

Benchmarking of Non-Governmental Organizations (NGOs)

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 and implement assistance 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 (donors, 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 assessment of NGOs’ conformity level with internationally-recognized Best Practices, and thus their mastery of the risks attached to their mission.

108 objectively verifiable indicators have been selected from major codes and international standards. These 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**
Board of Trustees, Strategic Framework, Integrity Management, Communication, Advocacy and Public Image, Human Resources, Finances: Resources, Allocations and 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.

Ratings are provided for each indicator and then consolidated by perspective. Results are validated with the audited organization before submission of a final report. This clear reference framework will enable any further audit to precisely measure how far the NGO itself has improved.

	P1 Dimensions of Best Practices	P2 Contributors' Expectations	P3 Management Components	P4 Continuous Improvement	
108 Objectively Verifiable Indicators	1 - 9	Transparency Efficiency Effectiveness	System Activities HR Finance	Plan Do Check Act	
Integrity Management Q: Is there an ethics related clause in all staff / volunteers' employment contracts?	3	T	RH	P	SCORE
Finance: Resources, Allocation and Controls Q: Does the organization regularly measure its cost of raising 100 \$?	6	Ey	F	D	SCORE
Outcomes Q: Are the anticipated and achieved results systematically identified for each project?	8	Es	A	C	SCORE
Q:-----					
Q:-----					
	SCORE	SCORE	SCORE	SCORE	Final Score

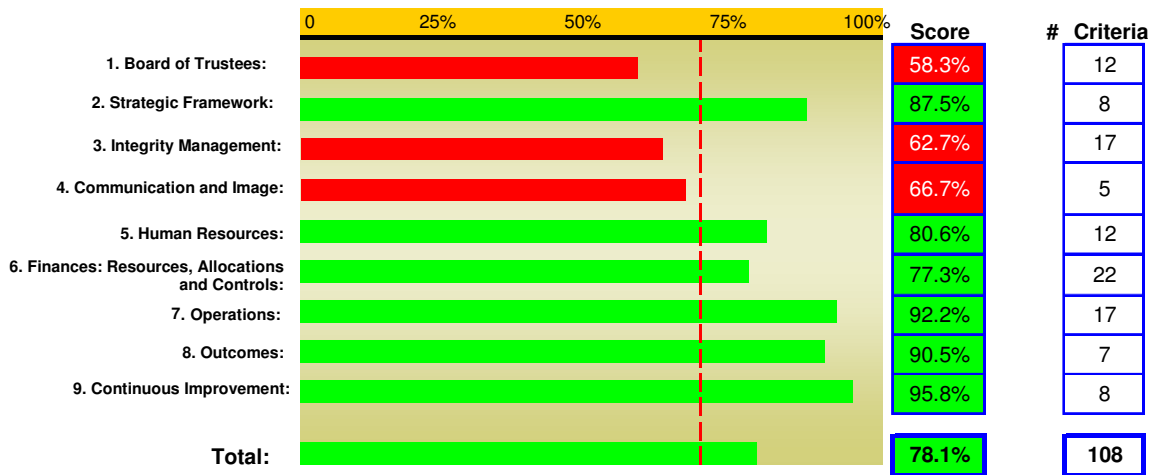
Certification Audit Results

The Audit Report:

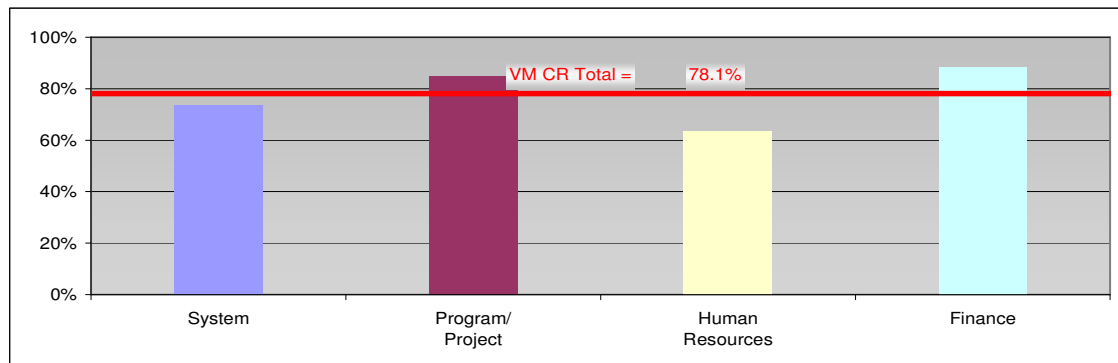
The perimeter of the audit (headquarter, branches, projects) is defined by the client. On-site interviews and documentary checks are conducted to generate the following results:

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

Example 1: Score by Dimensions of Best Practice



Example 2: Score by Management Component



Certification:

Any audited organization who obtains a score above 70% and shows 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 108 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

For further information about « **NGO Benchmarking** » Certification Audits, please contact: robert_jourdain@sgs.com