	Procedure title	Reference	
	NGO Benchmarking Audit Procedure for the NGO	Standard	NGO Benchmarking
Objective: To provide the NGO, as Auditee, with information about the preparation, implementation and results of a NGO Benchmarking Certification audit.		Version / Date	1.01/14.02.2007
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		Authors	m.m. /s.l.t.
		Approved by	R. Jourdain

Suggested Procedure for the **Auditee** to follow

This document is sent 2 to 3 weeks prior to the set audit date. It is sent together with the “NGO Benchmarking” Standard, against which the Institution will be audited.

A. Audit Preparation:

The Institution shall be aware that the audit takes time to prepare!

- 1) For audit preparation purposes, and within a reasonable time, the Institution is requested to provide the auditors with the following information:
 - a) The Institution’s By-Laws
 - b) The last two (2) Annual Reports
 - c) The last two Audited Financial Statement Reports
 - d) The Minutes of the last two (2) Board Meetings
 - e) The Minutes of last two (2) Operational Meetings
 - f) The Latest Organizational Chart
 - g) A list of projects currently under implementation, with their starting and expected completion dates
 - h) Possibly a website address where the Institution presents itself.

- 2) The 15 to 21 days window is provided for ensuring adequate preparation time. The Institution must be able to provide all answers within the determined audit timeframe (usually two working days). There is no possibility to provide answers or additional information after the site audit has been completed.


- 3) It is strongly advised that the Institution nominates a key person in-charge of coordinating both the audit preparation and the audit itself.

- 4) It is the Institution’s responsibility to ensure that its key staff will indeed be available (though not full time) during the site audit.

- 5) While perusing the Standard, it is the Institution’s responsibility to address each and every criteria / question and gather all relevant documents for substantiating the answers to each question. For such purpose, it is strongly advised that the Institution organizes and classify the answers by numbering them against each item of the Standard.

- 6) The strictest confidentiality shall apply on both sides: The written documentation received by SGS can remain with the audited Institution while the NGO Benchmarking Standard cannot be distributed outside the audited Institution.

- 7) It is important to remind that, as per Contractual Terms and Conditions (Art 3.1): Responsibilities of the client: *“Abstaining from making any statements in any form whatsoever, public or otherwise, suggesting or likely to suggest that the Client has been audited by SGS, prior to the effective completion of such audit and subsequent issuance of the Deliverables.”* and that, as per Contractual Terms and Conditions (Art 5.2 b): Revocation: *SGS reserves the right to abort service performance if, at any time prior to completion of the audit, the client publicizes through whatever means in whatever form any information related to the forthcoming audit process, in which event an invoice corresponding to 50% of the agreed fee for the Services will be charged to the Client.*

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B. Audit Implementation:

General Remarks

- The applied methodology is “top-down”. This means that the auditors will first acquire a general knowledge of the Institution vis à vis the different issues contained in the Standard. This is done also prior to the audit through a review of the documentation provided by the Institution prior to the audit. (See above item # 1)
- Whenever possible, the auditors will deepen their understanding through a more precise examination of a random selection of programs/projects. Therefore, the audit starts with the top management and finishes with the program/project/activities.
- To be as time efficient as possible in such a process, not all the auditors will audit all Dimensions together (such as “Fundraising, Resources Allocation and Financial Controls”, “Human Resources” etc.). An auditor may address specific issues but these same issues can also be addressed by the other auditor in the framework, for instance, of a particular project.
- The second day could be dedicated to program/project audits.

The last page of this procedure suggests a tentative audit schedule. It is indicative only. It is the Lead Auditor’s responsibility to adjust such schedule either before or at the very beginning of the audit.

C. Audit Results:

The Audit Report will be provided to the Institution about one week after site audit(s) completion.

Results are kept strictly confidential; they remain the property of the Institution. An SGS Certificate will be awarded, provided that:

- The Institution reach a score above the 70% threshold,
- The Institution does not show any major non-conformity (Criteria 1, 18, 19, 21, 60, 79, 89, 90 and 96 are fully compliant) and
- The Institution has reached a minimum score of 50% on Dimensions 1- Board of Trustees, 2- Strategic Framework, 6- Fundraising, Resources Allocation and Financial Control and 7- Operations.

A **Conditional Certificate** may be applied under the following circumstances:

Should the Institution reach a score that is “within the margin of error” (between 65% and 70%), it is up to the Lead Auditor to recommend to the SGS Technical Committee whether to award a “Conditional Certificate”.

It is the nature and extends of the non-conformities and the estimated amount of time and effort necessary to correct them that guides the Technical Committee’s decision.

Should the decision be positive, should the Institution formally agree to address the identified non-conformities / Dimensions designated by the Lead Auditor and validated by the Technical Committee and should the Institution then prove compliance, within a period of maximum 6 weeks, an SGS Certificate will be formally awarded.

Irrespective of the changes made during the six-week period, the original score will remain and thus determine the certificate’s validity. What the NGO does in terms of improvements immediately afterwards (within a maximum 6-week time span) cannot influence a change of score. Indeed, a score is only the result of an exhaustive audit process, on site. Any NGO Benchmarking Audit performed beyond the 6-week time span of a Conditional Certificate will be the object of a new contract.

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Suggested Audit Schedule

Day 1 :				
Timing	Interlocutor	Subject(s)	Auditors	Room
0830 – 0930	Management, staff	Opening meeting : Presentation of the auditor team, objectives, scope, method etc.	All	
0930 – 1030	Management, staff	Institution's <u>general</u> overview with particular focus on issues regarding: "Board of Trustees" and "Strategic Framework", complemented by presentation of latest organizational chart.	All	
1030 – 1200	Management	Dimensions "Board of Trustees", "Strategic Framework"	TBD	
1330 – 1530	Finance Dep't	Dimensions "Fundraising, Resources Allocation and Financial Controls"	TBD	
1330 – 1530	Up to the Institution	Dimension "Integrity Management"	TBD	
1530 – 1730	HR Dep't	Dimension "Human Resources "	TBD	
1530 – 1730	Communications Dep't	Dimension "Communication, Advocacy and Public Image"	TBD	
1730 – 1830	----	Auditor's meeting (internal to the audit team only)	Auditors	
Day 2 :				
0830 – 0900	Up to the Institution	If relevant, adjustment of the audit program, <u>always keeping in mind the 16:00 deadline!</u>	All	
0900 – 1200	Up to the Institution	Dimensions "Operations", "Outcomes" and "Continuous Improvement". If possible, to be audited through a project/program (#1)	TBD	
0900 – 1200	Up to the Institution	Dimensions "Operations", "Outcomes" and "Continuous Improvement". If possible, to be audited through a project/program (#2)	TBD	
1330 – 1500	Up to the Institution	Dimensions "Operations", "Outcomes" and "Continuous Improvement". If possible, to be audited through a project/program (#3) <i>During such time, the Lead Auditor may ask to come back to one of the Dimension that was audited (day 1) to gather complementary information.</i>	TBD	
1500 – 1600	---	Auditors' findings: Internal team wrap-up, discussion, software scores with observations and preparation of the closing meeting		
1600 – -----	Up to the Institution	Closing meeting: Presentation of Preliminary Results, possibly by Scores (Dimensions of Best Practices), validation of key findings together with major non-conformities if any Q & A	All	
