and respond to their feedback and complaints, 3) monitor, evaluate and learn in order to adapt and improve our programming, 4) integrate gender and diversity, 5) work with stakeholders, specifically in our advocacy and campaigns and 6) implement our specific strategies to partner at the local and global levels.

The goal of all our programming is the sustained well-being of children, especially the most vulnerable. Our programming approach is multi-sectoral and broadly categorised into the following:

- **Development programming** – long-term, local-level programming seeking transformational development as the process through which children, families and communities identify and overcome the obstacles that prevent them from living life in all its fullness.
- **Relief programming** – responding to disasters alongside building capacity and resilience among communities to help them protect themselves before an emergency and rebuild afterwards.
- **Advocacy programming** – helping empower communities to know and to speak up for their rights at local, national and international levels. In situations in which such community-led advocacy is not possible, World Vision takes the voice of those living in poverty to decision makers who have power to change unjust policies and practices.

2.1 Involvement of affected stakeholder groups to inform the design, implementation, monitoring and evaluation of policies and programmes

For our development, relief and advocacy work we engage stakeholder groups in slightly different ways, and these are detailed below.

Development

World Vision's policies on transformational development (TD) and programme effectiveness (PE) lay out the specific principles and standards that are to be applied to all programmes. These include standards on accountability to communities, and the roles of World Vision and other actors in the development process. Our TD policy states, 'Transformational development is the responsibility of the people themselves, so actions are taken that empower the community and all of its members to envision, plan, implement, monitor and evaluate the programme in an interdependent relationship with World Vision, local governments, businesses, churches and other NGOs'.

The TD and PE policies are operationalised in local-level programming through the Development Programme Approach (DPA), which has been gradually adopted as World Vision's framework for development programming since 2012 and is now used by 73 per cent of all local-level, long-term programmes. This will increase to 100 per cent over the next few years. The quality of DPA processes is tracked using the Programme Effectiveness Self-Review tool,⁹ which measures the 13 programme effectiveness standards on a three-point scale. The most recent set of results from self-reviews was in 2015, when the tool was used by 1,400 World Vision programmes from across all of our operating regions. One key finding was that 'community ownership' was the least implemented of the 13 standards, and this is significant given that the results also show a strong correlation between higher levels of ownership and improved child well-being results: Overall, 41 per cent of programmes rated themselves 'high' on a three-point scale for 'tangible contribution to child well-being'. This increased to 68 per cent for programmes that rated themselves as having a high level of community ownership.

This resulted in renewed efforts across the WV Partnership to understand and strengthen community ownership in our local programmes, in particular strengthening our ability to continually engage with the community and adapt our programming accordingly. Our experience of using the DPA has been that community engagement during the initiation and design process is generally strong and leads to a community-owned vision for the well-being of children, together with a set of priorities around which joint planning and action take place. However, recent evaluations and studies have shown that, in some cases, the energy and enthusiasm generated during the design process can dissipate over time. In recent years World Vision has paid greater attention to strengthening community participation and ownership during the implementation phase.

⁸ We don't include a summary of our activities, as this is covered in the World Vision International Annual Review. See <http://www.wvi.org/annualreviews>.

⁹ See <http://www.wvi.org/development/publication/programme-effectiveness-self-review-tool>. All guidance and resources for the DPA are freely available to partners and peer-agencies on the website www.wvdevelopment.org.

One successful way of achieving this is holding 'Annual Community Review and Planning'¹⁰ summits. These are community-led meetings that bring together all the actors involved in promoting development in a community to share progress and lessons learned and to make any necessary adjustments to future plans. This process was piloted in 11 field offices in 2015 and is now being scaled up across all offices and programmes. The pilot showed that this community-led process could yield significant positive improvements in participation, ownership, efficiency and results. One World Vision programme manager in Cambodia said, 'After training local stakeholders, they only needed minimal support. They began to plan how to do it, they planned the agenda'.

The Annual Community Review and Planning is generating good examples of where World Vision is listening to the community and responding. The process strengthens the local government development planning process and links it to community and NGO efforts, as noted by one municipal government representative from Honduras, who reported that 'the municipality will take this process and use it, but there are some things that have to be modified'. The process also results in changes to plans of community, government and NGOs. Communities in Cambodia realised their right to monitor government contributions to their development plans. In Albania, World Vision, community and government are working more intentionally on improving local child-protection mechanisms as a direct result of listening to children during the review meetings.

The World Vision programme Annual Report now includes a requirement to identify lessons learned and recommended improvements for the subsequent year's plans and budgets. This information is available through the World Vision global programme-management information system (Horizon). This allows programmes and country offices to identify necessary adjustments and to hold themselves to account for implementing those adjustments.

Advocacy

The value of community ownership described above has meant that World Vision has increasingly shifted towards supporting community-led advocacy. World Vision seeks to partner with communities and those who share our vision of increased child well-being to strengthen governance systems, policies and structures at all levels, helping to make them more transparent, accountable and effective in delivering on the rights of their citizens.

At the local level, our primary approach to advocacy is through our Citizen Voice and Action model, which is a social accountability approach that builds on the strength of relationships already built up through our long-term development programming in communities. The starting point of the model is providing civic education to communities on basic local governance mechanisms, the social contract between communities and governments,

and their rights to access minimum basic service standards. During the process, communities also come up with their own indicators for service performance, a facilitated approach that models democratic practice through voting on the state of service performance. Communities monitor the quality of the service using these indicators, and the results are shared with service users, providers and government officials, along with other key information, including whether the services meet government prescribed standards. Our Citizen Voice and Action model culminates in a process by which the results of the monitoring of community services are discussed in a local multi-stakeholder meeting, engaging with service provision staff and local government to identify ways in which all actors can work together to improve services through an agreed action plan for services with significant benefits for children.

This approach has been profiled in previous accountability reports and, as of the end of 2016, it has been expanded to more than 600 projects in 50 countries, of which 15 are designated fragile contexts. In 2016 World Vision began to focus on adapting the model for expansion in more fragile contexts, something that is well supported by research showing that, even where services were not actually delivered, the community's perception of state legitimacy improved when the community was simply included in design of services and provided with an opportunity to air grievances on service provision. The work in fragile states is also assessing ways to work across the continuum of social accountability – from internal World Vision accountability approaches to feedback mechanisms in emergency responses, through to early monitoring of social protection systems, both donor and government funded.

Stakeholder engagement in our national- and international-level advocacy is covered in Section 2.5 on advocacy positions and public awareness campaigns.

Relief

World Vision's approach to stakeholder engagement in our emergency responses echoes that of our development approach, and both work within our broader Programme Accountability Framework (PAF),¹¹ which covers four areas of programme accountability: 1) providing information, 2) consulting with communities, 3) promoting participation and 4) collecting and acting on feedback and complaints. This is integrated into our Development Programme Approach, outlined above, and in turn shapes the design and implementation of our emergency responses. This is illustrated below in the case of the Hurricane Matthew Response (in Haiti):

- Rapid assessments included community preferences on information provision and feedback systems.
- Distributions involved information provision to beneficiaries about World Vision and the beneficiary selection processes,

¹⁰ Guidance for Field Offices on Annual Community Review and Planning: <http://www.wvi.org/sites/default/files/Annual%20Community%20Review%20and%20Planning%20guidance.pdf>.

¹¹ See <http://www.wvi.org/accountability/publication/programme-accountability-framework>.

setting up feedback/complaint mechanisms and consultations at each distribution.

- Accountability specialists supported sector staff to produce materials and capacity-building tools to integrate PAF elements into the overall response.
- Changes were made to interventions as a result of implementing the PAF: data and information from each distribution was shared with staff and communities and was used to highlight areas of concern as well as to change approaches/interventions. For example, where water filters were distributed, a rapid consultation process indicated that, despite information being provided, community members did not understand how to use the filters. This resulted in setting up WASH practical workshops at distributions to provide more hands-on practice, which improved people's understanding/practical application of how to use the filters.
- PAF principles were integrated into long-term programming through joint capacity-building workshops.

2.2 Mechanisms for stakeholder feedback and complaints

In this section we provide an update on our progress in ensuring accountability to the communities we serve within both our development (including local advocacy) and relief programming. We assess progress in applying all four elements of our Programme Accountability Framework (information provision, consultation, participation, and feedback and response), with a particular focus on the fourth area: ensuring mechanisms for stakeholder feedback and complaints.

Monitoring of the use of the PAF across our programming has, in recent years, been thorough, including a section on accountability in our child well-being reporting process. As detailed in section 2.3, every other year, each World Vision field office produces a summary of progress towards its child well-being objectives and identifies learning, including lessons learned on strengthening accountability to communities.

In the latest set of reports, produced in 2016 but covering the 2015 financial year, all but one of the 60 national child well-being reports included some reporting on progress and learning about implementation of the PAF. One major theme was that offices conducting emergency relief programming (or any type of food programming) were further ahead than those focused just on development programming; this reflected the greater emphasis – and donor expectations – in the emergency response sector. Another theme was that there were fewer examples of good practice in the areas of 'providing information' and 'collecting and acting on feedback' than in 'consulting with communities' and 'promoting participation'. At the end of 2016 we decided to focus

on strengthening feedback and response systems, drawing from learning that World Vision has been involved in, both piloting approaches in our own programming¹² as well as in a consortium led by WV UK to pilot different 'Beneficiary Feedback Mechanisms' in UK AID-funded programmes in six countries.¹³

A key learning from these pilots has been the need for feedback and complaint mechanisms to be contextualised to each individual programming location and integrated into the systems of each civil society organisation. In light of that, World Vision does not mandate a particular process, though we have been developing a field guide that outlines the basic principles and the issues and choices each World Vision office will need to grapple with.

Decentralising our feedback and response systems means that we don't have overall statistics for numbers of complaints across all programmes. However, we can give some individual programme examples from our emergency responses. In Lebanon, data is collected on inquiries, feedback and complaints from all projects in the humanitarian response programme. From January to December 2016, 20,563 enquiries and 2,266 complaints were received. Of those complaints, 75 per cent were resolved and the remaining 25 per cent were cash transfer programme-related issues that were referred to the UN call centre and were pending resolution.

The one exception to our decentralised approach to response and complaints is the WV Partnership-wide whistle-blower system, called the Integrity and Protection Hotline. This system is accessible by the public but is designed primarily for employees, volunteers, contractors and board members as a last resort if normal reporting mechanisms fail or if individuals do not feel comfortable using them. The hotline is supported by a world class ethics and compliance vendor, NAVEX Global, and is accessible via toll free numbers and an online portal. Identifying the exact number of complaints made by external stakeholders is not possible, as cases can be submitted anonymously, though it is likely that external stakeholders made up at least a small portion of the 47 total complaints investigated in 2016. Cases submitted through the Integrity and Protection Hotline are reviewed by a small management committee that oversees internal investigations based on the nature of the complaint. These cases are treated with a high degree of confidentiality.

Incidents that are reported directly to management as part of normal reporting mechanisms (e.g. human resources, internal audit, financial losses) are captured and managed through our Integrated Incident Management system. This cross-functional incident management system then automatically categorises a broad range of incidents by type, location and severity and directs the case to the appropriate functional business units for management and closure. We report on these categories in the respective sections of the report: in Section 3 on incidents of child protection and financial loss, and in Section 4 on staff complaints.

¹² See <http://www.worldvision.org.uk/our-work/accountability/>.

¹³ See <http://www.feedbackmechanisms.org>.

In order to more systematically monitor our practice of programme accountability, during 2016 the Programme Effectiveness Self-Review Tool¹⁴ was updated to include a quantitative measure on how each of the four areas of the Programme Accountability Framework is being implemented, and by 2018 we anticipate having more complete data.

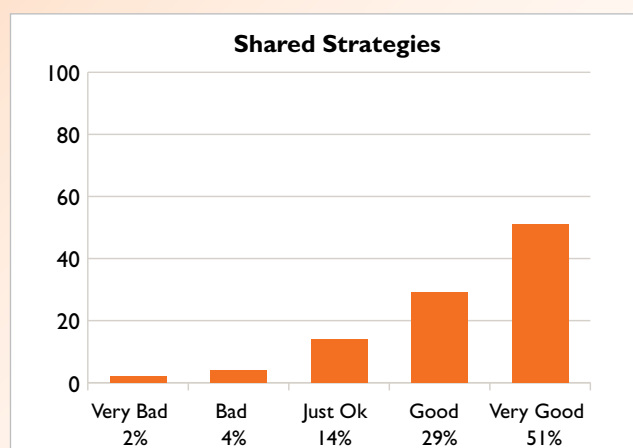
Examples of progress in strengthening accountability to children and communities

Organisation-level accountability: children holding World Vision to account for progress on child participation

The highest governing body for World Vision is the Triennial Council, which last met in Colombia in November 2016. A group of 10 child delegates presented a report that outlined progress on five recommendations that a group of representative children

had developed at the previous 2013 Council in Tanzania. These recommendations focused on how World Vision could better partner with children and include their voices in decision-making processes. During 2015 and 2016, 1,599 children from 25 countries used a child-friendly accountability mechanism to rate World Vision's progress against these five recommendations and give further suggestions as to how each recommendation can be improved. The following graphs summarise progress against recommendations:

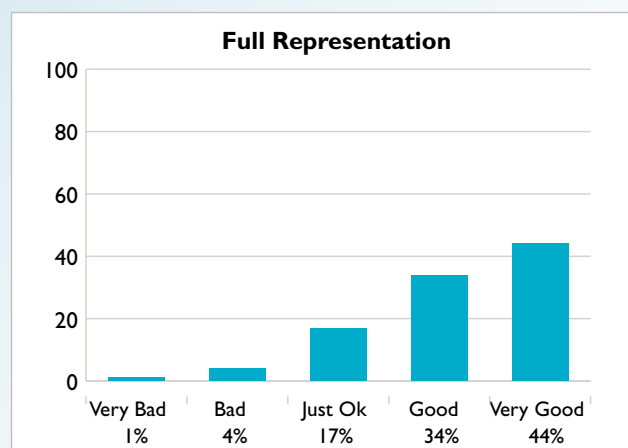
#1: Shared strategies so services do not become redundant



Further ways to improve this recommendation, according to children:

- Coordinate transparently with other child-focused partners, inviting children into this process
- Consider children's schedules and involve them when planning activities
- Ensure that children know who the 'point person' is from each adult-run organisation

#2: Full representation with community member

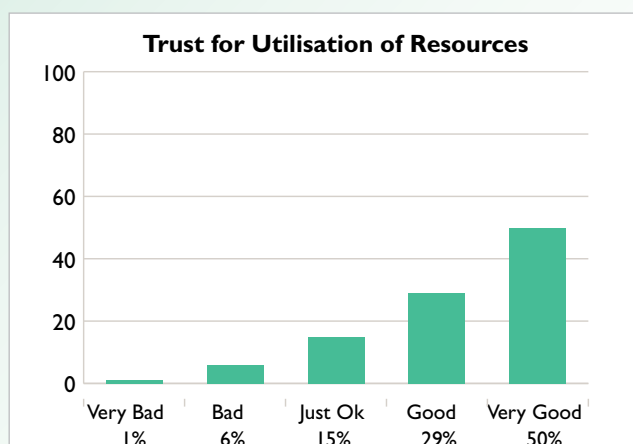


Further ways to improve this recommendation, according to children:

- Create opportunities for children and adults to work and dialogue together
- Sensitise communities to the importance of child participation
- Strengthen the participation of children of all ages, especially the most vulnerable

¹⁴ See <http://wvi.org/development/publication/programme-effectiveness-self-review-tool>.

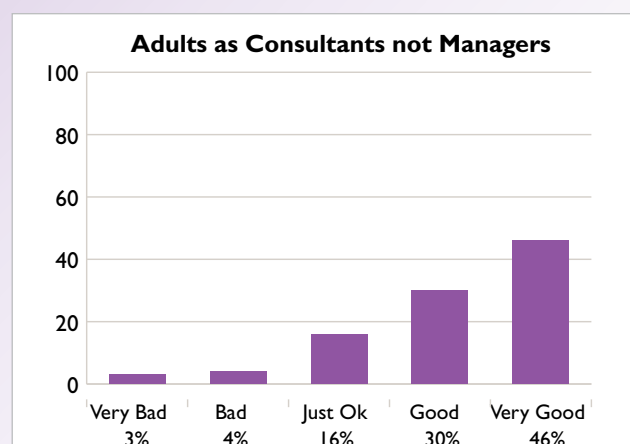
#3: Trust for the utilisation of resources



Further ways to improve this recommendation, according to children:

- Strengthen the self-management of children's groups so they are sustainable
- Involve children in the management of group resources
- Continue providing the necessary supplies for children to carry out their projects

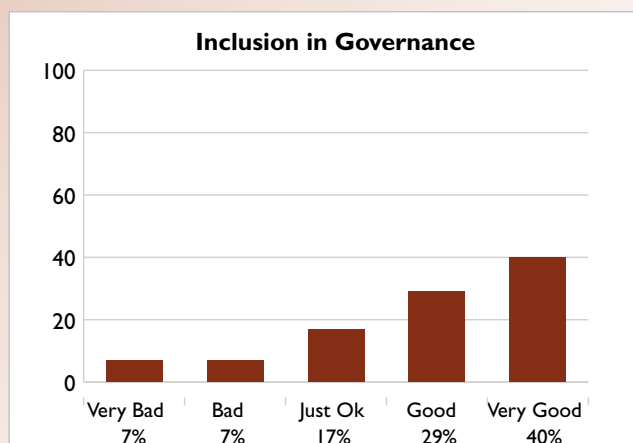
#4: Adults as 'consultants' instead of 'managers'



Further ways to improve this recommendation, according to children:

- Provide more leadership opportunities for children, including training on specific skills
- Recruit and train adults in the art of listening to children
- Involve children more often in decision-making processes within WV, at the community level and in national-level spaces

#5: Incorporation of input of children and youth in decision-making at National Office Board meetings and governance



Further ways to improve this recommendation, according to children:

- Conduct learning exchanges where adults and children can mutually teach each other
- Provide more frequent, appropriate opportunities for young people to speak into World Vision's strategic decisions at various levels
- Be open to learning about best practices in this area

This process of children themselves tracking World Vision's progress has opened up a dialogue with different offices about how we can strengthen 'intergenerational' dialogue and ensure that there is a systematic, representative space for young people where senior leadership is directly hearing and responding to the perspectives of children. These spaces can and should exist at the local level, feeding up into national spaces that are representative of children's voices from a variety of backgrounds.

As part of our learning on how more broadly children can participate in accountability mechanisms, World Vision jointly published an inter-agency report on child-friendly feedback mechanisms¹⁵ and initiated a follow-up country case study in Mongolia, the outputs of which will be shared in our 2017 report.

¹⁵ See <http://www.wvi.org/accountability/publication/child-friendly-feedback-mechanisms-report-2015>.

The following boxes illustrate some of the good practice in listening and responding to communities:

Responding effectively to community feedback in earthquake-stricken Nepal

WV Nepal's progress in accountability resulted in a nomination for the Bond Transparency Award¹⁶ and provides three pointers for how to make progress, particularly in responding to feedback and complaints. Firstly, they drew from their experiences of accountability in the Nepal earthquake response to introduce feedback mechanisms into their long-term development programming.¹⁷ Secondly, the national director identified the importance of good feedback and complaint systems internally within World Vision, thus giving staff a greater opportunity to raise issues, as an important foundation for them to practise this in our programming.¹⁸ Thirdly, the office developed a comprehensive protocol for dealing with feedback and complaints, moving towards a more systematic approach and positioning themselves to benefit from the insights that aggregated feedback can provide as well as ensuring that responses to feedback and complaints are tracked.

Monitoring community-level trust in Somalia

In fragile contexts, the importance of building trust with the communities that we serve becomes even more important. WV Somalia tested an approach to monitoring levels of communities' trust in World Vision, using a beneficiary-satisfaction survey in one district in Somaliland (Baki). Results from the first survey, conducted in June/July 2015, identified gaps in the level of community understanding of what World Vision was doing. The results were discussed by the management, and actions were agreed to increase information sharing with communities. During the second survey, in January 2016, significant improvements were recorded, with communities pointing out improved relations with World Vision; this was attributed to improved information sharing and community engagement. WV Somalia intends to conduct a similar survey in 2017 as a means of continuous learning on how communities perceive our staff and interventions.

Alignment with Smart Campaign approach to microfinance client protection in Cambodia

VisionFund's social mission starts with focusing on our clients and taking their specific needs into account. These principles have been adapted from the Smart Campaign,¹⁹ which embodies a set of minimum standards of service that microfinance clients should expect. The case of Cambodia illustrates how this includes a commitment to one of these: dealing with complaints. There, in December 2015, a revised Complaint Handling Policy was approved by the Board of Directors. Clients are able to complain or give feedback in written or oral form, in the branch, to a hotline telephone number or by email. VisionFund Cambodia has also made progress in the other six features of the Smart Campaign principles of client protection:

1. Appropriate design and delivery – A client-satisfaction survey is conducted yearly to obtain information for product development.
2. Prevention of over-indebtedness – The Quality Assurance Officer and Internal Audit team regularly monitor compliance with client protection practices, even with unannounced reviews.
3. Transparency – Terms and conditions of all products are communicated verbally and in written form and always in the local language, and all interest rates are displayed in branches and on the Microfinance Institution's website.
4. Responsible Pricing – There is no penalty for repaying a loan early.
5. Fair and respectful treatment of clients – The Code of Conduct, signed by all staff, refers to treating clients with respect, and the quality of interaction with clients is one factor in regular performance reviews for field staff.
6. Privacy of client data – The core banking system is secured with defined user rights for all employees. All systems are password protected, and hard copies of client files are stored in locked, fire-proof cabinets to which only authorised personnel have access.²⁰

¹⁶ See <https://www.bond.org.uk/events/transparency-award>.

¹⁷ See: <http://cdacollaborative.org/publication/for-them-with-them/>.

¹⁸ See https://www.youtube.com/watch?v=xqaIXeWy_iQ.

¹⁹ See <http://www.smartcampaign.org/>.

²⁰ See <http://www.visionfundmedia.org/eReader/socialperformance/2016/2016-VFI-Social-Performance-Report.pdf>, pages 22–23.

Strengthening and innovating in accountability mechanisms in Iraq

The WV Iraq team has been building on its initial focus on accountability in food aid through vouchers and in-kind assistance as one of World Food Programme's implementing partners by expanding accountability into all sectors and ensuring that a range of information and feedback channels is used in each project. These include help desks, suggestion boxes, face-to-face discussions, use of tablets to record some enquiries and complaints, leaflets, banners and gallery walks, where posters are used to communicate information about the activities, rights of beneficiaries and protection issues. To meet the requirements of the World Vision Programme Accountability Framework and the Core Humanitarian Standard, the feedback-management system has been enhanced by documenting and training staff on the complaint-handling process and by compiling feedback data from all locations to create monthly accountability reports used by staff and the senior leadership team to identify changes and improvements to project implementation. The team also supports the Iraq Information Call Centre, a collective accountability mechanism which provides one central hotline to improve two-way communication between displaced people and aid agencies; this support involves promoting the number, referring people to the hotline and providing information about World Vision's presence and services.

2.3. System for programme monitoring, evaluation and learning

For each of our types of programming – development, relief and advocacy – we have slightly different monitoring and evaluation (M&E) systems, though these are being integrated more, and in particular we are seeking to bring together our learning across all our programming in child well-being reporting. This section focuses on M&E and learning in our development and relief programming, with a discussion on M&E and learning integrated into the wider update on advocacy and campaigns.

Our approach to monitoring, evaluation and learning is guided by our Learning through Evaluation with Accountability Planning (LEAP) framework, which lays out organisational standards for programme design, monitoring, semi-annual reporting, evaluation and redesign or transition when applicable.²¹ Since 2014, the organisation has been transitioning to the latest iteration of the LEAP framework, LEAP 3, which introduces a greater degree of national-level standardisation into programming. Currently, LEAP 3 guidance is still in an action-learning draft and not published.

Under LEAP 3, each field office develops, through a consultative process, a national strategy that identifies priority sectors for intervention and operationalises their strategy into national-level technical programmes, which are rooted in evidence-based best practices and include corresponding monitoring and evaluation frameworks. Then, staff in each local 'area programme' (geographically focused, long-term, primarily sponsorship-funded programme) work together with community members and partners to select from the technical programmes the interventions that are most relevant to their local context. Therefore, LEAP 3 allows for a greater level of consistency in design, monitoring and evaluation within a field office, thus leveraging established best practices and generating data on a national scale to track change over time, while still maintaining a high commitment to promoting local ownership and responding to community-level priorities.

Currently, field offices are focusing on developing technical approaches and programmes which will position the organisation to implement consistent, evidenced-based approaches and report at scale on child well-being indicators in the future. In 2016, eight field offices completed the design of national-level programmes; of these, four (Philippines, Kenya, Malawi, Swaziland) completed their technical programme baselines, and many other offices are engaging regional and support office staff in refining their technical approaches and programmes. For these reasons, it is envisioned that the organisation will progress exponentially in this direction over the course of the next years.

Our monitoring and evaluation in relief programming differs from M&E in more stable, developing contexts for four reasons. First, the speed of project implementation is contracted. The project life cycle of most relief programming grants lasts between 3 and 18 months. For programmers and implementers to have the data they need to make quick decisions, our teams responsible for design, monitoring and evaluation must produce high-quality assessment and monitoring data and reports much more rapidly than in non-emergency contexts.

Second, the highly variable nature of relief contexts means that there are no one-size-fits-all tools or process. For example, in areas with poor access (due to security or infrastructure constraints), remote or community-based monitoring mechanisms may play an outsized role. In other cases, the type of emergency will dictate how M&E tools and processes must be adapted (rapid onset vs chronic emergency; natural disaster vs conflict).

Third, M&E requirements vary based on the donor interests. Factors such as funding, reporting expectations and donor-set indicators will influence the way that M&E staff operate in an emergency context. A response which is funded by many donors requires a sophisticated M&E management system to cater to multiple and overlapping grants in different sectors, areas and with different timelines.

²¹ See <http://www.wvi.org/development/guide/leap-tools>.

Fourth, funding for M&E in many relief contexts is unpredictable and often insufficient. To produce relevant, high-quality and timely evidence, our design and M&E staff must be flexible and creative. Some common tools have been developed to help them work in such contexts. These include rapid assessment tools such as the Basic Rapid Assessment Tool, which has a special module for conflict settings. Real-Time Evaluations (RTEs) are also done in every major emergency as a way to check the relevance, efficiency and initial effectiveness of any response. In 2016, eight RTEs were conducted (Ethiopia, Serbia, Brazil, Ecuador, Haiti, Malawi, Global El Nino and the five-country Zika response) in addition to a full response evaluation for the Typhoon Haiyan response in the Philippines. Staff are also being trained on market assessments as a way to support our WV Partnership commitment to increasing cash programming. There are also management tools and guidance for baselines, evaluations and monitoring.

The main tool used in our VisionFund microfinance programming is the Progress Out of Poverty (PPI) tool that statistically measures the likelihood of clients being at a certain level of poverty, so that staff can track new clients and ensure that client distribution at least matches national poverty numbers; the tool then allows clients' movement out of poverty to be tracked. In addition, clients are asked how loans have affected children in the household.

As a child-focused organisation, World Vision seeks to be very intentional in engaging children effectively in these M&E systems, and in 2016 we published a report, 'Giving children a voice following major events and disasters'.²² The report looked at how over 11,000 children who were part of World Vision programmes during the past decade (2005–2015) experienced disasters and disaster relief, and it breaks down those experiences based on what problems children faced, what World Vision did to respond and what kinds of solutions children posed to their own problems in the aftermath of disaster. The most common problems that children faced were linked to food security, economic development/livelihoods and education/play.

Learning through our child well-being reports

Since 2014, all World Vision field offices have produced an annual Child Well-being (CWB) Report, which summarises the progress made towards achieving World Vision's CWB Targets. These include the following:

1. Increase in level of well-being reported by children (12–18 years)
2. Increase in children protected from infection and disease (0–5 years)
3. Increase in children who are well nourished (0–5 years)

4. Increase in children who can read (by age 11 or end of primary schooling).

In 2016, World Vision published a Global Child Well-being Report²³ that brought together the results presented in reports of 60 field offices. It was built from evidence collected in more than 1,600 programmes that include the CWB Targets in addition to other key areas of development, relief and advocacy work. So, to complement the learning opportunity each individual office report provides, the global report enables learning for each of the sector teams to improve programming guidance, with the report identifying the areas in which we need to improve. In addition, some support offices produce impact reports covering the impact of the projects that they directly fund. As well as fulfilling an accountability function to their donors, these reports contribute learning for the wider WV Partnership and the international development communities in each country.²⁴

Monitoring the quality of evidence

World Vision considers learning to be an integral part of a strong monitoring and evaluation system and, by extension, evidence building. Using the child well-being reporting process and reports, World Vision has been tracking progress of learning and evidence quality. For the past three years, regional representatives, in partnership with staff from support offices, undertook a quality review of each field office's CWB Report. The review tools use 20 criteria grouped into seven categories: process, narrative, CWB indicators, results, analysis, conclusions and special sections (most vulnerable children and sustainability). Below is a summary of the final ratings.

Of the 59 field offices rated in 2015, 14 (23 per cent) improved their rating from the previous year; 37 remained the same and eight decreased. However, the proportion of field offices with a green rating has steadily increased across the three years reflecting the dedication of field offices to improve the content of the reports and the dedication of regional offices to guide field offices through the process. There has been a concerted effort to involve a broad range of stakeholders in the writing and review stages in order to build buy-in, ensure technical quality and expand the utility of the report. This is reflected in high ratings in the criteria of *process*, collaborating internally through each step of the reporting process, and *CWB indicators*, appropriately measuring and reporting standard indicators. While most of the criteria have remained relatively consistent, the *results* category saw significant improvement this year, with the global average reaching the green rating. In particular, there has been increased use of monitoring data linked to strategic objectives; in addition, there has been wider coverage and larger variety of data representing more of the field office portfolio and different funding streams.

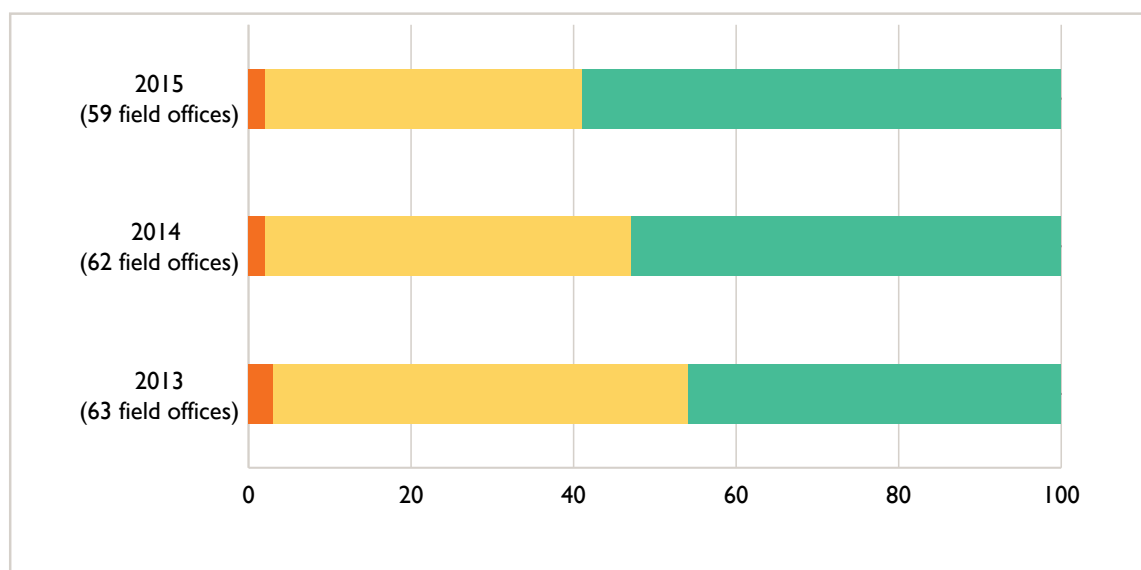
²² See <http://www.wvi.org/disaster-management/publication/giving-children-voice-following-major-events-and-disasters>.

²³ See <http://wvi.org/publication/2015-child-well-being-summary-report>.

²⁴ See, for example, see the World Vision UK Impact Report at

<http://www.worldvision.org.uk/our-work/impact/> and the World Vision Germany Impact Report at <https://www.worldvision.de/sites/default/files/pdf/World-Vision-2nd-Impact-Report.pdf>.

Figure 1: CWB Report quality by year



Since 2014, World Vision has been developing a programme-management information system known as Horizon 3 to track financial, sponsorship and programmatic data. For the 2015 Global Child Well-being Report, we aspired to use global data extracted from this system. This turned out to be not feasible because of several challenges with our database system; however, we anticipate we will be able to do so for the 2017 Global Child Well-being Report, which will be released mid-2018.

The discipline of the annual Child Well-being Report has elevated the importance of critical reflection on programme data by staff and leaders at all levels of the organisation. One section in the field office report requires staff to revisit their previous report and reflect on whether they have responded satisfactorily to recommendations from the past year. For example, country offices in Indonesia, Myanmar and South Caucasus have improved in inclusion and analysis of sex-disaggregated data based on recommendations from their 2014 reports.

However, broadly the Child Well-being Report ratings consistently show low scores in *analysis*. This underscores the need to support field offices to conduct rigorous analysis, including statistical significance tests, disaggregation and triangulation with qualitative data. Similarly, *conclusions* was, on average, lower this year and is tied to weaknesses in *analysis*, as learnings and recommendations must be based on critical reflection of the data analysis. Alongside capacity building to improve analysis we must have support for how to turn findings into evidence-based, actionable recommendations. This is critical to ensuring that monitoring, evaluation and learning practices consistently fuel enhanced programme effectiveness with the full support of leaders at all levels.

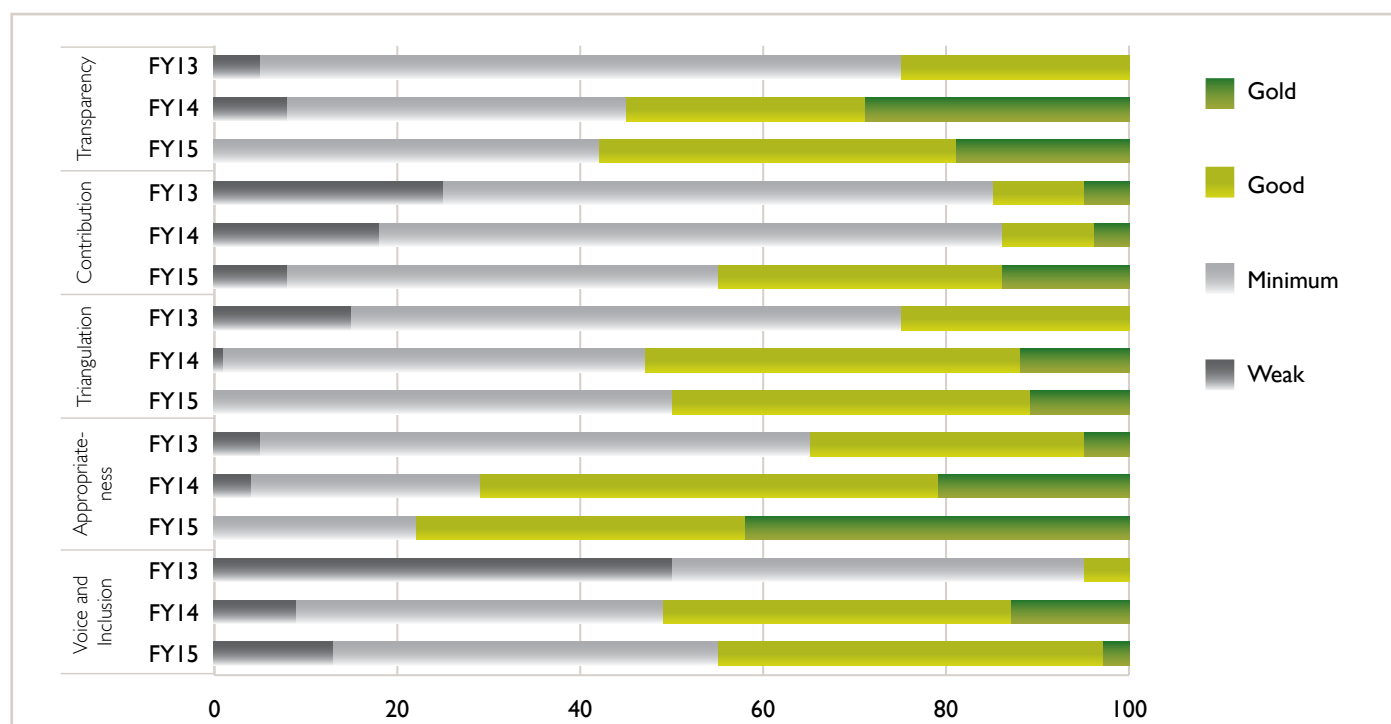
Another indicator the WV Partnership is using to track progress is the evaluation of programmes using the Bond evidence principles

and checklist. In 2016, thirty-six programme evaluations were reviewed using the Bond quality of evidence tool.

Analysis of the past three years showed the following:

1. **Appropriateness** of the data remained the strongest-reported domain. This demonstrates strong competencies of those designing evaluation methodologies, collecting and analysing data in a systematic way, leading to convincing conclusions.
2. **Triangulation of data** and transparency of the evaluation process have seen improvement compared to last year. No evaluation reports received a poor rating for these domains. This represents a good use of both quantitative and qualitative information and reflects that the organisation is open about the data sources and methods used.
3. Ability to show **contribution to change** has also improved, with more evaluations scoring a gold rating compared to last year. This improvement speaks of the organisation's capacity to better link interventions to community change, controlling for confounding factors during the analysis and identifying and explaining unintended and unexpected changes (positive or negative).
4. The principle of **voice and inclusion** is an area that needs to be strengthened. The majority of evaluations were either good or met the minimum standard; however, there was a small drop from the gold rating compared to last year. This domain speaks of the organisation's ability to include beneficiaries in designing the evidence-gathering and analysis process as well as ensuring that data is disaggregated according to sex, disability and other relevant social differences. It is critical that this domain improves in order to improve the overall credibility of evidence.

Figure 2: Quality of CWB Reports based on the Bond tool scoring



Research

Complementing our M&E processes, and critical to deeper learning, are research pieces conducted around our programming. In 2016 a mapping initiative was started to identify and prioritise the research initiatives occurring across all 85 of our offices. We will report in more detail in 2017, but in Section 4 on valuing our supporters we highlight one piece of research to explore the effectiveness of our child sponsorship model, undertaken by a consortium of academic institutions.

Inaugural 'Fail Fest' 2016

In 2016 World Vision launched its first Partnership-wide 'Fail Fest: Celebrating Learning Champions', a virtual event that was intended to:

- encourage staff to share projects, models, approaches, etc. that had failed and learn how those failures were used as a basis to expose opportunities and/or drive positive changes/results
- inspire failing forward to increase the appetite to tangibly pursue, test and scale innovations.

Participant submissions were assessed on the content and significance of the learning with three winners recognised by the president of World Vision. Participation was representative of the range of offices (Global Centre and field, regional and support offices) and included over a dozen World Vision Communities of Practice. This is becoming an annual event and is contributing

to the cultural shifts outlined in our new strategy of being more humble in our need to learn and more honest in sharing those learnings with our colleagues.

2.4. Measures to integrate gender and diversity into programme design and implementation, and the monitoring, evaluation, and learning cycle

World Vision's commitment to reaching the most vulnerable children demands that we address the overlapping inequalities that cause their exclusion and vulnerability. While barriers to inclusion and causes of vulnerability may differ according to the operating context of each field office, we recognise the critical importance of gender and disability. Addressing these can ensure that no girl or boy is left behind in a community's development journey.

In 2016 our three-year Gender Equality Framework for Action concluded. The framework tracked key output indicators such as strengthening programming on gender-specific outcomes, mainstreaming gender in programming and strengthening organisational commitment and capacity; these were tracked alongside outcomes such as reduction of gender-based violence and early marriage, an increase in equality in household decision-making, and improved mutual respect amongst men, women, boys and girls. Delays in rolling out our Horizon data management system, detailed above, limited our ability to fully track this.

However, programming highlights include progress on rolling out our Channels of Hope for Gender project model,²⁵ which specifically engages faith leaders on gender issues. We reached 3,625 faith leaders in seven new field offices in 2016. The Community Change model was implemented in two new field offices, taking it to a total of 11 countries. The framework increased collaboration among World Vision teams towards shared goals, with the Child Protection team developing joint guidance on Early Marriage and Female Genital Mutilation (FGM).

The Gender and Development unit also led on representation to the Commission on the Status of Women and contributed to the conceptualisation and launch of a new WV Partnership-wide campaign to end violence against girls and boys. Gender equality was also mainstreamed into the health project model Timed Targeted Counselling (prevention of Early Marriage and FGM) as well as into the Food Programming Management Group training manual. Gender guidance was integrated into our LEAP 3 Monitoring Evaluation and Learning approach and the Child Development and Rights LEAP toolkit.

Progress on disability inclusion was less marked in 2016. For the first quarter of 2016 only 0.41 per cent of children registered under our sponsorship programmes had disabilities. Children with disabilities account for 1 to 2 per cent of registered children in only seven field offices. The World Report on Disability (produced by WHO and World Bank) estimates that 5 per cent (1 in 20) of children 0–14 have a disability. This is likely to be even higher in poorer areas. (For example, the estimate for Africa is 6.4 per cent of children.) However, in 2016 we were able to document promising practice, for example, progress made on inclusive programming in WV India. An independent ex-post evaluation of an initiative conducted between 2008 and 2011, with WV UK support, reported that since this funded initiative ended in 2011, WV India had made significant progress towards mainstreaming disability, routinely implementing elements of inclusive practice in its programming.²⁶

2.5. Processes to formulate, communicate, implement and change advocacy positions and public awareness campaigns

Building on our local-level advocacy, World Vision conducts advocacy at national and international levels, including engaging with our supporters in campaigning for policies and implementation that better contribute to sustained child well-being. While each office will address specific issues in its own context, we have also sought to act together as a WV Partnership, along with other partners, to focus global attention on specific issues. In 2016 we completed our first WV Partnership-wide campaign, on child health. At the same time we designed our successor campaign, on ending violence against children, which launches in 2017.

World Vision's advocacy is governed by our Promotion of Justice Policy, an internal policy document that outlines the principles and processes that shape our advocacy. It specifies that 'advocacy flows from listening to and consulting with the poor, including children and the most vulnerable victims of injustice'; and, as detailed below, we paid particular attention to this in 2016 when designing our new WV Partnership-wide campaign.

Monitoring of advocacy

Our advocacy has been monitored as part of the wider WV Partnership Strategic Measures, which tracked progress on World Vision's 2012–2016 overarching strategic goal to 'strive to achieve the well-being of 150 million of the world's most vulnerable children by 2016'. This ambitious goal reinforced the realisation that, to maximise our contribution to child well-being, we needed to expand our advocacy and focus on policy changes that would have an impact on many more children than could be reached by our direct programming. Assessing the contribution of advocacy to this numerical goal required a way of measuring the number of children affected by advocacy.

A case study of our approach to this (currently an internal document but a version of which will be shared publicly) notes how quantifying the impact of advocacy was ambitious and innovative. The case study noted how the use of external auditors (experts in the field of advocacy M&E outside of World Vision) in designing and auditing the process ensured that we had a 'defensible and conservative representation' of the contribution of advocacy to World Vision's goal. This was done by identifying the 'number of vulnerable children for whom World Vision contributed to more than one policy change or policy implementation addressing the root causes of vulnerability and where there is some evidence of implementation of at least one of the policies'. Thus the key to this is that we are not counting affected children or reached children but are assessing changes in policy or policy implementation and then assessing the number of children to whom these policies apply. This helps to give us a sense of scale for the advocacy work, without claiming 'impact' per se.

We report a cumulative number for this because the policy and implementation changes occur over multiple years. For the period 2011–2016 we calculate the total to be 150 million children.

Evaluation of and learning from advocacy and campaigns

Individual advocacy projects at the field office level are evaluated according to our LEAP approach, as detailed above, but in 2016 we encountered a new challenge: how to evaluate a WV Partnership-wide campaign, as this was the last year of the Child Health Now campaign, which ran from 2009 to 2016.

So, in addition to participating offices conducting their own evaluations, in 2016 World Vision conducted phase one of an overall evaluation of the campaign, including a series of interviews

²⁵ See <http://www.wvi.org/church-and-interfaith-engagement/channels-hope-gender>.

²⁶ See the report 'Ex-Post Evaluation of Disability Inclusion' at <http://www.worldvision.org.uk/our-work/reports-papers-and-briefings>.

with external stakeholders to provide feedback on the campaign and World Vision's contribution to the Global Partnership on maternal and child health. An external report²⁷ was published which highlighted the learning opportunity presented to World Vision by the campaign. (See box below.)

In addition, an internal evaluation report and a learning event held jointly with Save the Children (who had also concluded a campaign on child health) helped distil lessons for future campaigns. Across the external contributors there was a concern that individual INGOs were conducting similar campaigns, and there was a call for less-siloed planning and greater partnership at the global level. At the same time, World Vision was seen as being able to make a strong contribution to global campaigns by organising at the national level and, in particular, that it should support nationally based coalitions and partnerships of civil society. The majority of the external stakeholders interviewed also suggested that World Vision should continue to strengthen linkages of civil society and communities for policy influence and ensure accountability at multiple (and higher levels).

Design of the Ending Violence against Children campaign

In 2016 World Vision started designing its new global campaign *It takes a world to end violence against children*, launched in 2017.²⁸ We sought to apply the learning from our Child Health Now

Child Health Now Campaign

The Child Health Now campaign has been an intentional learning endeavour for World Vision globally and for each of the country offices that participated. The campaign began with a vision, a set of goals for making impact and tactics drawn from experience and the best practices of NGO advocacy. The initial strategy of the campaign, and World Vision's understanding of the types of resources and engagement required to maximise its potential, evolved as the campaign progressed. From its start, Child Health Now pledged to amplify the voices of the most-affected people in communities where World Vision operates, to hold governments to account and to join hands with partners to multiply the potential for impact. Each of these approaches became a hallmark of the campaign. During the campaign, World Vision turned the lens on its own practices in order to improve them, discover where to invest more, discern which strategies were proving most effective and remain accountable to all stakeholders.

campaign and also follow through on our commitment to engage the most vulnerable children in the design of the campaign.

The campaign design was informed by a consultation with children, published in the 'Will You Hear Us?' report.²⁹ Using a child-focused, participatory approach, the consultation involved more than 2,000 children across 28 countries. The dominant theme was that they wanted to be involved, and this has led to the role of children and youth as agents of change being a strategic driver in the campaign: 'Their inclusion will be one of our signature approaches, more intentionally recognising children as competent social actors in creating change and key partners in the campaign'. They also identified the key actors that they saw as critical to effecting change at the local level, suggesting activities aimed at parents, teachers and religious and community leaders.

Another key learning from the previous campaign was the importance of working in coalitions, and external collaboration is one of the strategic drivers of the new campaign. Early on, World Vision joined its efforts with the Global Partnership to end violence against children,³⁰ with World Vision's Global Partnership Leader for Ministry Impact and Engagement acting as vice-chair of the Executive Committee. Engagement in this partnership at the early stages of designing the campaign has influenced its design in the following ways:

- Strengthening of our emphasis on multi-sectoral approaches to ending violence against children: We have initially focused on the intersection between health and violence against children, responding to strong engagement by WHO in the Global Partnership.
- Shared resources: The Global Partnership is custodian of the INSPIRE package of solutions to end violence against children,³¹ and World Vision has joined the organisations that endorsed it and has positioned INSPIRE as the policy framework for the campaign.
- Country-level targeting and collaboration: The Global Partnership introduced the concept of pathfinding countries – countries that are willing to accelerate progress in addressing violence against children and prioritise implementation of Sustainable Development Goals (SDGs) that are related to ending violence against children. Subsequently, we have supported countries that expressed interest to become pathfinders in that process (Mexico, Romania), and our offices in those countries will integrate their actions to support the wider campaign design.

²⁷ <http://www.wvi.org/maternal-newborn-and-child-health/publication/child-health-now-campaign-report>.

²⁸ See <http://www.wvi.org/ittakesaworld>.

²⁹ See <http://www.wvi.org/child-participation/publication/will-you-hear-us>. There is also a child-friendly version at <http://www.wvi.org/child-participation/publication/will-you-hear-us-child-friendly-report>.

³⁰ See <http://www.end-violence.org/>.

³¹ See http://www.who.int/violence_injury_prevention/violence/inspire/en/.

2.6. Processes to take into account and coordinate with actors

While partnering is one of World Vision's six core values, we recognise that we have to be intentional and systematic in living this out.

In World Vision's new Partnership Strategy (Our Promise 2030), we have reaffirmed our strong commitment to partnering, collaboration and alliances as a hallmark of our work for child well-being as part of a web of contributions in which we act as a connector and convener. Two particular focuses of accountability with partners are situations in which:

1. partners represent beneficiaries/programme participants
2. World Vision depends upon partners doing direct work with participants.

As outlined above, World Vision's Development Programme Approach (DPA) includes processes to enable children, families, partners and other local stakeholders to share and build ownership and accountability in the context of multi-stakeholder partnerships. Together with World Vision, local stakeholders do a careful analysis of their context, identifying the gaps in child well-being and which resources already exist. World Vision then works with communities and stakeholders to negotiate, plan and manage their joint work towards achieving a shared vision of child well-being. It is this joint analysis, planning and decision-making process that empowers local stakeholders to own the project plans that are developed within Area Development Programmes. Implementation should also be jointly baselined, monitored and evaluated.

To provide an update on the progress of the Local Partnering Training as introduced in the latest accountability report, the training has since been extensively revised and translated in 2016 into Portuguese, Spanish and French. The course is the basic face-to-face training offered for staff implementing DPA. It now has the following features:

1. More extensive exploration of how to adapt World Vision's technical programmes to synergise with partner contributions and needs
2. Working with partners to design and run the Annual Community Review and Planning meeting – assuring transparency, consultation and participation across a community
3. Use of the Partnership Health Check to monitor partnerships and be accountable to partners. The health check is particularly valuable as a 'safe place' for negotiation in a power-

asymmetric relationship. It allows partners with less power, clear voice and ability to express their concerns.

New indicators have been placed in Horizon (World Vision's programming information-management system) for partner capacities and Partnership Health Check. A Partnering Agreement Checklist has been developed which helps partners consider accountability to each other and how World Vision's Programme Accountability Framework requirements are achieved in their shared projects. We also have the Guidance for Financial Partnering, which is the basis for partner selection and management that combines risk assessment with financial limits to assure appropriate financial transparency. Offices ensure that partner financial reporting meets necessary standards, and they provide appropriate capacity development.

Beyond the local level, World Vision's process for engaging with national-level partners is built into the strategy-development process, with each office operating within a national strategy designed in consultation with key partners and with support from World Vision's Global Office for Strategy, Collaboration and Innovation. As noted above, the latest version of our LEAP approach to design, monitoring, evaluation and learning entails shifting the design of technical programmes to the national level, guided by a 'technical approach' which directly asks how World Vision can best contribute to a particular dimension of child well-being in light of the plans of different national actors. To develop staff and partner capabilities, a new course for national-level staff (Advanced Partnering and Negotiation) was developed with The Partnering Initiative,³² promoting partnering practices that strengthen mutual accountability through transparency and equity.

One initiative we undertook in 2016 was to make a further contribution to the discussion of how cross-sector collaboration at the national level is critical to achieving the Sustainable Development Goals. Together with The Partnering Initiative, we published a policy paper, *Delivering on the Promise*, with recommendations related to how in-country multi-stakeholder platforms can best align with critical Agenda 2030 themes, including serving the most vulnerable children.³³ *Delivering on the Promise* was the fifth in a series of SDG-related policy papers focused on the role of business and cross-sector partnerships.³⁴ World Vision continues to build its policy and practice in relation to private sector engagement. (See Appendix A, our communication on engagement as a participant of the UN Global Compact.)

In addition, we continue to participate in the *Every Woman Every Child* initiative, and we published a report covering the period up to 2016 on how we have implemented our seven commitments to the *Every Woman Every Child* movement as well as the results achieved to date³⁵

³² See www.thePartneringinitiative.org.

³³ See <http://www.wvi.org/publication/agenda-2030-implementation-delivering-promise>.

³⁴ <http://wvi.org/agenda2030partnering>.

³⁵ <http://wvi.org/health/EWEC>.

3.0 How We Use Resources and Manage Risk:

We are trusted stewards

In this section we explore how we use the resources that donors entrust to us for the programming outlined in the previous section. As World Vision, we recognise that these resources at our disposal are not our own, and we demand of ourselves high standards of professional competence and accept the need to be accountable through appropriate structures for achieving these standards. We recognise the need to manage and maximise the benefit to the most vulnerable, whether this is money, time or trust, and endeavour to be open and transparent, striving for consistency between what we say and what we do.

World Vision International's consolidated, audited financial statements, which include consolidations of financial statements for many WV Partnership entities, are made available every year on the wvi.org/accountability website.

Sources of funding

The tables below summarise the revenue across the WV Partnership, and specific accountability issues related to fundraising are covered in Section 4: How We Value People.

Table 3: Revenue by category (in millions of US\$)

Revenue	FY2012	FY2013	FY2014	FY2015	FY2016
Cash Income					
Sponsorship	1,320	1,352	1,354	1,235	1,180
Public Sector	312	312	394	423	460
Other Private	545	544	566	538	490
Food Commodities	130	130	174	190	193
Gifts-in-Kind	362	335	317	348	395
Total	2,669	2,673	2,805	2,734	2,718

Table 4: Resource collection in 2016 by region (in millions of US\$)

Source	Cash Income			Food Commodities	Gifts-in-Kind
	Sponsorship	Public Sector	Other Private		
Asia/Pacific	333	94	41	23	6
Australia/NZ	149	50	75	9	91
Canada	156	37	52	50	44
Europe	151	62	132	22	12
Field offices	36	45	29	0	5
United States	355	202	131	89	237
Total	1,180	490	460	193	395

Resource allocation, tracking and control

Resource allocation

The WV Partnership Strategy that ran up to the end of 2016, and its overarching goal to reach 150 million of the world's most vulnerable children, has been driving the key strategic objectives and resource allocation. We define our contribution to children through the child well-being aspirations and outcomes, and progress is monitored by five strategic measures.

We ensure effectiveness of our resource allocation in achieving key strategic objectives at various levels:

1. Allocation of resources according to strategic priorities: An annual global portfolio management and resource allocation (PMRA) process guides allocation of resources to field offices to support their strategies and provides rolling three-year forecasts for their planning. Field offices are assigned to relative growth priority on the basis of intensity of need, ability to achieve impact, internal capacity and operating environment for programming.

The annual multi-year Strategic Investment Guidance summarises key objectives and investment priorities and is used by all entities to guide their planning and budgeting processes.

2. Efficiency metrics: WV Partnership financial metrics (including yield to programming) are monitored monthly by management and semi-annually by the boards of World Vision International and individual entities. This allows tracking and monitoring of operating costs for greater efficiency and to maximise the resources for the children.
3. Operating models: Within field offices, technical approaches define how ministry strategic objectives will be achieved, which are then operationalised through technical programme designs. (See also Section 2.3 on our monitoring, evaluation and learning systems.)

In 2016, a review of the effectiveness of PMRA showed some progress in shifting resources over time towards higher priority countries; however, results were inconsistent. Also in 2016, we initiated an end-to-end review (from source to use) of each of our ministry funding streams to assess the extent to which each aligns with and contributes to achieving our key strategic objectives. For the purpose of this exercise we have classified our funding streams as follows: government and multilateral grants, food aid and vouchers, sponsorship funding, private gifts-in-kind and private non-sponsorship cash.

World Vision's resource allocation process is being reviewed as a priority initiative in realisation of the new global strategy, *Our Promise 2030*, and progress on this and other reviews mentioned above will be covered in future reports.

Table 5: Resource allocation in 2016 by region (in millions of US\$)

Region	Expenditures	Percentage of Total
Africa	1,103	45.6%
Asia/Pacific	489	20.2%
Australia/New Zealand	40	1.6%
Latin America/Caribbean	197	8.2%
Middle East/Europe	239	9.9%
North America	180	7.5%
Other International Ministry	169	7.0%
Total	2,417	100.0%

Tracking the use of resources

All entities provide monthly financial reports to World Vision International, which are consolidated and analysed for management review and decision-making. World Vision uses various analysis and transaction codes in its financial and management information systems to track and report the use of resources against approved budgets and targets, and against ministry and organisational priorities. Resources spent on programmes and projects are separately identified and are coded by sector, child well-being outcome and logframe objective, allowing offices to generate financial reports in logframe format. Project financial reports are submitted to donors and funding offices at least semi-annually. Expansion of data warehouse and self-service capability during 2016 has broadened access to all entities for data for analysis.

The field office dashboard monitors two indicators to track resource use against intended purpose:

- *Spending and Efficiency*: this indicates sponsorship cash-project spending and field office support-cost spending. At the end of the fourth quarter in 2016, 49 out of 58 offices were rated

green (at target spending of 100 per cent or underspending at any level); the remaining 9 were rated yellow (between 0 per cent and 5 per cent overspending).

- *Internal Control, Financial Audit and Compliance*: This indicates the consolidated performance results for each field office's financial audit implementation percentage, finance audit opinion rating, and reported fraud/misappropriation incidents. At the end of the fourth quarter in 2016, 49 out of 58 offices were rated green (within standard); 14 were rated yellow (below standard and requiring improvement); and 2 were rated red (requiring significant improvement).

Robust internal and external controls to minimise the risk of funds being misused

World Vision International implements layers of controls at differing levels – at field level (ADP/Zones), field offices, regions and headquarters (Global Centre).

Table 6: Controls Monitoring Activities

Entity	Control Activities	Monitoring Activities	Red Flags
Field office	<ul style="list-style-type: none"> Segregation of duties Bank account reconciliations Other account recons Procurement procedures Expense reports Implement finance manual 	<ul style="list-style-type: none"> Account aging analysis Monthly review meetings (project, field office) Monthly field office package checklist Review internal (global and local) and external audit reports Field visits (programmes, finance, risk) 	<ul style="list-style-type: none"> Non-compliance with finance manual Unreconciled accounts Aged balances Large variances Missing documents
Regional office	<ul style="list-style-type: none"> Prepare quarterly regional scorecards narrative 	<ul style="list-style-type: none"> Review monthly field financial reports Review global & local internal audit reports Follow up with field staff Field visits (programmes & finance) 	<ul style="list-style-type: none"> Non-compliance with finance manual Large variances
Global field finance	<ul style="list-style-type: none"> Update finance manual Prepare global finance scorecard narrative 	<ul style="list-style-type: none"> Review quarterly regional scorecards Follow up with regional offices Review global & local internal audit reports Bank recon, desk reviews Field visits (programmes & finance) 	<ul style="list-style-type: none"> Non-compliance with finance manual Large variances Global challenges
Internal audit		<ul style="list-style-type: none"> Prepare project audit reports Prepare global and local audit reports Communicate deficiencies 	<ul style="list-style-type: none"> Non-compliance with finance manual Missing documents

All of these controls are in place to minimise the risk of funds being misused. This also includes the following:

1. Management staff submit **monthly or quarterly management and financial reports**. The financial reports of each country are reviewed every month per the Field Financial Manual requirements. Quarterly, a dashboard report is prepared for each office and circulated to senior management in the regional office and Global Centre. This enables trends to be monitored and highlights any unusual or unexpected trends. Regular financial reports are submitted to local boards and on a consolidated basis to the WVI Board.
2. The WV Partnership has various **management policies and business processes** to support the anti-corruption policy. These include:
 - implementation of Integrated Incident Management System (to facilitate reporting, investigation and resolution of incidents, including those involving fraud, bribery, etc.)
 - strengthening of our Enterprise Risk Management Framework (under Global Internal Audit).
 - a. **Anti-corruption policy:** This sets standards for all WV Partnership entities on:
 - corrupt behaviour that is prohibited, including bribery
 - corruption risk assessment
 - building employee awareness

- implementation of 'whistle-blower' policies and processes
- corruption response plans
- reporting of incidents within the entity and to the WVI chief audit officer.

The policy on anti-corruption explains that diversion of resources compromises our values and our accountability to children and communities around the world. Extending the notion to abuse of power, the policy supports all existing WV Partnership policies and standards, reinforcing World Vision's commitment to foster a 'do no harm' organisational culture. The policies listed above provide standards for the prevention of negative societal impacts and a common foundation for the development of procedures to manage World Vision's risks across the Partnership in these areas.

It is also relevant that the Finance Department's capacity-building team is coordinating the main thrust of World Vision's anti-corruption work. The anti-corruption training course has been developed primarily with World Vision regional and national directors in mind. The primary purpose is to increase basic 'fraud awareness' and provide general guidance and tools about how to work with staff around detection, reporting and prevention.

Although these modules are written from the perspective of the finance group, they are relevant to all business units that identify fraud and corruption issues. There are online

and face-to-face training options available, with coverage across all seven of World Vision's operating regions. Due to the training-of-trainers approach used, we are not currently able to calculate the percentage of employees trained in the organisation's anti-corruption policies and procedures, only that provided centrally by World Vision International. In 2016 face-to-face training was provided in a regional office (Middle East and Eastern Europe), one field office (Bosnia and Herzegovina) and one support office (United States). It should be noted that, in addition to the above, training on anti-corruption and protection from sexual exploitation and abuse is a part of online security training, which has been offered for some time and is mandated for all employees, and by the end of 2017 completing the online module on anti-corruption will become a requirement of all WV staff.

Fraud awareness is also being highlighted in World Vision's Gateway to Grants training programme, developed to comply with US government grant requirements and supplemented with a *Fraud Desk Guide* for grants staff. A large number of our finance managers have undergone the Certified Fraud Examiner training course, although we don't currently track the exact numbers.

Where incidents of corruption are discovered or allegations made – either through formal processes such as audits and the Integrity and Protection Hotline (as described in Section 2.2) or through more informal means, such as staff or community feedback – detailed investigations are conducted and (as necessary) corrective actions taken.

We require the reporting of illegal or unethical activity through a range of feedback and complaint mechanisms, as one of the most important ways to reduce corruption is to empower staff and communities to report any abuses they experience. The Programme Accountability Framework mandates the sharing of key information, such as our Code of Conduct, which makes clear that it is unacceptable for staff, volunteers or other representatives of World Vision to ask for payment of any kind in exchange for assistance.

One indicator of the effectiveness of implementing this policy is the Internal Control Self-Assessment Template. Since 2015 all programming offices (both field offices and zonal or local area development programming offices) have rated themselves on their anti-corruption systems, and this rating improved from 84.7 per cent in 2015 to 90 per cent in 2016.

- b. **Blocked-Party Screening** – World Vision has established a blocked-party screening policy that requires offices to follow a risk-based screening procedure for transactions with individuals and entities in order to minimise the risk that any World Vision entity unintentionally would engage

in a transaction with a party that has been 'blocked' by one of several governments.

3. World Vision International uses **global and industry standards in accounting and reporting**, having a finance manual in place that seeks to increase uniformity and integrity in accounting and financial reporting within the WV Partnership. It is designed as overall guidelines for World Vision International's accounting policies and procedures, and it helps ensure standard reporting by the WV Partnership. It is also used as a tool for audit purposes.

Incidents of corruption and investigation

Through the Integrated Incident Management system, World Vision tracks and investigates incidents of corruption as part of our wider monitoring and responses to financial loss. VisionFund conduct their own investigations for such instances in their operations and are reported on separately below.

Financial loss is broken down into a number of categories including 1) fraud/embezzlement, 2) misappropriation of assets, 3) misuse use of assets and 4) theft. In 2016, 94 cases were opened in these categories, with total confirmed losses of US\$593,548 (which represented 0.02 per cent of expenditure).

Of these cases, 83 were in the first two categories, making up the majority of the losses (US\$583,635). Investigations are conducted by the dedicated Global Investigations team. In 2016 it closed 90 cases (including some outstanding from the previous financial year). For each case there can be more than one allegation, and in total 175 allegations were investigated, of which 105 were substantiated, 24 partially substantiated, 35 unsubstantiated and 11 not able to determine.

The remaining cases consisted of misuse of assets (nine cases with a total recorded value of US\$3,413) and theft (two cases with a total recorded value of US\$6,500) and all of these were investigated and closed by the finance team.

Gaza allegations and World Vision response

In 2016 there was an allegation of misappropriation of assets in our Gaza office. In June 2016, Israeli authorities detained the Director of World Vision programmes in Gaza, Mohammed El-Halabi. In August 2016, he was charged with misappropriating funds and goods and providing these to Hamas. Mr El-Halabi entered a plea of 'not guilty' in February 2017. His trial is continuing. We have yet to see any evidence to support the charges, but if we do, World Vision is committed to rectifying any flaws in internal systems and processes and to strengthening any weakness in oversight and monitoring of its programmes.

Internal control, credit losses and fraud within VisionFund

Because VisionFund is running a banking operation, donations typically go towards loan capital. These are therefore booked

onto our balance sheet as equity and remain there, supporting our lending and allowing us to leverage the value of the donation through borrowing from the capital markets. This is a different model from World Vision, where donations are income which is then expensed. VisionFund expenses are covered by the interest income generated from our loans.

Our systems of internal control ensure that we are rigorous in our approach to making credit decisions, and we track loan repayments daily, following up late payments and minimising credit losses (including frauds) so that any 'leakage' is promptly detected. We are increasingly moving towards payment approaches that avoid the need for our staff to handle cash, including the use of mobile money. Apart from strong controls in our core operations, we also have risk functions and an independent local internal audit team in each MFI, close oversight from experts in our regional operations management and finance teams, and regular risk-based audits from Global Internal Audit. Out of 30 MFIs, we would classify 24 as being formally regulated as financial institutions.

In 2016 the loans written off across our network were US\$10.1m, which included US\$3.9m from Azerbaijan, where the collapse of the currency and the economy resulted in huge levels of loan defaults across the banking sector, including our MFI. Including Azerbaijan, our credit losses represented 2 per cent of our average loan portfolio of US\$518m; excluding Azerbaijan they were 1.3 per cent. These are best-in-class results.

Fraud represents a small fraction of our credit losses, but we still treat it very seriously, continually striving to improve the reporting of it and the controls to prevent it. We are stringent in our definition of fraud and include fraud carried out by clients, even if, for example, a client takes a loan on behalf of another person but the loan is still repaid. In 2016 our net fraud losses were US\$507,000, which represented 0.08 per cent of our total assets of US\$645m. As our network makes an overall profit, fraud losses are amply covered by our net income, and donor money has not been lost.

Transparency of financial flows

World Vision International is continuing to transition to publicly reporting our financial flows using the International Aid Transparency Initiative (IATI) standard. In 2016 we took steps to update our publication to cover all public sector grants, and we also set up internal simulations to explore how we could effectively publish our private income. We have found that aligning our internal financial systems with the IATI requirements has been challenging, and our current process of transitioning to our Horizon information-management system has created some delays. We will provide further information on progress in our 2017 report.

Focus on procurement

World Vision's Global Supply Chain Management seeks to strengthen our accountability in business processes and maximise the value of the resources we have. One key step has been to significantly increase the number of purchases with associated contracts, with the per cent of World Vision field office and Global Centre spend executed under contract having increased to 32 per cent in 2016, from 9 per cent in 2015. The negotiations associated with these contracts have saved US\$23.5 million.

This was enabled by the rollout of ProVision, World Vision's common set of systems, processes and policies used to fulfil purchasing and payment needs. As of the end of the financial year, nine offices were fully using it and a fast track strategy was developed to implement it across the WV Partnership by the end of calendar year 2018.

Table 7: Top 5 Suppliers

Supplier	Amount (US\$)	Address	Description of Services
Meta4 Spain Sa	1,210,099.97	Rozabella 8 CEE Las Rozas Madrid, Spain	Integrated Human Resources Information system that includes Core HR, Recruitment and other modules
Infor Us Inc	893,581.40	PO Box 847798 Los Angeles, CA 90084	Enterprise software solutions
Media Contact Chile	882,882.00	Almirante Pastene 333 Piso 3, Providencia Santiago, Chile	Creative and marketing management
Shelby Group (The)	777,731.34	1933 N Meacham Rd Ste 220 Schaumburg, IL 60173	ProVision implementation
Build Change	592,860.00	535 16TH ST STE 605 Denver, CO 80202	Technical assistance in Nepal to provide safe, permanent houses for 300 families/year

Voluntary disclosure of information (IRS Form 990)

World Vision International is not required to file the United States Internal Revenue Service Form 990 'information return', filed by most US-registered tax-exempt organisations, but elects to voluntarily disclose similar information in this report – as detailed in Appendix C. Note that our microfinance subsidiary, VisionFund International, does file a Form 990, and our US fundraising affiliate, World Vision Inc., voluntarily files a Form 990 for the benefit of its US donors.

Managing the risk of unintended, negative impacts on society

Child safeguarding

As a child-focused organisation, World Vision is committed to applying industry-leading standards to keep children safe within its programmes and activities. World Vision works intensively to ensure that all our offices meet or exceed global standards of child-safe organisations. This includes ensuring strong accountability for World Vision's own personnel and actions; equipping partners and volunteers to keep children safe; and strengthening child-protection systems in the communities where we work.

In 2016 each of World Vision's 65 field offices reported activities focused on strengthening child protection in communities. Beyond our local child-protection programming and advocacy approach, World Vision also uses our global Integrated Incident Management (IIM) system to report child-protection incidents occurring within communities where we work. World Vision follows up on these cases to ensure that duty bearers seek justice for child victims and to strengthen child-protection mechanisms to prevent similar cases in the future.

In 2016, 1,196 such child-protection incidents in communities were tracked by World Vision staff, improving accountability for the child-protection systems we are strengthening. Also in 2016, the organisation reported 19 incidents involving either harm to a child participating in a World Vision activity or harm to a child caused by a World Vision-affiliated individual (staff, volunteer, donor or other). Each incident was investigated and disciplinary action taken as required, applying a zero-tolerance approach towards harm or abuse of children.

All investigation processes upheld the safety and well-being of the child as the primary objective. In addition, World Vision fully cooperates with law enforcement when incidents violate legal statutes.

Given World Vision's global fleet size, the risk of children being injured or killed in road accidents involving World Vision vehicles is also a concern which we track closely and work to prevent.

There were 15 such incidents around the world in 2016. Four of these resulted in fatalities. Each was investigated and, where appropriate, corrective action was taken in full cooperation with local law enforcement. While World Vision's driver training and safety standards help to mitigate these accidents, the organisation strives to continuously improve its processes to keep children and community members safe in the operation of its vehicles. In 2016, 2,200 WV drivers completed driver safety training, and over 3,000 WV staff members completed motorcycle safety training (with the Fleet Management team receiving recognition from the National Safety Council in the United States for being a safety leader in our industry through the implementation of motorcycle training programmes).

Environmental management

World Vision's core value of being stewards extends to environmental management, recognising the interconnectedness among sustainable environmental management, enhanced rural livelihoods and the ability of families to provide better for their children's well-being. As a Global Partnership, we have decided not to invest our efforts in tracking carbon emissions from our various operations. This decision is based on experience from selected offices that collected this data over time; common findings have shown that most of our carbon emission is from airplane trips for conferences/meetings and from field operations requiring use of vehicles and fuel consumption. The cost to collect this data on a global federated organisation such as World Vision would divert significant resources that are intended to improve the well-being of children. Instead of tracking carbon emissions, we invest in local-level integrated programming that promotes environmental sustainability as part of our wider livelihoods and resilience sector approaches.

For example, World Vision has been using a Farmer Managed Natural Regeneration (FMNR) approach in contexts where environmental degradation is a major risk to the well-being of children. FMNR is a low-cost land restoration technique used to combat poverty and hunger amongst poor subsistence farmers by increasing food and timber production and resilience to climate extremes. The impact of this approach ranges across environmental, economic and social benefits.³⁶

World Vision has also been heavily involved in creating and leading the Alliance for Climate-Smart Agriculture (CSA) in Africa. The Alliance aims to significantly and sustainably affect food and nutrition security and rural poverty through collaborative efforts to scale up the adoption of Climate-Smart Agriculture across Africa – an approach which is strategically important to the African Union's priorities.³⁷

³⁶ See the report 'The social, environmental and economic benefits of Farmer Managed Natural Regeneration' at <http://fmnrhub.com.au/fmnr-study/#.WRM9IGnyuUk>.

³⁷ See <http://www.fao.org/3/a-bl862e.pdf>.

4.0 How We Value People:

We value our supporters and staff

World Vision endeavours to work in ways that respect the dignity, uniqueness and intrinsic worth of every person, first and foremost those we exist to serve. In this section we look into World Vision's practice of valuing both our supporters and staff, without whose support we would not be able to serve children and their communities.

4.1. Valuing our supporters and the communities we serve through ethical fundraising and communications

As an organisation, World Vision has policies and processes in place that ensure that our fundraising activities describe the needs adequately and respect the dignity of affected people. We are also committed to using funds in the designated way. Though most of these policies and processes were in place before the reporting period, their validity remains to enhance our fundraising practices. These include the following:

1. **The Child Sponsorship Messaging Guide** was published and distributed to all support offices to help them further align their local messaging to 2014 Child Sponsorship Partnership Policy and to ensure that the World Vision field approach and impact are truthfully described in communications. The guide was followed by learning sessions and online training modules to build capacity of marketers and communicators to implement in their markets. On average, internal online resources were visited by 122 marketing users per month.
2. **Annual Progress Reports** for child sponsors were revised to more specifically describe how the sponsored child, their family and other vulnerable children in the community benefitted through the sponsors' support in the previous year. Children's engagement in annual reviews was also upgraded, through activities and 'child expression' toolkits better targeted to different age groups of children.
3. **A global review** of programme data substantiated that, for each child sponsored, an additional four vulnerable children directly benefit through World Vision's programmes supported through child sponsorship. While many more vulnerable children are reached through advocacy, World Vision is determined to focus this claim on the measure of direct-beneficiary children.
4. **Child-Safe Digital Engagement Guidelines** were published as a resource to help marketers and communicators apply child-protection standards. Initially designed for child sponsorship, the guidelines were adapted for use with any digital engagement; they were made available for external

use by other organisations as well. These guidelines include directions on digital mapping, protocols on direct digital engagement between supporters and beneficiaries, advice on appropriateness of content, external partnering guidance, and actions to prevent and respond to breaches. Consent forms were updated for the latest best practice in child-safe digital engagement.

5. **Child Sponsorship Research Project:** World Vision is partnering with a consortium of academic researchers with specialisations in community development, sponsorship, and faith and development to implement a mixed-methods study of World Vision's development approach with child sponsorship. For evidence and learning, the research is designed to investigate the impact of World Vision programme activities, taking account of substantial diversity and context differences across the programming portfolio. Research was undertaken in five field sites: Senegal, Sri Lanka, Ethiopia, Georgia and Peru. Members of the consortium are from RMIT, University of London, Deakin University and Stellenbosch University. Findings will be presented in 2017.
6. **Child sponsorship was discontinued in Laos.** After the Government of Laos restricted child sponsorship activities for all NGOs, nearly 40,000 sponsors in eight countries were promptly notified of the change by World Vision. Some continue to support Laos through general donations, while others are now sponsoring children in other countries.

Report on complaints or breaches in regard to fundraising and communications activities and how they were resolved

The most common complaints³⁸ relate to data entry errors in reports and letters, which require follow-up clarification on specifics such as the age, gender or education status of the child. While fairly rare, the most serious data entry errors resulted in duplication of records and multiple sponsorships. Corrective actions were taken, and sponsors were contacted with an explanation, an apology for the error and an offer to sponsor a different child. Systematic changes have been made to reduce the incidence of such data errors. Thirteen cases were identified and resolved through global review in 2016. Additional cases were identified and resolved by support offices; however, we don't keep consolidated records (across all support offices) at this point. Based on an informal review, it appears that the duplication of errors has run at the rate of 2 or 3 per 10,000 sponsorships per year.

In eight cases, the field staff did not notify the support office promptly after a child had died. Each sponsor was personally contacted, with explanations and apologies for late notification.

³⁸ These are records of complaints and breaches with global documentation and oversight. Additional complaints were resolved at the national level.

Field investigations and retraining were conducted to assure that operating standards are upheld locally.

There were three incidents in which a sponsor visited the child without the required advance background check and chaperoned visit, and four breaches related to correspondence and social media. Corrective actions were taken, including cancellation of the sponsorship in certain cases.

Two complaints were investigated based on claims that the child did not receive benefits. In one case, full documentation of the child's participation and benefit was provided. The other complaint was made several years after the sponsorship ended and full documentation was no longer available; however, the child's family and community validated that the community's children had benefitted through the programme.

World Vision worked with partners to access legal registrations for thousands of children in West Africa. This excellent progress on behalf of children's rights, however, also resulted in a number of complaints when sponsors were incorrectly notified of a change in the age of the child. The confusing situation was resolved with a letter explaining the good news of legal registrations for the children.

4.2. Valuing our staff

World Vision values people, and thus the recruitment, development and reward of our staff are of great importance.

Recruitment

World Vision International has recruiting and hiring policies, practices and standards in place at the global and local levels, recognising that the market for talent has become increasingly competitive.

In 2015, World Vision launched a new online recruitment tool (Our Recruitment) through its core human resource information system, Our People. The recruitment tool was rolled out across all field offices (except WV India, WV China) and support offices to provide a consistent, systematic and transparent 'end-to-end' recruitment process for all positions, regardless of level.

World Vision International strategies for sourcing and recruiting now require stronger employment branding with a more refined and clear employee value proposition (EVP) to attract prospective employees, have a greater presence in employment social media and have a more seamless application and tracking process using Our Recruitment.

Size and composition of total workforce

In 2016, the various entities in the WV Partnership employed 42,227 staff globally. This includes full-time, part-time and temporary staff as well as the 7,194 employees of VisionFund International (World Vision's microfinance subsidiary) and affiliated microfinance institutions. Across the WV Partnership, 99 per cent of staff are 'local', meaning they are nationals of the office in which they are employed. This has increased from a level of 95 per cent reported in our 2012 report.

As a result of strategic workforce restructures in readiness for adoption of World Vision's new strategy, there has been some strategic reduction in some areas of our workforce in 2015 and 2016 as depicted in Table 8 below. The five field offices with the largest number of staff in descending order are India, Ethiopia, South Sudan, Bangladesh and Cambodia. The five support offices with the largest number of staff in descending order are the United States, Taiwan, South Korea, Canada and Australia.

Table 8: World Vision workforce summary 2014–2016

Total Workforce Highlight	2014	2015	2016
Total staff (including microfinance institutions)	45,634	44,436	42,227
% Full-time staff	91%	95%	96%
% Part-time staff	2%	2%	2%
% Temporary paid staff	7%	3%	2%
Total volunteers	23,313	27,315	39,253
Gender split (% Male/% Female)	58%/42%	57%/43%	57%/43%
% of staff less than 40 years old	72%	72%	71%
% growth from previous reporting year	+1%	–3%	–5%
Turnover rate (voluntary and involuntary)	19%	21%	24%

Table 9: World Vision Staff distribution by region/office type (2016)

Office Group/Region (incl. Field Offices, Microfinance Institutions, and Responses)	Male Headcount	Female Headcount	Total Headcount
East Africa	4,714	1,842	6,556
East Asia	3,151	3,149	6,300
Global Centre (incl. regional offices and VisionFund International)	771	699	1,470
Latin America	2,988	2,845	5,833
Middle East/Eastern Europe	1,854	1,791	3,645
South Asia/Pacific	4,567	2,087	6,654
Southern Africa	2,928	1,595	4,523
Support offices	1,530	3,534	5,064
West Africa	1,721	461	2,182
Grand Total	24,224	18,003	42,227

Workforce training to support organisational development

WorldVision provides training to staff (and community volunteers) for basic skill building in operational and technical areas, use of processes and systems, etc. Examples would be training relating to project models, child protection, logframes or other design templates, IT systems, project management, etc. We also provide training in relation to supervision and people management (either generically or for specific activities such as humanitarian response) as well as training in leadership and organisational management (e.g. change management, strategy etc.). Because of the diverse nature of the operations, the geographic dispersion, and cultural and language differences across the organisation, some of this learning is provided locally, some nationally, some regionally and some globally. It is not possible with resources available to centrally coordinate all learning and development, so we rely on local and technical specialists in conjunction with line management to define needs; then training (or skill building) is designed and delivered according to programming and management priorities. Globally we focus on providing 'standards for capacity building' which aim to ensure that all learning and development is well targeted, well designed and delivered according to adult learning principles, and that learning outcomes are reviewed in relation to expected improvements in job performance.

As a result of this dispersion, it is not possible to provide one global data set in relation to training cost or training time per employee. We also recognise and 'deliver' a lot of learning without running training courses (i.e. work-based learning and access to online materials). We attempt to manage our costs by focusing on quality methods, access and line accountability.

Also, using OurPeople, an online WorldVision human resources database which contains about 31,000 active staff records and is implemented throughout Global Centre, regional offices, field offices (including all microfinance institutions) and one support office, we have implemented a world class recruitment module

and careers-site capability in order to attract top talent and provide development opportunities for internal staff. Other modules, such as cash compensation and succession planning, are under consideration.

Performance management and talent development

WorldVision has talent management at global, regional and local levels, using guidelines, tools and support from our global and local human resources teams. The focus is on specific planning for key senior positions and more general talent-pool planning elsewhere. These plans are intended to reflect future changes and global priorities. People development efforts are directed towards needs and gaps identified in these plans. We support and monitor these processes globally.

WorldVision has a global policy and guidelines for performance management which requires providing clarity around the work focus and work expectations and providing feedback on work performance and development strengths and needs. We encourage regular individual performance conversations and expect summary reviews at least once per year in line with our 'partnering for performance' approach.

Although there is not yet one global system to track staff development, we are working towards that. We are beginning to track promotions, successful career pathways, attrition and employee engagement and development indicators (the latter through an all-staff yearly survey). Each office, however, is responsible for tracking this locally.

Each office is also responsible for factoring in concerns about the impact of WorldVision hiring on overall local capacity, other NGOs and the local public sector. WVI hiring policies, practices and standards act as a guide; however, these need to be adapted to the local context as governed by national laws and industry practices.

Remuneration

As we set staff compensation levels, we seek to balance our need to attract and retain high-quality staff with our commitment to careful stewardship of donated funds coupled with expectations for the use of those funds.

Our Total Rewards Philosophy is a comprehensive policy approved by the World Vision International Board. It is used to guide appropriate and fair compensation levels for all World Vision entities. The policy covers aspects of both financial and non-financial rewards to attract, motivate and retain staff in the organisation. These include compensation, benefits, recognition, development and career opportunities, organisational value and affiliation, and working culture. It specifically requires that all World Vision compensation programmes take the following into account:

- consistency with our targeted yields to community and project
- stewardship responsibilities to the donors, to the children and the communities we serve and to our staff
- the ability to attract, develop and retain competent staff with a heart for World Vision's mission and vision
- recognition of rewards and high performance
- a culture of accountability, fairness, equity and transparency
- flexibility during emergencies and the ability to accommodate our changing needs
- operational efficiencies to minimise time and cost in management
- consistency with our Christian mission and NGO status
- consistency with local legal, political, socioeconomic and cultural policies and practices.

Both our financial and non-financial rewards are benchmarked at the industry average to ensure that an appropriate minimum level of benefits is provided to all World Vision employees; a set of Health and Welfare Minimum Benefit Standards has been developed for comparison with the local labour market and regulatory environment.

World Vision International executive salaries are based on a salary market, which is weighted 80 per cent for NGOs and 20 per cent for the total labour market. Annual reviews of executive salary ranges are undertaken. They may be reviewed in accordance with labour market movements, ability for the organisation to pay and individual performance of the executive. Salary increases for executive-level staff must be in alignment with the Total Rewards Philosophy that applies to executive and non-executive staff. All executive salaries listed in this report are signed off by the International President and also form part of the 'Intermediate Sanctions' compensation review, which is conducted annually by the World Vision International Board's People Committee. It is then reported to the full board.³⁹

The International President's compensation is approved directly by the Executive Committee of the World Vision International Board. The International President's compensation is documented in a written employment contract. Its determination takes into account recommendations of an independent compensation consultant, compensation surveys or studies and performance.

Details of the compensation of the WVI senior executives with the five highest base salaries are listed in Table 10. The compensation is for the calendar year 2015 (calendar-year tracking and reporting of compensation is preferable to fiscal-year tracking) and is broken down into the following categories:

- base salary
- one-time adjustments and allowances such as relocation allowances
- ongoing 'expatriate allowances' for employees required to relocate from their home country to perform their role, for example, housing, vehicle/transportation, tax equalisation and tax preparation, and other taxable benefits
- non-taxable benefits, primarily pension contributions and employer-provided health benefits.

All salary and benefits are determined in accordance with the Total Rewards Philosophy. World Vision International uses external consultants to benchmark and determine salary and benefits. The expatriate allowances vary according to geography and market conditions. These allowances are not designed as incentives but rather are in place to keep employees from suffering loss as a result of the organisation's need to relocate them.

³⁹ As a non-profit tax-exempt entity registered in the United States, World Vision International is subject to oversight from the US Internal Revenue Service (IRS) in a number of areas, including compensation of staff. The IRS has established a 'safe harbour' process (also known as 'intermediate sanctions') for setting senior executive compensation, which creates a presumption that the compensation is reasonable. The process includes benchmarking against other organisations and review and approval by the entity's board. World Vision International follows this process, which is a safeguard to make sure the public can have confidence that charities have the skills and leadership they need to do their work, while remunerating them in a way that respects donors' aspirations.

Table 10: Compensation (at end of Calendar Year 2015)

Compensation of five highest paid senior executives				
Name and title	Location and status	Base gross salary	Ongoing expatriate allowances (expressed as net tax)	Non-taxable benefits (primarily pension and health)
Kevin Jenkins, International President/CEO	UK Expatriate	GBP 278,000	GBP 82,000	GBP 40,549
Dirk Booy, Partnership Leader Global Field Operations	UK Expatriate	GBP 191,182	GBP 12,483	GBP 19,118
Bessie Vaneris, Chief People Officer	UK Expatriate	GBP 155,148	GBP 14,908	GBP 17,945
Eric Fullilove, Chief Financial Officer*	UK Expatriate	GBP 29,098	GBP 1,250	GBP 2,910
Eric Fullilove, Chief Financial Officer*	US Local I	USD 229,050	USD 0	USD 26,931
Bonnie Wurzbacher, Chief Resource Development Officer	UK Expatriate	GBP 167,475	GBP 11,250	GBP 16,748

* This repeat entry is due to this member of staff being relocated during the year. The two entries taken together represent the total compensation, but since they were paid in different tax dispensations, locations and currencies, they are reported separately.

WorldVision has policies that allow some of the individuals listed above to access benefits such as travel for companions and housing allowance or residence for personal use. This also includes consideration of the effect of tax (tax gross up) provisions for select expatriate benefits. The organisation always follows the written policies regarding payment, reimbursement and provision of all of the expenses described. It also requires substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the International President/CEO and senior WV Partnership executives regarding expenses provided.

When an executive has been asked to relocate, appropriate expatriate terms and conditions are applied. These are detailed in the executive's contract. For the International President/CEO, these are approved by the Executive Committee of the WVI Board; all other executives are approved by the CEO. There were 171 WVI employees who received more than US\$100,000 in reportable compensation during the calendar year 2015.

Diversity of staff

In 2016 the gender balance among staff remained the same as in the previous year: 57 per cent male and 43 per cent female. The gender balance within the 117 most senior leaders within World Vision International remained at the same level as in the previous two years: 69 per cent male and 31 per cent female.

'We are Christian' is the first of our core values, and we are intentional about living out our faith with integrity as we serve others. World Vision is committed to serving all people regardless of religion, race, ethnicity or gender. We are also intentional about seeking to hire staff who are Christian and can identify with our mission statement: 'We follow our Lord and Saviour Jesus Christ in working with the poor and oppressed to promote human

transformation, seek justice and bear witness to the good news of the kingdom of God.'

Where this is not possible, whether for legal reasons, social/cultural contexts or other reasons, we seek to hire staff who support our goals in humanitarian assistance, development and advocacy. There is a percentage of staff globally who are not Christian but identify with World Vision's core values. Due to privacy concerns, we no longer collect or report on this information.

Responding to staff feedback and complaints

World Vision has policies domestically and internationally as follows:

- Harassment Policy, Corporate Code of Conduct
- Grievance and Reconciliation, Violence in the Workplace
- Conflict of Interest.

All employees sign the Harassment, Code of Conduct and Conflict of Interest policies during their new hire orientation. Internationally we train our People & Culture directors on harassment annually, and we have all new hires sign the same policies.

World Vision International continues to be a global industry leader in real-time incident reporting and case management. All functional departments – Security, Employee Relations, Staff Care, Finance, People & Culture, Communications, Legal, Global Insurance and Info Security – are integrated into the one Integrated Incident Management (IIM) system described in earlier sections, instead

of separate and isolated systems that slow down alert and response time by several weeks. In World Vision International, Code Red (high risk) incidents are reported immediately, Code Yellow within 24 hours and Code Green within 48 hours, per our Incident Notification Protocol. The Incident Notification Protocol designates incident level and response time by colour code. All users receive alerts on their phones or laptops. The IIM system is a confidential database that requires users to have a username/passcode and is the system used to track all the cases. It also provides confidential, password-protected emails when communicating about a highly confidential incident. Employees around the world can report their grievance to People & Culture in the field offices or escalate it to their region or Global Centre through the IIM system. Employees can also report through our whistle-blower hotline (the Incident Protection Hotline described earlier in the report), which uses the same IIM Ethics Point case-management system; however, we use a third-party vendor (call centre) to triage the complaint by phone (toll free) or by manual entry into the whistle-blower hotline website.

Under the primary issue category of grievance or harassment, employees can report:

- grievance by group (grievance against ND, SMT, other)
- sexual harassment or general harassment

- discrimination
- individual grievance
- senior management corrective action (sent to Regional P&C for review)
- wrongful termination
- other policy violations.

The IIM system that is used to manage these cases is the source of all data and evidence for the above-mentioned issues. In order to close a case, every incident is reviewed by cross-functional case managers to ensure that all documents – investigation reports, pictures, police reports – are uploaded into the system, that case notes are updated and that all case managers are in agreement that the case has been resolved.

In 2016, a total of 53 staff cases were investigated. Of those, 29 were substantiated, 4 were partially substantiated and 20 were not substantiated. Remedial actions were taken at various levels of the WV Partnership to ensure mitigation for substantiated and partially substantiated cases.



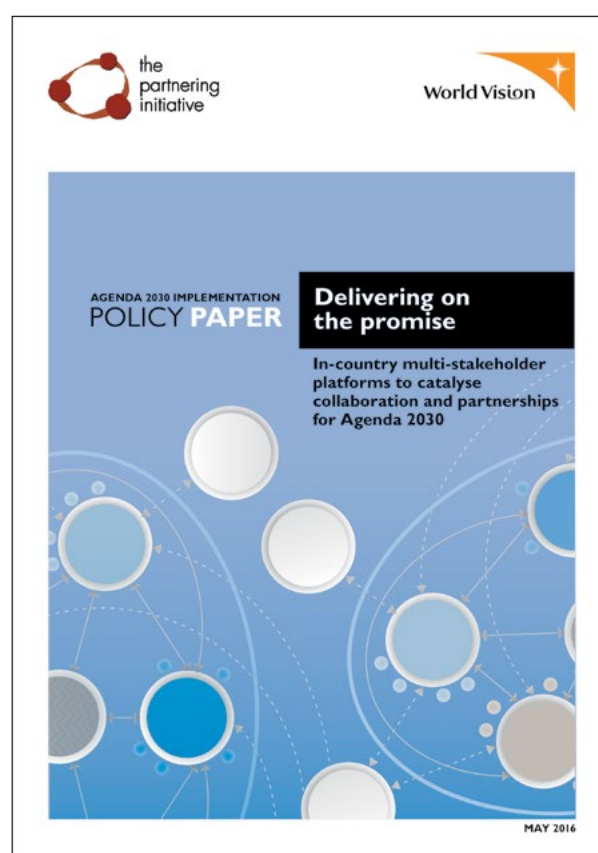
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Appendix A: Communication on Engagement with the United Nations Global Compact

WorldVision holds that business is an essential contributor to the effort to achieve a sustainable end to poverty. As such, our organisation calls for a broader and deeper engagement of companies in implementing the Sustainable Development Goals. WorldVision is therefore pleased to confirm our support for the ten principles of the UN Global Compact as our organisation continues to strive towards the attainment of the sustained well-being of children, especially the most vulnerable. The highlights of our engagement at the global level⁴⁰ are listed below:

- Over the past four years, and complementing the work of the UN Global Compact, WorldVision has been actively advocating on the role of business and cross-sector partnerships – among government, business, civil society and/or UN agencies – in the context of the 2030 Agenda.⁴¹ In May 2016 WorldVision International and The Partnering Initiative published the latest in this series of policy papers, *Delivering on the Promise*⁴² (to which the UN Global Compact provided input), which focuses on the role of in-country multi-stakeholder platforms to catalyse collaboration and partnerships towards the Sustainable Development Goals. A global webinar discussing the recommendations from this policy paper was held in June 2016; it included a panel discussion featuring, amongst others, David Nabarro, Special Advisor to the UN Secretary General on Agenda 2030.⁴³
- As a further follow-up to this paper, Mike Wisheart (Senior Advisor Corporate Engagement, Advocacy & External Engagement) represented WorldVision International in a formal session of the Partnership Exchange at the High Level Political Forum (HLPF) on 'Multi-stakeholder Partnerships and the 2030 Agenda – How to Improve and Review their Contributions to the Implementation of the SDGs', held on 18 July 2016, at UN headquarters in New York.
- WorldVision, represented by Dr Cheryl Freeman (Senior Director, Advocacy & External Engagement), actively participated in the UN Global Compact 'Leaders Summit', held 22–23 June 2016, in New York.

- WorldVision provided CEO-level input to the UN Global Compact's 2016 study that focused on vision and strategy for the UN Global Compact in the context of the United Nations 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs).
- WorldVision provided input to the UN Global Compact and UNICEF 2016 guidance on *Children in Humanitarian Crises: What Business Can Do*, which outlines ways in which business can help uphold children's rights and can support and promote their well-being during humanitarian crises.



⁴⁰ WorldVision offices in Australia, Indonesia, Spain and Brazil are also participants of the UN Global Compact, via membership of their national Global Compact networks, and are submitting their own reports.

⁴¹ <http://wvi.org/agenda2030partnering>.

⁴² <http://wvi.org/publication/agenda-2030-implementation-delivering-promise>.

⁴³ <http://thepartneringinitiative.org/news-and-views/events/delivering-on-the-promise-webinar/>.

Appendix B: Reporting Process and Alignment to Accountable Now Guidelines

This appendix provides greater detail on the definition of accountability that World Vision uses, the process by which the report is prepared and a table demonstrating how the report meets the Accountable Now reporting guidelines.

World Vision's working definition of accountability is *the commitment of an individual or organisation to:*

1. account for its activities and promises made
2. provide information, listen and empower its diverse stakeholders to actively participate and hold to account
3. accept responsibility for its decisions
4. disclose the results in a transparent manner
5. uphold the highest ethical behaviour in our operations.

It also includes the responsibility for money or other entrusted properties for the highest performance.

World Vision's Global Accountability unit works to support the outworking of this across all our functions, providing linkages and finding commonality on understanding accountability for both internal (staff) and external audiences. In addition to producing this report, the Global Accountability unit also supports individual offices to strengthen the accountability component of their annual reports. We work with regional office communication leads using the template based on the Swaziland workshop (discussed in our 2014 report), though we don't yet systematically track improvements in the quality of annual reports in line with this criteria.

The Global Accountability unit manages production of the report. World Vision has adopted a biennial cycle for reporting; between reporting years a shorter, update report is published. This year (2016) we are publishing a full report.

The contributions to this report are from relevant departments and entities as well as review committees referenced in the 2014 report within the WV Partnership. The Global Accountability team oversees this process – including coordinating reviews from committees, receiving feedback from staff/departments involved, supervising design and layout of the report, and disseminating the report to relevant stakeholders. The stakeholders include staff, international NGOs, Accountable Now members, partners, governments and donors.

The report is published on Accountable Now's website alongside comments from the Independent Review Panel and World Vision's response to the panel's feedback. These are also published on WVI's website⁴⁴ along with other relevant reports.⁴⁵ Highlights, including feedback from the panel and responses from World Vision and the report, are also shared on wvcentral.org, which is the organisation's intranet site, and all staff are encouraged to read it and provide feedback to the Global Accountability team. This feedback (if any) is collated and addressed to the Partnership Leader, Global Accountability and reports back to staff where applicable.

World Vision International produces the report on behalf of all entities, including VisionFund International; however, this report does not cover community-based civil society organisations working in partnership with World Vision in some countries to implement particular projects.

Full financial statements of World Vision International and consolidated affiliates are audited by KPMG. Note that the figures included in those financial statements differ from the aggregate figures for the whole WV Partnership included in this report because certain World Vision national offices are not consolidated in the WVI financial statements for accounting purposes. Audited financial statements for the non-consolidated national offices are available on their individual websites.

This table details how this report aligns to Accountable Now's reporting guidelines:⁴⁶

⁴⁴ Access 2014 report, panel feedback and World Vision response 2014: <http://www.wvi.org/publications/4746>.

⁴⁵ For example, the 'Survey on the excellence of CSO accountability' at <http://wvi.org/accountability/publication/survey-excellence-cso-accountability>

⁴⁶ See the Accountable Now Reporting Guidelines: <http://accountablenow.org/wp-content/uploads/2016/12/Accountable-Now-Reporting-Guidelines.pdf>.

	PROFILE DISCLOSURES	Page Number
1.	Strategic Commitment to Accountability	
1.1	Statement from the most senior decision-maker of the organisation (e.g. Executive Director, Secretary General, CEO, Chair, or equivalent senior position) about the relevance of accountability to the organisations' strategy in the short, medium and long term. <ul style="list-style-type: none"> • In which way is accountability central to your short, medium and long term strategy? • How does it drive management decision making? 	Page i
2.	Organisational Profile	
2.1	Name of the organisation	Section 1.1, Pg. 2, Para 1
2.2	Primary activities (e.g. advocacy, research, service provision, capacity building, humanitarian assistance, etc.). <ul style="list-style-type: none"> • How do primary activities support attainment of your mission and strategic goals? 	Section 1.1, Pg. 2, Para 1
2.3	Operational structure of the organisation, including national offices, sections, branches, regional and field offices, main divisions, subsidiaries, and joint ventures. <ul style="list-style-type: none"> • If possible, please provide these in a graphical overview. • Please clarify ownership of all subsidiaries and indicate if they are for profit or not. 	Section 1.1, Pg. 2, Para 2
2.4	Location of organisation's headquarters.	Section 1.1, Pg. 2, Para 2
2.5	Number of countries where the organisation operates, and names of countries with either major operations or such that are specifically relevant to the accountability issues covered in the report.	Section 1.1, Pg. 2, Para 2
2.6	Nature of ownership and legal form. Details and current status of not-for-profit registration.	Section 1.1, Pg. 2, Para 2
2.7	Target audience: Groups of people you serve including geographic breakdown.	Section 1.1, Pg. 2, Para 3
2.8	Scale of the reporting organisation including global annual budget; annual income and expenditure, number of e.g. members, supporters, volunteers, employees; total capitalization in terms of assets and liabilities; scope and scale of activities or services provided.	Section 1.2, Pg. 3, Table 1
2.9	Significant changes during the reporting period regarding size, structure, governance or ownership.	Section 1.1, Pg. 2, Para 4, Para 5
2.10	Awards received in the reporting period.	Section 1.1, Pg. 2, Box
3.	Report Parameters	
3.1	Reporting period (e.g. fiscal/calendar year) for information provided.	Pg. 1, Para 1
3.2	Date of most recent previous report (if any).	Appendix B, Pg. 33, Para 3
3.3	Reporting cycle (annual, biennial, etc.).	Appendix B, Pg. 33, Para 3
3.4	Contact person for questions regarding the report or its contents. <ul style="list-style-type: none"> • It is suggested to nominate a sufficiently senior person to be able to deal authoritatively with material questions when putting the report together and acting upon feedback by the Independent Review Panel. 	Appendix B, Pg. 33, Para 5
3.5	Process for defining reporting content and using reporting process. <ul style="list-style-type: none"> • Please describe how the process of setting up this report is used to create awareness and commitment across all functions and regions of your organisation. • How do you disseminate the report and ask for feedback from staff and other key stakeholders? • How do you act upon feedback, including from the Independent Review Panel? 	Appendix B, Pg. 33, Para 4, Para 5

	PROFILE DISCLOSURES	Page Number
3.6	Boundary of the report with regard to regions and operations (e.g. divisions, subsidiaries, leased facilities, joint ventures, suppliers). <ul style="list-style-type: none"> Please give clear indication on which entities of your organisation are covered in this report and which are not, including, for instance, for-profit subsidiaries or partnerships. 	Appendix B, Pg. 33, Para 6
3.7	Material content limitations of the report. <ul style="list-style-type: none"> Are there any material economic, environmental or social impacts of your organisation which are not covered in this report and if so: why? 	Appendix B, Pg. 33, Para 7
3.8	Basis for reporting on national entities, joint ventures, subsidiaries, outsourced operations or other entities. <ul style="list-style-type: none"> To what extent have all entities of your federation/organisation provided information for this report (e.g. in full, partial, anecdotal, with regard to financial data only, etc.)? If formally associated entities have not reported in full: what systematic assurance do you have that national and regional entities comply with your Charter accountability commitments? 	Introduction, Pg. 1, Para 1, Appendix B, Pg. 33, Para 6
3.10/ 3.11	Significant changes from previous reporting periods in the boundary, scope, timeframe, or measurement methods applied in the report.	Section 1.1, Pg. 2, Para 4, Para 5
3.12	Reference Table <ul style="list-style-type: none"> If your report against GRI components is included in a different document e.g. the annual report, please provide a table referencing the location of all Standard GRI Disclosures in that report. 	Appendix B, Pg. 34–39
4.	Governance Structure and Key Stakeholders	
4.1	Governance structure and decision making process at governance level. <ul style="list-style-type: none"> What are the responsibilities and relevant committees of the highest governance body that ensure: it defines strategy consistent with the organisation's mission, ensures resources are used appropriately and efficiently, performance is measured and financial integrity is assured? Does this specific governance structure optimally support the achievement of your mission in practice? What level of authority rests with the local, national and global level? Do you have an effective risk management that ensures compliance with relevant laws and regulations in the jurisdictions within which you operate? 	Section 1.3, Pg. 5, Para 3 Section 1.3, Pg. 5, Para 1 Section 1.3, Pg. 5, Para 2, Para 4 Section 1.3, Pg. 5, Para 5
4.2	Division of powers between the highest governance body and the management and/or executives. <ul style="list-style-type: none"> If the Chair of the highest governance body is also an executive officer, please explain why and what role he/she has in management. Does the highest governance body supervise and evaluate the chief executive? How do you ensure they optimally support each other? 	Section 1.3, Pg. 5, Division of powers, Para 1, Para 2
4.3	Please state the number of members of the highest governance body. How many are independent and/or non-executive members?	Section 1.3, Pg. 5, Board membership
4.4	Mechanisms for internal stakeholders (e.g. members or employees) to provide recommendations to the highest governance body. <ul style="list-style-type: none"> Is there systematic evidence of meaningful engagement between internal stakeholders and the highest governance body? 	Section 1.3, Pg. 5, Mechanisms for internal stakeholders
4.5	Compensation for members of the highest governance body, senior managers, and executives (including departure arrangements). <ul style="list-style-type: none"> How are Members of your highest governance body compensated, if at all? What is the process for deciding on the organisation's salaries, when aiming to strike a balance between public expectations of not-for-profit organisations' and the necessity to attract good personnel and senior staff? 	Section 1.3, Pg. 6, Compensation for members of the board
4.6	Processes in place for the highest governance body to ensure conflicts of interest are identified and managed responsibly. <ul style="list-style-type: none"> How do you ensure independence of the highest governing body and the organisation itself from governments, political parties and the business sector? 	Section 1.3, Pg. 6, Managing conflicts of interest

	PROFILE DISCLOSURES	Page Number
4.10	<p>Process to support the highest governance body's own performance.</p> <ul style="list-style-type: none"> • Please describe how procedures for the appointment, term limits, responsibilities and internal accountability support the effectiveness of the highest governing body. • Do you evaluate its performance and how are results used to further improve the effectiveness of this body? 	Section 1.3, Pg. 5, Support for board performance
4.12	Externally developed environmental or social charters, principles or other initiatives to which the organisation subscribes.	Section 2.6, Pg. 19, Appendix A, Pg. 32
4.14	<p>Stakeholder groups of the organisation?</p> <ul style="list-style-type: none"> • Who are the stakeholder groups for your organisation? • Key stakeholders could be: the people you serve, governments, funders, members, volunteers, private sector, academic institutions, peer organisations, networks, coalitions, alliances etc. 	Section 1.1, Pg. 2, Para 3
4.15	Process for identification, selection and prioritisation of key stakeholder groups.	Section 1.1, Pg. 2, Para 3
4.16/ 4.17	The questions on formats and frequency of stakeholder engagement (4.16) and issues that have been raised through this channel (4.17) were moved to the section on stakeholder engagement under NGO1. Please see below.	
	PERFORMANCE INDICATORS	
I.	Programme Effectiveness	
NGO1	<p>Involvement of affected stakeholder groups to inform the design, implementation, monitoring and evaluation of policies and programmes.</p> <p>Sustainable change will only be achieved if affected stakeholders develop ownership of the process and its results. Please describe the involvement of affected stakeholder groups.</p> <ul style="list-style-type: none"> • How does your strategy translate into specific roles / decision making power of e.g. people affected by your programmes or campaigns? • In which formats and frequency do you engage stakeholders: e.g. surveys, focus groups, community panels etc.? (Formally this indicator was under profile disclosure 4.16) • Is there evidence that stakeholder engagement processes have positively affected the decision making or reshaped policies and procedures? (formally under 4.17) 	Section 2.1, Pg. 7–9
NGO2	<p>Mechanisms for stakeholder feedback and complaints to programmes and policies and in response to policy breaches.</p> <ul style="list-style-type: none"> • Do you have a written feedback and complaints handling policy in place? • How many and what types of formal complaints did you receive? Who is responsible to act upon them, in what time frame? Have most formal complaints been resolved? • Can you provide evidence that your complaints policy is well known and has led to positive management response? 	Section 2.2, Pg. 9–13
NGO3	<p>System for programme monitoring, evaluation and learning, (including measuring programme effectiveness and impact).</p> <ul style="list-style-type: none"> • Please describe how you monitor and evaluate impact and progress against your strategic objectives. • How do you publicise results and put programme adjustments into effect? • Can you provide evidence that MEL led to positive management response? 	Section 2.3, Pg. 13–16
NGO4	<p>Measures to integrate gender and diversity into programme design and implementation, and the monitoring, evaluation, and learning cycle.</p> <p>Diversity is not just a question of fairness, but also a potential quality driver. It enriches implementation strategies by inviting different views; it allows tapping into more networks and broadens the basis of acceptance; it fosters resilience that monocultures do not tend to possess.</p> <ul style="list-style-type: none"> • What systems do you have in place to identify stakeholders that risk being excluded from your work due to e.g. disability, ethnicity, poverty, illiteracy, age, gender? • How does this inform the planning, implementation and evaluation of your work? • Have you set yourself specific targets? What has been achieved so far? 	Section 2.4, Pg. 16–17

	PERFORMANCE INDICATORS	
NGO5	<p>Processes to formulate, communicate, implement, and change advocacy positions and public awareness campaigns.</p> <ul style="list-style-type: none"> • Advocacy and public awareness-raising have become an increasingly important part of NGO work. At the same time public criticism in regard to NGO legitimacy and effectiveness is rising. Good accountability for advocacy can address both criticisms. • Do you have a published process for adopting public policy positions ensuring that they are evidence based, truthful, effective and respectful of people's dignity? • How do you ensure meaningful stakeholder participation in your advocacy work? • How is corrective action taken when appropriate? Can you provide examples? • Identify the organisation's process for exiting a campaign. 	Section 2.5, Pg. 17–18
NGO6	<p>Processes to take into account and coordinate with other actors.</p> <p>Complex situations, numerous actors and fast moving targets are a reality for most NGOs. Strategic and effective coordination with the activities of other actors is important to reduce duplication, leverage impact and improve cost effectiveness.</p> <ul style="list-style-type: none"> • What systems do you have in place to avoid duplication and identify opportunities for engagement with others to improve and leverage your effectiveness? • Can you provide evidence that these systems work well in practice? • Who are your key stakeholders in such a process (e.g. governments, rights holders, multilateral institutions, NGOs, business, donors etc.), and what role do they play? • How do you ensure that partners also meet high standards of accountability? 	Section 2.6, Pg. 19
II.	Financial Management	
NGO7	<p>Resource allocation, tracking and control.</p> <ul style="list-style-type: none"> • Do you publish an annual financial report conformant with relevant laws and practices and audited by a qualified independent auditor? Please provide a link. • How do you ensure the effectiveness of your resource allocation in achieving key strategic objectives? • How do you track the use of resources including cash and in-kind-contributions on the intended purposes? • Can you provide evidence of robust internal and external controls to minimise the risk of funds being misused? 	Section 3.0, Pg. 20, Para 2 Pg. 20, Resource allocation Pg. 21, Tracking the use of resources Pg. 21–25, Robust internal & external controls
NGO8	<p>Sources of funding by category e.g. government, corporate, foundation, membership fees, in-kind donations and other.</p> <ul style="list-style-type: none"> • Please describe your sources of funding and report aggregated value of funding received by each source. • Please identify the five largest single donors and monetary value of their contribution. Where private individual donors cannot be named due to requested anonymity, please disclose total amount and category per donor. 	Section 3.0, Pg. 20, Table 3, Table 4
III.	Environmental Management	
EN 16	<p>Report the total of direct and indirect greenhouse gas emissions by weight at the organisational level.</p> <ul style="list-style-type: none"> • If possible, please provide an overview of greenhouse gas emissions over the past 3 years. • Please indicate how you obtain the data, if they cover your entire organisation's operations and which standard is used to measure them. • If you cannot report on all units of your organisation, please explain which parts are and are not covered and any plans to broaden coverage. 	Section 3.0, Pg. 25, Environmental management

	PERFORMANCE INDICATORS	
EN18	<p>Initiatives to reduce greenhouse gas emissions at the organisational level and reductions achieved.</p> <ul style="list-style-type: none"> • Do you have an Environmental Management System (EMS) i.e. systematic approach to assessing, reporting and minimising your environmental impact? • Is the EMS guided by senior management oversight and regular assessment? • What initiatives are in place to reduce greenhouse gas emissions? (e.g. energy efficient lights, appliances and IT equipment in offices, web-conferencing etc.) • Has your organisation set itself concrete emission reduction targets? If so – which? 	Section 3.0, Pg. 25, Environmental management
EN26	<p>Initiatives to mitigate environmental impacts of activities and services.</p> <ul style="list-style-type: none"> • What are the main environmental impacts of your programmes/projects/activities? • Do you conduct environmental assessment prior to carrying out activities? • What is your approach to minimising environmental impacts in your activities and services? 	Section 3.0, Pg. 25, Environmental management
IV.	Human Resource Management	
LA1	<p>Size and composition of total workforce: number of employees (part and full-time) broken down by geographical region and responsibility levels and number of volunteers where possible. This information is intended to give a good insight into the size, organisational structure and strategic approach of how an organisation is allocating human resources to attain good results. It also provides information on fluctuation of workforce over time, if data are provided for several years in comparison.</p>	Section 4.2, Pg. 27, Table 8 Pg. 28, Table 9
EC7	<p>Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.</p> <p>For activities to be sustainable they need to become a true part of the local civil society fabric. Therefore local hiring and capacity building is critical to success.</p> <ul style="list-style-type: none"> • What is your approach to hiring local staff, including for senior levels? • How do you ensure your hiring practices build overall local capacity and do not undermine local NGOs or the local public sector? 	Section 4.2, Pg. 27, Size and composition, Para 1
LA10	<p>Workforce training to support organisational development.</p> <ul style="list-style-type: none"> • What qualifies as “training” in your organisation? • How do you identify the most important training needs? • How much do you invest (as percentage of overall administrative budget) into training your workforce? • What is the average training time an employee receives per year? (Compare development over years if possible.) • Do you have evidence that training is successful? 	Section 4.2, Pg. 28, Workforce training
LA12	<p>Performance reviews and career development plans.</p> <ul style="list-style-type: none"> • Do you have a global talent management system regularly identifying future HR needs and developing staff accordingly to meet key strategic priorities? • Which percentage of your workforce receives annual personal development plans and appraisals? • Do you have evidence that your mechanisms of developing staff work well in practice? 	Section 4.2, Pg. 28, Performance management
LA13	<p>Diversity in your organisation displayed in the composition of governance bodies and employees.</p> <ul style="list-style-type: none"> • Which groups of people should be represented in your governance bodies and workforce to improve its legitimacy and effectiveness (e.g. gender, age, minority group, disability or other)? • What percentage of representation do such groups have in your governance bodies and workforce respectively? For the latter please differentiate between senior management level and other staff. • Have you set yourself targets for improvement in the future? 	Section 4.2, Pg. 30, Diversity of staff

	PERFORMANCE INDICATORS	
NGO9	<p>Mechanism for your workforce to raise grievances and get response.</p> <ul style="list-style-type: none"> • Do you have human resource policies that conform to relevant standards and are in accordance with the values of your organisations in terms of employee and volunteer rights, health and safety at work? • How can staff raise grievances to management addressing issues in regard to labor standards and working conditions? • Do you have evidence that concerns raised were resolved satisfactorily? 	Section 4.2, Pg. 30–31, Responding to staff feedback
V.	Responsible Management of Impacts on Society	
SO1	<p>Impact of activities on the wider community.</p> <ul style="list-style-type: none"> • Describe how you responsibly assess and manage the impact of your activities on the wider community including entering, operating and exiting. • How do you ensure awareness of the effects your work has on the wider community e.g. with regard to local economies or labor markets? • How do you ensure human rights and child protection? • How do you ensure they are dealt with in a responsible manner? • What kind of feedback do you get from communities and how have you reacted? • Do you have clear exit strategies and post-intervention evaluations? 	Section 3.0, Pg. 25, Managing the risk of unintended, negative risks on society Section 4.2, Pg. 27, Size and composition Section 2.2, Pg. 9–10, Mechanisms for stakeholder feedback
SO2	<p>Process for ensuring effective anti-corruption policies and procedures?</p> <p>Corruption is a huge and often underestimated risk substantially undermining NGO impact and the social fabric of communities within which we work. How does your organisation ensure effective anti-corruption procedures?</p>	Section 3.0, Pg. 21–24, Robust internal & external controls
SO3	<ul style="list-style-type: none"> • Do you carry out systematic risk analysis on where your work could be exposed to corruption, bribery, nepotism, fraud or conflicts of interest? • Do you have effective systems and practices in place to prohibit, prevent, detect and report on them in your ongoing work? • Do you have evidence that relevant policies are well known and used by staff? 	Section 3.0, Pg. 21–24, Robust internal & external controls
SO4	<p>Actions taken in response of incidents of corruption.</p> <ul style="list-style-type: none"> • How do you record or publish incidents of corruption and fraud? • What incidents of corruption did happen in the reporting period and how were they detected? 	Section 3.0, Pg. 21–24, Robust internal & external controls
VI.	Ethical Fundraising and Communication	
PR6	<p>Programmes for adherence to laws, standards, and voluntary codes related to ethical fundraising, including advertising, promotion, and sponsorship.</p> <ul style="list-style-type: none"> • Do you have policies and processes in place that ensure your fundraising activities describe needs adequately, respect the dignity of affected people and funds are used in the designated way. • Do you adhere to the above practices with donations received from third parties? • Do you publicise all major institutional gifts and gifts in-kind, clearly describing the valuation and auditing methods used? • Report on complaints or breaches in regard to your fundraising and communication activities and how they were resolved. 	Section 4.1, Pg. 26–27, Valuing our supporters

Appendix C: Specific Disclosures Related to the IRS Form 990

Specific disclosures related to the IRS Form 990

Q. What is the total number of voting members of the governing body at the end of the tax year? Are there material differences in voting rights among members of the governing body, or did the governing body delegate broad authority to an executive committee or similar committee? How many voting members are independent?

A. *There are 24 board members, 23 of whom are independent. The Board has delegated broad authority to its Executive Committee to handle routine matters between regular, full Board meetings and to provide flexibility if the full Board, with members from many countries, cannot be quickly assembled. But in practice, the Executive Committee rarely uses its full authority, and all of its actions are visible to and under the ultimate oversight of the full Board.*

Q. Did any officer, director, trustee or key employee have a family relationship or a business relationship with any other officer, director, trustee or key employee?

A. *Not to our knowledge.*

Q. Did the organisation delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees or key employees to a management company or other person?

A. No.

Q. Did the organisation make any significant change to its governing documents since last year?

A. No.

Q. Did the organisation become aware during the year of a significant diversion of the organisation's assets?

A. *See pages 23-24 for a summary of fraud losses in all WV Partnership entities, including microfinance entities affiliated with VisionFund International (World Vision International's microfinance subsidiary). As the Form 990 is not filed on a consolidated basis, a 990 will not include diversions of assets that occurred in affiliated entities outside of the corporate entity World Vision International (or VisionFund International for VFI's 990). Some of the incidents reported in the main report occurred in such affiliated entities.*

Q. Does the organisation have members or stockholders?

A. *Yes, the voting members of the Council are the members of World Vision International.*

Q. Does the organisation have members, stockholders or other persons who had the power to elect or appoint one or more members of the governing body?

A. Yes.

Q. Are there any governance decisions of the organisation reserved to (or subject to approval by) members, stockholders or persons other than the governing body?

A. *Yes, World Vision's International Council must approve certain high-level amendments to the Bylaws and Articles of Incorporation.*

Q. Did the organisation contemporaneously document the meetings held or written actions undertaken during the year by (a) the governing body and (b) each committee with authority to act on behalf of the governing body?

A. Yes.

Q. Are there any officers, directors, trustees or key employees who cannot be reached at the organisation's mailing address?

A. No.

Compensation

Q. Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data and contemporaneous substantiation of the deliberation and decision: CEO, Executive Director, top management, other officers or key employees?

A. Yes.

Q. Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee or disqualified person outstanding as of the organisation's tax year?

A. No.

Q. Were there any independent contractors that were paid over US\$100,000?

A. *Yes, see Table 7 on page 24 of the main accountability report.*

Policies and practices

Q. Does the organisation have local chapters, branches or affiliates?

A. *No. However, it does have affiliated national entities in various countries around the world. For more information please see Note 1 to the World Vision International and Consolidated Affiliates Financial Statements.*

Q. Does the organisation have a written conflict of interest policy?

A. Yes.

Q. Are officers, directors or trustees, and key employees required to disclose annually, interests that could give rise to conflicts?

A. Yes.

Q. Does the organisation regularly and consistently monitor and enforce compliance with the policy?

A. Yes. Annual disclosure forms are reviewed, and employees are reminded of the policy. Potential conflicts are disclosed and addressed when they arise.

Q. Does the organisation have a written whistle-blower policy?

A. Yes. Link to policy: <https://secure.ethicspoint.com/domain/media/en/gui/24325/policies.html>

Q. Does the organisation have a written document retention and destruction policy?

A. World Vision International has various policies and standards for document and information management, but does not have a single comprehensive document retention and destruction policy that covers both hard documents and electronic information.

Q. Did the organisation invest in, contribute assets to or participate in a joint venture or similar arrangement with a taxable entity during the year? And if so, has the organisation adopted a written policy or procedure requiring the organisation to evaluate its participation in joint venture arrangements under applicable US federal tax law, and taken steps to safeguard the organisation's exempt status with respect to such arrangements?

A. Most of the World Vision-affiliated and -supported microfinance institutions in other countries are considered taxable entities under the laws of their respective countries. World Vision International considers support for such microfinance institutions to be consistent with WVI's US exempt purposes and status, as affirmed by the IRS's recognition of 501-c-3 exempt status for WVI's microfinance supporting

subsidiary, VisionFund International (VFI). WVI and VFI have policies and procedures to help ensure that the activities of World Vision-affiliated microfinance institutions remain within WVI's exempt purposes.

Other than with these affiliated microfinance entities, there were no joint ventures or similar arrangements with taxable entities.

Q. Does the organisation engage in lobbying activities?

A. No. Not as defined under US federal tax law, although it does engage in general advocacy activities.

Q. Describe whether – and if so, how – the organisation makes its governing documents, conflict of interest policy and financial statements available to the public.

A. They are provided upon request.

Disclosure

The organisation's books and records are in possession of Stephen Lockley at the following offices:

World Vision International: 800 W Chestnut Ave, Monrovia, CA 91016, USA

World Vision International, Executive Office: 1 Roundwood Avenue Stockley Park Uxbridge, Middlesex UB11 1FG, UK

Financial statements

The World Vision International consolidated financial statements for the year ended 30 September 2016 are available at <http://www.wvi.org/accountability>. These financial statements were audited by independent accountants. The amounts presented in the financial statements differ from the World Vision International Annual Review, which is also available on the World Vision International website, because certain World Vision-branded entities are not consolidated in the World Vision International financial statements for accounting purposes but are included in the Annual Review. For more information about consolidated entities, see Footnote 1 of the *World Vision International and Consolidated Affiliates Financial Statements*.



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World Vision is a Christian relief, development and advocacy organisation dedicated to working with children, families and communities to overcome poverty and injustice. Inspired by our Christian values, we are dedicated to working with the world's most vulnerable people. We serve all people regardless of religions, race, ethnicity or gender.

