Request for Proposals- Strategic Partner Due Diligence Roll Out in Australia

RFP n#: **2026-2-PR-AUSDUEDILIGENCE**

Location: Australia

Start date: 15th April 2026

End date: 15th July 2026

Technical Team:
Programmes and Partnership

All applications must be submitted via this **form**.

You may submit questions to tender@bettercotton.org -RFP n# 2026-2-PR-AUSDUEDILGENCE until 25th February 2026.

Questions, requests and applications sent after the deadline of 4th March 2026 will only be considered in exceptional circumstances.

Important Submission Process Information:

After submitting your details through the **form**, you will receive a separate email to upload your supporting documents to a secure platform.

ON PAGES 7,8 & 9 OF THIS DOCUMENT, THERE IS A QUESTION AND ANSWER SECTION WHICH YOU ARE ENCOURAGED TO GO THROUGH IN PREPARATION FOR SUBMITTING YOUR BIDS

Description

Better Cotton Initiative is the world's largest cotton sustainability programme. Our mission: to help cotton communities survive and thrive, while protecting and restoring the environment. In challenging times, we are meeting the challenge head on. Through our network of field-level partners we have trained over 2.8 million farmers in 22 countries in more sustainable farming practices. A quarter of the world's cotton is now grown under the Better Cotton Initiative Standard. We have united the industry's stakeholders behind our efforts, and by 2030 our aim is to have trained 5 million farmers and doubled global production of Better Cotton Initiative.

Background

Better Cotton Initiative uses a process called 'benchmarking' to confer one-way recognition of other credible cotton sustainability standard systems. Since 2013, this recognition has allowed farmers who comply with a successfully standard system recognised as equivalent to access the market for Better Cotton Initiative, avoid duplicative certification requirements and contribute to widen and deepen Better Cotton Initiative 's impact.

The credibility of the recognized standard system therefore relies, in part, on Better Cotton Initiative 's ability to select and work with competent strategic partners to support farmers. The Due Diligence process aims to reduce partnership risks for Better Cotton Initiative and also supports our partners by implementing a remediation plan to enable them to comply with Better Cotton Initiative's requirements, strengthen their organization and ensure a long-term partnership.

What is Due Diligence for Better Cotton Initiative

Due Diligence is an on-going, proactive, and reactive process through which our partners can identify, prevent, mitigate, and account for how they address actual and potential adverse impacts as an integral part of decision-making and risk management systems.

The purpose of the Due Diligence process is to help Better Cotton Initiative to ensure that the partners we work with, or fund, have adequate governance structures, policies, and operational systems in place. It can also help organisations ensure they observe both international and domestic law and build towards the requirements of corporate Due Diligence.

Better Cotton Initiative's due diligence covers 6 areas: ethics, governance, HR, environment and operations, financial stability and governance, and where applicable - downstream local partners.

The due diligence is structured around:

- **Assessing the organisation and its undertakings** to identify the factual circumstances (reality) under which the business is operating.
- **Identifying and assessing any actual or potential risks** by evaluating the factual circumstances against recognised standards.
- **Preventing or mitigating the identified risks** by adopting and implementing a corrective risk action plan.

Objective

The objective of the consultancy is to conduct the Due Diligence process in Australia with the existing strategic partner, the Cotton Australia, in accordance with Better Cotton Initiative's guidelines, **by the 30th of June 2026.**

Through direct relationships with the partners, the consultant will be responsible for reviewing and analysing the documents submitted by the strategic partner, and recommending mitigation actions, if relevant, with the support of Better Cotton Initiative's teams.

Tasks & Methodology

A Better Cotton Initiative team member will closely follow and support the consultant in the Due Diligence management and coordinate the partner relationship. Other team members will also support. The Better Cotton Initiative team will therefore include, but is not limited to:

- Senior Manager, Programmes, based in Brazil
- Due Diligence and Partnerships Coordinator, based in Lahore -Pakistan
- Programme Coordinator, based in Brazil

Better Cotton Initiative will provide all Due Diligence materials to the consultant who will follow the procedure and guidelines and use the template:

- The Due Diligence Handbook (See Annex 1)
- The Due Diligence questionnaire answered by the partner = 29 questions + sub-questions + attachments
- The Due Diligence analysis framework
- The template for the Final Report

Better Cotton Initiative will have started the data collection stage when the consultant will be appointed. The consultant will be required to follow these main steps to conduct the Due Diligence:

1. Review answers and analyse submitted documents, provide feedback and requirements for more detail or accurate answers from the strategic partner and prepare corrective risk action plan.
2. In coordination with Better Cotton Initiative team, validate the partner's responses and provide a risk score with the Better Cotton Initiative tool.
3. Complete the final Due Diligence report.
4. Present the Due Diligence results and propose a corrective risk action plan during a final meeting with the partner.

To proceed with these tasks, an estimated timeframe to conduct one Due Diligence is proposed:

	W1	W2	W3	W4	W5	W6	W7	W8	W9	W10	W11	Working days
1st review: - Analyse partner's response and documents submitted. - Clarify any pending point with partner. - Fill Better Cotton Initiative due diligence tool - Draft and send the 1st report including the action plan.	1	1	1	2	BCI to review 1st report							5
2nd review*: - Adjust reporting based on Better Cotton Initiative 's feedback - Discuss any conflicting point - Send the revised version to Better Cotton Initiative for approval.							1	2	BCI to review 2^{nd} version of the report			3
Report finetuning + final meeting											2	2
							TOTAL:					**10**

Due Diligence Deliverables

i. The due diligence analysis framework reviewed and updated on an ongoing basis
ii. The Final Report, including a risk action plan for the partner

High-level Timeline

25th February 2026	Questions deadline All questions must be sent only to tender@bettercotton.org with the RFP Reference in the Subject line.
By March 4th 2026	Applications close. All applications must be submitted via this form.
By April 1st 2026	Applications review and interviews.
By April 15th 2026	**Contract signature and start of the assignment**
Week 1	Induction call
Week 1 and 2	Review of documentation submitted by Strategic Partner and requests for clarifications sent
By end of week 4	Submission of completed 1st report including the Better Cotton Initiative Due Diligence Tool and action plan
By end of week 8	Submission of revised report
By end of week 11	Submission of Final + Presentation of findings

Required Skills & Knowledge

Skills, Knowledge and Experience
• Demonstrable experience writing, deploying, reviewing, or implementing Due Diligence frameworks in the development or corporate sector • Demonstrable experience in analysing financial information • Experience working with international organisations • Field level experience in Australia • Strong analytical and communication skills, especially in the following areas: ethics, governance, HR, environment and operations, financial stability, and governance • Excellent reporting and presentation skills • Fluency in spoken and written English

Application Requirements

Please note that we have changed our RFP submission protocol, and this is now in two phases:
• Phase 1: Initial details will be submitted on the form found in this link.

• **Phase 2: You will receive an email with live links to upload relevant documents (please check your Spam and Junk folders).**

Interested applicants are asked to send, in English, the following:

- Relevant staff CVs
- A detailed financial proposal with approximately 10 working days and rates between 400-800 EUR/day, to be analysed according to consultants experience
- A list of references
- A short narrative proposal composed of:
  - A timeline for delivery
  - A concise description of the approach that will be used including your Due Diligence understanding and approach to partner engagement. (NB. The consultant will implement Better Cotton Initiative methodology and use Better Cotton Initiative tools.). Two pages maximum.

Please note that field and office visits might be required to cross check the policy review and support data collection. Proposals will be evaluated based on quality and clarity of the proposed approach, relevant expertise and experience of the team member(s), alignment with the criteria set out in the TOR and overall value for money.

We thank all applicants for their interest; however, only shortlisted applicants will be contacted.

Better Cotton Initiative is committed to good practice and transparency in the management of natural, human and financial resources. All applications will be reviewed under the principles and subject to Better Cotton Initiative's policies on equal opportunity, non-discrimination, anti-bribery & corruption and conflict of interest.

Evaluation Criteria

Proposals will be evaluated based on the following criteria:

Technical Evaluation Criteria

- Demonstrated understanding of this RFP
- Quality and clarity of the proposed approach and methodology
- Feasibility of the proposed activity plan and timeline, and appropriateness of time allocated to delivering each task
- Relevant professional experience of the proposed consultant(s)
- Quality and relevance of the sample work submitted

Financial Evaluation Criteria

- Quality and clarity of budget provided, and level of detail included
- Alignment of the budget to the activity timeline detailed in the technical proposal
- Value for money
- Adherence to the available budget

Questions & Answers For RFP 2026-2-PR-AUSDUEDILIGENCE

1. **Question 1**

   What balance between remote and onsite are you happy with given that many of the requirements in the RFQ suggest that they can be done from anywhere?

   Answer

   This work has been conducted in other countries fully remote. Interactions were through emails, online meetings, telephone and WhatsApp. The DD framework does not require onsite visits. However, the consultant may encounter challenges in fully conducting the DD remotely. If the required information is insufficient or an onsite meeting is necessary, you can include travel and subsistence costs in your proposal.

2. **Question 2**

   Financial health check on PPs Audited Financial Statements.
   Is it your expectation that the consultant conducting the due diligence also undertakes this work as part of the overall process? We note one option listed in Annex 1 is that a qualified financial expert is engaged centrally by BCI HQ.

   Answer

   For benchmark countries, BCI does not conduct a Financial Health Check. However, the consultant must gather responses to the financial governance questions (Q16–18) and financial stability questions (Q19–23). This extends beyond financial statements to include policies, audit reports, funding, etc.

3. Question 3

Are there any restrictions on the consultant related to performing any potential future audit/assurance services to BCI members in relation to their use of the BCI label?

Answer

No, no restriction in that matter.

4. Question 4

Query regarding daily fee

Answer

The Technical Team has taken on this feedback and shared the following "A detailed financial proposal with approximately 10 working days and rates between **400-800 EUR/day**, to be analysed according to consultants experience"

5. Question 5

Weekly check-ins and coordination
We understand that the consultant is responsible for reviewing the questionnaire, requesting clarifications, and providing technical feedback. For planning purposes, could you confirm whether this feedback is expected to be provided primarily during the weekly check-ins with Cotton Australia, or at defined review stages? Additionally, will Better Cotton continue to lead overall coordination with the partner during these interactions?

Answer

The weekly check-ins are mainly to clarify any questions the consultant may have regarding the answers provided by CA or to request any information, in case it's missing. BCI expects the technical feedback to be provided in the first submission (draft version) for review. BCI will still lead the overall process. However, expects the consultant and CA's focal point to have an easy communication channel.

6. Question 6

Corrective action plan workflow

Could you please confirm whether Cotton Australia's feedback on the corrective action plan is expected to be provided primarily during the final review meeting, or whether you would prefer the consultant to socialize key elements of the draft with the partner in advance?

Answer

The corrective action plan should be part of the first submission (draft report) to BCI. BCI will review it and may request corrections before sharing internally with the Due Diligence Committee. BCI encourages the consultants to be transparent with CA about the proposed corrective action plan. After the final report has been submitted and approved, the corrective action plan will be formally presented to CA by the consultant, with BCI's approval.

Annex 1 : Due Diligence Handbook

HANDBOOK

HOW TO UNDERTAKE AN ENHANCED BCI PROGRAMME PARTNER DUE DILIGENCE

Source: Alliance For Science, Cornell University

BCI REF: 2020-11-IMP-DUE DILIGENCE

1. Enhanced PP DD Operational Handbook

1. Introduction

The enhance Programme Partner (PP) Due Diligence (DD) framework provides a system for BCI to enhance its existing processes to enable credible selection of Programme Partners (PPs), and conduct retrospective DDs on existing PPs. The DD framework provides for a robust system for conducting a DD, analysing risk and developing related corrective risk action plans.

2. What is a due diligence process and its purpose?

Due diligence is an on-going, proactive, and reactive process through which companies/organisations can identify, prevent, mitigate, and account for how they address actual and potential adverse impacts as an integral part of business decision-making and risk management systems.

The purpose of the Due Diligence processes is to help Better Cotton Initiative to ensure that the PPs we work with, or fund, have adequate governance structures, policies, and operational systems in place. These processes can also help organisations ensure they observe both international and domestic law and build towards the requirements of corporate Due Diligence.

3. In practice, how is a due diligence process structured and accomplished?

The nature and extent of due diligence actions that are appropriate will depend on individual PP circumstances and can be affected by factors such as the size of the PP, the location of the activities, and the situation in a particular country such as political and socioeconomic environment, the sector and nature of the products or services involved, and in BCI's case an additional layer with regards to downstream local partners.

Due diligence is thus structured around the steps that companies/organisations should take to:

1. Assess the business and its undertakings to identify the factual circumstances (reality) under which the business is operating.
2. Identify and assess any actual or potential risks by evaluating the factual circumstances against recognised standards.
3. Prevent or mitigate the identified risks by adopting and implementing a corrective risk action plan.

4. Implementing a risk-based approach to conducting the DD

The BCI enhanced PP DD framework has been structured to enable BCI to implement a risk-based approach to performing an adequate due diligence. Activities associated with higher risks will require more intensive due-diligence and monitoring activities. The framework is designed to capture and understand these risks and rate them according to specific risk guidance (High risk; Medium risk; Low risk), detailed below.

Ongoing process: Importantly, DD is an ongoing process of gradual improvements. BCI should encourage change by constructively engaging PPs, and supporting them to build better organisations.

Encouraging good faith efforts: It is key for BCI to encourage PPs into making good faith efforts, that is that BCI should anticipate to take reasonable steps and make good faith efforts to carry out DD with its PPs - meaning that the PPs should be encouraged to participate actively, openly share all information (whether positive or negative) and communicate where clarity or additional support is required.

It is important for BCI to proactively engage with the PP and its management, provide transparent and clear guidance regarding the process and maintain open communication channels.

It's unrealistic to expect PPs to achieve full compliance with the guidance overnight.

Mitigate risks but don't embargo high-risk areas: The enhanced PP DD framework is designed to help BCI work with its PPs in a responsible way. Except in the most harmful and high risk circumstances, BCI should leverage its relationships with PPs to improve business conduct and conditions in respective PP countries and in the field.

5. Risks areas covered enhanced PP DD framework

The DD has been developed to help BCI identify whether their PPs pose any risks and prioritise the most severe risks associated with sourcing cotton from its PPs, ensuring that any risks are identified are mitigated. The key focus areas of the enhanced PP DD framework are detailed in figure 1 below.

Figure 1: DD areas covered in the framework

6. The BCI enhanced PP DD nine-step process

The nine-step, risk-based due diligence process is relevant to all BCI PPs operating in the cotton supply chain and applies globally. The nine step process can be found in figure 2 below.

Figure 2: Nine-step BCI enhanced PP DD process

1. Pre-DD preparation
2. IP DD kick-off meeting
3. Weekly check-in meetings with IP - DD Questionnaire feedback
4. Providing feedback to IP on DD responses
5. Validating IP responses against rubric
6. Developing the risk action plan
7. Financial health check
8. Complete the IP DD report
9. IP meeting to review DD results and agree to the risk action plan

Each of the nine steps is broken down in detail below.

Step 1: Pre-DD

The pre-DD process is critical for delineating roles and responsibilities within BCI and establishing the framework for conducting an effective DD with the PP. The BCI HQ PP DD coordinator must be proactive in engaging with the country team to ensure that an appropriate DD roadmap is prepared and that all BCI team members are aware of the implementation plan and fully invested in its successful delivery. Key steps are outlined below in figure 3.

Figure 3: Key steps to be taken pre-DD

1. Identify BCI HQ staff member for responsible for coordinating the DD

2. Key roles of BCI DD Coordinator

- Create roadmap for DD process from start to finish
  - Frequency of meetings
  - Deadlines for receiving information updates from IP
  - Deadline for completing DD Questionnaire
- Support and guide BCI Country DD IP Manager throughout DD process
- Lead weekly follow-up calls with IP and BCI
- Responsible for providing feedback and answering IP questions to ensure DD is completed correctly and on time
- Engaging with IP Senior Management as and where required

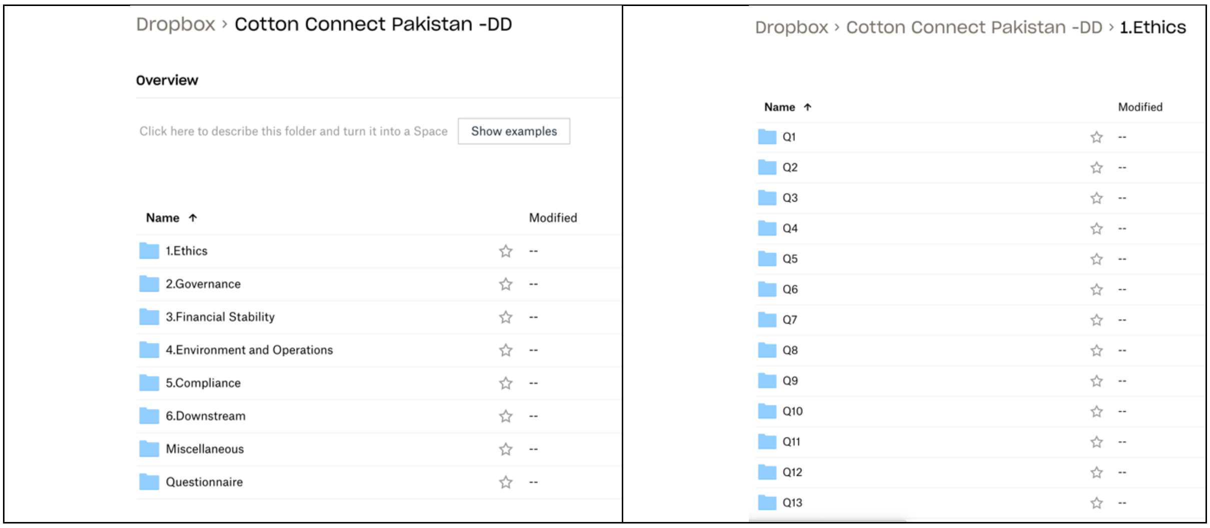
3. Identify BCI IP DD Manager from BCI Country Team to serve as primary contact with IP for purposes of completing DD

4. Key roles of BCI Country DD IP Manager

- Managing the IP relationship
- Managing and handholding the IP through the DD process, translating as needed
- Setting up Sharepoint folders for the IP and ensuring content uploaded as required - see example below in Figure 4
- Managing timelines and expectations around completion of DD and sharing information in a timely manner
- Facilitating weekly follow-up calls between IP and BCI
- Early-stage warning to BCI HQ IP DD coordinator and IP CEO/Senior management on any concerns arising

Figure 4: Example of Sharepoint structure

Master schedule of key DD areas	Schedule of questions in each DD area



Tip 1: Critical that BCI Country Team – Country Director and BCI PP DD Manager are engaged and fully understanding of their role within the DD process in advance of kick-off meeting.

Training will be very important.

BCI HQ handholding during the first couple of DD's will be key.

Step 2: Enhanced PP DD kick-off meeting

The enhanced PP DD kick-off meeting is the most important step of the DD process as it sets the tone for the DD with the PP and should clearly outline to the PP the roadmap for conducing the DD, and BCI's expectations of the PP throughout this process to ensure that it runs smoothly. It is important that both BCI and the PP have appropriate management representation during the enhanced PP DD Kick-off meeting. See figure 5 below for overview, and figure 6 for snapshot of the enhanced PP DD kick-off meeting presentation.

Figure 5: Purpose and outcomes of kick-off meeting

Arrange kick-off meeting with IP (see figure 6 below for the link to the slide deck developed for the IP kick off call meeting)

Purpose of meeting is to explain and walk the IP through the process for undertaking and completing the DD questionnaire in a timely manner (3 weeks), including walking through the DD quesionnaire

Critical outcomes of kick-off meeting

- IP Senior management buy into and support the DD process
- Identify DD point person for IP
- Discuss and set placeholders for weekly meetings

Tip 2: It is important to ensure that senior management, CEO, Director is present at this meeting to ensure buy and support for the DD process

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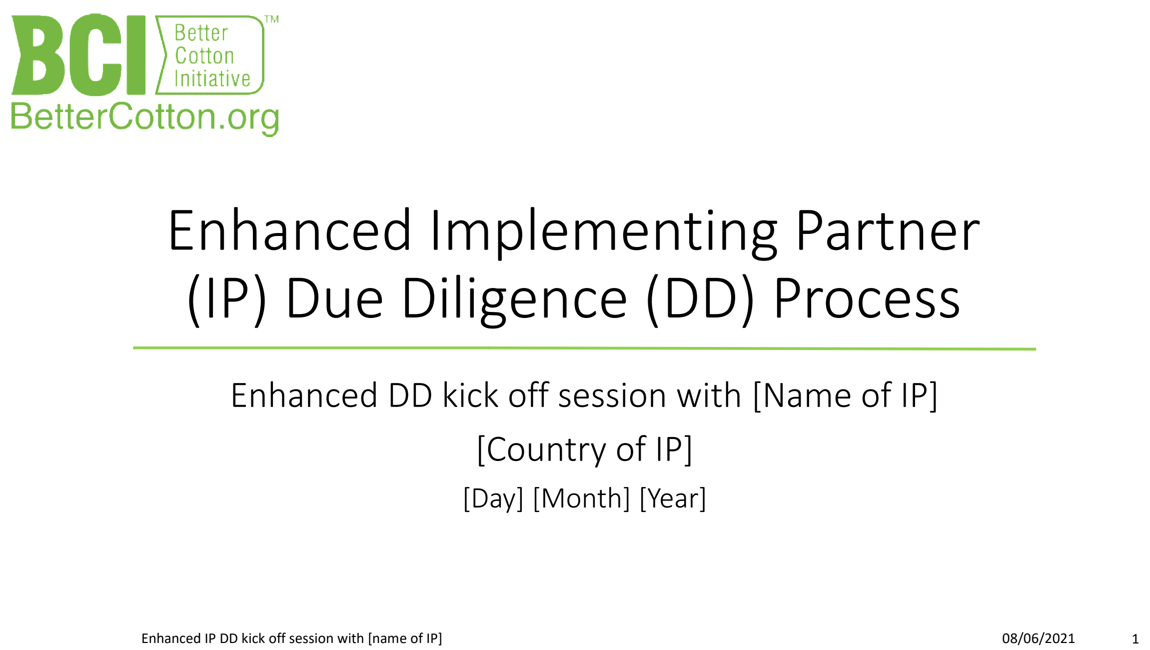
Figure 6: Slide deck for guiding PP kick of call meeting
To be shared with the successful applicant(s).

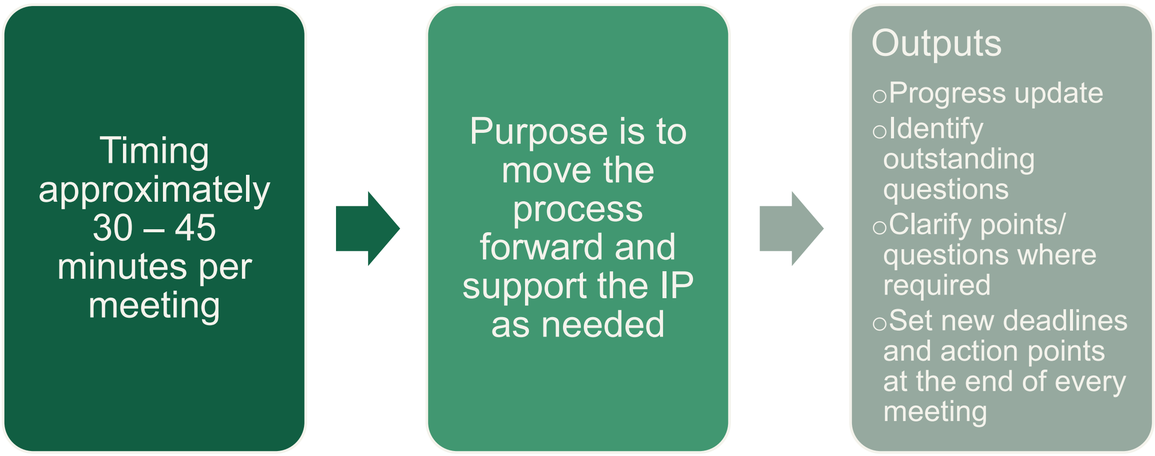


At the end of the kick off meeting, BCI country team will share the questionnaire with the PP's team. The excel file to be considered is: **PP DD Questionnaire - for sharing with PP**

Step 3: Weekly check in meetings – DD questionnaire feedback

Weekly check in meetings provide an opportunity to gauge the progress of the PP, provide feedback on the process and to support the PP with specific questions/issues that they are having. During these meetings the BCI Country PP DD Manager must remain focused on moving the process forward and holding the PP DD point person accountable to deliver in accordance with the agreed upon timelines, as well as being aware of any possible red flags that could inhibit the successful completion of the DD questionnaire. Details of timing, purpose and outputs is detailed below.

Figure 7: Timing, purpose, expected outputs of the weekly check in meetings



Tip 3: The DD process needs to continually be moving forward. The goal of the weekly check-in meetings is to discuss "new" information with the PP. Prior to each meeting the BCI

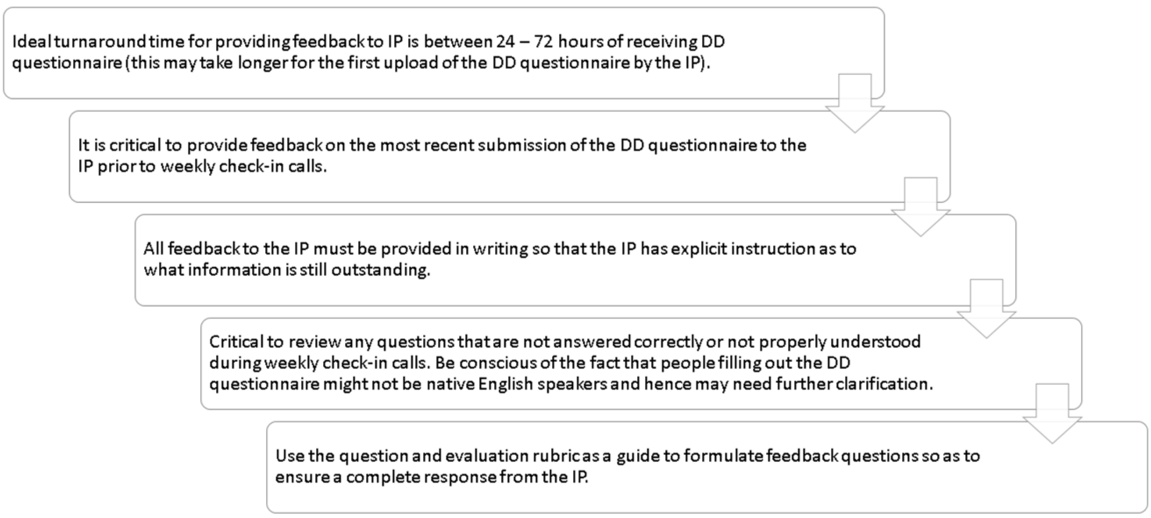
Country PP DD Manager should review questions completed by the PP at that juncture and prepare feedback to share with the PP regarding the latest version of the DD questionnaire. The expectation should be that the DD questionnaire and Sharepoint folder is updated by the PP on an ongoing basis.

TPP *4*: Engage the PP's senior management team if limited progress is being made on the DD questionnaire and uploading of documents to Sharepoint. This can be initiated after a two-weeks from kick off.

Step 4: Providing feedback to PP on DD responses

Providing clear and consistent feedback to the PP is critical to the successful completion of the DD questionnaire and it is the responsibility of the BCI Country PP DD Manager to ensure that BCI receives DD responses that comprehensively address the questions being asked. See figure 8 below for the feedback process on the DD questionnaire, and figure 9 for guidance on providing feedback to the PP on question responses. See Annex 1 for detailed process examples of how to manage ensuring the PP responds comprehensively to a DD question.

Figure 8: Process for providing feedback to the PP on the DD questionnaire



BCI feedback will be clearly formulated in the dedicated column of the excel file: **PP DD Questionnaire - for sharing with PP Document will be shared to successful applicant)**

Figure 9: Guidance on providing feedback to the PP on question responses

Providing feedback on question responses	Specific IP responses to questions
• Assess whether question has been answered completely ○ All information requested in the question provided ○ All required attachments requested have been provided • Request clarity where ○ Response is unclear ○ Require additional information/details	• Always best to get IP to identify the specific piece of information that is being referenced • For example – if given an HR Manual, but are looking for code of conduct have the IP identify the section, page, article that they are referring to otherwise spend a lot of time trying to guess what is being referred to

Tip *5*: Clear feedback must be provided by the BCI Country DD PP Manager in order to receive complete DD responses from the PP.

Tip 6: Questions that are clearly not understood or that are being answered incorrectly need to be escalated to senior management.

Step 5: Validating PP responses against rubric

Please refer to excel file: **<u>Final Validation and Reporting Rubric - Internal Use, Tab: Validation & Risk Rubric (Document will be shared with the successful applicant)</u>**

Validating PP responses against the evaluation rubric is an objective process that measures the risk level of the PP as per DD questionnaire. Prior to validating any question, the BCI DD Coordinator should assess the quality of the question and determine that the information provided by the PP is sufficient to consider the question complete. Below is an outline of the five-step validation process to be followed, see figure 10 below. See Annex 1 for detailed examples of how to validate an enhanced PP DD question response.

Figure 10: Five step validation process

5 step validation process

1. Validating Policies
Review and checking content and quality of policies/procedure documentation

2. Validating question responses
Cross referencing and validation of questions

3. Leveraging question responses
What to do when one question response supports answering a different question

4. Risk grading
Using the risk guidance and justifying a risk grade

5. Writing a response on your grading

Tip 7: Be objective and fact-based when validating a response.

Tip 8: It’s important to check the quality and content of the policies and documents uploaded by the PP to Sharepoint to ensure that they cover the adequately address the question to which they relate.

Five step validation process

1.
Validating Policies
Review and checking content and quality of policies/procedure documentation

Scope of policy is defined	Clear actions to operationalise the policy are in place	Accountability
○ What does the policy cover? ○ Make sure specific terms are defined (example – child labour, bribery, etc.) ○ Examples	○ Processes and procedures are outlined ○ Reporting mechanisms in place	○ Reporting mechanisms ○ Disciplinary actions for breach ○ Person(s) responsible

2.
Validating question responses
Cross referencing and validation of questions

When validating **you can use** information/documentation that has been provided to answer other questions	If information is available to support the justification for the grade provided for a particular answer then it is best to use it and make reference to it	Remember that BCI is only asking the IP for a specific type of information to answer a question, but if more information can be used from other DD responses to demonstrate commitment/reduction in risk level, etc. then supportive

3. Leveraging question responses - What to do when one question response supports answering a different question			4. Risk grading - using the risk guidance and justifying a risk grade		5. Writing a response on your grading	
Not every organisation will have every policy as per the DD. However they may have another policy document that covers the subject matter of the requested policy.	For example, an organisation may have another document that covers the subject matter, e.g. child labour policy, but instead has a safeguarding policy, which accounts for child labour issues. It is important to note that not having a child labour policy does not automatically mean that the IP poses any actual risk.	Using the previous example, based on the quality of the safeguarding policy it might be sufficient to state that the risk level is negligible	Review response and associated attachments	Review risk guidance notes for high, medium, low risk grade allocation Apply score 1,2,3 accordingly	Use of language very important Needs to be objective, fact-based	Not definitive per se – for example, don't say no risk, it's important to preface by saying based on the information provided, or there is sufficient evidence to suggest. It's key to provide written justification for the risk score.

Figure 11: Risk guidance for providing a risk score:

DD Questionnaire Evalua[...]n - Risk Weighting and Corrective Actio[...]

BCI Implementing Partner - Scoring Rubric			GUIDANCE TO BCI STAFF FOR REVIEWING THE QUESTIONNAIRE FOR RISK EVALUATION		
			Non-negotiable, DD is paused	NEW RISK CATEGORY Combined amber/yellows Moderate Risk - Requires Action, Monitoring	Not applicable, Lowest Risk, No Further Actions
Question Number	Focus Area	Question [TO BE REVIEWED WITH BCI HQ AND FURTHER EDITED]	RED RISKS = APPLY SCORE OF 3	AMBER RISKS = APPLY SCORE OF 2	GREEN RISKS = APPLY SCORE OF 1
1	Ethics	1. Corruption risk issues and compliance 1a.How are corruption risk issues and compliance managed by the Company/Organisation? [Provide detail]. 1b.Who in the Company/Organisation is responsible for corruption risk issues and compliance? Please share the name(s), position, seniority, and training in risk management, compliance, and anti-bribery matters? [Provide Details] Required attachments oRisk manager CV oAnti-bribery and corruption policy oWhistle-blower policy oConflicts of interest policy oAnti-money laundering policy oKnow Your Customer policy	Risk level: Tolerant internal culture of corruption, coming from board and/or senior executives. Look for: Lack of senior leader designated to deal with corruption issues; signs the organisation does not take corruption seriously; structural weaknesses to manage corruption risk. None of the listed policy documents are available.	Risk level: Corruption taken seriously, but gaps in systems, capacity or implementation Look for: Individual(s) responsible for corruption issues have capacity issues, such as inadequate training or sufficient professional experience One or more of the listed policy documents are not available. Gaps in detail within listed policy documentation - i.e. documents do not comprehensively cover risk area.	Risk level: Corruption taken seriously, no gaps in systems, capacity or implementation Look for: Highly competent and high capacity anti-corruption management. Look for: Policy documents fully available, and comprehensively cover risk areas.
2	Ethics	2. Provide details if any of the below apply to the Company/organisation, its employees, agents	Risk level: On going practices of corruption, money laundering	Risk level: Little or no evidence of unethical behaviour but high	Risk Level: No evidence of unethical behaviour, no future risk

Figure 12: Written justification for risk score

DD Questionnaire Evalua n - Risk Weighting and Corrective Actio

		RESPONSE EVALUATION		RISK MANAGEMENT					
BCI Implementing Partner - Scoring Rubric		Use the information shared by prospective IP and apply a risk score, following the guidance and good judgement.	Provide additional explanation for the risk score selected	Mandatory actions that are conditions for endorsement	Expand on selection in Column P if "Other" is selected	Select timeline for completion of corrective action	BCI process of verifying the corrective action	BCI person(s) responsible for managing the action is completed. May require managing external experts.	IP person(s) responsible for managing the action is completed. May require managing external experts.
Question Number	Focus Area	RISK SCORES	JUSTIFICATION FOR SCORE AND EVIDENCE (INTERVIEWS / DOCUMENTS)	CORRECTIVE ACTIONS	OTHER - DETAILS	CORRECTIVE ACTION TIMELINE	BCI MONITORING OF CORRECTIVE ACTION	IP PERSON RESPONSIBLE	IP PERSON RESPONSIBLE
1	Ethics	Score dropdown	[Insert text]	Use dropdown menu	[Insert Text]	Use dropdown menu	[Insert Text]	[Insert name]	[Insert name]
2	Ethics		[Insert text]	Use dropdown menu	[Insert Text]	Use dropdown menu	[Insert Text]		[Insert name]

Step 6: Developing the corrective risk action plan

Please refer to excel file: **Final Validation and Reporting Rubric - Internal Use** , Tab: **Corrective risk action plan (Document will be shared with the successful applicant)**

To support the PP in addressing any potential areas of risk exposure identified because of the DD process it is crucial that the BCI Country DD PP manager develops a corrective risk action plan that provides effective guidance on how to address any gaps or weak points within the PP's organisational structures, operational systems and policies. See below for steps to developing the corrective risk action plan.

Figure 13: Steps to developing the corrective risk action plan

Tip 9: The corrective risk action plan should be realistic and practical to implement for the PP based on the type of organisation, activities they carry out and environment in which they operate.

See figure 11 and 12 above for snapshot of the risk guidance and corrective risk action plan as per the DD framework – Validation and Corrective Action Plan Rubric Tab 3.

Step 7: Financial health check on PPs Audited Financial Statements

The aim of undertaking a financial health check (FHC) on the PPs audited financial statements (AFS) for the last three years is to conduct a review of the AFS in the three areas outlined in figure 14 below. The FHC should be undertaken by a qualified financial expert engaged either centrally by BCI HQ (allows for consistency) or by the BCI Country Office (de-centralised approach) through the BCI Country PP DD Manager.The process for undertaking the financial health check is outlined in figure 15 below; and a link to and overview of the financial health check template can be found in figure 16 below.

Figure 14: Three areas of review of the financial health check of the PPs Audited Financial Statements

THE QUALITY OF THE FINANCIALS	THE FINANCIAL PERFORMANCE OF THE ENTITY	THE ABILITY OF THE ENTITY TO CONTINUE AS A GOING CONCERN
- **Type of financials reviewed:** The reviewer must consider the types of financials reviewed - **The standard of financials reviewed:** The reviewer must consider the quality of the statements i.e., are they up to standard or can be linked to an adequately mapped accounting system. - **Quality of the notes and the support information provided:** The reviewer must consider if the notes provide sufficient support information.	- **Income generation:** The reviewer must consider the businesses income generating ability over the period. - **Cost Controls:** The reviewer must consider the businesses cost controlling ability over the period - can provide insights into effective cost allocation. - **Appropriateness of expenditure:** The reviewer must consider if the businesses expenditure on assets or remuneration is appropriate.	- Ability to meet short-term commitments i.e., over the next 12 months - Reserves and access to funding

Figure 15: Process for undertaking a financial health check (FHC) on an PPs Audited Financial Statements (AFS)

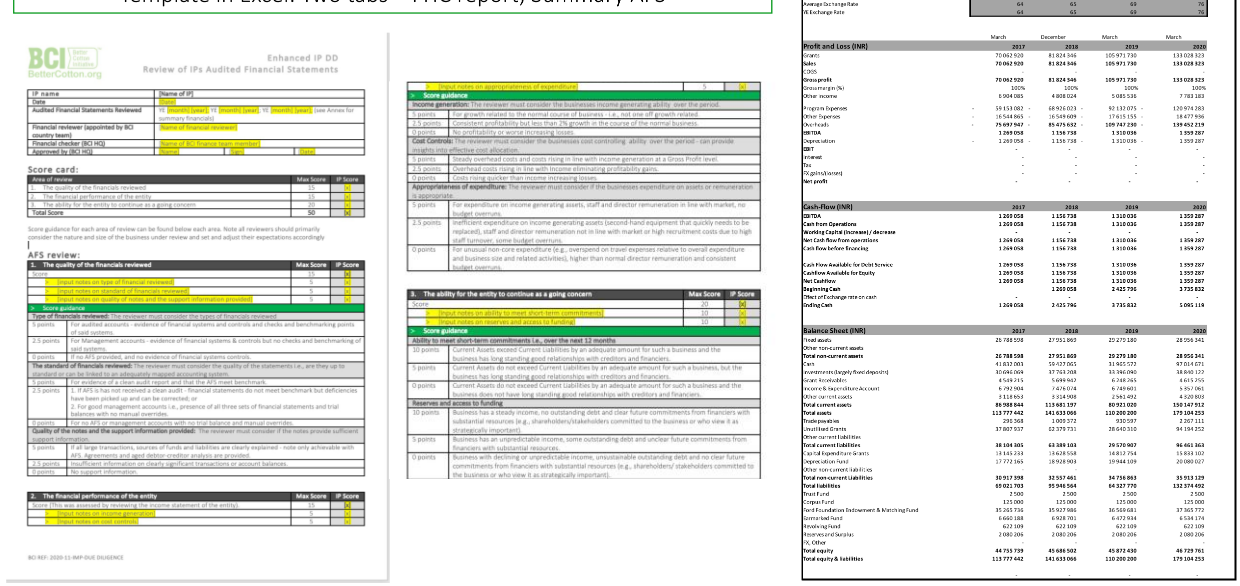
Preparation BCI DD Coordinator	Engaging Financial Expert to conduct FHC	Conduct FHC	BCI HQ approval	Close
Pre-alerts Financial Expert that DD has kickstarted, schedules time for FHC	Ensure NDA in place	Financial expert undertakes FHC	BCI DD Coordinator shares FHC results with BCI HQ financial expert (in-house or outsourced) for sign off and approval	BCI DD Coordinator completes Financial Stability Validation process using the validation rubric
Checks AFS for 3 last years have been made available on the Sharepoint folder by the IP	Share last three years AFS	Complete templates		
	Share FHC template in word	Share completed templates and results with BCI DD Coordinator		
	Share summary financials template in excel			

Tip *10*: BCI PP DD coordinator to ensure placeholder booking of the financial expert's time in advance of FHC review so to avoid unnecessary delays. Ideally this should be done as soon as the PP DD kick off meeting has been closed.

***Tip 11:** Request for AFS to be uploaded to the Sharepoint as a priority at the kick off call and first weekly check in meeting, and share with financial expert soon as they are available.*

Figure 16: Financial Health Check Template Document will be shares with the successful applicant]

Template in Excel: Two tabs – FHC report; Summary AFS



Step 8: Complete the enhanced PP DD report

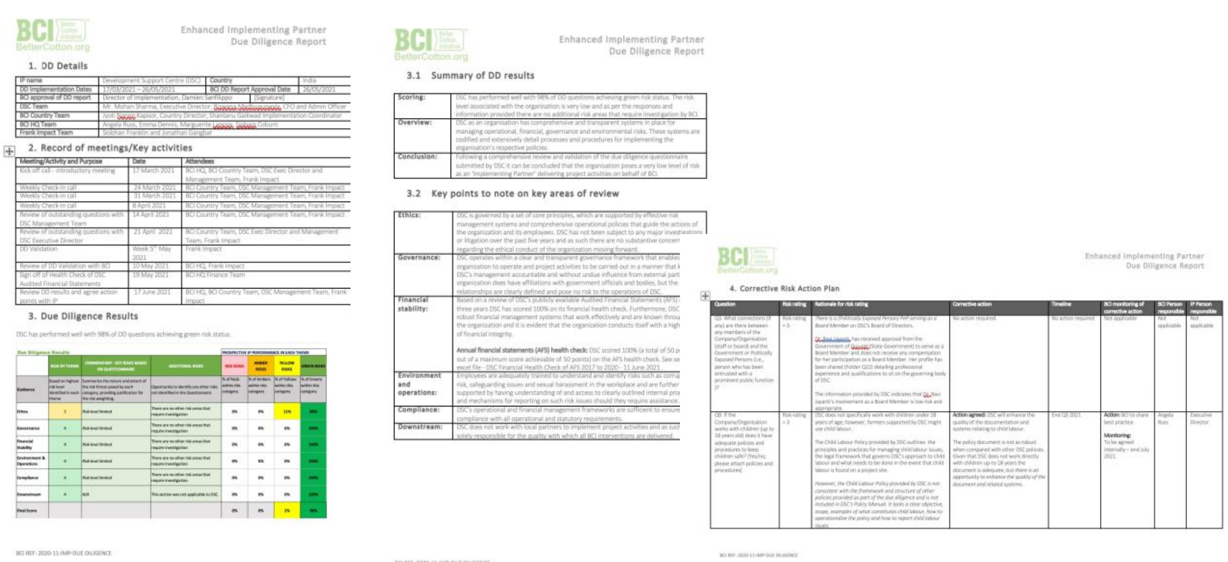
Upon completion of the DD validation process (Step 5), developing the corrective risk action plan (step 6) and the Financial Health Check (Step 7) the BCI DD Coordinator will be in a position to complete the enhanced PP DD report. This report provides a summary of the key DD results and outcomes. These are as per figure 17 below which also outlines the process for completing the enhanced PP DD report, and figure 18 for a snapshot of the template, including a link to the template.

Figure 17: Process for completing the enhanced PP DD report

1. IP DD Details	2. Record of meetings	3. DD results	4. Corrective risk action plan	5. FHC of IPs AFS	6. BCI HQ for approval
• Input details of the IP DD as per template requirements (name of IP, start date, end date, IP DD team, BCI HQ team, BCI Country team etc)	• Complete the schedule of meetings and key activities undertaken during the DD process.	• 3.1 Summary of DD results • -Copy and paste from DD framework Tab 1 • 3.2 Key points to note on key areas of review • -Complete sections accordingly	• Complete the corrective action plan template by dropping in the detail from Tab 2 in the DD framework	• Copy and paste the FHC template results for the IP into this section	• Share with the BCI HQ lead for approval and sign off

Tip *12*: Start completing and uploading information to the enhanced PP DD report at kick off of the DD and thereafter on a weekly basis (e.g., Record of meeting/ key activities) and as information is complete and ready for input.

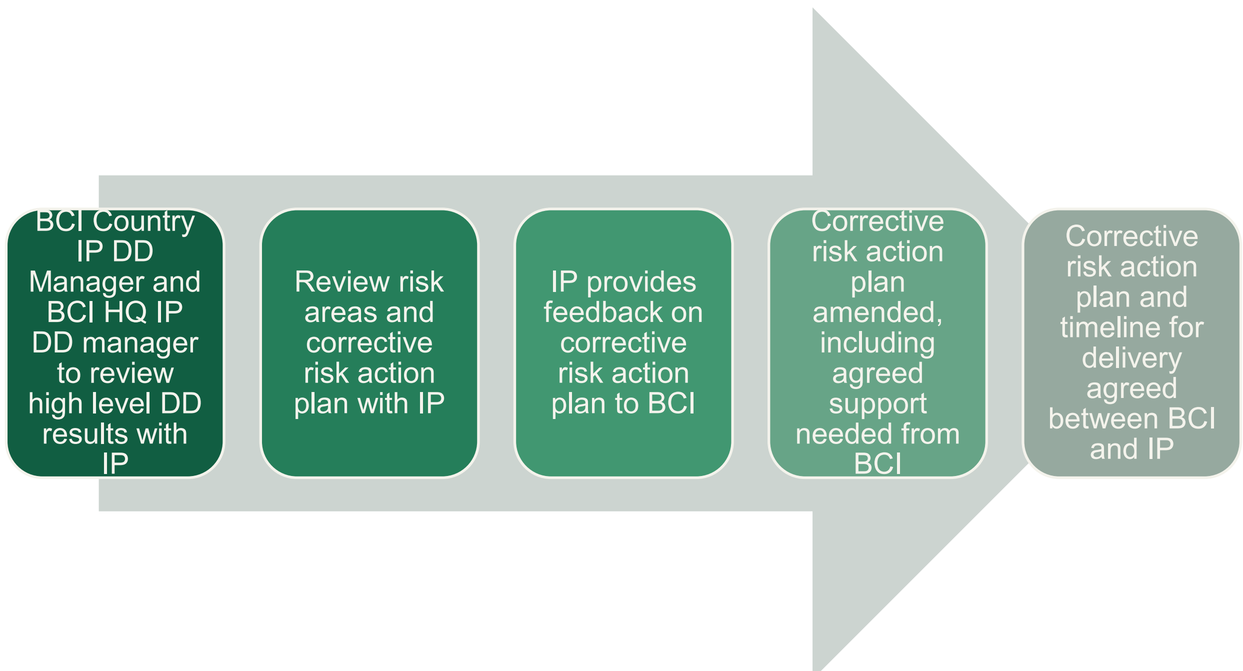
Figure 18: Enhanced PP DD Report Template (Document will be shared with the successful applicant



Step 9: PP meeting to review DD results and agree to the corrective risk action plan

The DD process will culminate with BCI reviewing the results of the DD with the PP and agreeing the corrective risk action plan. See figure 19 below for guidance for the meeting to review the DD results and agree the action plan meeting with the PP.

Figure 19: Steps for the enhanced PP DD results and action plan meeting



Tip *13*: It is important to ensure that senior management, CEO, Director is present at this meeting to ensure buy-in and support for agreeing the corrective risk action plan.

Tip 14: PP feedback on the corrective risk action plan is critical to ensure that it is fit for purpose and achievable.

Tip 15: Do not rush/force the PP into providing feedback on the corrective risk action plan or agreeing its contents immediately. If required, agree a timeline for the PP to provide feedback on the corrective risk action plan and arrange a follow-up meeting to formally agree its contents.

Tip 16: The PP may require BCI to share standard policy content and or additional support.

7. Key takeaways and learnings

The below are key takeaways and learnings from the pilot to keep in mind as the BCI PP DD manager starts the enhanced DD process with an PP.

Overall, it is important for the BCI HQ team to check in regularly with the BCI PP DD manager to ensure they are on track if they are coming up against unforeseen challenges so to be able to ensure the DD stays on track and that the DD PP Manager has the support required to ensure the process is completed. This may mean that the BCI HQ team need to arrange a meeting with the PP's CEO and senior management.

1. Not a One-Size Fits All Process

- BCI works with a diverse network of IPs whose structure, size, geography, operations, mission/purpose, etc. will influence their willingness and ability to undertake the DD process
- As a result, some IPs will be better positioned to address the questions contained in the DD questionnaire due their level of formalisation, as well as governance, legal, financial, compliance and reporting requirements

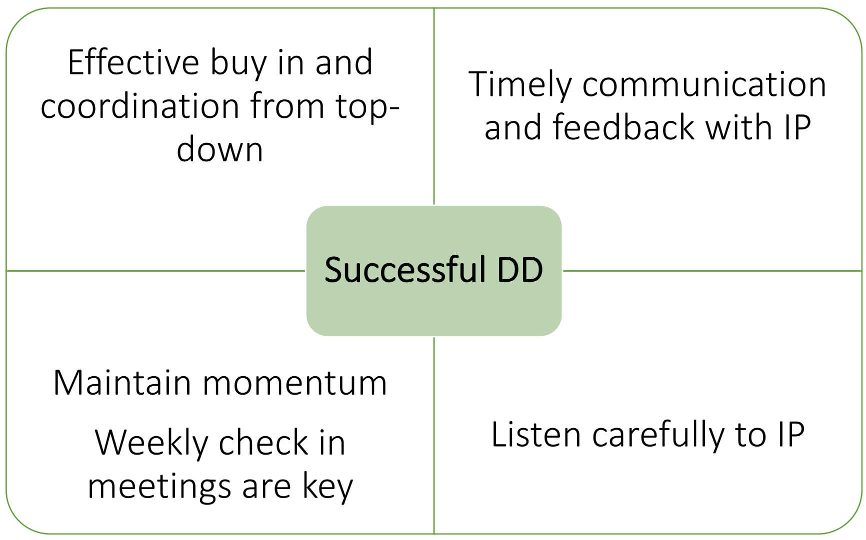
3. Managing IPs with Complex Structure or International Presence

Critical to identify, engage and work with the correct decision maker(s), departments and offices from day 1 of the DD otherwise it can be difficult to gather information and access necessary personnel later on in the process

Where an organisation has representation in multiple countries it is best to direct the DD process through the office with which BCI maintains its primary relationship (e.g. CCUK vs. PCC)

Should an organisation be operational in a certain country (e.g. Pakistan), but have no registered entity the DD process should be directed through the organisation's Head Office

4. Recipe for Successful DD Process



ANNEX 1: Examples of how to go through validating a question response (PP X example)

<table>
<tr><th colspan="3">Q13. Is there a grievance mechanism in place and is it known by staff? [Yes/No; please attach]</th></tr>
<tr><td rowspan="2">Step 1 – understand the question</td><td>1. What information is being requested in the question?</td><td>Does PP X have a grievance policy in place?
Is the grievance mechanism that is in place known by PP X staff?</td></tr>
<tr><td>2. What needs to be determined about the grievance process?</td><td>Are PP X's grievance mechanisms appropriate?
Note this is the difference between receiving a 2 (amber) and a 4 (green)</td></tr>
<tr><td>Step 2 – Response 1 provided by PP</td><td colspan="2">The response indicates that PP X has a grievance mechanism in place
The policy document has been provided by PP X
To determine if the response is sufficient as is it is necessary to review the policy document
Attachments can be found in the Sharepoint folder for the PP (sub-folder "Ethics", sub-sub folder "Q15")</td></tr>
<tr><td>Step 2.a – Document Review</td><td colspan="2">The grievance policy is not very detailed; only provides information for the contact person in the event that an employee would like to raise a grievance</td></tr>
<tr><td>Step 2.b – Is the response complete at this stage?</td><td>No</td><td>What information is missing?
Is the grievance mechanism known by staff?
Is the grievance mechanism in place appropriate?
We know that there is a procedure, but that has not been outlined in the policy or the written response</td></tr>
<tr><td>Step 3 – Response 2 provided by PP</td><td colspan="2">The response gives a basic outline of the grievance procedure
The PP has introduced a new policy that they are attributing to be part of the grievance policy
The PP has identified that training is provided on an annual basis</td></tr>
<tr><td>Step 3.a – Document Review</td><td colspan="2">Policy provided is PP X's sexual harassment policy
Does not encompass general grievances, so while it is helpful, it does not really relate to answering the question</td></tr>
<tr><td>Step 3.b – Is the response complete at this stage?</td><td>No</td><td>What information is missing?
It is still unclear whether the grievance mechanisms in place are acceptable
More detail is required
In this instance need to understand very clearly the sequence of events</td></tr>
</table>

		from time grievance raised and final decision communicated by management
Step 4 – Response 3 provided by PP	• Sequence of events more clearly explained	
Step 4.a – Is the response complete at this stage?	• No	• The procedure that has been outlined is not codified • Further confirmation is required from Senior Management in order to validate that the process as outlined in the response is accurate
Step 5 – Engage Senior Management [note that this step may not be necessary for all questions].	• Engage Senior Management - *if the process still remains unclear having engaged with the PP DD Point Person three times*. • The process as outlined by in the response is not codified in the attached policy document • Since the process is not codified further confirmation from a Senior Manager is required because at this time it still cannot be determined as to whether the grievance policy in place is acceptable	
Step 5.a – Response provided by the PP	• Senior Manager provides confirmation and clarification related to the process provided in the written response	
Step 6 – Validating the Response	• What can be concluded? ○ There is a grievance mechanism in place at PP X ○ The grievance mechanism is known by staff – induction and refresher training provided ○ Grievance mechanisms in place are acceptable; however, the grievance process is not codified in the HR Handbook for Consultants. ○ This does not pose any significant risk to BCI as the mechanisms are in place and known by staff, but should be addressed by the management team at PP X	

Q22.Are all statutory deductions (e.g. payroll deductions) paid and paid on time? [Yes/No]		
Step 1 – understand the question	1. What information is being requested in the question?	• Confirmation that statutory deductions are paid in full and in a timely manner.
	2. What needs to be determined?	• Does PP X make its statutory deductions in line with the requirements of the countries that it operates in?
Step 2 – Response 1 provided by PP	• Stated that the question is not applicable since PP X does not have an established entity in Turkey	

Step 2.b – Is the response complete at this stage?	• No	• What information is missing?
		  ○ Confirmation that statutory deductions are paid in full and in a timely manner.
		  ○ Confirmation that PP X makes statutory deductions in line with the requirements of the countries that it operates in.

Step 3 – Response 2 provided by PP	• Additional information provided does not adequately address the question	

Step 3.b – Is the response complete at this stage?	• No	• What information is missing?
		  ○ Confirmation that statutory deductions are paid in full and in a timely manner.
		  ○ Confirmation that PP X makes statutory deductions in line with the requirements of the countries that it operates in

Step 4 – Response 3 provided by PP	• Provides some information as to how statutory deductions are paid by Consultants from PP X Turkey • However, no further indication as to whether the organisation makes its statutory deductions and how it does so.	

Step 4.a – Is the response complete at this stage?	• No	• What information is missing?
		  ○ Confirmation that statutory deductions are paid in full and in a timely manner.
		  ○ Confirmation that PP X makes statutory deductions in line with the requirements of the countries that it operates in

Step 5 – Engage Senior Management	• After 3 attempts by the PP DD Point Person the question has still not been adequately responded to and it appears that the PP DD Point Person might not be best suited to answering the question • Insight from a Senior Manager is required because at this time it still cannot be determined as to whether PP X makes its statutory deductions and how it does so.
Step 5.a – Response provided by the PP	• Information has been provided as to how PP X UK makes its statutory deduction at the global level and in country.
Step 6 – Validating the Response	• What can be concluded? o It can be confirmed based on the information provided that PP X makes all statutory deductions and pays them in full as the requirements of the countries that it operates in?

Q33.With regards to data protection please describe how the Company/Organisation undertakes and records data, and how data gathered is managed and protected (in terms of, for example, managing/hosting/disclosing farmer and beneficiary data) [Please detail]		
Step 1 – understand the question	1. What information is being requested in the question?	• Does PP X have a Data Management and Security Policy? • If no, does PP X have suitable processes and procedures for managing beneficiary data?
	2. What needs to be determined about the grievance process?	• Is the policy fit for purpose?
Step 2 – Response 1 provided by PP	• The response indicates that PP X has Security and Data Management Policy in place • The policy document has been provided by PP X • To determine if the response is sufficient as is it is necessary to review the policy document • Attachments can be found in the Sharepoint folder for the PP (sub-folder "Governance", sub-sub folder "Q28")	
Step 2.a – Document Review	• The Data and Security Management Policy appears to be applicable to use of PP X's website. • It appear that the question has not been properly understood	
Step 2.b – Is the response complete at this stage?	• No	• What information is missing? o Does PP X have a Data Management and Security Policy? o If no, does PP X have suitable processes and procedures for managing beneficiary data? o Is the policy fit for purpose

Step 3 – Response 2 provided by PP	• The response appears to indicate that PP X's contract agreements with third parties such as BCI contains IT and confidentiality clauses, but is unclear what that means. • No further clarification has been provided regarding the Data Management and Security Policy that was provided	
Step 3.a – Document Review	• No additional documentation provided	
Step 3.b – Is the response complete at this stage?	• No	• What information is missing? o Does PP X have a Data Management and Security Policy? o If no, does PP X have suitable processes and procedures for managing beneficiary data? o Is the policy fit for purpose
Step 4 – Response 3 provided by PP	• No additional information provided	
Step 4.a – Is the response complete at this stage?	• No	• What information is missing? o Does PP X have a Data Management and Security Policy? o If no, does PP X have suitable processes and procedures for managing beneficiary data? o Is the policy fit for purpose
Step 5 – Engage Senior Management	• Engage Senior Management – *if the process still remains unclear having engaged with the PP DD Point Person three times.* • Insight from a Senior Manager is required because at this time it still cannot be determined as to whether PP X has either a policy or processes in procedures for managing beneficiary data	
Step 5.a – Response provided by the PP	• Feedback from Senior Management indicates that PP X does not have a Data Management and Security Policy in place for managing beneficiary data; rather the company implements data management and security protocols for specific projects as per the requirements of the donor partner • There is no written policy and/or processes or procedures, but it was stated that PP X employs a sensible approach to managing and disclosing data • Response is complete	
Step 6 – Validating the Response	• What can be concluded? o There is no Data Management and Security Policy in place at PP X o There is a need for PP X to draft and implement a Data Management and Security Policy	

	○ The risk posed to BCI is limited as the contract agreement between PP X and BCI will include provisions for managing beneficiary data