

**GOVERNANCE AND MANAGEMENT  
FRAMEWORK**  
**Applying 'Good Governance' at**



*To eliminate TB*

**The Hague, May 2018**

**Governance and Management Framework  
Applying 'Good Governance' at KNCV Tuberculosis Foundation**

# Governance and Management Framework

## Applying 'Good Governance' at KNCV Tuberculosis Foundation

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# **Governance and Management Framework**

## **Applying 'Good Governance' at KNCV Tuberculosis Foundation**

### **1 General**

This document describes how KNCV Tuberculosis Foundation has structured its management and governance. It provides reference to legal deeds (i.e. articles of association), bylaws (i.e. rules and regulations) and other stipulated documents. The document describes the framework for the various layers of governance and management and indicates the links between the policies, procedures as well as the various rules and regulations for the different bodies of the association and the internal organization.

Governance at KNCV Tuberculosis Foundation adheres to the guiding principles of the relevant sector associations and quality assurance organizations as expressed through guidelines, codes and rules and regulations<sup>1</sup>.

Chapter 1 is introductory.

Chapter 2 describes the division of responsibilities within management and governance.

Chapter 3 describes planning, policy and internal control measures.

Chapter 4 describes public accountability, evaluation, as well as transparency and communication to stakeholders.

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<sup>1</sup> As required for the Central Bureau on Fundraising seal of approval, the Good Governance Code of the Association of Fundraising Institutions (Goede Doelen Nederland), etc.

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## Applying 'Good Governance' at KNCV Tuberculosis Foundation

### 1.1 Mission of KNCV Tuberculosis Foundation

Under its Articles of Association, KNCV Tuberculosis Foundation has as its statutory objective:

"The promotion of the national and international control of Tuberculosis by, amongst others:

- a. Creating and maintaining links between the various institutions and people in the Netherlands and elsewhere in the world who are working to control tuberculosis;
- b. Generating and sustaining a lively interest in controlling tuberculosis through the provision of written and verbal information, holding courses and by promoting scientific research relating to tuberculosis and the control of it;
- c. Performing research in relation to controlling tuberculosis;
- d. Providing advice on controlling tuberculosis, and
- e. All other means which could be beneficial to the objective.

As a subsidiary activity, it may develop and support similar work in other fields of public health."

Within the scope of its statutory mission KNCV has defined its mission to be:

**Mission:** The global elimination of tuberculosis through the development and implementation of effective, efficient and sustainable tuberculosis control strategies

### 1.2 Legal form

KNCV Tuberculosis Foundation is an association of members.

### 1.3 Articles of Association, Bylaws, and Rules and Regulations

The Articles of Association are contained in Annex 1.

The following bylaws, rules and regulations have also been adopted in the formal administrative framework of the Articles of Association:

- The Association's Bylaws (Annex 2);
- Rules and Regulations for the Board of Trustees (Annex 3a);
- Rules and Regulations for the Audit Committee (Annex 4);
- Rules and Regulations for the Remuneration and Assessment Committee(Annex 5);
- Rules and Regulations for the Executive Director and the job description of the Executive Director (Annexes 6 and 8);
- Terms of reference International Advisory Meeting (Annex 7).

The following rules and regulations have been adopted in the administrative framework of the internal organization:

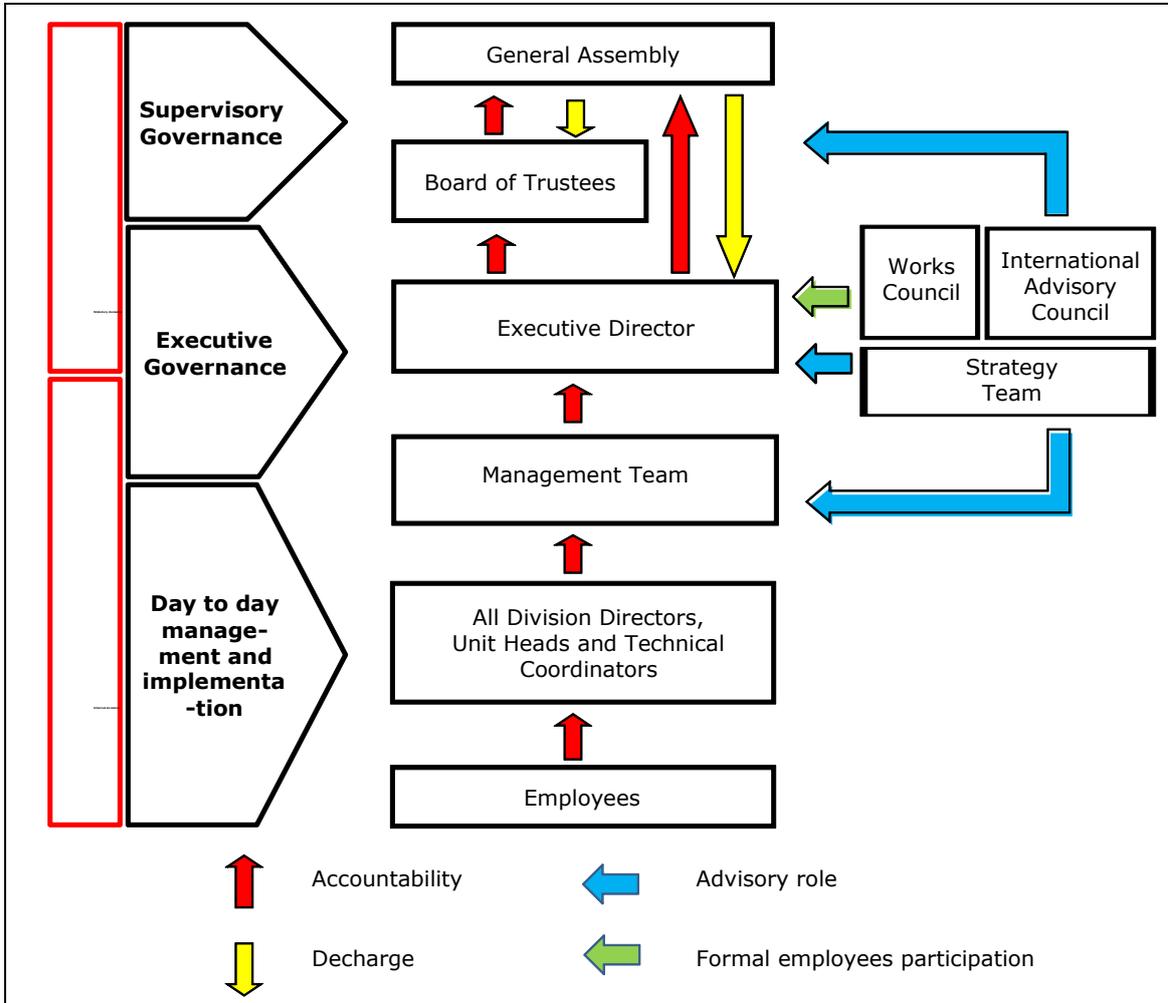
- Appointment terms of the Board of Trustees (Annex 3b);
- Rules and Regulations for the Management Team (Annex 9);
- Organizational Structure (Annex 10);
- Rules and regulations with regard to the functioning of the Works Council (Annexes 11a and 11b);
- Internal procedures, codes of conduct, etc. (Annex 12 - 15)
  - External Complaints Procedure (Annex 12)
  - Code of Conduct (Annex 13)
  - Whistleblower Procedure (Annex 14)
  - Partner Policy (included in the Engagement and Disengagement Policy) (Annex 15).

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## 1.4 Model for management and governance

The Association has a Board of Trustees supervisory governance model and counseling bodies. The diagram below reflects the overall governance structure and the internal management structure.

The next chapter describes the objectives and operating ways of the separate parts of the model.



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## **Applying 'Good Governance' at KNCV Tuberculosis Foundation**

### **2 Administrative structure**

#### **2.1 General Assembly**

- a. Objective  
The objective of the General Assembly is to ensure that the efforts of the foundation make an optimum contribution to the statutory mission. The General Assembly also has an advisory role in this respect.
- b. Composition  
Members of KNCV Tuberculosis Foundation (the Association, henceforth referred to as "KNCV") are associations and foundations which have TB control as their mission or area of work. KNCV also allows extraordinary membership to individuals interested in supporting the aims of TB control. These are non-voting members and have no formal powers or authorities in the General Assembly.
- c. Responsibilities  
The primary responsibility of the General Assembly is supervisory governance, in accordance with the Good Governance Code. Several administrative powers are reserved for the General Assembly under the Articles of Association and Bylaws (see paragraph d. below).
- d. Powers  
The General Assembly is authorized to:
  - Approve the annual accounts;
  - Grant discharge from liability to the Executive Director for the execution of the policy pursued;
  - Grant discharge from liability to the Board of Trustees for its supervisory governance;
  - Appoint, suspend and dismiss the Board of Trustees and its members;
  - Appoint the auditor;
  - Change the Articles of Association;
  - Dissolve KNCV.
- e. General Assembly Bylaws  
The KNCV Articles of Association and Bylaws lay down the relationships between the General Assembly and the Board of Trustees, and the General Assembly and the Executive Director (Annex 2).

#### **2.2 Board of Trustees**

- a. Composition, objective and profiles  
The objective of the Board of Trustees is supervisory governance, including approval and oversight on the overall strategy and direction of KNCV. The Board of Trustees is composed of 5 to 7 members, representing a set of competencies, as defined in the rules and regulations of the Board of Trustees (Annex 3a).
- b. Appointment and Resignation  
The members of the Board of Trustees are generally appointed for a 4-year term; members may be reappointed once (statutorily a second reappointment is possible if needed to ensure continuity). Appointment, dismissal and appointment terms are specified in further detail in article 11 of the Articles of Association.  
Appointment terms are monitored on the basis of a schedule (Annex 3b). When a vacancy arises, the Board of Trustees nominates a candidate for appointment to the Board of Trustees by the General Assembly.
- c. Responsibilities  
The responsibilities of the Board of Trustees are set down in the Articles of Association and detailed in the Rules and Regulations for the Board of Trustees (Annexes 1 and 3).
- d. Powers  
The powers of the Board of Trustees are set down in the Articles of Association and detailed in Rules and Regulations (Annexes 1 and 3a).
- e. Rules and Regulations for the Board of Trustees  
These rules and regulations aim to promote good teamwork within the Board of Trustees, and between the Board of Trustees and the Executive Director on the one hand, and the General Assembly on the other hand (Annex 3a).

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## **Applying 'Good Governance' at KNCV Tuberculosis Foundation**

- f. Consultation  
There are four forms of consultation:
- Meetings of the Board of Trustees;
  - Agenda consultations;
  - Consultations on permanent and/or temporary committees of the Board of Trustees.
  - (Annual) retreat with the Executive Director, Management Team and a broader delegation of staff (including the Strategy Team).
- g. Permanent and Temporary Committees  
The Board of Trustees may decide to set up permanent or temporary committees to carry out a delineated task and to issue advice to the Board of Trustees. The mandate, composition and working methods of the permanent committees are outlined in rules and regulations. The committees are responsible for integrated feedback to the Board of Trustees on their insights, their reasoning, and on what has been discussed.
- h. Agenda Committee  
This committee, consisting of the Chair and Vice-chair, is responsible for:
- Drawing up the agenda for the Board of Trustees meetings, and monitoring the annual agenda in this context;
  - Fulfilling a bridging function between the Board of Trustees and the Executive Director;
  - Further provisions with regard to the Agenda Committee are included in the Rules and Regulations for the Board of Trustees.
- i. Audit Committee  
This committee, to which at least two members of the Board of Trustees with financial expertise are appointed, provides support in the supervisory governance of financial management and control, administrative processes and internal auditing. It also maintains a relationship with the external auditor on behalf of the Board of Trustees. The rules and regulations for the audit committee can be found in Annex 4.  
The audit committee also acts as an investment committee, with responsibility for monitoring of the implementation of the investment policy (see paragraph 3.4).
- j. Remuneration and Assessment Committee.  
This committee, consisting of the Chair and Vice-chair, is responsible for:
- Drawing up the employment conditions of the Executive Director;
  - Carrying out performance interviews with the Executive Director;
  - Assessment of the performance of the Executive Director, and determining salary adjustments, seeking compliance with general accepted norms in the sector and consulting the Board of Trustees in case of deviations and in all cases when deemed necessary. The rules and regulations for the Remuneration and Assessment Committee are in Annex 5.

### **2.3 Executive Director**

- a. Composition  
KNCV Tuberculosis Foundation is led by an Executive Director who holds statutory powers.
- b. Appointment and dismissal  
The Board of Trustees appoints, suspends and dismisses the Executive Director. The Executive Director appoints, suspends and dismisses the Division Directors and other staff.
- c. Responsibilities  
The responsibilities of the Executive Director are laid down in detail in Rules and Regulations for the Executive Director and in the function description of the Executive Director. The responsibilities include:
- Guiding the organization to achieve its objectives;
  - Ensuring the acquisition of funding;
  - Disbursing and managing the available funds;
  - Accountability on the allocation and expenditure of the available funds;
  - Adequate functioning of the organization.
- d. Powers  
The powers of the Executive Director are described in detail in Rules and Regulations for the Executive Director and the function description of the Executive Director. They are summarized as follows:
- Decide on strategy, plans, policy and the annual budget; the 5-year strategy, annual plans and budgets are presented to the Board of Trustees for approval;

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- Accountability to the Board of Trustees and General Assembly on the allocation and use of funds in relation to the strategy, plans and budget; Representing KNCV Tuberculosis Foundation and entering into contractual obligations as set down in the Articles of Association.
- e. Rules and Regulations of the Executive Director  
The rules and regulations aim to enhance good teamwork between the Executive Director and the organization.
- f. Performance Assessment  
In addition to the assessment of performance by the Board of Trustees, the Executive Director carries out a self-assessment at least once a year. This self-assessment is substituted with the annual self-assessment of the Management Team.

#### **2.4 Management Team (T-4)**

- a. Membership  
The Management Team (also called T-4) is composed of the Executive Director, Director Finance Division, Director Operations Division and the Director Technical Division. The Management Team is supported by the Board Secretary.
- b. Deputy Director  
The organizational structure includes a non-statutory Deputy Director who is part of the Management Team. The position of the Deputy Director is attached to one of the Division Directors positions. When the Executive Director has a Technical background, the Deputy Director will be non-Technical (and vice versa). The responsibilities of the Deputy Director are described in an annex to the job description for the Director Finance Division.
- c. Management Team meetings  
The Management Team meetings are convened bi-weekly. Unit heads can be invited to parts of the Management Team meeting when their inputs are considered relevant to the agenda. A summary of every Management Team meeting will be distributed to all employees for information by the Board Secretary.
- d. Mandate and Purpose  
The Management Team has an advisory role in support of the Executive Director in (statutory) decision-making. The principal areas of the Management Team purview include:
  - Setting the Management Team agenda and assigning related preparatory tasks;
  - Administrative and governance decisions;
  - Coordination, prioritization and assignment of tasks (be it operational or institutional initiatives);
  - Oversight on progress, pacing and prioritization of institutional initiatives (e.g. to stay within available human resource allocation)
  - Flagging of strategic / external developments which merit in-depth strategic consideration by a broader group
- e. Procedures and quorum for decision making:  
Decisions by the Management Team require the presence of at least two Division Directors in addition to the Executive Director and/or the Deputy Director. The Executive Director precedes the Management Team meetings. When the Executive Director is absent, the Deputy Director precedes the Management Team meetings. In case of significant ad hoc decisions deemed necessary, Management Team members will be informed of the proposed decision and rationale in writing (email) and offered an opportunity to share their opinion remotely.
- f. Performance assessment  
The Management Team annually performs a self-assessment.

#### **2.5 Operational Coordination Team (T-5)**

- a. Membership  
The Operational Coordination Team (also called T-5) consists of the three Division Directors (Director Finance Division; Director Technical Division; and the Director Operations Division), the Director Challenge TB/PMU and the Deputy Director Challenge TB/PMU. The Operational Coordination Team is supported by the Board Secretary.

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- b. Operational Coordination Team meetings  
The Operational Coordination Team meetings are convened bi-weekly and are chaired by the Deputy Director.
- c. Mandate and Purpose  
The Operational Coordination Team focusses on discussing overarching and operational issues with the purpose to relieve the Executive Director from involvement in regular operational issues that fall under the responsibility of the T-5 members. Decisions made by the Operational Coordination Team have to go to the Management Team for final approval. The Executive Director will be consulted in case of disagreement or lack of consensus within the Operational Coordination Team.
- d. Reporting  
Operational Coordination Team minutes are shared with the Executive Director.

### **2.6 Strategy Team**

- a. Membership  
The fixed membership of the Strategy Team consists of the Executive Director, Division Directors, Director Challenge TB/PMU, Deputy Director Challenge TB/PMU, Unit Heads, and the Technical Team Coordinators. The Strategy Team is supported by the Board Secretary. Other staff is invited when their inputs are considered relevant to the agenda. This applies mostly to Portfolio Managers. Outsiders may be invited, if the Management Team decides to do so.
- b. Mandate and purpose  
The Strategy Team will focus on the discussion and brainstorming of mid-term and long term strategic issues for the organization and has an advisory role towards the Management Team.
- c. Agenda  
The Strategy Team agenda is prepared and set by the Management Team. All fixed members of the Strategy Team (see chapter 2.6a) can submit input for the agenda for discussion in the Management Team meeting.
- d. Mandate:  
The Strategy Team meeting has an advisory role. Decision-making will take place in the Management Team meetings.
- e. Reporting  
Strategy Team minutes are shared with all Strategy Team members and those in attendance at a meeting. A summary of every Strategy Team meeting will be distributed to all employees for information by the Board Secretary.

### **2.7 Organization and decentralized responsibilities**

- a. Organization  
KNCV Tuberculosis Foundation is composed of a central organization located in The Hague and regional and country offices overseas.  
The organization chart is enclosed in Annex 10 and is described in greater detail in the Modus Operandi. This Modus Operandi is stipulated by the Executive Director and was revised early 2016. In addition, a Field Office Manual is maintained and regularly updated under the auspices of the Operations Division.
- b. The overseas offices report to the Operations Division at central level. The organization has a line-and-staff structure with Technical, Finance and Operations divisions staffing multi-disciplinary country teams which constitute (together with the overseas offices) the backbone of reporting lines. The Challenge TB Project Management Unit oversees the implementation of the Challenge TB grant by KNCV and Partners and has a direct reporting line to the Executive Director. In addition, KNCV has a number of staff units, including HRM, Facilities and ICT, Resource mobilization, ED's Support, Public Affairs and Advocacy, Communications and Private Fundraising. Each Division and the CTB PMU are led by a director and units are led by a head. Country offices are led by a country director.
- c. Tasks of the Divisions/Unit  
As described in the Modus Operandi each division/unit/country office performs its own task

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within the overall KNCV strategy, annual plans and the limits of the resources made available to it.

- d. Division/unit/country office Performance  
Each division director/unit head is responsible for the performance and development of his/her unit as a whole, and of the employees of the unit. The division/unit and country offices are responsible:
  - To define results to be realized by the division/unit within the strategic framework of KNCV Tuberculosis Foundation;
  - To implement the activities targeted at achieving these results;
  - To be in compliance with the financial, operational and other conditions set;
  - To monitor progress, and follow-up activities in terms of content, time, money, and client satisfaction, as well as contribute to organizational learning on the basis of monitoring and evaluation reports.
- d. Consultation within units  
Meetings are held periodically within divisions/units/country offices, with agenda and action points. The directions are discussed at least once a year, and/or a consultation takes place at the time of annual planning and budgeting.
- e. Consultation and coordination  
Operational coordination takes place principally in the country teams and at the PMU. Bi-weekly Management Team meetings facilitate the coordination of institutional initiatives and other overarching issues. Strategic coordination and longer term agenda setting takes place in quarterly Strategy Team meetings.

#### **2.8 International Advisory Meeting**

- a. Objective  
The (inter)national Advisory Meeting (and possible future regional advisory councils) is convened annually to provide the Board of Trustees and the Executive Director with advice on strategic directions and activities in a specific area. The Terms of Reference of the International Advisory council are included as Annex 7.
- b. Composition  
The International Advisory Meeting convenes leading experts in the area under consideration. The organization may opt for installing additional advisory councils at regional and/or country level.
- c. Advice  
The role of the International Advisory Meeting is consultative; it provides an external perspective on the directions of KNCV. The advice is non-binding.
- d. Consultation  
Recommendations are shared with representatives of the Board of Trustees at the time of the meeting and with the full Board of Trustees in writing.

#### **2.9 Works Council**

- a. Application of the Works Councils Act  
In accordance with the Works Councils Act, KNCV Tuberculosis Foundation has a Works Council.  
The composition and working method of the Works Council, and rules governing the appointment of its members, are set down in rules and regulations.
- b. Rules and Regulations governing the cooperation between the Works Council and the Director.  
These Rules and Regulations set down the arrangements aim to enhance good teamwork between the appointed director and the Works Council.
- c. The director  
The Executive Director is appointed director as defined in the Works Councils Act. The director is responsible for:
  - Representing the organization during consultation meetings, progress meetings and informal meetings with the Works Council;
  - Communicating and explaining decisions and proposed decisions of the Executive Director and the Management Team;

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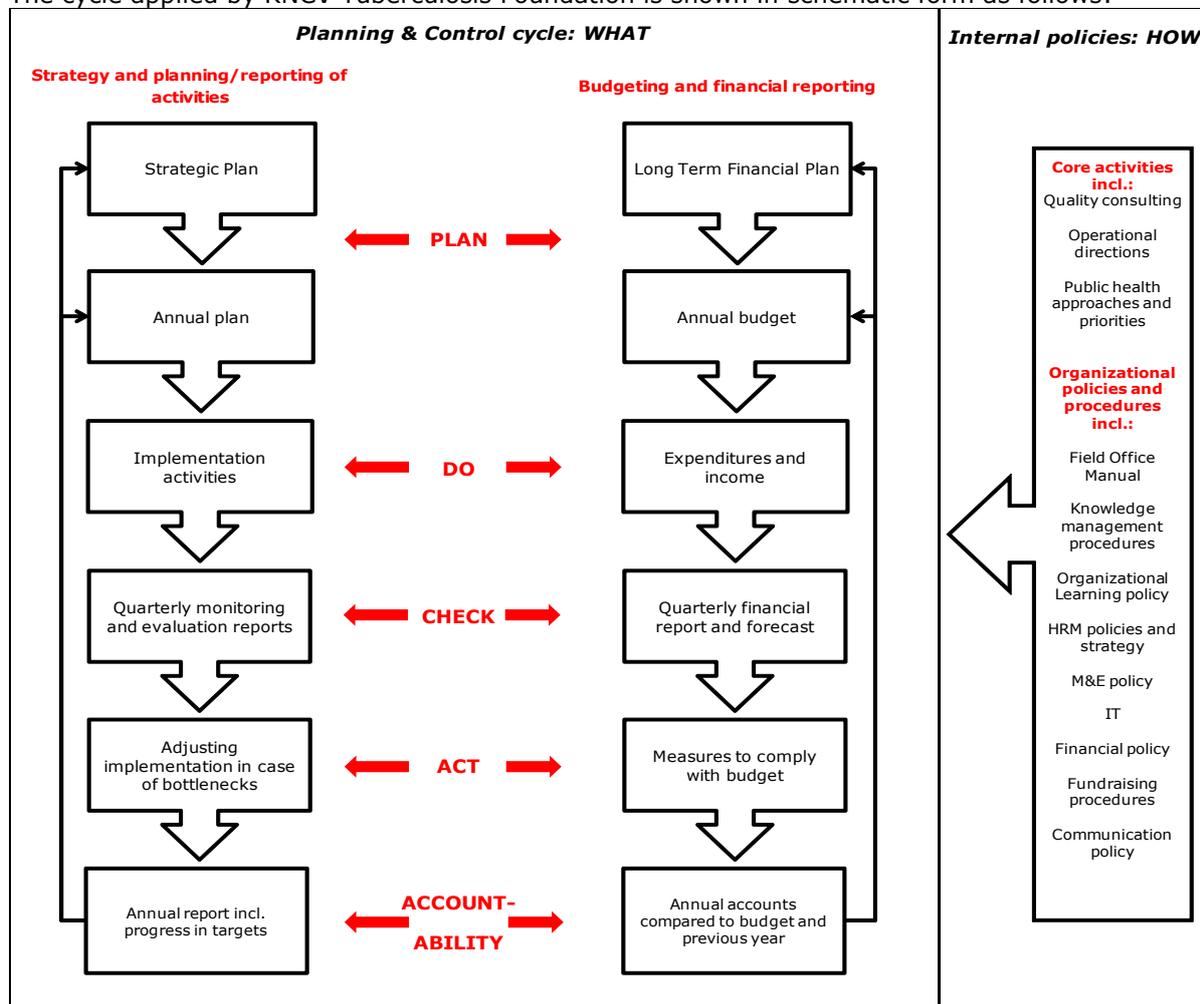
- Providing the Works Council with information in all relevant areas;
  - Submitting Requests for Advice and Approval;
  - Assuring accurate minute taking in all meetings by the secretary of the Works Council;
  - Taking receipt of and processing all initiatives, advice and approvals put forward by the Works Council;
  - Providing feedback in the Management Team meetings on all subjects discussed with the Works Council, so that joint positions can be formulated by the Executive Director (supported by the Management Team).
  - Informing the Management Team regarding the main themes of the subjects discussed with the Works Council.
- c. Consultation and cooperation with the director
- The Works Council and the director have three types of meeting:
- The consultation meeting;
  - Progress meeting;
  - Informal meeting.

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## 3 Planning, policy and internal control measures

### 3.1 General

The cycle applied by KNCV Tuberculosis Foundation is shown in schematic form as follows:



### 3.2 Strategic planning and long-term budget

a. Process

A strategic planning period is approximately 5 years. During the year prior to the start of a planning period, the organization undergoes the following process:

- Orientation regarding the external environment and developments in controlling TB and other relevant areas;
- Assessment of the actual and potential role of KNCV in capacity building and knowledge development in supporting TB control;
- Assessment of the fitness and required strengthening of KNCV Tuberculosis Foundation as an organization in relation to the challenges ahead;
- Defining goals and targets for the strategic plan period;
- Developing a long-term budget on the basis of the objectives, targets and roughly defined plans.

b. Objective and functions

When the strategic plan and long-term budget have been adopted, they act as:

- Advance accountability point of reference to the Board of Trustees and the General Assembly;

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- Guideline for the annual plans to be developed by the organization as a whole, and by the central and decentralized parts of KNCV;
- Point of reference point for assessing the annual plans, and the basis on which adjustment can take place, where deemed necessary.

### **3.3 Annual planning and budget**

- a. Process  
The activities to be carried out within a strategic planning period are detailed in the annual plan and budget, per division/unit/country office and totalized.
- b. Objective and functions  
When an annual plan and budget have been adopted, they act as:
  - Advance accountability document to the Board of Trustees and the General Assembly;
  - Guideline for the activities to be developed by the various central and decentralized parts of KNCV;
  - Discussion document between parts of the organization in the context of internal service provision and service level agreements;
  - Results agreements between the Executive Director, division directors, unit heads and regional directors;
  - Budget authorities at central and decentralized parts of KNCV;
  - Point of reference for assessing progress and realization reports, and the basis for adjustments, if deemed necessary.

### **3.4 Detailing and adoption of operational directions**

- a. Strategy and annual plans state what KNCV Tuberculosis Foundation wishes to achieve during a specific period, defining the steps and pace. In addition, it reflects the decisions on how objectives are achieved, and within which frameworks. This is reflected in operational directions for both the core business and enabling operational areas policy.
- b. TB control policy is largely set in external processes (WHO and, in the Netherlands, in the Committee for Practical TB control) to which KNCV contributes. Within the operational directions KNCV defines the content, emphasis and operational policies for "quality consulting" as well as for the consulting and research (and/or research support) product. Examples of operational directions include the approaches and KNCV products to support each of the priority areas and specific technical areas (the component parts of the END TB Strategy). These are defined and continuously evolving under the leadership of the Executive Director and the Technical Division.
- c. On the enabling side KNCV defines operational policies and plans guiding the internal service and implementation processes for organizational development. Examples include the process of building strong country offices, Knowledge Management and Organizational Learning, Monitoring and Evaluation, Field Office Manual, Project Management, HRM, ICT, Communication and Fundraising policies.

### **3.5 Monitoring progress on annual plans and monitoring and evaluation of programs and projects**

- a. Responsibilities  
The unit heads are responsible for guiding the members of the unit and monitoring progress on all proposed activities within the units, flagging divergences from the planning and adjusting the direction where necessary. Progress is monitored at unit and individual level as well as in the quarterly reports at organizational level.
- b. Monitoring and evaluation (M&E)  
Special attention is paid to programs and projects, in response to reporting obligations to institutional donors as well as internal monitoring and evaluation standards and requirements. M&E is a standard component of project management.
- c. Quarterly reporting  
At the end of each quarter, a progress report on core business and organizational improvement projects is compiled by the Operations Division. A quarterly re-forecast is

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prepared by the Finance Division. Following a review in regular reporting lines the quarterly report is reviewed and assessed by the Management Team, adopted by the Executive Director and shared for information with the Board of Trustees. This Quarterly report includes:

- Substantive progress on activities, programs of activities, projects and results to be realized;
- Cumulative realization of income, costs, staffing, hours, compared to the budget;
- Forecast of income, costs and staffing for the entire year, compared to the budget.

Bottlenecks are recognized and operational adjustments are decided. The Executive Director and Management Team formally take decisions on the basis of this report about necessary changes of direction in respect of plans and alternative deployment of resources. The quarterly report is shared with Management Team and the Board of Trustees.

### **3.6 Quality standards, monitoring and assurance**

- a. The organization has established a number of internal policies and procedures with the aim of enhancing the quality and consistency of operations.  
On the core business side such quality enhancing policies and procedures include:
  - "Quality Consulting" standards and peer review mechanisms;
  - Engagement and disengagement policy, including Partner Policy;
  - Knowledge Exchange and Organizational Learning.On the enabling side this includes quality enhancing procedures such as:
  - Field Office Manual;
  - Fundraising Procedures, including Goede Doelen Nederland ethical considerations;
  - HRM policy and procedures;
  - Communication policy.
- b. Purpose of quality monitoring  
The organization has determined the way in which it wishes to achieve results, and on the basis of which quality requirements. Quality standards are described in a variety of guidance and policy documents related to the core business and enabling processes (see 3.4 above). The purpose of quality monitoring is to strengthen compliance to quality standards at individual, team and organizational level as well as to provide the basis for continuous quality improvements and organizational learning.
- c. Systems for quality monitoring;  
KNCV has established a set of internal systems which monitor compliance with internal standards and reinforce these. In addition, KNCV complies with a set of external systems for quality monitoring and assurance.
- d. Internal systems reinforcing compliance with quality standards;  
Compliance to quality standards is enforced at individual and team level through regular reporting lines, peer review mechanisms as well as periodic performance appraisal reports. At decentralized and organizational levels internal planning and control processes (as described in 3.1 to 3.5) and the quarterly reports provide the basis for quality monitoring on timely progress towards the realization of plans and budgets.
- e. Quality monitoring for organizational learning;  
The internal M&E system is geared to monitoring quality and effectiveness of all project activities and the organization as input to an annual cycle of evaluation, learning and deciding improvements to operations. The improvements which are defined in the organizational learning cycle feed into the annual planning and budgeting cycle.
- f. External systems reinforcing compliance with quality standards  
The external systems include the external auditing of the administrative and financial operations as conducted by independent auditor PwC Accountants NV. In addition, KNCV adheres to and reports annually in respect of fundraising standards of the Centraal Bureau Fondsenwerving (CBF) and sector standards as set by Goede Doelen Nederland (Association of Fundraising Institutions). KNCV Tuberculosis Foundation is assessed by the CBF as part of the 'erkenningregeling'. In order to retain the CBF Seal of Approval, the organization must comply with the reported findings of the CBF. The CBF Seal of Approval in turn is a prerequisite for membership of the sector association Goede Doelen Nederland, and needed to remain eligible for income from charity lotteries.
- g. External complaints procedure;  
In the interest of external parties with a complaint and in the interest of enabling KNCV to

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learn from mistakes, a procedure for lodging and dealing with complaints, published on the KNCV website, is in place (see Annex 12). A registry of complaints is kept and reported quarterly to the Management Team.

### **3.7 KNCV Code of Conduct**

All KNCV employees are held to an institutional code of conduct which is signed at time of contracting. KNCV strives to maintain the highest standards of integrity out of the extra duty of care it feels for the appropriate allocation of the entrusted funds. The Code of Conduct is to provide employees with guidance to enhance integrity, and guidance on how to avoid, and/or act in, situations giving rise to (potential or perceived) conflict of interest. The Code of Conduct moreover provides guidance in support of behavior that is beneficial to employees' own performance, creates a safe working environment and supports realization of the mission of KNCV Tuberculosis Foundation. The KNCV Code of Conduct is included as Annex 13. Compliance to the Code of Conduct is enforced through the regular supervision and reporting lines. Procedures for sanctions are in place and are adhered to.

### **3.8 Risk Management**

#### **a. Internal measures**

In the context of limiting risks, KNCV Tuberculosis Foundation has embedded the following explicit and implicit measures in the organization:

- The administrative structure guarantees that decisions of material importance are never taken by a single person, and that decisions are taken in the appropriate forums as well as recorded and disclosed;
- Responsibilities and powers are explicitly assigned to the various organizational layers and are set down in internal procedures, mandates and function descriptions;
- Administrative procedures and internal control measures are assessed periodically by the external accountant;
- If expertise on an issue is not available internally, KNCV Tuberculosis Foundation sources advice externally;
- Annually a risk analysis is conducted and risk mitigation actions are defined. This is assessed in the Audit Committee and the Board of Trustees. Risk mitigation measures are annually monitored in the Management Team and Management Team.

#### **b. Liability of Directors and members of the Board of Trustees**

KNCV Tuberculosis Foundation has taken out insurance up to an amount which is periodically reassessed in relation to the assessed risk exposure for claims for loss incurred by third parties resulting from mistakes by directors and/or members of the Board of Trustees.

#### **c. Insurance**

KNCV Tuberculosis Foundation takes out insurance to cover risks of a material nature, to which the organization is exposed like any other organization, where possible. Advice is requested from insurance experts in this context. Management of the insurance portfolio is the responsibility of the Finance Director.

### **3.9 Power of Attorney and Authorization to sign**

The annual budget, decisions of the Executive Director and decisions regarding employee contracts serve as a basis for entering into obligations, as referred to below:

#### **a. Employment contracts and obligations related to employment conditions**

All correspondence in which obligations are set down involving employees on the payroll of the central office must be signed by the Executive Director or (in case of multi-day absence) by the Deputy Director; in decentralized offices the country director is mandated to sign all local contractual obligations involving employees.

#### **b. Contracts in which long-term service provision by third parties or long-term project funding are set down.**

Contracts are signed by the Executive Director (or the Deputy Director in multi day absence of the Executive Director). Sometimes co-signatures are required by the contract partner.

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- c. Contracts for one-off assignments by third parties or project funding  
 These contracts are signed by the division director/unit head up to an amount of €25,000, inasmuch as the amounts fall within an approved budget.  
 For an amount of in excess of €25,000, contracts must be signed by the Executive Director. Sometimes co-signatures are required by the contract partner.
- d. Other obligations at central level  
 The Executive Director can delegate authorizations by issuing a power of attorney. When issuing powers of attorney, the following structure is applicable:

Authorization to sign	Organizational section/person
up to € 250	Purchaser concerned
up to € 5,000	Officer concerned within allocated budget  Budget holder concerned within allocated budget
up to € 25,000	Division Director, Unit head, Country Representative Officer, Portfolio Managers, Country Program Officer concerned and within allocated budget
Above €25,000	Executive Director

The authorizations are linked to the status as budget holder in relation to specific budget lines. The authorized person can sign on their own up to the limits stated. Above the stated limit, the person with the higher authorization co-signs. The Finance Division is responsible for ensuring that the payments authorizations are actually signed in accordance with the allocated authorizations.

- e. Authorizations to sign bank orders at central level;  
 The actual issue of an order to transfer amounts to the bank accounts of the organization and bank accounts of third parties is reserved for the Executive Director. As defined in the rules and regulations for the Executive Director, the Executive Director is authorized up to an amount of €1,500,000, in the case of transfer of advances for CTB amounts up to €5,000,000. The Deputy Director is authorized up to an amount of €500,000, in the case of transfer of advances for CTB amounts up to €1,500,000. Joint authorization is required above these amounts.
- f. Replacement in case of absence  
 In the event of the absence of the Executive Director, bank authorization has been granted to three staff who are jointly authorized to approve bank orders up to an amount of €500,000.
- g. Other obligations at decentralized level.  
 Authorities and KNCV representation at decentralized levels are described in the Field Office Manual and are reaffirmed in the standard and specific job description of the appointed officers.  
 In the countries KNCV is represented by the Country Representative Officer (CRO), reporting to the Operations Division (Portfolio Managers). The CRO powers of authority (at decentralized level) include:
- Bank account  
 The CRO is authorized to be a signatory on the existing bank account(s). If a (new) bank account has to be opened, the country representative must obtain written authorization signed by the Finance Director.
  - Payments  
 The CRO is authorized to effect payments related to the project activities within the approved budget.
  - Procurement  
 The CRO is authorized to procure goods and services related to project activities and within the approved budget for a maximum amount of € 25,000 or equivalent in foreign currency. Procurement for higher amounts requires the approval of the Executive Director. This can be given by sending an e-mail with a letter in PDF format.
  - Contracts  
 The CRO is authorized to conclude agreements for partners and donors after written authorization has been obtained from the Executive Director. Furthermore, the country representative is authorized to sign contracts such as rental agreements, car rental,

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etc., relating to the project activities and within the approved budget, for a maximum amount of € 25,000 or equivalent in foreign currency. Contracts with higher amounts require the approval of the Executive Director. This can be given by sending an e-mail with a letter in PDF format.

- Personnel

The CRO is authorized to recruit local staff in accordance with the project activities, within the approved budget. For key positions (including those which require donor approval) approval by the Operations Division is required.

# Governance and Management Framework

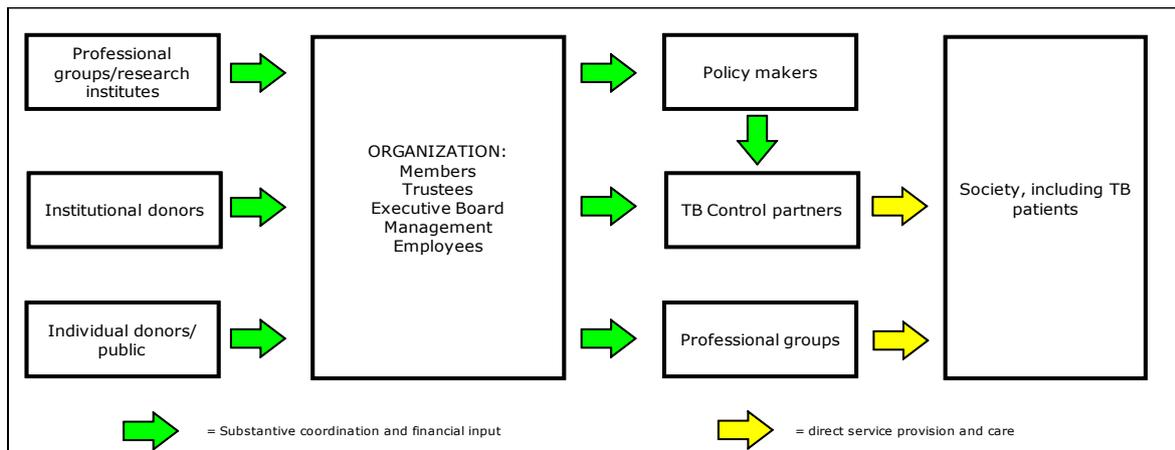
## Applying 'Good Governance' at KNCV Tuberculosis Foundation

### 4 Public transparency, accountability and communication

#### 4.1 Stakeholders

- a. Definition of stakeholders  
A vast and hybrid network of stakeholders composes and surrounds KNCV Tuberculosis Foundation. In addition to the Members of the Association, a wide variety of external stakeholders have a stake in and a contribution to KNCV's performance in respect of its mission. The ultimate stakeholder is the tuberculosis patient and society-at-large benefitting from a reduction of human suffering and transmission of TB as a result of the efforts of KNCV.
- b. Groups of stakeholders  
On the basis of the above definition of stakeholders; the following groups can be specified:
- Tuberculosis patients, communities and societies affected by TB;
  - Professional groups in the Netherlands and research institutes in TB control in the Netherlands and globally;
  - KNCV partners in TB control abroad (realization, technical assistance and policy development), at the national, regional and global level;
  - Financiers/donors for TB control;
  - Individual donors and corporate sponsors;
  - Members of the Association, Board of Trustees and advisory bodies;
  - Employees.

The relationships between the groups of stakeholders and the organization are shown below in schematic form.



#### 4.2 Institutional and private fundraising

- a. KNCV raises funds with the following benefactors:
- Institutional fundraising with public donors, foundations and corporations
  - (Dutch) Lotteries
  - Private Fundraising with individuals and (corporate) sponsoring
- b. The organization adheres to the Rules and Regulations of the Centraal Bureau Fondsenwerving (CBF) and the Goede Doelen Nederland Code on Ethical Fundraising.
- c. The organization guards against situations of ethical and other conflicts of interest. In the case of funding from pharmaceutical companies special care is given to ethical considerations and an explicit decision is taken at management level whether or not to proceed.
- d. Accountability and transparency to all types of benefactors is an important dimension in KNCV's internal reporting as well as external communication policies and procedures.

# **Governance and Management Framework**

## **Applying 'Good Governance' at KNCV Tuberculosis Foundation**

### **4.3 Public transparency, accountability and communication with KNCV stakeholders**

- a. The objective of public transparency, accountability and communication with stakeholders; As an association of members and as a fundraising charity with ANBI status, KNCV is held to a high standard of accountability (in advance as well as after the fact) on allocation and expenditure of funds as well as effectiveness in improving public health results, nationally and globally.  
KNCV is committed to transparency, internally and externally, and publishes its strategic plan, and condensed versions of its annual plan, financial and annual report on its website ([www.kncvtbc.org](http://www.kncvtbc.org)). KNCV accountability complies with Dutch law, and the requirements of institutional donors, certification bodies and sector organizations.
- b. Transparency in Good Governance  
KNCV Management and Governance (application of the Good Governance Code) describes the management and governance structure of KNCV Tuberculosis Foundation. It is published in full on the website, including the Articles of Association, Bylaws and the principal rules and regulations and relevant procedures.
- c. Modalities of accountability in advance  
KNCV strategic and (condensed versions of its) annual plans are posted on the KNCV website after internal decision-making has taken place.  
Modalities of accountability after the fact
- The General Assembly takes place annually and is mandated to approve the Annual Accounts and Report as well as provide discharge to the Executive Director and the Board of Trustees. For all stakeholders and the public KNCV Tuberculosis Foundation provides an overview of the results achieved and the resources used in its annual report and project reports for donors.
  - The Annual Report and Accounts provide extensive accountability on the use of the resources in reference to *ex ante* defined results areas. The Annual Accounts and Report are deposited with the Chamber of Commerce and a public version is accessible via the website.
  - Project accountability  
Project accountability is provided on all projects carried out in the context of the core activities. The accountability is drawn up in accordance with internal guidelines and project management procedures and conforms to the requirements and reporting cycles as set by donors. (The executive summary of) external evaluation reports are posted on the KNCV website, unless third parties commissioning the evaluation would preclude this possibility.
  - The conclusions of the monitoring and evaluation cycle are integrated into the annual report. The annual report and the quarterly reports (see also chapter 3.5c) are shared with the Board of Trustees.
- d. Objective of communication with stakeholders  
Strengthening and maintaining support (both tangible and intangible) as well as transparency in our public accountability is the focus of our communication with all stakeholders. As described in paragraph 4.1, KNCV is part of a large partner network of public and private organizations and individuals, in some way all contributing to realizing our mission.
- e. Openness to external influence by stakeholders  
Given the public's stake in the KNCV mission, it is important that the organization maintains two-way channels of communication, opening itself to external stakeholders influencing of operational directions and strategy of the organization and ensuring opportunities for external stakeholders to submit advice and ideas to the organization.  
At the meeting of the General Assembly and in a wide range of formal and informal forms of policy consultations<sup>2</sup>, stakeholders have an opportunity to exchange thoughts with the Executive Director, the Management Team and KNCV staff.  
Moreover, KNCV staff engages in a great variety of stakeholder consultations at global, regional, and country level. In these consultations TB control policies and input to KNCV priority setting and approaches are shaped.  
Social media are used intensively by the organization to communicate opinions and viewpoints as well as participate in dialogues concerning the organization's field of work.

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<sup>2</sup> Including meetings of the CPT, International Advisory Council, Commission for Practical TB control (CPT), General Assembly, etc.

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- f. External complaints  
A formal complaints procedure is in place (as described in 3.6.e and attached in Annex 12) for donors, partner organizations and other stakeholders.
- g. Procedures related specifically to employees as a special KNCV stakeholder group  
Beyond the regular reporting channels, KNCV has put in place a number of safeguards for the protection of the rights of employees, as well as procedures for the protection of individual rights when lodging a complaint.
- An internal complaints procedure
  - A whistle blowing procedure has likewise been established and is published on the KNCV e-portal. Procedures and mechanisms put in place in protection of individual employee interest have been developed in close consultation with the Works Council and are in line with sector practice and established norms.
  - The Works Council is consulted for collective issues at central level in accordance with Dutch law; at decentralized level employee consultation is shaped in accordance with local laws and (in the case of non-existence of local legal provisions) includes staff consultation on important issues for employee concern.
  - An external confidential advisor is available in the event that staff feels individual rights are infringed upon. This external advisor is also available to support staff charged with misconduct and to ensure due process.
  - A Complaints Committee is in place to deal with a formal complaint of a staff member or a group of staff. The committee is required to investigate the complaint, report on it and issue advice to the Executive Director. This committee also plays a role in ensuring due process for the employee charged with misconduct.

#### **4.4 External audit**

- a. Appointment of the external auditor and issue of audit commission  
Appointment of the external independent auditor is the authority of the General Assembly. Selection of the external auditor and issue of commission are prepared by the Executive Director and the Audit Committee.  
Each year, an audit plan is made with the external auditor regarding the general and project audits to be carried out. This audit plan is shared with the Audit Committee and is approved in the Management Team meeting. The Executive Director and the Director Finance Division in addition, propose areas for attention in the administrative organization and internal auditing for evaluation and assessment.
- b. Reports on the findings and management letter  
The external auditor reports the findings of the general audit in a draft management letter to the Executive Director. The response of the Executive Director is incorporated into the final version of the management letter. This is submitted to the Board of Trustees and the Executive Director, and explained by the auditor in a meeting with the Audit Committee. The Chair of the Audit Committee gives a report on the deliberations and conclusions of the Audit Committee in the meeting of the Board of Trustees.
- c. Periodic assessment  
The working method and performance of the external auditor is internally assessed periodically (current practice: every four years). An assessment document is used for this purpose (Annex 15).

