



# **Common Management Standards (CMS)**

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# Introduction

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Caritas is an expression of the Mission of the Catholic Church which operates within the framework established by canon law and the national legislation where the individual Caritas is established. “Caritas is an organized expression of the mission of the Church, giving witness to the presence of God’s love among us, a love for all people and above all for the least, the ‘insignificant’ persons, the poor: it is the preferential option for the poor, emphasized by Benedict XVI in his Aparecida address”.<sup>1</sup>

In the Encyclical “Deus Caritas Est”, the Holy Father asks us to professionalize the work of Caritas, saying

“[i]ndividuals who care for those in need must first be professionally competent: they should be properly trained in what to do and how to do it, and committed to continuing care.”<sup>2</sup> Then he adds: “Yet, while professional competence is a primary, fundamental requirement, it is not of itself sufficient. We are dealing with human beings, and human beings always need something more than technically proper care. They need humanity. They need heartfelt concern... Consequently, in addition to their necessary professional training, these charity workers need a “formation of the heart.”<sup>3</sup> In its efforts of professionalization, Caritas

is nourished by its biblical roots, the Church’s tradition, and Catholic Social Teaching (CST), on the one hand, but also by the experience of its journey in solidarity with the poor and the marginalized.

*The option for the poor and marginalized* urges us to create the maximum benefit for the people we serve. In this respect the *stewardship* of God’s creation and our resources as well as the principle of *subsidiarity* will guide us in our choices and decisions.

This approach was already encompassed by Caritas Internationalis (CI) in 1998 by defining common

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standards for its member organisations regarding financial management and audit requirements<sup>4</sup>. These standards are still valid and in force.

Standards are not only technical tools or means but an integral part of all the activities carried out by Caritas at any level. The means are not neutral, but express themselves as direct or indirect coherence with basic principles of CST, such as solidarity for the poor and combating injustice. Thus, for Caritas, internal policies and procedures as well as management standards are ethically rooted in CST, as is stated in many important common documents of

Caritas Europa<sup>5</sup> and of the member organisations themselves.

The reflection process in the late 1990s leading to the creation of Caritas Partnership Principles<sup>6</sup>, is also an important source of inspiration for the CMS. Caritas Europa has since actively promoted the application of these principles, through workshops and other activities, and the CMS can be seen as an extension of this process. In the CI Partnership Handbook, clear guidance is offered to support partner organisations in their efforts to improve the quality and the sustainability of their work. It is stated that professionalism in the partnership

relationship requires internationally used management tools, qualified and competent human resources, clarification of content and norms at the beginning of the relationship.

Caritas Europa, in its Strategy 2005 – 2010, Priority V, aims to give support to member organisations and promote the strength of the internal network. Goal 2 reads “To promote and put into practice good governance, quality management and transparency both at the level of the Caritas Europa network and at the level of individual member organisations”. Goal 5 reads, “To strengthen member organisations so that they are more able to fulfil

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their role within their own country and to become increasingly effective member organisations of Caritas Europa and Caritas Internationalis”.<sup>7</sup>

Based on these two goals the “Commission on Internal Network” (CIN) mandated the “Organisational Development Working Group” (ODWG) to develop a set of “Common Management Standards” (CMS). Recognising and appreciating the diversity among members of a common network implies commonly accepted and applied management standards.

In September 2008, Presidents, Directors and Senior Executives from Caritas organisations across Europe

met at the 2008 Management Forum, “Caritas: Between Professionalism, Formation of the Heart and Our Faith”, to review and discuss the CMS. Affirming the need and benefits of having such standards, the initiative was widely supported and gained significant input, particularly within areas relating to Caritas Catholic identity and the guidance offered by the Church. Since September 2008, this document has undergone a broad process of participatory development throughout the network and was approved by the CE Executive Board in March 2009, for submission to the 2009 Regional Conference.

Once accepted by the Regional Conference, these standards are open for ratification by the member organisations of Caritas Europa within a period of one year. Those member organisations which ratify the CMS will then enter into a “peer-to-peer-review” process in order to strengthen the collaboration within the network as well as our common learning.

Finally, it must be remembered that the CMS is work in progress that is open to further improvement. As Caritas organisations grow, so should the CMS, raising our own expectations of ourselves as we excel in our service to the poor.

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1. Caritas Internationalis, Theology Commission, *Caritas – A Sign of God’s Love for Humanity*, p. 2.

2. Deus Caritas Est, 31. a), Benedict XVI, 2005.

3. ibid

4. Caritas Internationalis, Financial Commission, “Common Financial Standards for Project Management”, October 1998.

5. Caritas Europa Executive Board, “Ethical economy and finance on socially oriented welfare perspective – a theological and ethical framework for Caritas at different levels”, Brussels, 2008.

6. Caritas Internationalis, *Caritas Partnership: A Caritas Internationalis Handbook for Reflection and Action*, Rome, October 2003.

7. Caritas Europa, *To Live Solidarity and Partnership in Europe and in the World: The*

*Caritas Europa Strategy 2005-2010*, Brussels, April 2005.



# Leadership

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# *Governance*

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A collective governing body<sup>8</sup> exists, which is representative of the organisation's constituency.

The governing body is linked to the local church hierarchy.<sup>9</sup>

The governing body has final responsibility for the organisation and understands its role in this.

The size of the governing body is set for maximum effectiveness and is formed through a transparent process.

The governing body operates according to local laws and within the framework of canon law.

The responsibilities and decision making authority of the Board is known to the staff, and expressed to stakeholders.

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8. This body can take different forms, e.g. board, steering committee, commission, etc. recognizing the diversity of various caritas organizations

9. See Statutes and Rules, 2006 Edition, Caritas Internationalis, Rome 2006.

# *Executive Leadership*

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The Board is ultimately responsible for the hiring and performance of the executive leadership of the organisation.

Executive staff controls the organisation's systems, processes and structures to reach goals and objectives effectively and efficiently.

Executive staff is accountable, transparent, accessible and skilled at communication.

Clarity exists in the roles and responsibilities of executive staff and the Board, respectively.



# Policies, Strategies and Processes

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## *Vision and Mission*

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Board and staff can clearly articulate the vision and mission of the organisation established by the governing body.

The vision and the mission are developed through a process of reflection, including our biblical roots, the church's tradition and the values of Catholic Social Teaching as well as the experience in our journey together with the poor.

The organisation is a learning organisation where sharing experiences from the encounter with the poor and needy is part of a common culture and shapes the evolution of the organisation. Open spaces for prayer and reflection are provided for this purpose.

## *Strategic Plan*

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The organisation has an up-to-date, comprehensive, realistic and clear strategic plan that brings together its vision, mission, its specific objectives, its programs, and its financing. The strategic plan has been developed in a participatory way. The strategic plan is results-based and includes monitoring and evaluation system. The strategic plan is specific enough to permit accurate budgeting, but flexible enough to be modified as warranted. All staff understand the objectives of the organisation as set out in the strategic plan.

# *Program Planning*

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Each programming area/sector and each major project has a written plan that is linked to the organisation's mission and/or strategic plan.

Solid budgets (including both income and expenditure) are also in place and continuously monitored.

## *Policies and Processes*

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The organisation has policies and processes that facilitate planning, finance and administration, human resources and other important areas of organisational performance and development. These policies and processes are regularly reviewed.



# *Decision-making*

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Clear and formal lines/systems/processes for decision making are in place

Decision-making involves as broad participation as practical and appropriate along with communication of decisions.

Management decisions are delegated as appropriate.

# *Risk Management*

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The Organisation identifies the operational risks that may prevent the organisation from achieving its objectives if some of its resources are inadequate.

# *Knowledge Management*

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The organisation collects important knowledge, stores it appropriately (on paper or electronically) and shares it in an appropriate way with staff and stakeholders.

There are clear processes on internal and external reporting.

The organisation has an administrative manual (or similar collection of documents) that records the policies and regulations. The administrative manual is updated whenever there are changes (internal procedures, forms, filing, purchases, etc.). Staff have full access to the administrative manual.





# People

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# *Human Resource Policy*

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The organisation has an updated and transparent human resource policy that complies with relevant legislation in the areas of healthcare, benefits, pension, holiday planning, insurance and labour relations. If volunteers are engaged, their legal situation, duties and rights are defined.

# *Recruitment*

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Paid and voluntary staff are recruited and promoted according to their qualifications. These qualifications include an understanding and respect of the Vision, Mission and values of the organisation and willingness to contribute to these in the workplace.

Upon hiring of employees or engagement of volunteers an orientation is provided.



# *Workplace*

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Staff are provided with adequate skills training appropriate to their job responsibilities.

All staff (paid or voluntary) have written job descriptions.

Training opportunities for staff, including Catholic Social Teaching, Formation of the Heart, the biblical roots of Caritas and the church's diaconal tradition are provided.

The organisation has a fair wage scale which is widely known among staff and in accordance with local legislation. The conditions for volunteers are known and fair.

Discrimination does not take place during recruitment and in the workplace.

Staff display behaviour consistent with the Caritas mission.

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An appropriate staff appraisal system is in place.

Teamwork between staff is the norm and not the exception.



# Resources

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# *Financial Administration*

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The organisation has clear financial policies, which define the following elements:

1. Principles of Financial Management.
2. Procurement regulation, which defines processes such as tendering, offers, contracting, delivering, payment, and quality control.
3. Accounting is consistent with national standard accounting practice. Regulations are adapted according to donor/partners requirements.
4. A Function Matrix (map of authority) exists which states who is in charge of what with regard to financial procedures.
5. Balance sheets reflect national standards regarding the format to be met.
6. Budgets clearly define what direct and indirect costs are.
7. Project agreements contain: project document and budget, contributions (cash, in-kind, consultancy), rights and responsibility from other partners, conditions for changes related to documents and budgets.
8. Reporting: Expenditures reflect Vouchers or description of the cost (if required), comparison with budget, same format & budget lines comments on variations. Income: transparency on all financial contributions and interests generated. Exchange rates: official and real are stated.

# *Financial Reporting*

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Financial reporting is conducted according to the reporting standards documents developed by the CI Financial Commission.<sup>10</sup>

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10. See note 4.

## *Audit*

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Internal and/or external project audits are carried out on a regular basis by trustworthy and impartial auditors.







# Partnership

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# *Partnership*

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Partnerships are conducted with transparency and are consistent with Caritas Internationalis' partnership principles.<sup>11</sup>

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11. See note 6.



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The seven-year Programme targets all stakeholders who can help shape the development of appropriate and effective employment and social legislation and policies, across the EU-27, EFTA and EU candidate and pre-candidate countries. To that effect, PROGRESS purports at: providing analysis and policy advice on employment, social solidarity and gender equality policy areas; monitoring and reporting on the implementation of EU legislation and policies in employment, social solidarity and gender equality policy areas; promoting policy transfer, learning and support among Member States on EU objectives and priorities; relaying the views of the stakeholders and society at large.

For more information see: <http://ec.europa.eu/social/main.jsp?catId=327&langId=en>





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