CORE STANDARDS

CHAIRS ASSEMBLY 2012

AMNESTY INTERNATIONAL MEMBERS ONLY

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To: Sections and Structures
From: IEC Governance Committee
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SUMMARY
This paper presents an early draft set of core standards for discussion at the Chairs Assembly (CA) in accordance with International Council Meeting (ICM) decision 7 calling for the development and eventual ICM adoption of core standards.

DISTRIBUTION
This is an internal document which is being sent to all Sections and Structures

RECOMMENDED ACTIONS
Please ensure this document is brought to the attention of the Chair and Director of your Section or Structure.

Core Standards

Introduction

This paper presents an early draft set of core standards for discussion at the Chairs Assembly (CA) in accordance with International Council Meeting (ICM) decision 7 calling for the development and eventual ICM adoption of core standards. The Governance Committee of the International Executive Committee (IEC) has prepared this document for the purpose of the discussion at the CA where we want to get your feedback on the initial direction of this project. There will be second stage of consultations on a more developed version of the core standards in the second half of this year. The Governance Committee will then prepare a final proposal for the IEC, who will then review the proposal and submit a resolution for the 2013 ICM.

The paper is divided into various sections. The first section presents broad principles relating to the standards. The second section presents lists of areas where global standards are appropriate, grouped under the headings of governance, organisation and management. The Appendix contains draft international guidelines and the text of ICM resolution 7.

Why Core Standards are needed

Decision 7[1] of the 2011 ICM requires that core standards in the areas of governance, organization and management should be developed for approval by the ICM, and that the trademark agreement should be developed into a broad licencing agreement stating AI's expectations of all entities. We need core standards to ensure coherence and consistency across the movement with regard to AI's values, identity, policies, strategy and actions. AI's values require its policies, processes and practice to be models of impartiality, independence, democracy and mutual respect. AI's impact for human rights and our capacity to grow and develop is enhanced if all parts of the movement reflect AI's values on key issues of governance and management.

As chairs of AI's sections and structures, you are encouraged to review this draft carefully and participate in the discussion and development actively.

Principles

Standards for local implementation across an international organisation require balance between requirements and flexibility, especially in a large and complex movement where values-driven members are campaigning for human rights. The following principles explain where standards are needed and guide the development and application of the standards.

1. **Subsidiarity**

   The principle of subsidiarity requires us to set standards at a global level only when it adds value to organizational unity, effectiveness or efficiency, or prevents disunity, ineffectiveness or inefficiency. Accordingly global core standards should be limited to those areas where AI's values, branding, effectiveness and efficiency require global

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[1] Decision 7 can be found at the end of this paper.

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coherence and consistency. Policies and processes to implement the global standards should be formed and monitored at local level. In addition, standard, policies and processes not covered by the core standards should be developed at the local level, aided by international guidelines that avoid unnecessary complexity and help decision-making.

2. Progressive implementation and improvement

All AI entities are expected to implement the core standards approved collectively by the Movement. When AI entities, for justifiable reasons, are not able to implement standards, they must have plans to implement the standards progressively as soon as possible. AI entities may scale their approach to implementing the core standards in accordance with their resources. The detailed mechanism required to facilitate this will be set out in the monitoring and compliance systems that will be put in place. In any event, all parts of the organizations must strive to continually develop and improve upon their compliance with and implementation of the standards.

3. Terminology

As an organisation that campaigns on the rule of law, AI has to make clear distinctions between standards that are required and those that are advisory. It also has to be clear how standards are monitored and enforced.

 The approach taken in this paper is as follows:
- **Core standards** are required and apply to every country. They are monitored by the IEC and there is a clear process if the standards are not met.
- **International guidelines**[2] (see Appendix) are advisory, with the purpose of supporting the development of policies and processes at national level.
- **Local standards** are developed at local level to supplement core standards where necessary to specify how core standards are met within the local context, guided by international guidelines.
- **Governance** involves the direction of an organisation to ensure it focuses effectively on its mission while **management** involves implementation so that the strategy and policy of governance are translated into effective action.

4. Developmental not punitive

Setting standards and monitoring compliance in the Movement is a positive step towards strengthening the organization, movement and our impact. Therefore, our approach will be to assist (for example, through monitoring, reporting, capacity building etc) all parts of the organization to implement and improve upon the standards agreed collectively.

The questions for the Chair Assembly

At the CA in June, the Governance Committee will hold a session with background information and perspectives on the core standards proposed in this paper. To prepare for

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[2] The term "international guidelines" is limited solely to the advisory governance standards listed in the appendix to this paper.

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this session, chairs, in consultation with their boards and members should, should review the following proposed standards and be prepared to discuss the following questions:

- For what areas of governance are core standards essential?
- Are those essential areas covered in the list proposed by the Governance Committee?
- Are there areas of governance for which core standards are proposed that are non-essential?
- Should there be different sets of standards applicable to AI entities at different stages of organizational development?

When reviewing the proposed standards and guidelines, the order in which they are listed is not intended to indicate their relative importance. We look forward to hearing your thoughts and will use your feedback to inform the next step in developing a proposal for adopting core standards at the 2013 AGM.

The Core Standards

The following core standards apply to the governance and management of AI entities:

1. Governance

Governance is the overall role of local governing bodies, generally referred to here as "boards" but also including AGMs, where appropriate, in ensuring that organisations focus effectively on their mission. The core standards for governance relate to the roles, responsibilities, formation, processes and behaviour of boards:

   a) The **AGM** is the ultimate decision making body of the AI entity. AGMs must be convened in line with the AI statute and local legal requirements, and should happen at least every eighteen months. The AGM serves the following purposes:
       i.   Compliance with company legal and regulatory provisions at local level
      ii.   Consideration of membership resolutions
     iii.   Holding the board accountable for their decisions during their term of office
     iv.   Enforcing and amending the statute
     v.   Approval of long term strategic plans and directions
     vi.   Consideration of strategic and policy related issues through resolutions and decisions
    vii.   Complying with any requirements imposed by local law

   b) The **roles and responsibilities** of the board and the director must be clearly defined to reflect the distinction between governance and management. The responsibilities of the board include:
       i.   To act in the best interests of the organisation as a whole and not as an advocate for a particular constituency or body of work within the organisation.
      ii.   To uphold all board decisions and to not undermine decisions with which a board member may personally disagree.
     iii.   Oversight of the safety and security of employees and volunteers
     iv.   Complying with legal/statutory and regulatory responsibilities

      v. Drafting the entity statute, and adopting the purpose, vision, mission, values and goals in line with those of AI as set out in the Statute and the entity's AGM

      vi. Setting overall direction, priorities and strategy consistent with the Integrated Strategic Plan and Global Priority Statement.

      vii. Agreeing with the director standards for shared leadership between members and staff of the work of the organisation

      viii. Monitoring implementation of strategy and performance against plans

      ix. Oversight of deployment and overall adequacy of resources of employees, volunteers, money and other assets

      x. Recruiting, managing, supporting and dismissing the director

      xi. Advising, and receiving advice from, the director in matters pertaining to cultural, social, and political areas of sensitivity

      xii. Handling grievances and whistleblowing relating to the director

      xiii. Ensuring that the local organisation makes a full contribution to the international work of AI

      xiv. Monitoring and ensuring compliance with commitments and obligations to the rest of AI including the Statute, these core standards, ICM decisions and reporting requirements

      xv. Ensuring communication with the public is transparent and understandable, including an accessible annual report

      xvi. Identifying,regularly reviewing and minimizing risks faced by the organisation

      xvii. Taking decisions about closing the entity

      xviii. Communicating effectively with the IEC, its local membership and other parts of the movement on governance issues.

c) The **board** itself should contain a balance of diverse, relevant and strong skills and experience through the following:

      i. Selection of board members by an open process that involves:

           A. An explicit criteria of skills, experience and board diversity that is made publicly available;

           B. A nomination process including adequate time for nominations

           C. A free, fair and transparent election process including voting system and co-option alternatives

           D. A clear, fair process for resolving ties or challenges

      ii. Gender balance in leadership

      iii. Eligibility criteria that exclude current or recent[3] members of staff

      iv. A development process designed for future potential board members

      v. Thorough processes of induction and development of board members

      vi. Term limits designed to balance the needs of continuity and renewal

      vii. A defined minimum and maximum number of board members

      viii. Annual processes for review of the individual contributions and development needs of each board member

d) **Board effectiveness** is ensured by the following:

      i. Appropriate frequency of meetings

      ii. Adequate notice of meetings

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[3] E.g. a two-year waiting period from the point where a candidate leaves staff before they can stand for board election.

iii. Regular attendance and participation by board members

iv. Quorum for board meetings

v. Clarity on whether board meetings can be attended by phone, Skype or video conference and, if so, whether this counts towards the quorum

vi. Policy on how to handle emergency decisions

vii. Open, timely, clear and concise briefing by management

viii. Published processes for motions by members including:
   A. How to submit motions including number of signatures
   B. Adequate time and scope for revising and combining motions before meetings
   C. How motions can be withdrawn or amended at meetings
   D. Voting systems for motions including whether consensus is sought and how to fairly resolve ties

ix. Focus on strategy and direction rather than management through:
   A. Agreement between board and director on topics and discussions that are appropriate for board meetings
   B. Appropriate length and content of board papers
   C. Management of discussion by the chair
   D. Agreement of clear delegations to the director

x. Agreement on who attends board meetings: the director should attend most sessions of the board with other staff as appropriate

xi. Attention to confidentiality and respect for staff by board members

xii. Support to those who through preferred language or disability need help to participate in full

xiii. Documented expectations of the responsibilities of board members through written job descriptions that are updated as needed.

xiv. Regular review of the performance and needs of the board, both as a team and as individuals, to stimulate learning and improvement

xv. Means to remove board members for cause

xvi. Mechanism for dispute resolution by involving other parts of AI in the event of a breakdown of board relationships, including the relationship with the director

xvii. Definitions and standards for what constitutes conflicts of interests. Register of interests and clear procedures for declaration of conflicts of interest or duty for board members and recusal of board members from decision where a conflict of interest exists.

xviii. Allocation of responsibility for board minutes with guidance on content and process for timely approval of minutes by the Board

xix. Standards for when the board may meet in executive session that are compliant with local law.

e) The board should be led and supported by a **chair** who is elected by members through the AGM or by the board with a defined term limit and a defined role that includes the following:

   i. Acts as the manager of the director on behalf of the board, meets the director regularly and leads the director's annual appraisal

   ii. Leads the organisation as its chief volunteer

   iii. Represents the organisation in accordance with sharing of roles agreed with the director

   iv. Leads board meetings based on an agenda agreed with the director and in accordance with core and local standards

     v.   Coordinates board activities outside meetings
     vi.   Ensures the board works together for maximum impact
     vii.   Contributes to the Chairs Forum and Chairs Assembly and acts as the entity's primary communications link with the IEC

f) The board should select one of its members to act as **treasurer**, or the AGM should directly elect a treasurer who serves as a board member. The treasurer leads the board in fulfilling its oversight responsibilities for budgets, spending and finances without detracting from the line responsibility of the head of finance. Further, the existence of a treasurer of the board does not lessen the responsibility of all board members to be financially literate and informed.

g) The board has the power to establish **committees** to focus on particular areas of work:
     i.   All boards must have an audit committee with responsibilities that include communications with the external auditors on financial matters
     ii.   Committees should have no decision-making powers except those explicitly delegated by the board

h) The board must be accountable to members through the AGM and communicate with them openly, fully and regularly.

i) Guidelines for board-staff relations and resolving conflicts must be agreed with the director, including the director's role in all communications between board members and other staff.

j) Board members are unpaid volunteers who are reimbursed for expenses related directly to board membership according to an agreed policy

k) The board should oversee the development and regular update of a governance document/ charter that:
     i.   States the distinction between governance and management
     ii.   Records these core standards with locally agreed details
     iii.   Clarifies roles with respect to public and internal communications
     iv.   Adds other local standards where appropriate

2. Organisation and Management

Organisation and Management defines how staff and volunteers translate the strategy and policy of governance into effective action. The core standards for organisation and management relate to people, money and systems: roles, responsibilities, policies, processes and management behaviour. The person who reports directly to the board is referred to here as "director". In principle the board agrees strategy and then the director executes that strategy with other employees and volunteers.

a) The **responsibilities** of the director should include:
     i.   Safety and security of employees and volunteers
     ii.   Legal/statutory and regulatory responsibilities including support to the board in delivering its legal/statutory and regulatory responsibilities

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        iii.   Development and implementation of strategy for achieving the goals set by the board including:
- A. Effective work on AI's mission
- B. Management of resources of employees, volunteers, money and other assets to support effective work on the mission

        iv.   Policies required for legal, fair and efficient management as listed below

        v.   Support to the board in line with agreed protocols/ delegations

        vi.   Leadership of the local organisation including:
- A. Representing the organisation in accordance with sharing of roles agreed with the Chair of the board
- B. Responsibility for nurturing an appropriate organisational culture including attitudes towards work-life balance
- C. Clear delegation of responsibilities
- D. Sustaining and reviewing an effective organisational structure
- E. Organisational development

        vii.   Recruiting, supporting, managing, developing and dismissing employees

        viii.   Preparing and managing budgets

        ix.   Cooperating with the Secretary General, the International Secretariat and other entities including timely reporting, compliance with SAR, SFR etc.

        x.   Ensuring compliance with AI's international standards and policies including on the use of the name, logo and trademark.

b) The **human resource policies** are being developed in a separate paper – Global Minimum People Management Standards and cover areas including:

        i.   Recruitment and selection
        ii.   Induction of new employees
        iii.   Remuneration and benefits
        iv.   Fair treatment at work
        v.   Performance and development
        vi.   Management in the workplace
        vii.   Well-being
        viii.   Managing change
        ix.   Staff, volunteer and Board security and safety policies

c) **Key roles:** Whatever the size of the organisation the roles of director, head of finance and head of human resources should be covered, although not always by separate people.

d) **Strategy and planning** processes should be in place to support the following:

        i.   Regular development and approval of strategies and plans to support board decision making.
        ii.   Consistency of the local plan with AI's Integrated Strategic Plan and Global Priority Statement or their succesors.
        iii.   Monitoring of operational performance by both the board and management using key performance indicators or other measures.

e) **Finance** systems should be in place that include:

        i.   Common Chart of Accounts
        ii.   Developing, tracking, forecasting and reporting on budgets, income, expenditure, cash flow and assets

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   iii.   Management of reserves against targets set by the board
   iv.   Appropriate payment of taxes
   v.   Ethical investment protocols and criteria (pension, reserves etc)
   vi.   Adherence to local generally accepted accounting principles in preparing financial reports to the movement, board and government.
   vii.   Active measures to prevent unauthorised access to funds and fraud

f)   Clear responsibilities and plans should be established for **fundraising:**
   i.   Establishing set (qualitative and quantitative) targets for income
   ii.   Membership fees (if any)
   iii.   Grant applications
   iv.   Relationships with donors including report writing
   v.   Guidelines on ethical and appropriate sources of funds

g)   **Monitoring, evaluation, learning and impact assessment** systems should be in place to facilitate continuing improvement and objective reporting to stakeholders.

h)   **Transparency**: information on governance, finance, management and operations is made available openly using regular and accessible communications systems, subject to an agreed system for handling confidential information.

i)   **Environmental impact of AI** should be tracked, and impact should be minimised and reported.

j)   Security guidelines for **information management** should be in place.

k)   The **legal/statutory and regulatory environment** should be tracked to ensure the organisation complies with local requirements.

l)   An assessment of key **risks** such as a risk register should be regularly updated to support the board in its risk management function. Particular emphasis should be placed on risks to AI's reputation and risks to employees, volunteers and external stakeholders through AI's activities.

Appendix: International Guidelines

International guidelines are advisory, based on best practice and learning in other organisations, with the purpose of supporting the development of policies and processes at national level. They supplement core standards which apply to every country and are listed in the main text of this document.

1. Governance

    a) Board responsibilities
        i.   Fundraising and campaigning techniques are usually chosen and managed by management but on occasions where there may be a conflict with the organisation's values the board should be consulted.
        ii.   The board determines the pay and benefits of the director with the aid of specialist advice, perhaps supported by a remuneration committee or external benchmarking that meets annually for this purpose.
        iii.   Annual board reviews should be organised, possibly based on a survey and/or using external facilitation. It may be appropriate to alternate between a full survey one year and a light touch review the next year, perhaps facilitated by a board member.

    b) Board membership
        i.   Suitable term limits for board members are between 2 and 4 years, renewable once or twice, allowing a maximum of 6 or 8 years as a board member. Some organisations may wish to allow a board member to stand again after at least one term off the board.
        ii.   Suitable term limits for the chair are the same.
        iii.   It is good practice for the board or a committee to consider both retention and succession planning regularly to ensure that successful Board members are encouraged to seek repeat terms and when the chair, treasurer or director leaves there is at least a small pool of potential candidates.
        iv.   A suitable range for the size of the board is about 7-12 people. A narrower range can cause problems if several people leave at once.
        v.   It may be appropriate to have a rule that terminates the board membership of any member who fails to attend three consecutive meetings without prior apology and good cause.
        vi.   Subject to local law, it may be helpful to supplement the skills of elected board members by co-opting external people to attend and contribute to meetings, with clear understanding of whether or not they can vote on decisions,or as unelected board members when necessary to ensure the board has an appropriate range of skills and experience.

    c) Board effectiveness
        i.   It is good practice to establish an annual work plan for the board and to agree the dates of meetings at least 6 months in advance. The work plan can be divided by types of topic as a means of ensuring that sufficient time is given to strategic rather than administrative topics. Potential content includes:
            A. Formulation of annual board goals
            B. Approval of annual report
            C. Approval of annual budget

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D. Review of progress on strategy
E. Assessment of director's performance
F. Assessment of board's performance
G. Review of risk
H. Induction of new board members
I. Regular updates on activities and financial position

ii. Many boards find it helpful to have an annual away day/ retreat, an occasion when the board is together for longer than an ordinary meeting, including an evening together. This helps build the board team and is also an opportunity to cover a few topics in more depth than is possible at a normal board meeting, for example a major change in strategy.

iii. A suitable quorum is 50% of board members. This means that 5 board members constitute a quorum for a board of 9 or 10 members.

iv. Helpful practices for board papers include:
A. Focus on strategic issues: long papers should rarely be necessary
B. All papers beyond a certain length should start with a summary; it may be sufficient to circulate the summary alone
C. The purpose of the paper must be made clear ie is it for decision or discussion. If for decision, the proposed decision must be made clear in the paper.
D. Attention to the basics: clear electronic file name, page numbers, making explicit who wrote the paper and who is the target readership
E. Minimising jargon and including a glossary of acronyms

v. The chair may find it helpful to be advised by someone else, such as the director or another senior manager, on points of law, AI policies and the organisation's own constitution and governance document.

vi. Good practice for the chair includes activities between meetings such as informal discussions with other board members and taking part in internal and external events at the invitation of the director.

vii. Some boards find it helpful to agree a code of conduct for themselves on matters such as participation and putting the interests of the organisation first.

viii. The director should attend all normal sessions of the board with other staff as appropriate but it is good practice to have a regular session, possibly at the end of each board meeting, at which only the director attends. This enables the director to discuss sensitive matters with the board.

d) **Board development**
Possible types of development to consider include:
i. Coaching for individual board members, including the chair, for example when new to a role
ii. Coaching and feedback for the board as a whole
iii. Mentoring, for example by more experienced board members
iv. Workshops or training in topics such as strategic thinking, finance, key performance indicators, governance, legal and regulatory requirements for boards, presentational skills, influencing skills, managing disagreements constructively, IT and social media, organisational development and change
v. Home study such as reading of publications on governance and topics relating to AI's work
vi. Visits to AI's operations and meeting staff and beneficiaries

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      vii.   Attending meetings of other boards, including boards outside AI

e) **Board committees**
    i.   Possible committees include:
        A. Audit and risk
        B. Fundraising
        C. Governance
        D. Human resources
        E. Policy and priorities
        F. Board development

    ii.   In some cases a temporary group or task force will be more appropriate than a standing committee.
    iii.   It can be helpful to allow the possibility of co-opting members of committees from outside the organisation for their technical expertise.
    iv.   Members of committees should be chosen by the board. There is a choice to be made as to whether the board or the board chair appoints committee chairs.
    v.   Committees need their own rules e.g. concerning minutes and quorum.

f) **Board-staff relations**
    i.   A sound general principle is that the director should be the normal channel for communication between the board and staff. This should not prevent, for example, a close working relationship between the treasurer and the head of finance, between a board member with human resources expertise and the head of human resources, or between a board member who has another leadership role in the organisation (e.g. country coordinator) and the appropriate staff person. However the board member should always be conscious of their role and must be careful to avoid creating confusion when dealing with staff.
    ii.   The chair and director should consider the costs and benefits of other staff attending board sessions. It may be best for one or two staff, such as the head of finance, to attend most sessions with others joining to contribute to particular discussions.

g) **Board expenses**
    To ensure costs are fully accounted for, board members should be refunded for vouched expenses, or given a modest per diems where this saves administrative time and expense. Expenses should be to cover meals and personal expenses when board members have to travel.

2. Organisation and Management

a) External representation to government, media, companies and other organisations is usually the role of the director but the chair and other board members may provide valuable support by prior agreement.
b) The director may find coaching helpful, for example when new to the role.
c) Regular climate surveys are excellent means of tracking the culture and motivation of a larger organisation, including gender and diversity audits.

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2011 ICM Decision 7

Decides that core standards for all Sections, Structures, and other entities where appropriate, should be developed by the International Executive Committee (IEC) in consultation with the management and governance leaders of the AI Movement for final approval by the 2013 ICM.

These standards should:
• take into account the wide variety of types and sizes of AI entities;
• make appropriate references to existing AI policy documents including relevant parts of the Amnesty International Handbook;
• include requirements for appropriate alignment between national and global strategies and plans (including the Global Priorities Statement);
• include best practice guidelines for:
(i) governance, organization, and management, including specifying minimum standards;
(ii) human resource management, including the recruitment, retention, management and dismissal of directors of AI entities;
• put an emphasis on accountability;
• include provisions for full audits of activities that will include consideration of aspects related to gender mainstreaming and diversity.
• be linked to the IEC's global oversight role, especially the work of its Finance and Audit Committee (FAC);
• indicate penalties, if any, for failure to meet the standards.
These standards shall be supported by systems and tools for evaluation, impact measurement, peer-assessment, external verification, and reporting.

INSTRUCTS the IEC to ensure that all of the standards are compiled into an easily accessible handbook.