COAST Foundation

Recertification Audit – Summary Report 2021/12/16

This is the Stage One Report of the Recertification Audit. It includes the findings from the first phase of the audit process, which scope is limited to the open non-conformities (CARs) and relevant policy-level requirements. If no major non-conformity is identified at Stage One, the HQAI certificate is renewed.

Stage Two of the Recertification Audit will include remote engagement (in lieu of visits) for example to the Head Office and a sample of country programmes. Upon completion of Stage Two, a final audit report will present all the complete findings of the audit and final conclusions on the performance of the organisation against all commitments of the CHS.

If major non-conformities are identified at Stage 2 of the audit process, the certificate will be suspended, possibly withdrawn following HQAI established procedure (PRO116 – Issuance, suspension, reinstatement and withdrawal of certificates).

1. General information

1.1 Organisation

Type	Mandates	Verified
☐ International ☒ National ☐ Membership/Network ☐ Direct Assistance ☐ Federated ☐ With partners	☒ Humanitarian ☒ Development ☒ Advocacy	☒ Humanitarian ☒ Development ☒ Advocacy

Head office location	Dhaka, Bangladesh	
Total number of programme sites	14	**Total number of staff**	1462 (473 female and 989 male)

1.2 Audit team

Lead auditor	Jo Thomson
Second auditor	Lisa Partridge
Third auditor	N/A
Observer	N/A
Expert	N/A
Witness / other	N/A

1.3 Scope of the audit

CHS Verification Scheme	Certification
Audit cycle	Second
Phase of the audit	Recertification
Extraordinary or other type of audit	N/A

1.4 Interviews conducted during Stage 1

Position / level of interviewees	Number of interviewees		Onsite or remote
	Female	Male	
Head Office			
Management		1	Remote
Staff			
Country Programme Office(s)			
Management		1	Remote (same person as above)
Staff			
Partner staff			
Others			
Total number of interviewees		1	

1.5 Opening meeting

Date	2021/10/15

Location	Remote
Number of participants	3
Any substantive issues arising	None

2. Background information on the organisation

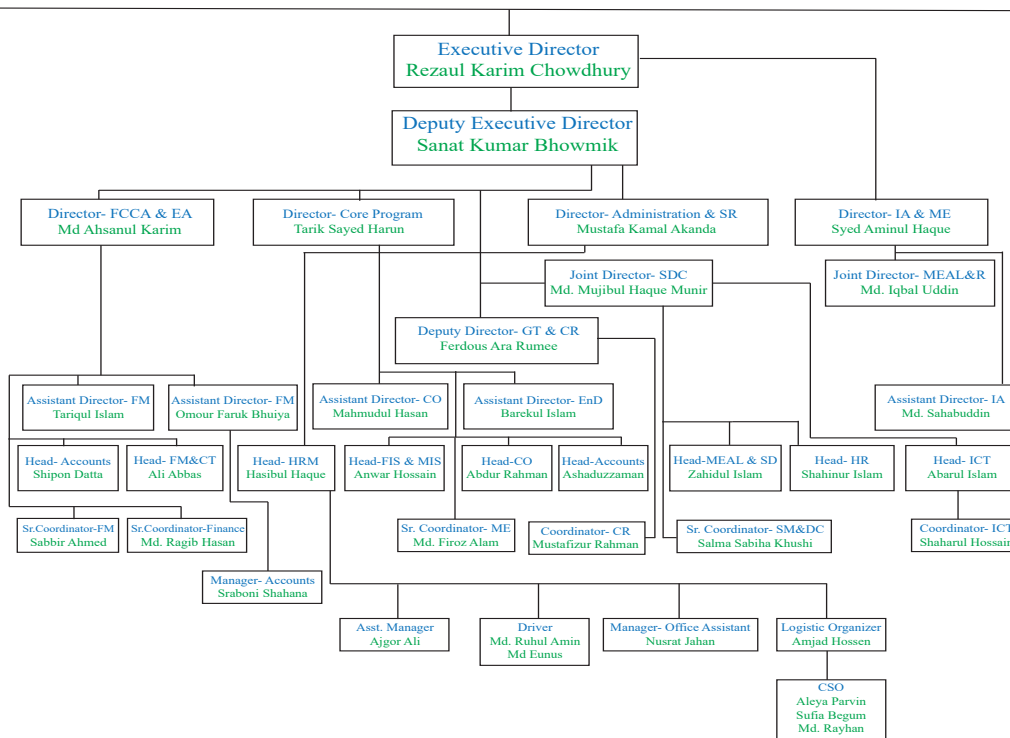|	
2.1 General information	COAST is a national NGO based in Bangladesh established in 1998. COAST's Principle Office is located in Dhaka and it implements programmes in the coastal areas of Bangladesh.
	COAST's Vision is 'for a world of equality and justice where human rights and democracy are the social cultures'. COAST's Mission is to facilitate the sustainable and equitable improvement of life, especially of women, children and disadvantaged population of the coastal areas in Bangladesh through their increased participation in the socio-economic, cultural and civic life of the country. Its portfolio of programmes include microfinance, primary health care, development programmes and disaster response.
	COAST is operated by 100% Bangladeshi personnel.
	COAST is registered with the NGO Affairs Bureau of Prime Minister's Office (No. 1242) and the Microcredit Regulatory Authority, Bangladesh Central Bank (No. 00956-04041-00068).
	In 2020-2021 COAST expended 66.45 Crore Bangladesh Taka (BDT) on staffing and administration and 16.68 Crore BDT on programme costs (development and humanitarian). 493 Crore BDT was dispersed through microfinance loans to 141 Thousand families.
	The Initial Audit of COAST took place in October 2017, the first Maintenance Audit in November 2018, the Mid Term Audit in June 2019 and the second Maintenance Audit in December 2020.
2.2 Governance and management structure	In February 2021, COAST changed its structure from that of a Trust, to became the COAST Foundation registered with the Bangladesh Societies Registration Act and the NGO Affairs Bureau under the Prime Minister's Office. As a result, COAST is now governed by a General Committee (GC) and an Executive Committee (EC). As per COAST's new governing instrument, its Memorandum of Association and Rules and Regulations, at the time of signing (February 2021), the GC had 21 members (13 males, eight females) and the EC had eight members (six males, two females). The GC appoints the EC. The GC meets once per year and approves the strategic plans and budget, and approves the annual audit report. The EC meets at least four times per year, appoints the Executive Director (ED), approves operational policies and appoints the annual audit firm. Minutes of EC meetings are publicly available on the COAST website.
	The People's Organisation (PO) structure is a community institution comprised of elected members of COAST's micro-finance programmes. Two elected representatives from the PO are on the GC providing a link between communities and the governance of COAST.
	At a management level, the ED is supported by a Senior Management Team (SMT). The SMT consists of the ED, Directors, Joint Directors, Deputy Directors and Assistant Directors. A Joint Director is responsible for Monitoring, Evaluation, Accountability and Learning (MEAL) and Research. The Principal Office Staff Coordination Meetings (POSCM) involve regular meetings with all staff. Both SMT and POSCM meetings are held fortnightly. Project Performance Monitoring Meetings (PPMM) are conducted online on a monthly basis.

To support the management of the work outside of Dhaka, each project has a Project Implementation Unit and Project/Programme Coordinator/Manager, who reports to their focal point in the Principal Office. In the two main regions of Bhola and Cox's Bazar, Regional Team Leaders are appointed to support decentralised, administrative management. This is in addition to their main role and they are responsible for representing the organisation at a regional level to the government stakeholders and to act as the administrative supervisor of the project leaders.

COAST Foundation
participates in survival strategies of coastal poor

Central Organogram 2021

Executive Committee: Chairperson- Professor Tofail Ahmed, PhD
Vice- Chairperson- Gawher Nayeem Wahra, Treasurer- Mostafa Kamal Ahmed (FCA),
Member Secretary- Rezaul Karim Chowdhury, Member- Jacob Kumar Sarker, Anjulika Khisa, Jasmeen Sultana Paru,

Executive Director
Rezaul Karim Chowdhury

Deputy Executive Director
Sanat Kumar Bhowmik

Director- FCCA & EA
Md Ahsanul Karim

Director- Core Program
Tarik Sayed Harun

Director- Administration & SR
Mustafa Kamal Akanda

Director- IA & ME
Syed Aminul Haque

Joint Director- SDC
Md. Mujibul Haque Munir

Joint Director- MEAL&R
Md. Iqbal Uddin

Deputy Director- GT & CR
Ferdous Ara Rumee

Assistant Director- FM
Tariqul Islam

Assistant Director- FM
Omour Faruk Bhuiya

Assistant Director- CO
Mahmudul Hasan

Assistant Director- EnD
Barekul Islam

Assistant Director- IA
Md. Sahabuddin

Head- Accounts
Shipon Datta

Head- FM&CT
Ali Abbas

Head- HRM
Hasibul Haque

Head- FIS & MIS
Anwar Hossain

Head-CO
Abdur Rahman

Head-Accounts
Ashaduzzaman

Head-MEAL & SD
Zahidul Islam

Head- HR
Shahinur Islam

Head- ICT
Abarul Islam

Sr.Coordinator-FM
Sabbir Ahmed

Sr.Coordinator-Finance
Md. Ragib Hasan

Sr. Coordinator- ME
Md. Firoz Alam

Coordinator- CR
Mustafizur Rahman

Sr. Coordinator- SM&DC
Salma Sabiha Khushi

Coordinator- ICT
Shaharul Hossain

Manager- Accounts
Sraboni Shahana

Asst. Manager
Ajgor Ali

Driver
Md. Ruhul Amin
Md Eunus

Manager- Office Assistant
Nusrat Jahan

Logistic Organizer
Amjad Hossen

CSO
Aleya Parvin
Sufia Begum
Md. Rayhan

Total staff: 38
FM=Finance Monitoring
HRM =Human Resource Management
M&E= Monitoring and Evaluation
EnD= Enterprise Development
SDC= Social Development & Communication
ICT= Information and Communication Technology
FC&CEA= Finance Control and Corporate & Estate Affiars
MEAL&R= Monitoring, Evaluation, Accountability and Learning, and Research
SR=Stakeholder Relation
SM&DC=Social Media and Development Communication
GT&CR=Gender, Training and Community Radio (Radio Meghna)
MIS=Management Information System
CO=Core Operation
IA=Internal Audit
CSO: Common Service Organizer
FIS: Financial Information System
HR: Humanitarian Reseponse

2.3 Internal quality assurance mechanisms	Since the Initial Audit in 2017, the most significant changes to quality assurance have included the allocation of additional resources in the area of MEAL. The position of Assistant Director for MEAL and the development of a new MEAL Policy and framework was finalised in February 2019. The positions of Head of MEAL and Social Development and the Head of Humanitarian Response were created to specifically oversee the quality of the humanitarian response

and risk management	projects in Cox's Bazar. Resources for the Assistant Director-MEAL and Head of Humanitarian Response are allocated from COAST's own income, ensuring these positions are permanent and demonstrating an organisational commitment to quality and learning. Regional Gender Focal Points are also now in place, conducting gender and prevention of sexual exploitation and abuse (PSEA) related meetings with all female project staff twice a month, reporting into the Gender Focal Point at the Principal Office. Other aspects of quality assurance that have been strengthened throughout the audit cycle include the introduction of a Project Leadership Review, and quarterly focus group discussions with beneficiaries to better understand aspects of programme quality as well as any unintended effects. The system for offsite monitoring was strengthened to include PPMMs to review the quality of project implementation. Since the start of the COVID-19 pandemic, PPMMs have been conducted remotely on a monthly basis. COAST has an independent Internal Audit System and Department led by the Assistant Director-Internal Audit (IA). The IA Department completes at least one audit at branch and project level every six months. Audit findings are shared at the branch/ project implementation unit level with a mutual agreed timeframe to address findings, and also shared at the management and Board level. A monthly meeting is conducted with all IA Department staff to discuss internal audit findings, set strategies to address challenges and share learnings. Financial and programme risks are monitored by the Audit Department and the Monitoring Department respectively. Information about programme risks is collected and reassessed on a quarterly basis including seeking beneficiary feedback. Risk is systematically considered at the monthly PPMMs.
2.4 Work with partner organisations	COAST is a Bangladeshi organisation that directly implements programmes. It receives funding from donors, or generates its own income, and self-implements all the projects. This implementing structure and model has not changed since previous audits.

3. Summary of non-conformities on Organisational Responsibilities

Note: this summary is based on the Stage 1 assessment results only and forms the basis for the Stage 2 assessment. The conclusions can potentially change after onsite visits are conducted, as a result of new evidence identified.

Corrective Action Requests (CAR)	Type	Resolution due date	Date closed out
2019 - 3.4: COAST does not systematically plan a transition or exit strategy in the early stages of its programmes.	Minor	2021/12/12 Extended to 2022/03/31 to allow for completion of Stage 2 which will include interviews with staff and affected populations.	- -
Total Number	**1**		

4. Stage 2 recommendation

Stage 2 is recommended	☒ Yes ☐ No
Explanation / pre-conditions	Stage One of this Recertification Audit has been carried out in accordance with the agreed audit plan. No significant risks are anticipated in relation to Stage Two. Discussions with COAST in terms of managing the audit process effectively, to ensure potential COVID restrictions or disruptions are taken account of, are ongoing. Further evidence of progress in relation to the existing Minor CAR (3.4) will be fully explored in Stage 2, along with all other observations noted in previous audits.
Recommended timeframe for Stage 2	As per agreed Audit Plan: February – April 2022

4.1 Sampling* recommendation for Stage 2

Randomly sampled country programme sites	Included in final sample	Replaced by	Rationale for sampling and selection of sites	Onsite or remote
#1(Education/UNICEF) Camp: 14, Khiya, Upazilla, Cox's Bazar District.	Yes		Has not been previously sampled. Humanitarian response in Rohingya refugee context. Due for completion December 2021 but may be extended.	Onsite/Remote TBD
#6 Aligning Communities of Cox's Bazar for Optimum Resilience and Development (ACCORD).	Yes		Development programme. Programme being implemented until November 2022.	Onsite/Remote TBD
#8 Accelerating Protection for Children and Adolescent Programme in Bhola (APC) Sadar, Lalmohon, Charfession and Monpura Upazilla of Bhola district.	Yes		Has not been previously sampled. Development programme. Earlier audits had recommended sampling a programme in Bhola district which has not previously been visited. Programme being implemented until May 2022.	Onsite/Remote TBD

Any other sampling performed for this audit:
Purposive sampling provided an overlay on the random selection process. COAST has only 14 programmes to choose from and many of these have already been sampled for audits over the past four years or are due for completion in December 2021. The first sample project (#1) was due to end in December 2021 so the subsequent two projects within the random sample that were also due for completion in December 2021 were purposely excluded in order to include active projects within the sample.

One programme from the sample will involve interviews with staff and affected populations, while the other two sampled programmes will involve document review only. The audit team will not travel to Bangladesh due to

ongoing risks associated with COVID-19, so a national consultant will be engaged to undertake face to face interviews. It is yet to be determined with COAST which of the three sampled programmes will be visited on site.

Sampling risk: None identified.

It is important to note that the audit findings are based on a sample of an organisation's country programmes, its documentation and observation. Findings are analysed to determine an organisation's systematic approach and application of all aspects of the CHS across different contexts and ways of working.

5. Lead auditor recommendation

In our opinion, COAST has demonstrated that it continues to conform with the requirements of the Core Humanitarian Standard on Quality and Accountability.

Based on the evidence obtained at this Stage 1, we confirm that we have received reasonable assurance that the organisation is implementing the necessary actions to close the minor CARs identified in the previous audit.

Further investigation will be carried out during Stage 2 of the audit at the selected country programme sites.

We recommend renewal of certification.

Name and signature of lead auditor:	Date and place:
Jo Thomson	2021-11-19 Australia

6. HQAI approval of report and validation for Stage 2

Report approved	☐ No ☒ Yes	
Stage 2 approved	☐ No ☒ Yes	
Sampling recommendation approved	☐ No ☒ Yes	If this includes at least one programme randomly sampled
Name and signature of HQAI Executive Director: *signature* Pierre Hauselmann	**Date and place:** Châtelaine 1st December 2021	

7. Acknowledgement of the report by the organisation

Space reserved for the organisation	
Any reservations regarding the audit findings and/or any remarks regarding the behaviour of the HQAI audit team: *If yes, please give details:*	☐ Yes ☐ No
Acknowledgement and Acceptance of Findings: I acknowledge and understand the findings of the audit I accept the findings of the audit	☐ Yes ☐ No ☐ Yes ☐ No
Name and signature of the organisation's representative:	**Date and place:**

Appeal

In case of disagreement with the decision on certification, the organisation can appeal to HQAI within 14 days after being informed of the decision. HQAI will investigate the content of the appeal and propose a solution within 10 days after receiving the appeal.

If the solution is deemed not to be satisfactory, the organisation can inform HQAI in writing within 30 days after being informed of the proposed solution, of their intention to maintain the appeal.

HQAI will transmit the case to the Chair of the Advisory and Complaint Board who will constitute a panel made of at least two experts who have no conflict of interest in the case in question. These will strive to come to a decision within 30 days.

The details of the Appeals Procedure can be found in document PRO049 – Appeal Procedure.

Annex 1: Explanation of the scoring scale*

Scores	Meaning: for all verification scheme options	Technical meaning for all independent verification and certification audits
0	Your organisation does not work towards applying the CHS commitment.	**Score 0:** indicates a weakness that is so significant that the organisation is unable to meet the commitment. This leads to: • **Independent verification:** major weakness; • **Certification:** major non-conformity, leading to a major corrective action request (CAR) – No certificate can be issue or immediate suspension of certificate.
1	Your organisation is making efforts towards applying this requirement, but these are not systematic.	**Score 1:** indicates a weakness that does not immediately compromise the integrity of the commitment but requires to be corrected to ensure the organisation can continuously deliver against it. This leads to: • **Independent verification**: minor weakness • **Certification:** minor non-conformity, leading to a minor corrective action request (CAR).
2	Your organisation is making systematic efforts towards applying this requirement, but certain key points are still not addressed.	**Score 2:** indicates an issue that deserves attention but does not currently compromise the conformity with the requirement. This leads to: • **Independent verification and certification:** observation.
3	Your organisation conforms to this requirement, and organisational systems ensure that it is met throughout the organisation and over time – the requirement is fulfilled.	**Score 3:** indicates full conformity with the requirement. This leads to: • **Independent verification and certification:** conformity.
4	Your organisation's work goes beyond the intent of this requirement and demonstrates innovation. It is applied in an exemplary way across the organisation and organisational systems ensure high quality is maintained across the organisation and over time.	**Score 4:** indicates an exemplary performance in the application of the requirement.

* Scoring Scale from the CHSA Verification Scheme 2020