

INTERNAL AUDIT REPORT 2016-2017

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1. INTRODUCTION

This report is an outcome of the internal audit that took place on 16-18 of June, 2017 in the office of YEE in Toulcuv Dvur, Prague. The audit was conducted by Vasiliy Bashutkin and Kyrlyo Ivliev who acted in their personal capacity and not as representatives of their organization.

The auditors would like to express the words of gratitude to the Executive Board, the team of YEE Secretariat as well as experts and EVS volunteers for preparing all the documents and providing all the information necessary for conducting the audit in a smooth manner.

2. EVALUATION OF THE EXECUTIVE BOARD

2.1. Chairperson Zaruhi Stepanyan

Zaruhi is most experienced board member and her contribution as a chairperson is definitely valuable. She assured understanding of responsibilities by each board member via holding individual virtual meetings. We believe she has contributed a lot by sharing her experience with new members of the team. Due to family reasons she had to lower her involvement in the organization for some time, nevertheless she expressed her opinion in email conversations and while dealing with the office.

Zaruhi carried out regular board meetings where various working groups were established such as Pool of Representatives, Human Resources Policies, Donation Strategy, Promo Poster and Welcome Pack for AM.

As for means of transportation, Zaruhi used airplane due to her permanent residence in Armenia.

Zaruhi's performance and continuous commitment to working for and with YEE got separate recognition and appreciation from the side of the Secretariat.

2.2. Member Organizations Officer Ketevan Kochladze

Ketevan was a great value for YEE since she has been with the organization for many years. She seriously took the new responsibility and was of help to both the office and her fellow board members. Ketevan sees new tasks not like extra work but as the area for self-improvement and assistance to colleagues. In the auditors' opinion, she learnt a lot this way.

In addition, Ketevan provided a great contribution by attending all the meetings of the board as well as showed great involvement in some events like Water Campaign, Climate Campaign, The Right to Bee Campaign and others and definitely increased visibility of the organization. She also was a great source for working groups contributing particularly to HR policy and web site issues.

Ketevan was professional in communication and in dealing with her colleagues. In terms of transportations, she had to use planes for long-distance trips, while she used eco-friendly means of transportation in her own country. From the auditors' point of view, Ketevan, if re-elected, can bring a lot of benefit to the organization and learn new competences.

2.3. Treasurer Narek Minasyan

Narek was a rather new person in YEE in the beginning what in our opinion creates the potential for new ideas and approaches. He looked through the working results of his predecessor and found some ways to make improvements. Additionally, Narek was motivated to fulfil new tasks: he coordinated group of "Donation strategy" in order to

improve YEE financial stability and plans to deliver results by the end of his mandate. He checked financial documents sent by Secretary General and helped to explain them to the board. Narek shared his ideas while participating in all the physical and virtual meetings of the board. It took him some time to get used to the new role in YEE and therefore we believe he can be even more efficient if he decides to run again for YEE board.

We recommend Narek to work a bit more on showing results of his work to the colleagues and office so that valuable knowledge is transferred to a new board. For all the trips, Narek used planes, which is understandable due to long distance travelling.

2.4. External Relations Officer Stefan Rudel

It has been Stefan's first term in the role of YEE ERO. He set up an ambitious work plan that he mostly managed to implement. Stefan represented YEE at several external events, trying to strengthen relations with the existing partners as well as to explore new possibilities for cooperation. Stefan manifested himself as a very dedicated and participative person, willing to make contribution to the good external image of YEE.

Stefan continued to work on the development of the Pool of Representatives which is important in light of the fact that this body is a powerful structure within YEE making the Federation even more present, particularly on the local level. However, it is necessary to find ways to make people apply to become members of the Pool. Furthermore, it is necessary to have a mission and vision for the Pool, so that its members would have a clear understanding of their role and functions.

On top of that, YEE needs to have a strategy towards every current and potential partner with the view of making use of the opportunities each of them offers. This will also help ERO in preparing a clearer and more focused work plan to follow.

Stefan participated in all physical meetings, and in most virtual ones.

When it comes to transportation, Stefan used exclusively environmentally friendly means including train, car and ferry.

We recommend Stefan to apply for the second term in Board, preferably for the same position, to continue the work he has been doing as well as to ensure the knowledge and expertise gained in the work year of 2016-2017 will be preserved.

2.5. Project Office Jovana Mirjanić

For Jovana it has been her first term both in the role of Project Officer and on the Board of YEE generally. The major focus of Jovana's work plan was the flow of information about ongoing and upcoming projects between MOs, the Executive Board and Secretariat.

As Project Officer, Jovana managed to work both on her own projects and on the ones initiated by other teams, whereby providing a helping hand to the Secretariat of YEE.

She was involved in the preparation of grant application for the training course "Uniting Youth for Eco-tourism" that was approved for getting funding. Jovana participated in all but

one of the Board meetings and used mostly environmentally friendly means of transport, e.g. bus, having had to take a flight only once due to the university obligations.

Having spent one year in the capacity of Project Officer, we are of opinion that Jovana can make a valuable contribution to the preparation of qualitative project applications in the coming year.

2.6. Publications and Promotion Officer Razmik Sargsyan

At the beginning of his very first mandate as a Board member of YEE Razmik set a working plan full of tasks. However, due to some private businesses outside YEE, he was not able to fully complete all of these tasks. We strongly recommend Razmik as well as other people who think of joining the Board of YEE, to give a consideration to their capacity to carry out the tasks expected of an Officer of the Board, as otherwise there is a gap that needs to be covered by others.

Razmik participated in all physical board meetings and almost all virtual ones.

As for the means of transport, Razmik travelled to all physical meetings by plane, due to the distance from his place of living.

2.7. Summary

The auditors have got a positive impression of the performance of this year's Executive Board. Due to the fact that 5 out of 6 members of the team were in their first term, they had to take some time to get acquainted with their role and responsibilities. Some members of the board were not able to devote sufficient amount of their time, to reach all goals they set in the work plan. On the other hand, majority of the Board members managed to find a balance between their personal life and volunteering.

All the board members underlined the importance of working within an international team, which is for sure a great value for their further professional development and personal life. The auditors are of strong opinion that as many as possible people from the current Board should stay in order to ensure the continuity of the work done in the previous years. However, before applying to one or another position, one should objectively evaluate his/her availability and capacity to contribute to the development of the Organization.

One of the points to be looked at in the future is the geographical balance of Executive Board. This can be addressed by encouraging more people to take part in the elections. This, in turn, shall be done by advertising the advantages of being a board member of YEE and constantly looking for ways to add new advantages.

3. EVALUATION OF THE SECRETARIAT

The auditors have got a very good impression of the cooperation inside the Secretariat team. All members of the team without exception pointed out the fact that the atmosphere in the office is very good and that colleagues are supportive when someone needs help.

Some members of the Secretariat expressed concern regarding the possible lack of financial resources to keep all current positions and people in the coming year. This is caused by the fact that YEE will be eligible to obtain only one of the administrative grants (Erasmus+)

Another concern expressed during the interviews was that some member organizations of YEE do not take ownership for the project proposals they make. This leads to the situation where Secretariat has to take over some projects whereby adding up to their already high workload, to save these projects, as they were included into the work plan by the General Assembly.

It was admitted by most members of the Secretariat that the cooperation with the Executive Board was satisfactory except for the situations, where some board members were inactive, not contributing on time to the important discussions/decision making process.

Some team members emphasized the fact that the workload is often too big and that they are not able to manage it without being stressed. However, they always received sufficient support from other colleagues.

Some people on the team feel that their potential is not realized to the full extent and that they could contribute even more to the development of the organization, however they need some facilitation to reach their full capacity.

Taking the above mentioned points into consideration, the team of auditors recommends taking the following actions, with the view of further improving the efficiency of the Secretariat of YEE – the engine of the Organization's success:

- Keep looking for alternative funding, create a dedicated working group composed of the representatives of Board/Secretariat/MOs that would be in charge of alternative funders search and accountable to Treasurer and Chairperson of YEE.
- Member organizations shall be held accountable for the projects they initiate and that get accepted to become a part of YEE annual work plan. In case organization that initiated the project is not active after it was included into the work plan, project team should approach responsible people in such an organization and ask them to fulfill their obligations. Should this attempt be unsuccessful, project team should escalate the situation to YEE Chairperson, who should contact executive board of the troublesome organization, urging to take immediate action in regard to the situation.
- Secretary General as the leader of the Secretariat shall put even more efforts into opening up the potential of people working in the team, helping them to reach their full capacity, e.g. by means of conducting coaching sessions. In this way people will be able to contribute even more to the organizational development that in turn will increase their satisfaction as employees. At the same time, Executive Board shall monitor employees' satisfaction on a regular basis taking corrective actions when necessary.

4. EVALUATION OF PROJECTS

The auditors decided to pick two projects for a detailed scrutiny: study session “Exploring gender equality in environmental projects” and training course „YEE-nclude – Inclusion in environmental youth projects.”. The two chosen projects represented two different types of activity and were conducted by different organizing teams.

4.1. Study session “Exploring gender equality in environmental projects”

The main aim of the project was to explore the topic of gender equality and gender perspective in environmental youth projects and the ways of addressing this topic in work of environmental youth organizations.

The project was held in the European Youth Center of the Council of Europe in Strasbourg. Due to this fact, the team of organizers had a limited influence on a number of factors, such as means of transport, consumption of meat by participants, work materials, venue etc. as those have been mostly predefined by the staff of the European Youth Center.

The project reached most of its objectives, which was proven by the high average score of 4.18 out of 5 points that the participants gave in the frameworks of the official evaluation process.

One of the few shortcomings of the project named by the team of organizers was that not all the members of the preparatory team put enough time and effort into the project preparation, mainly due to the fact that these people were full-time employees of their respective organizations and that their involvement into preparation and implementation of the project was not counted as working hours. The auditors strongly recommend to everyone who holds any paid position, to check with their organization, if hours worked for a project can be counted as normal working hours, and if no, whether such a person still has enough capacity and time to invest into the project.

The project fulfilled YEE policies just to some extent because of the known reasons. Even though the European Youth Centers provide all the necessary support and facilities for the organization of a project, project team shall always bear in mind that their influence on several factors mentioned above will be limited. This notwithstanding, CoE is deemed to be a strategic partner of YEE, therefore the auditors recommend to explore the possibilities of organizing more projects in cooperation with the CoE, but with a stronger consideration of environmental factors.

4.2. Training course „YEE-nclude – Inclusion in environmental youth projects”

This project gathered 28 participants from various countries and raised issues related to inclusion of youth with fewer opportunities into environmental projects. Many participants expressed their great appreciation of the agenda, location, trainers and content. What is more, participants got space to express themselves during the sessions, such as acting skills

in theatre forum, sharing the best practices from the NGOs they represented and even coach a session during open-space.

To us there is a good point that many participants were representing YEE member organizations. Financial part of the project is not fully collected up to the day of the audit what makes it hard to estimate. In addition, we suggest putting expenses in more details due to high amount of “other costs”. Venue was very nice and comfortable for living, working and resting and gave participants the chance to feel really close to the nature. Many classes were spent outdoors. Although many participants had higher expectation regarding the food, its peculiarities were clearly communicated in advance.

From the environmental point of view, it is stated in the report that source of food was not fully clear. It is recommended to ask the venue to buy from local suppliers if that is possible. While traveling participants respected transportation policy of YEE and for more than half of the trips land transport was used. YEE made good use of existing resources and materials from the office.

Objectives of the project were almost fully met, though there is still a room for improvement in the future, in particular in terms of environmental aspect of the program. Most of the participants indicated that the goals of the training course were reached and that they gained a useful learning experience. Nevertheless, few members did not have their expectation from this course met. In the auditors’ opinion, during the training course participants collected some practical experience in how to deal with inclusion and should feel more comfortable while working on these topics and have plans to work with them in their NGOs.

5. AUDIT OF IMPLEMENTATION OF LONG-TERM STRATEGIES

Having looked through “YEE STRATEGIC PLAN 2017-2019” we share our opinion regarding its fulfilment during year 2016-2017. To reach some of those goals, “Work plan 2017” was created. Below we provide our comments to each of five main objectives and strategies:

Objective 1 - Reducing the ecological footprint of YEE and its activities

While organizing projects YEE complied with sustainable behaviour: participants mostly relied on environmental friendly transportation when possible, ate vegetarian food, separated waste and recycled it, used eco-friendly material for the training purposes.

Co-workers in the office save electricity by turning power off when not used, cook and eat vegetarian food, print on both sides of the paper, etc.

Environmental aspect has always been raised while organizing projects and its participants were informed regarding the importance of sustainable transportation and consumption.

Objective 2 - Encouraging youth involvement in raising awareness about environmental issues

Many activities of YEE seek to inform participants of member organisation and other young people about issues of climate change, global warming as well as regarding the influence on the environment each of us makes every day.

Auditors recommend focusing a bit more on the issue of biodiversity loss and endangered species in further activities and projects. Raising awareness of new tools for environmental education can bring fresh ideas to youth how to decrease their regular impact on environment.

In our opinion, YEE empowers young people to be active in decision making at a European and local levels in the fields of youth and environment by sharing its knowledge and best practices, by giving its participants a chance speak up at various international youth conferences.

Objective 3 - Empowering young people and building their capacities and skills

YEE office and board gave massive support to all the ideas of member organisations and its participants. YEE contributed a lot to participants' competences such as time management skills, intercultural communication, decision making. There has been a project about inclusion of youth with fewer opportunities into environmental projects. We pointed out importance of having right competences in arranging youth work in environmental projects. Training course "International Environmental Action Days" will in our opinion also contribute a lot to supporting young people in sharing knowledge and skills learnt in projects with their organisations and local communities. Having hosted two EVS volunteers for a year YEE shared its knowledge and principles of work while involving Aljaž and Diana into daily responsibilities in the office.

Objective 4 - Enhancing the institutional, financial and programme sustainability of YEE

YEE office issued a newsletter every two months which included results of work, call for participation in projects, etc. Apart from that social media presence was assured by Roxana and EVS volunteers in the office. There has been a project group to work on the new website. The treasurer put some effort into development of the "call for donation" initiative, however, ever a bigger effort will be required to find a new source of YEE financing in the current financial situation.

Objective 5 - Strengthening the external relations of YEE

YEE was represented in external meetings of European Environment Bureau (EEB), European Youth Forum (YFJ) as well as some external participants of the projects were informed about our organisation. Thus, there can be done more progress regarding pool of representatives in order to increase our visibility in countries where we have experienced members of YEE network.

6. SUGGESTIONS ON HOW TO IMPROVE INTERNAL AUDIT

While conducting the current audit, we have come up with the following ideas on how to improve the process in the future:

- Currently board members send both annual report and self-evaluation form. The two documents often contain very similar information and therefore just waste the time of board members filling them in as well as the one of internal auditors who have to read the documents. Instead, Board members may send only one of these documents covering all the activities carried out in the year concerned.
- Minutes of virtual Board meetings have been uploaded to the webpage of YEE only partially that limited the ability of the auditors to thoroughly evaluate presence of all Board members in the statutory meetings. All minutes shall be made available shortly after the meeting took place, so that everyone having access to internal webpage, could get acquainted with the results of discussions/decisions made during Board meetings.
- Auditors had a chance to look through external audit report. Till the date of audit, it was only available in Czech language what makes it difficult to understand it. Therefore, there is a recommendation to have it in two languages or to have someone during the internal audit who can translate it in details. Best would be the person who created it.
- Financial side of administrative work is not a mandatory part during internal audit that is why auditors suggest to make a list and track of administrative expenses available for internal audit. Same applies to expenses within projects as more details should be available to auditors without additional request.
- We recommend to add some additional questions to the questionnaire for the members of Secretariat, e.g. “do you feel like you are realizing your personal potential to the full extent” etc. This will help people working in Secretariat to provide a comprehensive feedback as well as to make concrete suggestions on how certain things can be improved.
- Board shall work on creating more detailed and clear guidelines for internal auditors, as we find the current document not comprehensive enough.

7. FINAL CONCLUSIONS

The work year of 2016-2017 has been rather a challenging one for YEE. With some projects not being approved, which means that YEE may be considered as not eligible to apply for the admin grant of the EYF, the financial stability of the organization might be at risk in the coming years, if new sources of financing are not found. Member Organizations together with the Executive Board and members of the Secretariat shall take immediate actions to address this issue and bring the financial situation back to the safe level.

As it is clear already now that the budget for the coming year will not allow to have the same number of people working in the Secretariat team, whereas the workload will likely remain the same, there is a need to look into the ways of increasing the individual efficiency of each member of Board and Secretariat that will eventually lead to the increase in overall

organization's performance. For this purpose, the auditors recommend to establish a work group that would be in charge of lean management activities, namely analysing the existing processes with the view of eliminating unnecessary steps and shortening the time of value adding steps (Six Sigma methodology).

Once again we would like to stress the importance of proper knowledge management and continuity of experience gained in the past years. To ensure this, members of the current Board should consider applying for the second term provided they have the necessary motivation and sufficient amount of time that they are ready to invest into the organizational development and growth. At the same time, members of the Secretariat, in case they decide to leave the organization and continue their professional path elsewhere, should make sure to allocate sufficient time for finding suitable successors and transferring their knowledge to the new generation of employees.

When it comes to the preparation of grant applications, we are of opinion that member organizations should seek the balance between the interests and priorities of YEE and those of our main funders. Should Jovana wish to stay for another term on the Board of YEE, she should advise MOs during the upcoming AM to take this point of balance of interests into consideration, to have more project applications approved in the next business year.

8. LIST OF ABBREVIATIONS

AM – Annual Meeting

BM – Board Member

ERO – External Relations Officer

EVS – European Voluntary Service

EYF – European Youth Foundation

GA – General Assembly

MO – Member Organisation

PoR – Pool of Representatives

TC – Training Course

YEE – Youth and Environment Europe

YFJ – European Youth Forum