



# REPORT ON THE IMPLEMENTATION OF ICM 2011 DECISION 1

## CHAIRS ASSEMBLY 2012

AMNESTY INTERNATIONAL MEMBERS ONLY

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To: Sections and Structures  
From: International Executive Committee  
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### SUMMARY

As requested by the 2011 ICM, the IEC presents here its second report on progress towards full implementation of Decision 1.

### 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.

## Report on the implementation of ICM 2011 Decision 1

### 1. Introduction

As requested by the 2011 ICM, the IEC presents here its second report on progress towards full implementation of Decision 1. This report has been prepared for the 2012 Chairs Assembly. We are happy to present further progress on a range of matters and will continue, as requested by the ICM, to report on developments at the 2013 Chairs Assembly in the build-up to the 2013 ICM.

Since January the main update about the implementation of Decision 1 concerns the report prepared by the Board Review Group (BRG). Please read this document alongside their report. In section 2 of this document, the IEC presents its comments on the BRG report and envisages the next steps in implementing its recommendations.

In section 3 we then present progress on the implementation of Decision 1. As this document is tabled for the Chairs Assembly, updates are included until the papers deadline of 11 May<sup>1</sup>. We expect to give further updates verbally at the Chairs Assembly covering the period between May and June.

We think the simple reading of the table shows the commitment, the energy, the time and the resources the IEC and the SG and in turn the IS have invested in implementing this key decision.

### 2. The Board Review Group report: a golden opportunity to move forward

The IEC is happy to report that the independent evaluation of the IEC, as requested by Decision 1, has been completed. The IEC is grateful for the way in which the Board Review Group has stewarded and overseen the delivery of the independent board review, and the report's detailing of practical recommendations for the IEC to take forward. Some of them were already on the IEC's agenda and therefore they are partially implemented.

To emphasize the independence of the review from the IEC, and its autonomy in delivering it, we decided to have the report and its findings presented to the Chairs Assembly by the BRG itself. We hope that our colleagues from sections and structures will also appreciate having the opportunity to ask the Board Review Group questions about the process that led to the report drawing its conclusions.

The implementation of Decision 1 was complex, as it instructed the IEC to undertake, simultaneously, an independent evaluation of the way the IEC operates and at the same time to immediately implement many things (without waiting for the outcomes of the evaluation), as detailed in section 3 of this document. And this happened at a time of several changes and vacancies in the SLT itself, which placed the IEC and SLT under considerable pressure.

The IEC is satisfied as to the results reached so far because the adopted "on-going implementation approach" proved rewarding.

We can consider the BRG recommendations, while already having in place a new up-and-running structure of IEC committees, and having a co-opted member with key skills in human resources and organizational development. The collaboration worked well with the BRG also in this respect: the IEC benefited from its input, for example, in designing the co-option process.

The IEC discussed a draft version of the BRG report at its March meeting and received the final one on 10 May: we welcome it.

The BRG report is a golden opportunity to step-up the quality of governance provided by the IEC. The opportunity is there also for our national boards. We encourage section leaders to consider its recommendations at national level and

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<sup>1</sup> The date of 11 May is used here as the deadline for papers to reach OLU for translation purposes.



to be challenged by them. Of course some recommendations are 'IEC specific' but AI boards should think if and how they may be implemented at national level. It would be great for section leaders to read the report and to ask themselves *"would this recommendation be helpful for my board?"*

We often describe Amnesty's unique added value as our activist base, our membership, our governance. In the context of the big changes associated to One Amnesty and the Global Transition Programme<sup>2</sup>, governance and leadership are fundamental to our success, to our impact for human rights. So this report is a welcome push to our thinking and planning about that.

The IEC broadly agrees with and endorses the main four areas of development identified by the report:

- Getting the right balance of skills and experience
- Ensuring continuity of the IEC
- Building a stronger partnership between the IEC and the IS
- Enhancing trust and confidence

Among many, we want to highlight we particularly appreciated recommendations related to:

- The need to put in place adequate support systems (mainly through the Governance Programme) for the IEC and the INC to fulfil their role, diminishing current workload;
- A wide set of suggested measures to define and ensure the right skill set is present in the IEC, based on consolidated best practices and on an increasing role for the INC;
- The developmental work for both the IEC and the SLT (the institutions rather than the current particular individuals) to establish a different way of working between the two groups. We agree with the BRG that a successful implementation of this piece of work may have far reaching consequences about the functioning of the IEC and its way of interacting with the IS;
- The suggestions of 'quick wins' with very specific recommendations to be implemented soon: this is very useful guidance to ensure we move on.

In terms of implementation of the recommendations:

- the IEC envisages - and this is consistent with Compass/OnBoard advice based on its observations from other organizations - that the Board Development Committee (BDC) will lead on delivering the recommendations about the developmental work recommended, either by itself or working closely with other bodies such as the International Nominations Committee (INC), the Governance Programme, and, naturally, Compass/Onboard. Given the emphasis on 'one-team development' between the IEC and SLT, we foresee too that the SLT liaison to the Board Development Committee will play a key role.
- As part of this, at the time of writing this report we are making arrangements to ensure a smooth handover between the BRG and the BDC.
- Other recommendations will then be implemented by the IS (again in many cases by the Governance Programme), the IEC Chair and the Secretary General, the Senior Director of Movement Building, and the Governance Committee, depending on the specific matter, and in some cases by the IEC as a whole.
- The IEC welcomes the offer made by individual BRG members to support the implementation via progress checking during the coming months.
- Both the IEC and the SLT are committed to the recommended developmental work and they agreed to have the four workshops start immediately. The first of these will happen the day before the Chairs Assembly and we will be able to report you on progress made.
- Both the IEC and the SLT are committed to implement the suggested 'quick wins' in the report as quickly as possible. The fact that better supporting systems are gradually falling in place will be of crucial help, namely, the newly established Governance Programme at the IS, which will be key to deliver many of them. The IEC chair and the Senior Director of Movement Building will particularly follow this area of work.

<sup>2</sup> These changes are discussed in a separated IEC paper at this Chairs Assembly



There are, then, recommendations that will require Statute amendments and which cannot be immediately implemented. Such recommendations actually require further consideration by the ICM rather than by the IEC. Under this category there are some specific recommendations that the IEC doesn't see feasible or where further work is needed before the IEC takes a position. Generally we agree with the aim of each recommendation (*what* it wants to achieve), but not necessarily about its suggested implementation (*how* it wants to achieve its aim).

For example we certainly agree on the continuity value for the IEC, but we think some of the suggested staggering measures go too far. In our view the main key point to ensure continuity remains the reduction of the IEC workload and a greater clarity about the expected role of the IEC: this will increase the number of IEC members standing for a second term. It may be noted actually that in recent years the worryingly high-turn over, rightly pointed out by Compass/On Board, was determined for more than half of those concerned by IEC members deciding not to stand again, rather than by election results. Additionally the staggered terms system approved by the ICM in 2009 has been only tested once and under exceptional circumstances (ICM 2011). We think that, combined with an extended term of service for co-opted members, and taking note of all that has been said about the workload, the current system of staggering can perform well.

Our remarks at this stage can be listed under three main headings:

- There is a need to consider some recommendations (particularly the ones related to Statute amendments) together with other on going processes, namely the Statute revision and the development of core governance standards. We will do that in the second half of the year.
- Part of the recommendation suggests that the IEC life cycle could be 'decoupled' from the ICM life cycle. While this is, in some respects, an interesting proposal, it can be questionable on ground of democratic representation and it may prove difficult, with some committees' work being very much linked to the ICM cycle. We may think instead about some adjustments with respect to the current planning cycle (which currently forces for example the newly elected IEC to 'jump immediately' into the approval of biannual operational plans) to overcome some of the difficulties that Compass/On Board addresses with these recommendations.
- The role of the INC is suggested to be greatly enhanced, up to the point whereby the INC appoints IEC members inside IEC committees and selects which (already elected) members start to take office immediately and which do not. We have some concerns about this area (we believe the elected board must have responsibility for its own committees, their ToRs, resources and people, even if of course INC can play an increasing advisory role) and we want to further engage with Compass/On Board and the INC about how this suggestion is practically implemented.

Having said that, for all the three headings above no immediate action is required, as we are now half way through this cycle, with IEC members and committee members in place, and we will further reflect on them. A further related issue is that it seems to us that the report doesn't sufficiently acknowledge that AI has a limited institutional experience<sup>3</sup> so far with respect to a Nominations Committee. We will invest therefore in strengthening and supporting the INC in its primary role (that is actively seeking for IEC nominees at 2013 ICM). We want also to work jointly with the INC on the skills needed in the INC itself (as recommended by the report).

In summary, the IEC wants to use the space of the recommended developmental work with the help of consultants to also further work on these issues. This is not to water-down BRG recommendations but to best dovetail them to Amnesty reality.

We are looking forward to collecting reactions and comments from the chairs at the Chairs Assembly about the BRG recommendations to further shape and prepare us to present to you our proposals at the 2013 ICM. At the same time

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<sup>3</sup> This is not at all a negative comment for the current members of the INC. Simply, as a matter of fact, AI elected it for the first time in 2011 and the creation of an INC and its role was highly debated within the organization at 2009 and 2011 ICMs.



we are very much looking forward to discussing with you how the BRG report can be usefully considered at national level.



### 3. Status of implementation of Decision 1 as of 11 May 2012

As in the update circulated in January 2012, for the sake of clarity we have described the actions taken by the IEC/SLT since August 2011 alongside the original text of Decision 1 (the text decision is quoted in the left hand column and the relevant activity related to the item on the right)

ICM 2011 DECISION 1	INSTRUCTS the IEC to take the following steps immediately:
(a) Appoint an independent group (similar to the Independent Review Oversight Group) to commission an independent, external evaluation of the IEC's current operations, effectiveness, and its access to relevant financial and human resources expertise. This evaluation will take into account the conclusions of the final report of the Independent Review. It shall also consider the most appropriate and effective ways of the IEC engaging with and being accountable to AI's leaders for statutory financial reporting and compliance with the INGO Charter reporting requirements.	The IEC appointed the Board Review Group (BRG) immediately after the IEC Retreat 23-25 Sept. <sup>4</sup> The BRG agreed its Terms of Reference (ToR) in November <sup>5</sup> and appointed the external consultancy to two organizations ( <i>Compass Partnership</i> and <i>On Board Governance Development</i> <sup>6</sup> in December 2011. The external consultants led the review and prepared, reporting to the BRG, a draft report that has been presented and discussed at the IEC March meeting. For details about the process and methodology followed by the consultants and by the BRG see their report.
(b) Report the findings and recommendations of the independent evaluation to the Chairs Assembly in 2012.	The BRG report has been tabled at the 2012 Chairs Assembly. The IEC agreed that to further maintain the independency of the evaluation all BRG members will be invited to attend the Chairs Assembly.
(c) Involve an independent expert in its Board Development Committee	The Board Development Committee (BDC) ToR includes as a member an independent expert. The IEC appointed an independent expert in early January but she later (end of March) indicated that she is no longer available for personal reasons. A further call for expression of interest for this position was distributed immediately after, and a new appointment is expected soon. Additionally it is expected on-going support to the BDC will be provided by Compass / On-Board in implementing recommendations made by the BRG.
(d) In cooperation with the International Nominations	Based on a commissioned skills assessment (see point (e)), the IEC decided at its December meeting

<sup>4</sup> IEC Bulletin 79 (ORG 72/005/2011) Decision 14.

<sup>5</sup> ORG 70/008/2011

<sup>6</sup> Their respective websites are: [www.compasspartnership.co.uk](http://www.compasspartnership.co.uk) and [www.bwbllp.com/ConsultingTraining/OnBoard](http://www.bwbllp.com/ConsultingTraining/OnBoard)



<p>Committee (INC), and drawing upon the ongoing independent evaluation, use co-option to fill any gaps identified in expertise, both on the IEC itself and in any of its sub-committees.</p>	<p>to co-opt one member with experience in human resources and organization development. This follows an initial advice of the INC received by the IEC at its September meeting. The INC, via its chair, worked with the IEC through the whole process and appointed Mwikali Muthiani as IEC co-optee member in February 2012. Mwikali is now an active member and after attending IEC March meeting, she is now part of the Global Transition group and was part of the panel recruiting the SD for Human Resources and Organizational Development (see also point (o) below).</p> <p>The IEC further decided that all four IEC sub-committees will have an independent expert as a member. At the time of this update such appointments have been made already for the Finance and Audit Committee, the Remuneration Committee and the Governance Committee. (See above regarding the BDC).</p>
<p>(e) Develop a program to strengthen its effectiveness over the next two years.</p>	<p>The IEC participated in November in a skills assessment of their members, conducted by <i>Big Difference International</i>. The aim of this activity was to provide a clear description of IEC members' strengths and development needs, in relation to the core skills required for effective performance at Board level.</p> <p>The exercise (which took individually 8-10 hours commitment for each member), besides providing an essential analysis to decide whether to co-opt a member and with which skills, also provided valuable information related to individual development needs.</p> <p>The BDC then waited for the outcomes of the BRG report (discussed at IEC March meeting) to define a tailored training program to strengthen IEC effectiveness, for the team and for each member. This will be part of the developmental work recommended by the BRG that will include four workshops for IEC and SLT members. The first of these workshops will be held in Barcelona on 21<sup>st</sup> June.</p>
<p>(f) Ensure that terms of reference for elected and appointed committees are amended as required to facilitate the measures in this decision.</p>	<p>The IEC appointed at the September retreat meeting four committees<sup>7</sup>:</p> <ul style="list-style-type: none"> <li>- Governance Committee</li> <li>- Board Development Committee</li> <li>- Finance and Audit Committee</li> <li>- Remunerations Committee</li> </ul> <p>Terms of Reference for each of these committees were discussed and approved at the IEC December</p>

<sup>7</sup> ORG 72/005/2011 IEC Information Bulletin, September 2011, IEC Decisions 79-14; 79-15; 79-16; 79-17.



	meeting. All ToRs make provisions in the membership of the committee for an independent expert and they are generally compliant with recommendations arising from Decision 1 and Dame Anne Owers report. Further refinement work about the four documents as suggested by the BRG report will follow, once the Governance Programme at the IS is in place.
(g) Establish a Governance Unit to support the IEC and the Secretary General in their leadership roles.	<p>ToR of the Governance Programme have been agreed by the SG following IEC input and, under the OP2 budget, the relative positions have been created and advertised. Shortlisting is completed and we expect to have the Governance Programme in place from July.</p> <p>The IEC is looking forward to working with this Programme in the near future. The Governance Programme is also expected to advise and support the IEC in implementing quickly various recommendations made by the BRG.</p>
(h) Establish a Remuneration Committee, with an external advisor, to advise on aspects of pay and benefits for the Secretary General and Senior Leadership Team.	<p>The IEC appointed a Remuneration Committee<sup>8</sup> (Remco) at the September retreat meeting. The terms of reference were approved by the IEC at its 2011 December meeting<sup>9</sup>. In drawing up these terms of reference, account was taken of the International Non Governmental Organisations Accountability Charter, the UK Financial Reporting Council's 2003 Combined Code and the Charity Commission's guidance on transparency and accountability.</p> <p>The Remco commissioned a benchmarking exercise for SG and senior director salaries and benefits from an external firm (Mercer). Based on this analysis, Remco will recommend to the IEC the adoption of a remuneration framework for the SLT and salaries in due course.</p> <p>Remco will also be involved in determining exit or compensation payments for SLT (see point (q)).</p> <p>The Remco will also support the fulfilment of Decision 22 of the 2011 ICM<sup>10</sup> (Transparency on Compensation).</p>
(i) Further strengthen the INC and adjust the Terms of Reference in order to enable the INC to co-opt one or two	The IEC has established a liaison with the INC and has been working closely with this body. The INC Terms of Reference were updated at the March IEC meeting. In particular the INC can now decide to

<sup>8</sup> ORG 72/005/2011 IEC Information Bulletin, September 2011, IEC Decision 79-16

<sup>9</sup> RemcoTerms of Reference

<sup>10</sup> ORG 52/002/2011 Circular 33 – ICM Decisions





INC-members.	co-opt up to two members.
(j) Make resources available for coaching for the Chair as required.	Chair coaching arrangements are now back in place since April 2012. The IEC budget approved in December included provision for this to occur. Note that previously chair coaching arrangements were in place from late 2009. The new IEC chair waited some months in office before selecting a coach and used Big Difference feedback to him to discuss his coaching needs.
(k) Recognising its commitment to operate to the highest possible standards required of a donor/member supported organization, DECIDES that the IEC will examine the consequences of AI Ltd acting, in all its financial and corporate dealings, as though it were a charity registered in England and Wales.	In all financial management and reporting issues AIL will meet the standards required for a UK registered charity, which is the guidance under which our independent external auditors operate.
DECIDES that the Finance and Audit Committee (FAC):  (l) Shall continue to be informed of, and invited to comment on, any significant changes that affect the IS budget in the light of its responsibility for oversight of financial systems and probity.	<p>Prior to the ICM in 2011, the role of the FAC had already been extended to cover this element of Decision 1. The ToR for the FAC has been amended, to explicitly delegate a role to the FAC in preparing discussion of the IEC on the budget (not only on the accounts). As a result and as part of their oversight of financial systems, during its November meeting the FAC analyzed and discussed the 2012 IS Budget (i.e. income, expenditure and capital expenditure) with senior IS staff. The FAC then endorsed the budget, which was subsequently approved by the IEC at its 2011 December meeting. A similar process is on-going for 2013 budget approval.</p> <p>The FAC is also routinely informed and consulted about decisions or events that affect the IS budget, like discussions carried out in early 2012 about assessment deferrals.</p> <p>The IS quarterly management accounts are a standard agenda point at every FAC meeting and the FAC has the possibility to ask detailed questions to IS Finance managers.</p>
(m) Complete a risk register for IEC approval by 31 December 2012; regularly review the register; report formally to the IEC on any new or enhanced risks; and continue to report to the IEC and to the SG any concerns it has about the resourcing or performance of internal control systems for finance and risk management.	<p>A high-level risk register endorsed by the SLT has been discussed at the FAC March meeting and then approved at the IEC 2012 March meeting and now a process for reporting to the IEC against the risk register is in place. The document was circulated to the movement in early April 2012, and will be continually reviewed and developed to ensure it meets the needs of the organisation.</p> <p>Following overspends in 2011 accounts, the FAC and then the IEC recommended to the SG to</p>



	strengthen internal control systems at the IS and to report on this activity at next meetings.
DECIDES that the IEC instructs the International Secretariat policies be updated by the Chairs Assembly 2012 to ensure that:	The IEC instructed the SG to present an update at the 2011 December IEC meeting on IS policies in the areas n-q below, and it further monitored progresses on these areas up to now.
(n) Annual performance appraisals for both the SG and SLT reflect best practice.	<p>This area of work started with the arrival of the new SG. The SG appraisal in 2010-2011 incorporated a six month review and the result of the annual appraisal was also circulated to the Movement. The six month review of the SG was carried out in January 2012. The annual appraisal of the SG will be carried out in June/July 2012 and the IEC is receiving professional advice on this matter.</p> <p>Performance appraisals for all SLT members, including feedback from their direct reports, were completed by the end of 2011. Objectives for 2012 have been set with all SLT members and a process for quarterly reporting against and reviewing these objectives is in place.</p>
(o) Financial and human resources systems in the IS are further strengthened.	<p>After the ICM, the newly elected IEC requested the SG for updates on these matters at the September and December meetings and is monitoring these areas (in particular via the FAC and the RemCo) with particular attention to remuneration and key related policies.</p> <p>Since the beginning of 2010 the IS has been and continues to work on strengthening the Human Resources function. The appraisal system has been in place for three years, there is an on-going process of training for staff and managers, the performance assessment element is being developed but is still to be implemented. While progress has been made in these areas, the SG recognises that further work is required, particularly regarding the human resources elements of the Global Transition Programme.</p> <p>In early May the SG announced the appointment of the new Senior Director for Human Resources and Organisational Development. While this is a new role, interim managers to date had filled it on a temporary basis. This appointment together with an agreement to increase resources in this area over the short-term, will further strengthen the human resources systems. The IEC will continue to monitor this closely with the SG,</p> <p>The Finance function at the International Secretariat has undergone a major reorganisation, since the arrival of a new finance director early in. The quality of the financial management and reporting has</p>



	<p>improved significantly over the past year. The Finance and Audit Committee and the external auditor have both commented very positively on the major progress made towards meeting best practice. For example a new user friendly quarterly IS management accounts are now sent to all sections and structures in a timely manner, which have been positively received by Sections. The Global Income Monitoring Report, has been replaced with a Flash Financial Report which presents consolidated summary financial information for the largest 15 Sections and the IS. The re-designed report includes clearer analyses of income trends, income sources and resource, and has been widely welcomed. The finance function is now playing a much stronger value added role through closer involvement in planning and resource allocation processes, as well as interacting at a higher level with both IS and Section stakeholders. The Common Chart of Accounts project has moved ahead effectively and we are currently compiling the first consolidated accounts prepared under the CoCoA structure for 14 large sections plus the IS for the first quarter of 2012.</p>
(p) Policies on Time Off In Lieu (TOIL) for senior staff are revised.	<p>The contract of the Secretary General has been modified and signed by the SG removing references to TOIL in December 2011. In January 2012 all senior directors contracts were modified and signed removing references to TOIL.</p>
(q) Any future compromise agreements shall be in accordance with best practices for charities and INGOs.	<p>As per its Terms of Reference the IEC Remuneration Committee is informed about compromise agreements for senior managers and plays a direct role in approving them for SG and senior directors. Measures in place to limit the use of these agreements have been also detailed distributing 2010-2011 accounts in November 2011<sup>11</sup>. The IS redundancy policies (which are linked to the use of this practice at the IS) are currently part of negotiations with the Union.</p>

<sup>11</sup> Communication from SG and IEC chair (2 November 2011)

