



ACCOUNTABILITY AND TRANSPARENCY GUIDELINES

18.11.2020

Efficiency, transparency, and accountability are key principles in the management and financial management of the Youth Compass Foundation GmbH i. Gr. (Germany) and Youth Compass Foundation IR (Nigeria) (Hereinafter "Youth Compass Foundation"). Accordingly, we in the Youth Compass Foundation are committed to the efficient use of resources and the achievement of measurable results. Information needs to be available to all stakeholders, particularly beneficiaries, donors, and the host country government. Therefore, all relevant information such as our vision and mission, ongoing projects, annual and financial reports, organizational chart of the organization, guidelines are published on the website. In addition, A monthly newsletter about the general work of the Youth Compass Foundation is sent to all donors if they like to.

HOW WE WORK AT YOUTH COMPASS FOUNDATION

Our vision with the Youth Compass Foundation is a world in which every child has the chance to enjoy education. To this end, we have made it our business to initiate projects with which this goal can be executed at the local level. Here we proceed in the following eight steps (See graphic illustration below):

In steps 1 and 2, a thorough diagnosis (i.e. needs assessment) of the local key challenges in the target country enables us to define projects based on our five-pillar mission:

1. Infrastructure development
2. Education and teacher training
3. Empowerment and mentorship
4. Sports development
5. Community engagement

Based on our understanding of the current local challenges and the most pressing needs reported by the local population, we decide how the funds will be allocated in accordance with the five pillars. Our local project team will prepare a detailed project proposal, including the project's potential impact on one or more of the five categories as well as the costs involved in administrating and executing the project (Step 3). Each project proposal includes:

- Description of the context and needs assessment
- Description of the project activities, the results, the specific and general objective, and the sustainability of the action
- Schedule and milestones
- Monitoring plan
- Cost and budget

In step 4, the project proposal is revised by the European project team and sent to the Supervisory Board for approval (Step 5). The Supervisory Board will assess the project proposal based on the following criteria:

- Relevance to the needs assessed and coverage (Number of beneficiaries reached)
- Implementation / action plan (Clear definition of goals, results, and activities)
- Feasibility
- Cost efficiency
- Sustainability

If the project proposal has been approved, the funding goes to the responsible local COO and a local project team, who implement and monitor the project (Step 6)¹. Project execution and spending are followed up and monitored by the local back office and the CFO. There are the following control measures, which are ensured by the local COO and the CFO, so that every euro spent has the greatest possible effect:

- Systematic determination of prices in line with the market for all purchases
- Subdivision of the project into milestones (each with an interim report) for financing in tranches
- Monthly narrative reports describing ongoing activities allow ongoing projects to be monitored
- The monthly financial report, which includes all expenses, invoices, and bank statements as well as the forecast for the next month, allows us to keep track of financial aspects of the project
- Tracking of administrative expenses
- Interim report and financial report
- Annual review of the annual financial statements by an auditor

After the project has been carried out, a final financial and narrative report with the results achieved, success stories and knowledge gained will be prepared by the local back office and sent to the European project team and the CFO in order to inform the Supervisory Board, Advisory Board and the donors about the project execution and inform about the impact achieved (Step 7). Finally, the results are checked by our auditor (Step 8) and our donation partners are given the opportunity to visit the schools we support and see the effect for themselves with their own eyes.

ACCOUNTABILITY AND TRANSPARENCY TO THE DONOR

The Youth Compass Foundation is committed to full compliance with international standards of gender equality and the fight against fraud and corruption. While ensuring a reasonably high impact, commitment and control we are ambitious to keep administrative cost as low as possible. Moreover, the Youth Compass Foundation pays particular attention to corporate project funding since companies can be involved in the allocation of their funding to one or more of the five pillars and in project drafts (e.g. in our 'Education Catalyst' program). Despite the involvement of the companies in the allocation or in the 'Education Catalyst' partnership program, the Youth Compass Foundation places a special focus on the needs of the local population and guarantees their independence through our internal controls and expertise in the form of our Supervisory Board and the Advisory Board. Thus, as soon as the project has started, the financing companies are regularly informed about the ongoing projects. After completion of the projects, an impact report with a final

¹ As we are still under development, funding is only released after relevant processes have been implemented

description and a financial report will be sent. The Youth Compass Foundation will be in constant contact with the donors and will answer every question that arises in a timely manner.

