

# CERTIFICATION AUDIT OF NON-GOVERNMENTAL ORGANIZATIONS

## THE “NGO BENCHMARKING STANDARD” (VERSION 2, OCTOBER 2009)

Over the years, private foundations and philanthropic brokers have seen a dramatic rise in charitable contributions. Together with public institutions involved in “Doing Good,” they are using Nonprofit organizations (referred below as NGOs) to design policies and implement programs and projects for the benefit of civil societies, at home and abroad.

At the same time, questions are raised about the transparency, integrity and performance of these NGOs. How do the stakeholders (grantors, beneficiaries, contractors, local authorities, etc.) ensure that an NGO complies with established exigencies of good governance and accountability? Second-party audits, where the auditors themselves have stakes in the institutions they examine, do not guarantee objectivity. This is where a certification process conducted by an independent third-party, can bring strictly neutral due diligence information which creates confidence in a NGOs’ management.

In this context, SGS, the world’s leading inspection, testing and certification company, has established the “NGO Benchmarking” Standard. Its purpose is to provide an independent accountability assessment of NGOs’ that is based on objectively measurable indicators derived from risk management and stakeholders’ mapping principles.

101 indicators have been adapted from current codes of Best Practices and internationally-recognized normative requirements. They are presented in the form of questions in the NGO Benchmarking Standard.

They are distributed along four perspectives thus allowing any stakeholder, including the NGO itself, to identify and measure how far specific concerns are addressed:

**P.1 DIMENSIONS OF BEST PRACTICES**

Governing Body, Strategic Framework, Integrity Management, Communication, Advocacy and Public Image, Human Resources, Fundraising, Resources Allocation and Financial Controls, Operations, Outcomes and Continuous Improvement.

**P.2 CONTRIBUTORS’ EXPECTATIONS**

Transparency, Efficiency, Effectiveness.

**P.3 MANAGEMENT COMPONENTS**

System, Activities (Program/Project), Human Resources, Finances.

**P.4 CONTINUOUS IMPROVEMENT**

Plan, Do, Check, Act.

**AUDIT SCOPE**

Scope 1	(a) Headquarters only (b) Headquarters with a limited but not-representative number of operational sites.
Scope 2	Multi-site certification, based on a representative sample, headquarters included.

A clear reference framework and its measurement methodology are at work through on-site interviews and documentary checks. A scaled scoring system (from 0 to 3) is applied to each of the 101 indicators of the NGO BM Standard V2. The results, presented by Perspective, create an incentive to improve. Indeed, besides an overall rating, these precisely identify the corrective and preventive actions that should be taken if the NGO wants to master the risks attached to its mission. By measuring compliance at different time intervals, succeeding audits allow for keeping track of progress.

# CERTIFICATION AUDIT RESULTS

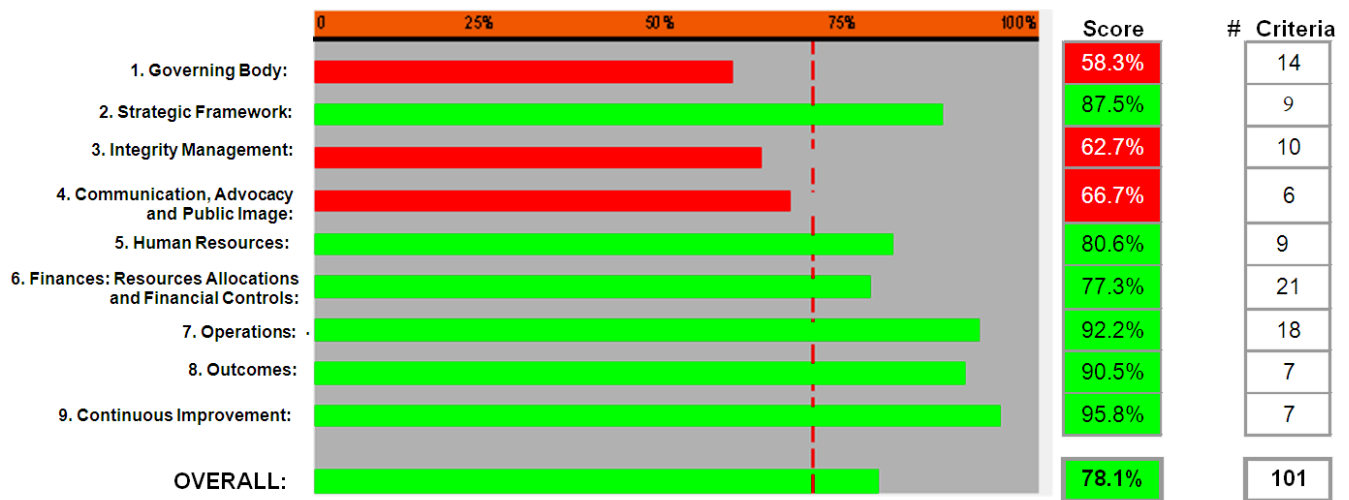
**AUDIT REPORT:**

Results are validated at the closing meeting with the audited organization and then presented in an audit report which contains:

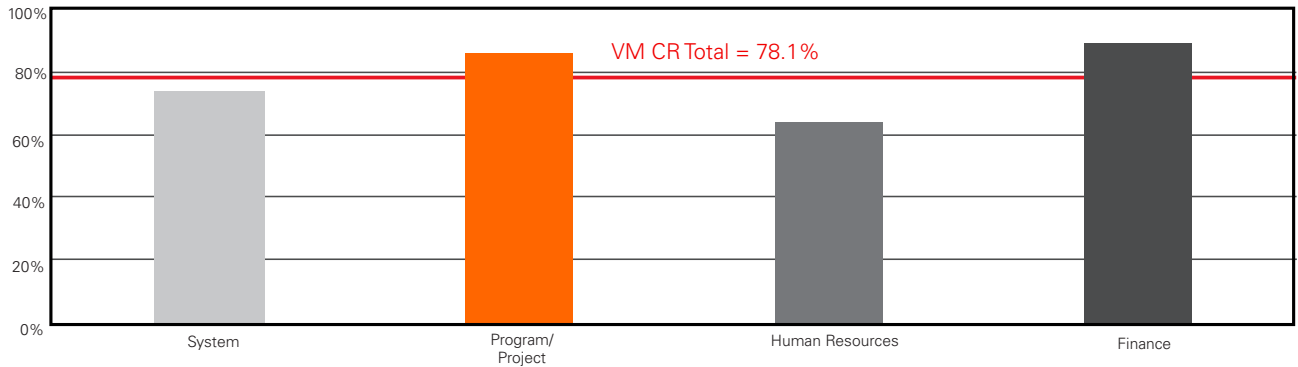
- Detailed scores for each perspective;
- Identification of strengths and improvement opportunities;
- Recommendations towards corrective and preventive actions.

# EXAMPLE OF RESULTS

1: Score by Dimensions of Best Practice



2: Score by Management Component



## CERTIFICATION



Any audited organization

- ✓ Reaching a score of 70%+, including a score above 50% for the four key Dimensions
- ✓ Showing no Major Non-Conformity

will be awarded an SGS Certificate, together with a "Certification Mark".

## NGO BENCHMARKING :

- A Standard consolidating the key exigencies established by the most renowned public and private institutions worldwide and containing 101 objectively verifiable indicators;
- A precise snapshot of the level of accountability, performance and mastering of risks an NGO is usually confronted with;
- Recommendations towards corrective and preventive actions, for continuous improvement purposes;
- A positioning of the NGO against the synthesis of results obtained in the same sector of activity, or region.
- Testimonials and other information are available on [www.ngobenchmarking.sgs.com](http://www.ngobenchmarking.sgs.com)

For further information, please contact:

[NGO.Benchmarking@sgs.com](mailto:NGO.Benchmarking@sgs.com)