Australian NGO Accreditation Guidance Manual

June 2018

Contents

[Acronyms 3](#_Toc516581539)

[1. Introduction 4](#_Toc516581540)

[2. An Overview of Accreditation 5](#_Toc516581541)

[2.1 Accreditation at a Glance 5](#_Toc516581542)

[2.2 Governance Arrangements 6](#_Toc516581543)

[2.3 Management of Accreditation Process 7](#_Toc516581544)

[2.4 The Principles underpinning Accreditation 7](#_Toc516581545)

[2.5 The Accreditation Criteria 8](#_Toc516581546)

[2.6 The Accreditation Process 9](#_Toc516581547)

[2.7 Technical Assistance 12](#_Toc516581548)

[3. Guidance for the Accreditation Process 13](#_Toc516581549)

[3.1 Communication throughout the accreditation process 13](#_Toc516581550)

[3.2 Preparation for the Accreditation Process 13](#_Toc516581551)

[3.3 Preparing the Agency Profile 14](#_Toc516581552)

[3.4 Eligibility Check and Past Performance Data 15](#_Toc516581553)

[3.5 Desk Assessment 16](#_Toc516581554)

[3.6 Preparing for the Organisation Review 16](#_Toc516581555)

[3.7 Pass – “Subject-to” 19](#_Toc516581556)

[3.8 Red Line Criterion 19](#_Toc516581557)

[3.9 Consideration by the Committee for Development Cooperation (CDC) 19](#_Toc516581558)

[3.10 DFAT delegate’s decision 20](#_Toc516581559)

[4. Guidance for the Accreditation Criteria 21](#_Toc516581560)

[4.1 Section A Governance & Risk Management 21](#_Toc516581561)

[4.2 Section B Development Approaches and Management 27](#_Toc516581562)

[4.3 Section C Approaches to Partnership & Collaboration 34](#_Toc516581563)

[4.4 Section D Communications 41](#_Toc516581564)

[4.5 Section E Financial Management 43](#_Toc516581565)

[5. Evidence Required for Agency Profile and OR 56](#_Toc516581566)

[6. Guidance for Review teams 65](#_Toc516581567)

[6.1 Roles and Responsibilities of the Review team 65](#_Toc516581568)

[6.2 Guidance for Conducting Reviews 66](#_Toc516581569)

[6.3 Operational Guidelines 69](#_Toc516581570)

[7. Committee for Development Cooperation 73](#_Toc516581571)

[8. Grievance process 75](#_Toc516581572)

[9. Frequently asked questions 79](#_Toc516581573)

[10. Resources and links 82](#_Toc516581574)

[Annex 1: ANGO Accreditation Framework 85](#_Toc516581575)

# Acronyms

ACFID Australian Council for International Development

AGM Annual General Meeting

ANCP Australian NGO Cooperation Program

ANGO Australian non-government organisation

CDC Committee for Development Cooperation

Code of Conduct Code of Conduct of the Australian Council for International Development

CSO Civil Society Organisation

DA Desk Assessment

DFAT Department of Foreign Affairs and Trade

DGR Deductible Gift Recipient

MoU Memorandum of Understanding

NGO Non‑government organisation

NPQ NGO Programs, Performance and Quality Section (in DFAT)

OR Organisation Review

RDE Recognised Development Expenditure

Introduction

In 1996 the Department of Foreign Affairs and Trade (DFAT) and Australian non‑government organisations (ANGOs) initiated an accreditation scheme for ANGOs participating in the official Australian aid program. Accredited ANGOs are able to participate in and seek funding from the Australian NGO Cooperation Program (ANCP). In accordance with DFAT’s Aid Programming Guide, DFAT ANGO accreditation of ANGOs aligns with and satisfies DFAT’s due diligence requirements.

Accreditation acts as a front-end risk management and due diligence process. It is one component of DFAT’s risk management strategy and can also be seen as part of sector self‑regulation, along with other sector quality assurance systems such as the [Australian Council for International Development (ACFID) Code of Conduct [external site]](http://www.acfid.asn.au/code-of-conduct).

This **purpose** of this manual is to set out information and guidance to enable DFAT, ANGOs, review teams and the Committee for Development Cooperation (CDC) to have a shared understanding of the purpose, process and approach to DFAT ANGO accreditation. In doing this, DFAT seeks to:

* Assist and equip ANGOs to navigate the accreditation process and maximise its usefulness as an organisational learning and development exercise
* Optimise consistent professional practice across the review teams to produce consistent, accountable assessments of ANGOs against the accreditation criteria during Desk Assessments (DA) and Organisation Reviews (OR)
* Assist and guide the CDC to maintain the principles of accreditation and enhance the transparency of CDC processes for ANGOs.

The **target readership** for this manual includes:

* ANGOs seeking accreditation or re-accreditation
* Review team members
* Members of the CDC
* DFAT staff managing accreditation reviews
* DFAT Observers.

The manual is advisory and subject to change in line with Government policies and sector standards. It does not provide a single official methodology or set of instructions for approaching accreditation reviews. Each review will have a particular scope and distinct circumstances. This manual provides guidance that describes the general situation in accreditation reviews to enable ANGOs, review teams, the CDC and DFAT to work as consistently as possible within the broader framework of the accreditation process. This manual should be read in conjunction with the [Australian NGO Cooperation Program (ANCP) Manual](http://dfat.gov.au/about-us/publications/Pages/australian-ngo-cooperation-program-manual.aspx)

An Overview of Accreditation

* 1. Accreditation at a Glance

Accreditation of ANGOs is a front-end and rigorous risk-management process, which is also a robust due diligence process for DFAT. It provides DFAT and the Australian public with confidence that the Australian Government is funding professional, well-managed organisations that are capable of delivering quality development outcomes and are accountable to their stakeholders.

To receive funding under the Australian NGO Cooperation Program (ANCP), ANGOs must be accredited by DFAT. To gain accreditation, ANGOs are required to undergo a thorough and independent assessment of their organisational structure, philosophies, policies and practices against an agreed set of accreditation criteria (refer [Annex 1](#Annex)).

ANGOs can seek accreditation at either Base or Full level. While the criteria are the same for each level, there are differences in indicators and standards expected for each level and these are applied commensurate with the nature and significance of risk. The amount of ANCP funding available to the accredited ANGO differs according to the level of accreditation awarded.

The accreditation review assesses the policies and procedures of the ANGO, and their application in practice. It considers whether the policies, and the procedures which give effect to the policies, would reasonably be expected to satisfy the accreditation criteria if implemented consistently across the ANGO, over a reasonable period. A sample of projects, partnerships and records are selected to assess and test whether the procedures are being followed and whether they give effect to the policies in a manner which satisfies the accreditation criteria. The accreditation review process does not assess the effectiveness or impact of the ANGO’s development or humanitarian activities.

The process commences with the ANGO preparing an on-line application also referred to as the Agency Profile, comprised of a comprehensive set of questions and supporting documentation, followed by a Desk Assessment (DA) and an Organisation Review (OR). DFAT commissions a review team of three external consultants to conduct the DAs and ORs (see sections 2.4 and 3 for more detailed information on the accreditation process).

The accreditation process is characterised by peer review. Each accreditation assessment provides the opportunity for an exchange between the review team and the ANGO. The review team’s final report is presented to the CDC, which further strengthens the element of peer review within the process. The CDC is a joint DFAT–ANGO advisory body that considers each OR report prior to making its recommendation to the DFAT delegate for a final decision (see section 7 for more information).

In some circumstances, funding support from DFAT is available for technical assistance for ANGOs preparing for accreditation (see section 2.5 for more information).

Accreditation status is awarded at a particular point in time, so ANGOs must be re-assessed for accreditation at least every five years.

* 1. Governance Arrangements

**DFAT Delegate**

First Assistant Secretary (FAS)

Humanitarian, NGOs & Partnerships Division

Director

NGO Programs & Performance Section (NPQ)

Assistant Secretary

NGOs & Volunteers Branch (NVB)

Committee for Development Cooperation (CDC)

* 1. Management of Accreditation Process

DFAT’s ANGO accreditation is directly managed by the NGO Programs, Performance and Quality Section in NGOs and Volunteers Branch.

The CDC, established in 1975, is a joint DFAT /ANGO advisory and consultative body made up of members from the Australian NGO community and DFAT.

The role of the CDC is to:

* review ANGO accreditation reports commissioned by DFAT; the Chair of the CDC makes recommendations to the DFAT delegate on accreditation of NGOs;
* provide advice on accreditation criteria and ANCP policy; and
* act as an advisory and consultative body to the department for professional development of the Australian NGO community on issues of concern to that community.

CDC meetings are held a minimum of three times a year and are chaired by the DFAT.

The DFAT Delegate, reviews the recommendations of the CDC and makes the final decision on an ANGO’s accreditation status.

* 1. The Principles underpinning Accreditation

The integrity of the accreditation process has been maintained since its commencement in 1996 through the important principles that underpin its application. The principles underpinning the accreditation process are as follows:

* Accountability and transparency – ANGOs are assessed against an agreed set of criteria.
* Front-end risk management – DFAT are assured of an ANGO’s capacity to implement development programs and are, therefore, confident to fund ANGOs through the ANCP.
* Peer assessment – review team members are experienced development and finance professionals with extensive experience in the ANGO sector. The CDC with its ANGO representation, oversees the accreditation process ensuring procedural fairness, quality and consistency.
* Collaboration and participation – review team members aim to establish a collegial and cooperative dynamic at ORs working together with the ANGO to understand their approaches.
* Evidence-based judgments – review teams assess ANGOs through the review of documented evidence and discussion.
* Acknowledgment of the diversity of the ANGO sector – the expectations of performance against the accreditation criteria and indicators aim to accommodate the diversity within the ANGO sector.
* Continuous learning and quality/capacity improvement in the sector – the process of preparing for accreditation supports ANGOs to reflect on current practice and strengthen it.
* Good practice – the accreditation criteria are periodically reviewed to ensure alignment with sector good practice.
  1. The Accreditation Criteria

The accreditation criteria have been developed and agreed by DFAT and the CDC. The criteria, indicators and accompanying guidance have been revised and updated a number of times since 1996 to maintain alignment with sector good practice and DFAT requirements. The most recent revision was in 2018.

The accreditation criteria cover five domains of practice:

* Governance and risk management
* Development approaches and management
* Approaches to partnership and collaboration
* Communications
* Financial management.

Each domain of practice has a number of criteria. ANGOs applying for Base or Full accreditation **must satisfy all 15 criteria.** There are differences in the indicators and standards expected for Base and Full accreditation, and ANGOs should take care to consider those differences. The indicators and expectations for each criterion are applied commensurate with the nature and significance of risk. In practice this means that higher standards of practice are expected for Full accreditation.

### **Pre-Eligibility Criteria**

In order to apply for accreditation, ANGOs must meet pre-eligibility criteria which will be assessed by DFAT prior to the commencement of the review process.

The pre-eligibility criteria are:

* ANGO must be registered with the [Australian Charities and Not-for-Profits Commission (](http://www.acnc.gov.au/)ACNC)
* ANGO is not included on the [World Bank Listing of ineligible firms and individuals](http://web.worldbank.org/external/default/main?theSitePK=84266&contentMDK=64069844&menuPK=116730&pagePK=64148989&piPK=64148984); [the Asian Development Bank Sanctions List](http://lnadbg4.adb.org/oga0009p.nsf/sancALLPublic?OpenView&count=999); the [Attorney General’s Department List of Terrorist organisations; or](https://www.ag.gov.au/NationalSecurity/Counterterrorismlaw/Pages/Terroristorganisations.aspx) [DFAT’s consolidated list](http://dfat.gov.au/international-relations/security/sanctions/Pages/consolidated-list.aspx) of individuals and entities subject to targeted financial sanctions, including relating to terrorism.
* ANGO must be a signatory to the [Australian Council for International Development (ACFID) Code of Conduct [external site]](http://www.acfid.asn.au/code-of-conduct).
* ANGO meets the relevant RDE threshold i.e. a RDE of $50,000 minimum, averaged over three years, if applying for Base accreditation; or a RDE of $100,000 minimum, averaged over three years, if applying for Full accreditation. Funding eligibility amounts are outlined in the [ANCP Manual](http://dfat.gov.au/about-us/publications/Pages/australian-ngo-cooperation-program-manual.aspx). ANGOs that have not previously been accredited, may need to undergo an RDE assessment by a financial assessor.
* ANGO must demonstrate a minimum two-year track record of managing development activities

Refer to [**Annex 1**](#Annex) for the ANGO Accreditation Criteria Framework and explanatory notes.

* 1. The Accreditation Process

### **Re-accreditation**

Accreditation status is awarded at a particular point in time, so ANGOs must be re-assessed for accreditation at least every five years.

If an ANGO wishes to apply to be assessed for an upgrade from Base to Full level accreditation, it can do so any time after 12 months from the DFAT delegate’s decision to accredit the ANGO at Base level, determined by DFAT on a case by case basis. .

ANGOs are advised up to 12 months before their re-accreditation is due to enable them to prepare a new Agency Profile. In exceptional circumstances, if an ANGO is unable to meet this time schedule, it may apply to DFAT ([accreditation@dfat.gov.au](mailto:accreditation@dfat.gov.au)) for an extension who would consider the merits of the ANGO’s request for an extension. An extension will not be granted beyond 6 months from the date on which the Agency Profile is due. An ANGO that fails to provide an Agency Profile by the due date may be at risk of losing their accreditation status and therefore, be excluded from ANCP funding in the following financial year.

DFAT understands that situations may arise that can impact on an ANGO’s preparedness. However, it is important to advise DFAT well in advance to enable DFAT to manage its own resources, and to determine whether funding should continue to be provided regardless of accreditation status.

### **New Accreditations**

New Accreditation applications can be submitted during a three-month window each year. Information on the exact timing of the application rounds can be found on the [Accreditation page](http://dfat.gov.au/aid/who-we-work-with/ngos/ancp/Pages/accreditation.aspx) of the DFAT website.

If an ANGO has not previously been accredited with DFAT and not used DFAT funds before, it will need to satisfy pre-eligibility criteria and demonstrate its current practice against the accreditation criteria for the management of its own funds, funds from other Australian government departments (if any), and funds from other bilateral or multilateral donors (if any). The review team needs to be confident that the ANGO has the capacity (knowledge, experience and resources) to manage DFAT funds with all the associated quality and accountability obligations and has the capacity to program and manage ANCP funds should it be successful in achieving accreditation.

If the ANGO’s management of other funding has not been performed with the rigour and risk management practice that is required by DFAT, the ANGO will need to demonstrate that it has developed more rigorous project management systems consistent with DFAT expectations, to be used if it is accredited.

If an ANGO is unsuccessful in its application and assessment for accreditation, it may re-apply after 12 months from the DFAT delegate’s decision.

### **Application Process**

The accreditation process can take approximately six-nine months from the first step of an ANGO submitting its on-line application or Agency Profile in DFAT’s Accreditation Online Application System, through to the OR Report being considered by the CDC and the final decision being made by the DFAT delegate. In summary, the process involves the following steps:

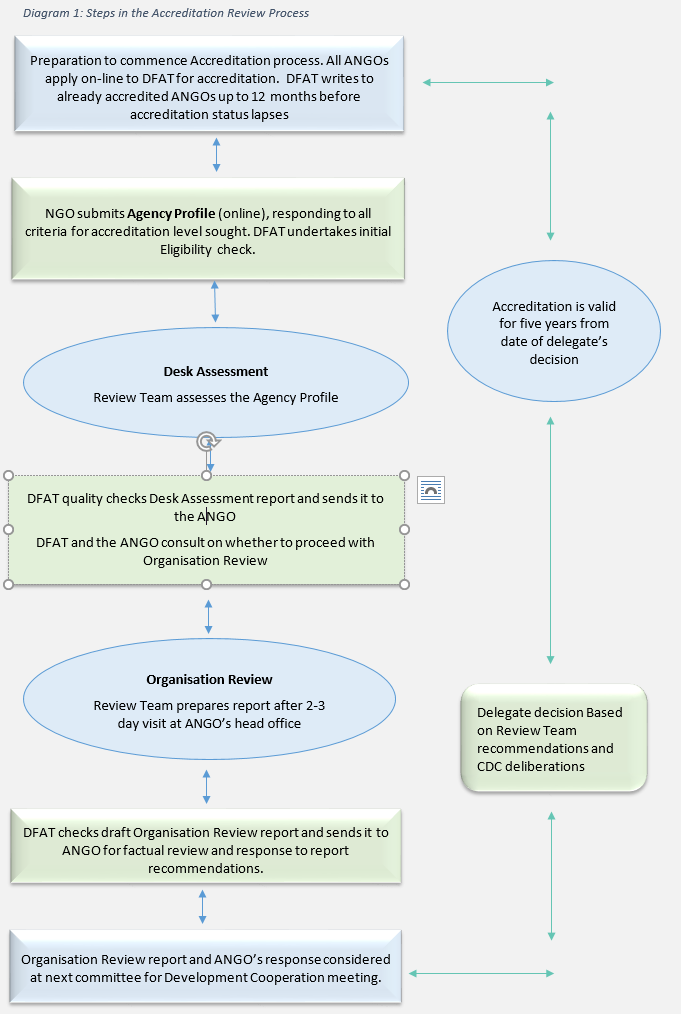
* **On-line application**: ANGOs prepare and submit an on-line application, referred to as the Agency Profile in DFAT’s Accreditation Online Application System. For organisations previously funded by DFAT, including under the ANCP, DFAT will also source past performance information from other areas of DFAT to supplement the Agency Profile.
* **Desk Assessment**: A review team assesses information provided in the Agency Profile and prepares a DA Report which is provided to DFAT and then to the ANGO via DFAT’s Accreditation Online Application System.
* **Organisation Review**: A review team spends up to three days at ANGO head office reviewing additional documentation and interviewing relevant staff. Review team makes a recommendation for accreditation at the conclusion of the OR and prepares an OR Report which is provided to DFAT and then to the ANGO.
* **Committee for Development Cooperation**: OR Report with the review team’s recommendation considered by CDC. CDC makes a recommendation to the DFAT delegate.
* **DFAT delegate**: DFAT delegate makes the final decision on accreditation status.

The ANGO has the right to appeal the review team’s recommendation and provide additional information for consideration by the CDC.

While the actual accreditation process may take approximately 6-9 months, the preparation time for ANGOs is usually considerably longer. Most ANGOs use the structure of the criteria and discipline of the accreditation process as a means to drive internal reflection and quality improvement. They systematically review policies, procedures and practices to ensure alignment with sector good practice, risk management and compliance obligations. This can often mean making changes to policies and procedures which can sometimes take time, especially where a reasonable track record of practice needs to be established. In practice, most ANGOs would commence their preparation for accreditation approximately 12 months prior to submission of their Agency Profile.

Further detail including guidance and tips on each of the steps in the accreditation process is provided in Section 3 of this manual.

DFAT provide webinar and training opportunities on accreditation. One of the best resources that ANGOs can utilise to assist in their preparation, is the experience of other accredited ANGOs who have recently undergone the process. ACFID and DFAT are also able to offer some advice.



* 1. Technical Assistance

Technical assistance may be provided by DFAT to assist ANGOs to understand and prepare for accreditation. Reimbursement for technical assistance is available from mid-cycle onwards in the accreditation process up to a maximum of five days of technical assistance, calculated in accordance with the [DFAT’s Aid Adviser Remuneration Framework (ARF).](http://dfat.gov.au/about-us/publications/Pages/adviser-remuneration-framework.aspx)

The objective of this assistance is to enable an independent consultant of the ANGO’s choice to review a draft Agency Profile, as it has been prepared by the ANGO, and assess the ANGO’s readiness to submit the Agency Profile and commence the accreditation assessment process. In doing so, the consultant provides feedback to the ANGO after identifying issues in the draft Agency Profile or any issues of concern to the ANGO. It may include a review of supporting evidence, such as the ANGO’s key governing instruments, planning documents, program and partnership documentation, samples of marketing material, financial systems, RDE calculations and staffing details.

Technical Assistance is provided at the discretion of DFAT where:

* A non-accredited ANGO is seeking accreditation; or
* A Base accredited ANGO with an RDE of equal to or less than $150,000 and equal to or less than five full time equivalent staff and is within 12 months of its due date for reaccreditation.

The ANGO must already have made substantial progress on completing their Agency Profile. Requests for Technical Assistance should be submitted to [accreditation@dfat.gov.au](mailto:accreditation@dfat.gov.au).

Guidance for the Accreditation Process

This section of the Manual provides guidance and tips on:

* each step in the review process outlining what it entails and what to expect
* how to prepare for the process overall
* how to prepare an Agency Profile
* how to prepare for the OR
* what to expect at the OR
* what happens after the OR.
  1. Communication throughout the accreditation process

DFAT will communicate with ANGOs up to 12 months prior to their re-accreditation being due.

Once DFAT receives an ANGO’s Agency Profile, it will communicate with the ANGO outlining the accreditation review process with approximate dates and advising the review team members.

The review team leader will also communicate with the ANGO to set dates for the OR and outline a more detailed methodology and expectations for the OR. The review team leader will propose dates for the OR and while there is some room for negotiation, the onus is on the ANGO to accommodate the proposed dates and ensure all required staff are available for the OR.

The ANGO will receive their DA and OR reports from DFAT.

* 1. Preparation for the Accreditation Process

Once an ANGO determines that it wishes to apply (or re-apply) for accreditation, it should review the information and guidance in this manual. If the ANGO is eligible, it may apply to DFAT for technical assistance to complete the accreditation application (see section 2.7 for eligibility for technical assistance).

ANGO’s, especially ANGOs applying for the first time, are encouraged to contact DFAT ([accreditation@dfat.gov.au](mailto:accreditation@dfat.gov.au)) earlier to discuss applications for accreditation.

Throughout the accreditation process, the onus is on the ANGO to make its case for satisfying the accreditation criteria. The ANGO community is diverse, so not all ANGOs will meet the criteria in the same way. It is therefore important for each ANGO to give the review team a clear picture of how it operates through its Agency Profile at the DA stage, and face-to-face at the OR.

Programs reviewed in accreditation can include DFAT funded programs, programs funded by the Australian community as per RDE calculations and others if required to make an assessment of organisational wide systems such as child protection and the prevention of terrorism financing.

ANGOs applying for accreditation for the first time should begin to prepare for accreditation 18 to 24 months before the submission of its on-line Agency Profile. This allows adequate time for any necessary changes to be made to policies and practice and review of the Agency Profile by staff members and the governing body, if that is an internal requirement of the ANGO. Some areas of the ANGO’s practice may need significant change, and a two-year track record is a requirement for accreditation. The accreditation process and DFAT’s requirements can change in the five years between reviews, so even long-accredited ANGOs should refresh their knowledge of accreditation criteria and expectations.

Many ANGOs find it useful to undertake a strength and gap analysis at a whole-of-agency level of their policies, documented procedures and practices 18-24 months prior to their application date. From this, an action plan can be developed with responsibility for different areas of practice allocated across the operational areas of an organisation. It is important to involve all operational areas of the ANGO in the preparation process including the governing body.

ANGOs can tap into many sources of support and advice within the sector: peer organisations who have recently undergone an accreditation review themselves, DFAT (through technical assistance if the ANGO is eligible), ACFID and a number of consultants recommended by ACFID. In addition, DFAT periodically runs webinars.

It is prudent for ANGOs wishing to seek ANCP funding to take the accreditation process seriously. ANGOs generally keep abreast of changes to DFAT requirements, compliance obligations and sector good practice, so while it does not happen often, it is possible for previously accredited ANGOs to lose their accreditation status and access to ANCP funds if they do not fully satisfy the accreditation criteria.

* 1. Preparing the Agency Profile

ANGOs seeking accreditation will submit their Agency Profile application through the DFAT on-line system. The Agency Profile is a pro forma that must be completed by all ANGOs applying for Base or Full accreditation. It is the means by which the ANGO presents all documentation relevant to the accreditation criteria and is the basis for the review team’s DA.

The Agency Profile requires ANGOs to provide a narrative description of how it addresses each of the indicators for each criterion. The approach and questions in the Agency Profile aim to: accommodate the diversity within the ANGO sector; allow each ANGO to tell its own unique ‘story’; increase clarity, reduce repetition and accommodate the 2018 revisions to accreditation criteria. In addition, the application requires the provision of a number of supporting documents such as strategies, financial information, policies, procedures, templates and examples of the use of templates. Refer to [section 4](#Section4) of this manual for the full list of supporting documents required with the Agency Profile and at the OR. Please note that all files uploaded in the Agency Profile must use the following naming convention: number of indicator + a, b, c etc. + brief description of document. For example: A1.1a governing instrument, A1.1b AGM Minutes 2017, B2.2b project design template etc. This is vital so that documents can be readily sorted and searched.

The preparation of the Agency Profile is a time-consuming and complex task, but one that most ANGOs find to be useful. The more time allowed for preparation, the more likely the process will add value to the organisation.

Useful tips for the preparation of the Agency Profile:

* Plan to engage a wide range of staff within the ANGO in the preparation of the Agency Profile and ensure the support of the governing body and staff.
* Consider establishing an internal working group to coordinate preparation. This arrangement informs all the areas of the ANGO about accreditation and its requirements, spreads ownership of the process across the organisation, and shares the workload.
* Ensure that the governing body is fully aware of the accreditation process and that it receives regular updates on progress.
* Talk with peers in other ANGOs that have recently been through accreditation. Most will be happy to share examples of policies, procedures and templates.
* Thoroughly study the accreditation criteria and indicators outlined in the ANGO Accreditation Criteria Framework and explanatory notes in this manual. You need to be clear about how specific criteria and indicators relates to others, the type of information required, and what the reviewers need to learn from your answers.
* Tell it like it is—do not make false or aspirational claims in the Agency Profile. All statements in the Agency Profile must be supported by verifiable evidence of applied practice.
* Have a peer from another ANGO who has been through accreditation or a consultant review the draft Agency Profile.

New applicants can submit an Agency Profile to DFAT at specified times. Current details of the dates and timeframes for submission are available on the [DFAT website](http://dfat.gov.au/aid/who-we-work-with/ngos/ancp/Pages/accreditation.aspx). Reviews of new applicants will be undertaken as soon as the review timetable allows.

* 1. Eligibility Check and Past Performance Data

Following the submission of the ANGO’s Agency Profile to DFAT, the Agency Profile will be checked by a member of DFAT’s NGO Programs Performance and Quality (NPQ) Section to ensure the Agency Profile is complete and includes the required supporting documentation. If the Agency Profile is not complete the DFAT officer will contact the ANGO to notify of any gaps and recommend revising the application before it can be assessed further. The Agency Profile will also be checked to ensure that the ANGO meets all eligibility requirements.

For ANGOs who have previously been accredited and received ANCP or other DFAT funding, upon submission of the Agency Profile, NPQ will contact all relevant areas of DFAT to seek documentation on the ANGOs past performance. This documentation may include (but is not limited to):

* Partner Performance Assessments
* DFAT commissioned Audit Reports
* ANCP Monitoring Visit Reports
* Information on Fraud cases
* Child protection audit or assessment reports.

The documentation will be uploaded into the DFAT Online System. The information on past performance will be subject to the principle of `natural justice’ and only information that the ANGO is aware of and has had an opportunity to respond to will be utilised by review teams in accreditation reviews.

* 1. Desk Assessment

Following the eligibility check, the Agency Profile application and DFAT past performance documentation is provided to all members of the review team who will conduct the DA of the ANGO’s operations, systems and capacities. There is no further action required by the ANGO for this step in the accreditation process.

The purpose of the DA is to:

* Undertake a preliminary assessment of the responses and supporting documentation provided by the ANGO
* Identify any gaps in the information provided
* Identify whether an ANGO is ready to proceed to an OR (NB: It is possible but uncommon for a review team to recommend that the process should not continue to an OR)
* Identify particular issues for clarification and further investigation at the OR
* List specific documents required for review at the OR
* Provide the ANGO with preliminary guidance to assist in their preparation for the OR.

Each of the review team members considers different parts of the accreditation criteria and Agency Profile and supporting documents against the relevant criteria. As outlined in section 3.3 DFAT will also provide the review team with past performance information from other areas of DFAT. The review team leader compiles the DA report outlining the assessment so far and identifying the areas for discussion and/or requiring the ANGO to provide further material at the OR. The DA report also provides a mechanism for the review team to reflect back to the ANGO, their understanding of the ANGO and its policies and practices.

A copy of the DA Report is provided to DFAT and following a quality check, by DFAT to the ANGO, usually within six-eight weeks of the Agency Profile being submitted. The ANGO will have at least four weeks from receiving the DA report to prepare for the OR.

If a review team makes a preliminary judgment in the DA Report that accreditation status is unlikely to be granted, the ANGO and DFAT should discuss whether to proceed to the OR. DA reports of this nature are still provided to the CDC to ensure procedural fairness. If there is a recommendation against accreditation following a DA, the ANGO must wait 12 months from the date of the DFAT delegate decision before it can reapply for accreditation.

* 1. Preparing for the Organisation Review

An OR of up to three days is undertaken for both Base and Full accreditation at the ANGO’s head office. It is usually undertaken four to six weeks after the DA report is provided to the ANGO. The OR is an ‘on-the-day’ assessment, and recommendations are based on the evidence available at the time of the review.

The purpose of the OR is to:

* enable discussion between the ANGO and the review team on all aspects of the accreditation criteria and on any particular issues raised in the DA report
* enable the review team to continue to assess and make a final assessment of the ANGO against the agreed accreditation criteria through the review of documents and discussion with staff.
* enable the ANGO to provide further clarifying material and to present the review team with a clear, evidence-based picture of how it operates
* enable the review team to verify the assertions made by the ANGO in the Agency Profile and test the application of policies, procedures and practices through the review of program, partnership, finance and other organisational documents and discussion with staff.

The DA report will outline a list of issues and evidence for each criterion that require further exploration or verification at the OR. Some matters are routine applying to most ANGOs and present in most DA reports, while other issues will be specific to the ANGO.

At the OR, the review team will need to review additional organisation-wide documentation/evidence such as that relating to the application of the ANGO’s child protection policy and general risk management approaches, and additional documentation specific to particular programs and partnerships. It is through the review of organisational, program, partnership and financial management files that the review team tests the ANGOs consistent application of its policies and procedures.

Some documents/evidence are standard requirements for review at all ORs and are outlined in Section 5 of this manual. Others will be specific to the ANGO and will be listed in the DA report and will need to be prepared by the ANGO prior to the OR. The review team will also determine other documents/evidence to review during the OR. ANGOs should be prepared for the review team to request access to any files or documentation throughout the OR.

During the OR, **the onus is on the ANGO to demonstrate how it satisfies the criteria**. Reviewers cannot know what evidence an ANGO has on its files unless it is brought to their attention. At the same time, the review team will work closely with the ANGO to help them identify the types of evidence of practice that would assist in their assessment.

At the conclusion of the OR, the review team will provide their recommendation for accreditation and also general feedback for the ANGO.

Here are some useful tips for the preparation for the OR:

* ANGOs should not wait for the DA report before beginning preparations for the OR. Internally reviewing procedures and practices and supporting documentation can take time, particularly where it is kept in field offices or other Australian offices.
* All operational areas of the ANGO should consider the evidence required to demonstrate how each of the criteria and indicators are being addressed.
* Many ANGOs go through a ‘mock’ or an abbreviated review, which can be facilitated by an external consultant or through DFAT-funded technical assistance (subject to eligibility). This process can be useful to test staff preparedness and to allay anxiety. It is a good idea to include governing body representatives in the process.
* The ANGO will receive the DA report at least four weeks before its OR. The ANGO should review the report carefully and ensure that all staff members who may be involved during the OR have read the report.
* Any additional documents/evidence specifically listed in the DA report can be prepared prior to the OR. Other documents/evidence will be identified during the OR.

Each OR follows a similar methodology. The review team will generally work from 9.00am to 5.00pm each day. They will require a private space to work and hold discussions amongst themselves as well as spaces where they can meet with ANGO staff members and review files together. They will need access to finance, programs and communications staff for the duration of the OR and to governing body representatives for a short period preferably on the first day.

The OR process will broadly follow these steps:

* Opening meeting on Day 1 between review team and ANGO team – it is up to the ANGO to determine which of their staff and Board they wish to have involved in this initial session. It can serve to as a way for the Board, senior staff and review team to ‘set the tone’ and provide the lead for other staff. This session usually covers: introductions; an overview from the review team leader on the accreditation process, the schedule for the OR and clarification of expectations; an overview presentation from the ANGO on the general approaches, strategy, program and partnership approaches or structure. The review team may also request additional presentations/discussion on more specific issues that require clarification. This session usually takes between 1.5 -2 hours
* Meeting between review team and 2-3 Board directors on governance aspects of the accreditation criteria. This session usually takes 1-1.5 hours.
* Orientation of review team to any pre-prepared documentation/evidence, electronic filing systems etc.
* For the remainder of days 1 and 2, the review team will focus on specific areas of the accreditation criteria, for example the financial assessor will work with the finance staff and the ANGO and development specialists will work with programs, partnerships and communications staff. They will review any pre-prepared evidence and request to review program, partnership, finance or other files and hold concurrent discussions with relevant staff members.
* At the conclusion of each day, the team leader will provide a short update on progress and flag any issues of concern that may be emerging. This short meeting is usually held with the coordinator for accreditation and the CEO or another representative nominated by the ANGO.
* The morning of Day 3 is usually spent reviewing any final evidence. This is usually complete by lunchtime on day 3 but it may be earlier or later depending on the complexity of the review and the size of the ANGO.
* Once the review team has completed its review of evidence and discussions with staff, they will inform the ANGO that this is complete and will meet in private as a review team to systematically discuss each of the criteria together as a review team and to determine their recommendation for accreditation.
* At the conclusion of the review, the review team will lead a feedback session for the ANGO. It is up to the ANGO to determine which of their staff and Board they wish to have involved in this final feedback session. The review team will provide their recommendation for accreditation and will also provide a summary of their findings for each area of the criteria. The ANGO is also invited to provide feedback to the review team and to its own staff if desired. This session usually takes up to 1 hour.

After the on-site review, the review team prepares an OR report for DFAT to present to the CDC, based on the accreditation criteria, including an overall recommendation on whether to accredit the ANGO and at what level and then a full description and analysis of how the ANGO satisfies/ or does not satisfy each of the criteria.

DFAT will quality check the report and provide a copy of the OR report to the ANGO for comment before the report is presented to the next CDC meeting. This provides an opportunity for the ANGO to correct any factual errors or provide a formal response to the report if required. Discussion and clarification during the review should have minimised any factual errors. Amendments to the report will generally only relate to factual material and are made at the discretion of the review team. DFAT will provide a copy of the final report to the ANGO.

DFAT will invite the ANGO to provide comments and feedback on the accreditation process via an online survey. This allows the ANGO to highlight any difficulties encountered with the accreditation process and enables DFAT and the CDC to improve the accreditation system.

* 1. Pass – “Subject-to”

The outcome of accreditation is either a ‘pass’ or a ‘fail’ recommendation. In exceptional circumstances, a review team may provide a recommendation to ‘pass’ but ‘subject-to’ some specific actions that must be implemented by the ANGO within a relatively short and defined period of time. The following conditions must be met in order for a review team to make a ‘pass subject-to’ recommendation:

* There must be clear evidence of intent by the ANGO to remedy the specific issue
* The review team must have assessed the ANGO’s ability to remedy the issue within defined time period
* The ‘subject-to’ issue must present a limited and low risk to DFAT in the interim or remedy period.
* The OR report must provide a clear outline of how the requirement will be demonstrated within a reasonable verification process and timeframe
* The use of this option must be moderated by the review team leader and DFAT and then through CDC and the DFAT Delegate.
  1. Red Line Criterion

Criterion A3, the “ANGO has effective child safeguards”, is a ‘red-line’ criterion. This means that ANGOs applying for both Base and Full level must be fully compliant with every aspect of DFAT’s Child Protection Policy and its associated nine minimum standards. Failure to fully comply will result in the loss of accreditation status. A checklist of requirements is available on the DFAT website. The checklist should be reviewed by the ANGO to ensure a shared understanding and acceptance of expectations and obligations under this criterion. No word limit has been set for responses to this criterion on the Agency Profile to ensure ANGOs have adequate space to fully describe their policy, procedures and practices in regards to child safeguards.

* 1. Consideration by the Committee for Development Cooperation (CDC)

The CDC considers the OR report and the ANGO’s comments, if any, at its next meeting after the accreditation review. The CDC will then make a recommendation to the DFAT delegate through the CDC Chair. The recommendation may include representations made by the ANGO regarding the OR report findings. The review team’s OR report findings cannot be changed during a CDC meeting, but the CDC may choose not to accept report findings and to direct that further investigation and/or clarification be undertaken with the ANGO before a final accreditation recommendation to the delegate can be made. In these circumstances, the CDC will consider the report again at its next meeting before making its recommendation.

* 1. DFAT delegate’s decision

The DFAT delegate makes the final decision to grant or deny accreditation. DFAT will inform the ANGO of the delegate’s decision as soon as possible after the CDC meeting at which the OR report is considered.

Following a decision by the DFAT delegate on accreditation, the ANGO may write to the delegate stating the grounds for disputing the decision and requesting reconsideration of the issue.

An ANGO that gains accreditation will be sent a letter advising this, outlining the year in which its next accreditation review will be due. Once accredited the ANGO is eligible to receive funding under the ANCP, subject to funding availability. DFAT will enter into annual grant agreements with accredited ANGOs in June each year for the next financial years funding.

Guidance for the Accreditation Criteria

The **ANGO Accreditation Framework** is attached at [**Annex 1**.](#Annex) The Framework outlines each criterion, a brief explanation of the underlying intent or principle of the criterion and a list of indicators which reflect reasonable expectations of policy, procedures, practice, capacity or evidence required for each criterion. Detailed guidance for each of the indicators is provided in this section to assist ANGOs in their preparation for accreditation and review teams in undertaking accreditation assessments.

How an ANGO describes and demonstrates its capacity and performance for the indicators (and therefore the criteria) will differ from ANGO to ANGO. The onus is on the ANGO to demonstrate, through evidence and explanation, how it addresses each criterion. The review team will use the guidance to inform and guide their assessments, while acknowledging the diversity and dynamic management practices of the ANGO community.

* 1. Section A Governance & Risk Management

**Criterion A1: The ANGO has a governing body, a documented structure of responsibilities and appropriate systems to ensure accountability.**

This criterion seeks to verify the ANGO’s governance arrangements to establish that the ANGO’s governance structure and practices ensure accountability, including to its supporters.

**BASE AND FULL INDICATORS**

NB: The ACNC regulates and monitors registered charities including the existence of a governing body made up of responsible persons, a governing instrument/document and requires charities to comply with the ACNC’s five Governance Standards. This information will be sourced by review teams from the ACNC website. ANGOs are responsible for ensuring that the information on the ACNC website related to their organisation is current and correct.

**A1.1 Governing body documents, policies and practices ensure effective governance, and accountability to members and the public.**

The governing body documents and practices should ensure that:

The membership of the governing body reflects the skills required to fulfil its responsibilities

roles and responsibilities are documented

decision-making procedures are documented and would enable accountability, transparency and exclude conflicts of interest

the governing instrument outlines the election or appointment process of the governing body and this is followed.

the governing body is appropriately informed of the organisation’s operating environment, operations and potential risks

regular general meetings are held and minutes recorded

Annual General Meetings (AGMs) are held

minutes of AGMs reflect all necessary compliance and regulatory requirements

financial statements are externally audited on an annual basis

financial statements are available to members and the public

there is a clear delineation of responsibilities between the governing body, management and staff, and volunteers.

**A1.2 ANGO has a Conflict of Interest policy and established mechanisms to address conflict of interest.**

The ANGO should have a documented policy to identify and manage potential conflicts of interest among governing body members, staff and other personnel and these mechanisms must be explicit in the governing instrument or a board-approved policy. The policy should define the term ‘conflict of interest’, define the scope of the policy and describe how the organisation will identify and manage any actual, potential or perceived conflicts of interest.

If the ANGO relies on the voluntary efforts of governing body members to handle any of its operations, or if multiple family members are involved in its governance and operations, there must be clear delineations of roles, role descriptions and decision-making procedures (for example, no two, family members should be bank signatories or be solely responsible for decision making). Those arrangements should be documented and approved by the governing body.

**A1.3 ANGO has a gender equality and diversity policy, and the governing body ensures these principles are integrated across the organisation.**

A gender equality and diversity policy commits the ANGO to promoting gender equality and diversity and to non-discrimination in regard to gender identity. This policy and its principles are expected to be applied to the organisation’s governing body, human resources, and programs. Policy implementation across the organisation may be assessed through a range of evidence such as training, evidence of strategies, criteria, and considerations for ensuring gender equality and diversity in the selection of members on the governing body, non-discrimination in all HR and recruitment policies, programs and partnerships which promote gender equality and diversity.

For further guidance on Indigenous Peoples, ANGOs should refer to [DFAT’s Environment and Social Safeguard Policy for the Aid Program (January 2018)](http://dfat.gov.au/about-us/publications/Pages/environmental-social-safeguard-policy-for-the-aid-program.aspx) and the DFAT [Reaching Indigenous People in the Australian Aid Program: Guidance Note.](http://dfat.gov.au/about-us/publications/Pages/reaching-indigenous-people-in-the-australian-aid-program-guidance-note.aspx)

**A1.4 If ANGO is a member of an international alliance or network, it can demonstrate its autonomy.**

Where an ANGO is part of an international network, it must be able to demonstrate that it retains enough independence to make its own decisions and maintain accountability to its membership and the public.

ADDITIONAL INDICATORS FOR FULL

**A1.5 Governing body sets strategic direction and targets, and monitors performance against these.**

The ANGOs Governing body should have a clear role in setting the high level strategic direction of the organisation. This would commonly be developed through a participatory process and documented in a strategic plan. The strategic plan should include clear targets to be achieved over the period of the plan. There should be a process in place to periodically review progress against the plan and targets and the governing body should be an informed position to assess this progress.

**A1.6 Governing body periodically evaluates its own performance.**

The governing body should have a process in place to periodically review its own performance and the skill set it embodies to ensure alignment with the needs of the organisation.

**A1.7 If ANGO is a member of an international alliance, network or consortium, it can demonstrate engagement with relevant governing, strategy setting, and/or policy making bodies.**

ANGO has the capacity and the mechanisms in place to contribute to and influence decisions of the international alliance or network such as engagement in governance processes, strategic planning or policy development of international alliance or network partners. This could be demonstrated through membership on boards or committees and minutes of meetings.

**Criterion A2: The ANGO effectively manages enterprise risk**

This criterion seeks to establish that the ANGO has the policies, procedures and practices required to assess, report & escalate, treat and manage enterprise risk across the whole organisation including risks relating to: staff safety and security, safeguarding, incident management, staff integrity, high risk contexts, financial viability and reputation.

BASE AND FULL INDICATORS

**A2.1 ANGO and its governing body can demonstrate the effective identification, review, rating, mitigation, reporting and escalation of organisational-wide risk.**

The ANGO and its governing body should have implemented practices which ensure the regular review, identification, treatment and escalation of whole-of-organisation level risks such as those relating to staff safety and security, safeguarding, incident management, staff integrity, high risk contexts, financial viability and reputation etc. (these are different to initiative/program level risks which are addressed in B2.5).

**A2.2 ANGO has systems to ensure the integrity of staff including integrity screening checks, HR policies, Code of Conduct.**

This could include ensuring staff are appropriately qualified and trained for their roles, that recruitment processes communicate the organisations commitment to integrity and safeguarding and ensure staff are of good character, that staff integrity checks are undertaken during recruitment and on an ongoing basis. These could include: criminal history and other integrity screening checks. Staff behaviour should also be governed by contractual arrangements, a Code of Conduct or equivalent, position descriptions and a performance assessment process.

**A2.3 ANGO has a safeguarding policy and practices in place to manage risks associated with sexual exploitation, abuse, harassment and misconduct, including processes for investigating, reporting and action (where appropriate).**

ANGO should have a Safeguarding/Prevention of Sexual Exploitation and Abuse (PSEA) policy, procedures and practices in place which guide/govern recruitment, staff performance, code of conduct, incident reporting and complaints handling processes that are well socialised and accessible. The scope of the policy and practices should cover Board members, all personnel (paid and voluntary) contractors, partners and primary stakeholders/community members. The policy should clearly outline the regulatory and ethical reporting obligations to be followed if an incident of sexual exploitation or abuse is committed.

**A2.4 ANGO has established public-facing complaints handling, whistle blowing, and incident management systems that are accessible to all stakeholders.**

Public facing means that the policies are available to the public and that members of the public could exercise their rights in regards to the policies. This could be demonstrated by making the policies available on the ANGOs website.

Complaints handling, whistle blowing and incident reporting policies and practices should be consistent with relevant legislation and accessible to the full range of the organisation’s stakeholders. ANGOs will need to demonstrate how these systems are promoted to all relevant stakeholders. ANGOs should have a formal, public and accessible complaints handling mechanism through which the public can register concerns or complaints which has clear procedures providing guidance on how the organisation will handle complaints. Attention also needs to be given to ensuring mechanisms are accessible for partners and primary stakeholders/community members with consideration of power and gender dynamics and access to appropriate communication mediums.

Refer to the [ACFID Code of Conduct](https://acfid.asn.au/sites/site.acfid/files/ACFID%20Code%20of%20Conduct%20JUNE2017_0.pdf) and its [Quality Assurance Framework](https://acfid.asn.au/sites/site.acfid/files/Quality%20Assurance%20Framework%20UDSEP17.pdf) for guidance on what these policies and practices should address (Compliance indicator 7.3.3 for complaints handling and Compliance Indicator 9.2.2 for whistle blowing).

**A2.5 ANGO has systems to assess and manage staff safety and security risk.**

ANGOs will need to demonstrate that they are aware of the most recent travel advice when staff are travelling and have appropriate support in place to limit the risks to staff safety and security. DFAT travel advisories on the *Smartraveller* website are subject to change and should be checked regular. Other risk mitigation strategies should include: assessment of criticality of staff travel to the region and , consideration of alternative engagement methods, pre-departure safety and security training for staff travelling to high risk contexts, registration with [www.smartraveller.gov.au](http://www.smartraveller.gov.au), registration with in-country DFAT staff/posts, subscribing to a travel advice and bulletin service, comprehensive travel and medical insurance including kidnapping insurance, and documented protocols/procedures for in-country responses.

**A2.6 ANGO can demonstrate the application of additional analysis, risk identification and risk management measures for high risk contexts.**

ANGOs undertaking initiatives in sensitive or ‘Do Not Travel’ countries as listed on the *Smartraveller* website should apply additional and targeted analysis, identification and risk management measures. DFAT travel advisories on the *Smartraveller* website are subject to change and ANGOs should ensure they are aware of the most recent travel advice.

High risk contexts could be such due to geographic location which categorises them as ‘do not travel’ areas or because of the occurrence of, or increased likelihood of disasters or heightened insecurity. The important aspect of this indicator is that the ANGO has a process in place to make its own judgement/determination of high risk contexts (for whatever reason) and applies additional risk management measures relevant to the nature of its engagement there. For example, there may be heightened risk to partner staff, the ANGOs staff may or may not travel there, if funds are transferred there may be heightened risk of terrorism financing or other misappropriation etc. This indicator should not be interpreted as a deterrent to supporting initiatives in high risk contexts as this is often also where the greatest need exists, but it does require ANGOs to apply additional and targeted analysis, identification and risk management measures.

ANGOs should refer to the [DFAT ANCP Manual](http://dfat.gov.au/about-us/publications/Pages/australian-ngo-cooperation-program-manual.aspx), section 5.1 for further guidance.

ADDITIONAL INDICATORS FOR FULL

**A2.7 ANGO has a risk management policy, framework, procedures and practices in place.**

An ANGO applying for Full accreditation should summarise its approach to risk in a risk management framework that identifies the key areas of risk that the organisation faces and the various policies, procedures and practices in place to manage and escalate them. It should include a risk matrix or equivalent with identified risks, ratings, mitigations strategies and dates for regular review. Identified risks should be reviewed and revised regularly. The risk management framework should be consistent with the International Standard for Risk Management (ISO31000:2018).

**Criterion A3: The ANGO has effective child safeguards**

This criterion seeks to establish that the ANGO has the policies, procedures and practices required to safeguard children and fully comply with DFAT’s Child Protection Policy. This is a ‘red line’ criteria. ANGOs applying for both Base and Full level must be fully compliant with every aspect DFAT’s Child Protection Policy and its associated nine minimum standards. Failure to fully comply will result in the loss of accreditation status.

BASE AND FULL INDICATORS

**A3.1 ANGO has an organisational Child Protection Policy**

A child protection policy needs to apply to all governing body Members, staff, contractors, volunteers and visitors to projects and meet the requirements outlined in the DFAT Child Protection Policy. ANGOs will need to demonstrate how the policy is promoted to all relevant stakeholders. Refer to the [DFAT Child Protection Policy](http://dfat.gov.au/about-us/publications/Pages/child-protection-policy.aspx) for guidance on the practices required to meet the nine minimum standards and refer to the [ACFID Code of Conduct](https://acfid.asn.au/sites/site.acfid/files/ACFID%20Code%20of%20Conduct%20JUNE2017_0.pdf) and its [Quality Assurance Framework](https://acfid.asn.au/sites/site.acfid/files/Quality%20Assurance%20Framework%20UDSEP17.pdf) for guidance on the requirements of a policy, incident reporting and complaints handling procedures.

**A3.2 ANGO has child safeguarding procedures in place that fully comply with DFAT’s Child Protection Policy and all of its nine minimum standards.**

The ANGO’s child protection procedures will be assessed against the nine minimum standards outlined in the DFAT Child Protection Policy. ANGOS are expected to fully comply with all of the nine minimum standards. Refer to the [DFAT Child Protection Policy](http://dfat.gov.au/about-us/publications/Pages/child-protection-policy.aspx) for guidance on the practices required to meet the nine minimum standards and refer to the [ACFID Code of Conduct](https://acfid.asn.au/sites/site.acfid/files/ACFID%20Code%20of%20Conduct%20JUNE2017_0.pdf) and its [Quality Assurance Framework](https://acfid.asn.au/sites/site.acfid/files/Quality%20Assurance%20Framework%20UDSEP17.pdf) for guidance on the requirements of a policy, incident reporting and complaints handling procedures.

**A 3.3 ANGO has controls and processes to ensure implementing partners have compliant child protection policy and practices.**

In addition to having their own child protection policy and related risk mitigation measures, it is expected that an ANGO will have undertaken an assessment of its implementing partners’ child protection policy and practices. This is particularly relevant where a partner is undertaking child-focused activities or undertaking projects that have contact with children. ANGO’s should refer to the DFAT Child Protection Policy to ensure that they are meeting the minimum standards. The review team will seek evidence that the ANGO has actively sought to assess its partner’s practices in respect to child protection and provided support where required.

ADDITIONAL INDICATORS FOR FULL

**A 3.4 ANGO undertakes periodic assessments of its own and its implementing partners’ child protection practices.**

To demonstrate ongoing attention to its own policies and practices, the ANGO is expected to undertake periodic assessments (perhaps every 3 years or so depending on the nature of the partner and program) of its own and its implementing partners’ child protection safeguarding practices to ensure policies and procedures are being consistently and effectively implemented. The nature of the assessment is not prescribed by DFAT but the ANGO must have a system in place to systematically review compliance across its organisation and its implementing partners. The frequency of the assessments should be determined by the ANGO based on risk and other variables rather than prescribed by DFAT however, it would be prudent to ensure assessments have been undertaken prior to accreditation.

* 1. Section B Development Approaches and Management

**B1: The ANGO has a track record of supporting and managing effective international development activities.**

This criterion seeks to verify past performance to establish that the ANGO has a documented track record of achieving effective development outcomes in developing countries.

BASE AND FULL INDICATORS

**B 1.1 ANGO’s Objectives in governing Instrument or Strategic Plan include development activities in developing countries.**

No guidance required.

**B 1.2 ANGO has a minimum two-year track record of development activities.**

A minimum two‑year track record of development activities means that the ANGO is required to have been involved in the oversight of the planning, design, implementation and monitoring of development activities, including financial management for at least two years. Some of those tasks may be delegated to the ANGO’s in-country partners, but the organisation should still be in a well-informed position and able to influence decisions throughout the management cycle. Merely raising funds and sending them to an in-country partner or other party, with no oversight role is not sufficient. The track record may include experience in managing the ANGO’s own funding, DFAT or other institutional donor funds.

**B 1.3 ANGO can differentiate between development activities and ‘non-development’ activities.**

This indicator is particularly relevant where ANGOs and/or their implementing partners undertake both development and non-development initiatives. Where this is the case, ANGOs must be able to demonstrate that their implementing partners understand the difference, separate the management of the different types of activities and account for funding for different types of activities. ANGOs must be able to demonstrate communication with partners which shows an understanding of the difference between the different types of activities.

ANGOs should refer to the [DFAT ANCP Manual](http://dfat.gov.au/about-us/publications/Pages/australian-ngo-cooperation-program-manual.aspx), section 4.2 for definitions and further guidance.

**B 1.4 ANGO can demonstrate that it responds to past performance issues.**

Where ANGO monitoring or DFAT monitoring has identified performance issues related to the ANGO, the implementing partner or the program, the ANGO must be able to demonstrate that it has taken appropriate action to remedy or address the performance issue. Any DFAT materials relating to past performance that are provided to the review team will also have be provided to the ANGO.

For fairness, transparency and in accordance with the principles of natural justice, ANGOs must be given at least 15 working days to review past performance material provided by DFAT to the Review Team ( if this has not previously occurred). Where an ANGO disagrees with the findings of past performance material, the partner may submit a written statement declaring its objections.

**B2: The ANGO has the capacity to operate in a manner that promotes quality and effectiveness.**

This criterion seeks to establish that the ANGO is committed to and operates in a manner consistent with current good practice guidelines for the sector including the ACFID Code of Conduct.

BASE AND FULL INDICATORS

NB: Compliance with the ACFID Code of Conduct is verified as a pre-eligibility criterion.

**B 2.1 ANGO has the demonstrated capacity or a strategy to effectively program and manage DFAT grants of equivalent size and complexity to future ANCP grant.**

The ANGO needs to demonstrate that it has the staff, program management and partnership capacity to effectively manage and implement its program portfolio, including its ANCP program.

For new applicants or ANGOs seeking to move from Base to Full accreditation, an indicative ANCP allocation will be provided to the review team by DFAT. The ANGO will need to demonstrate that it has appropriate procedures and practices to manage that indicative ANCP allocation. This would include systems to support, monitor and report on a program portfolio that included DFAT funding of that quantum; a strategy that has scoped projects that meet ANCP eligibility and the indicative ANCP allocation; established partnerships that would implement the future ANCP grant; and internal human resources capacity to support quality implementation and risk management.

**B 2.2 ANGO has a documented approach to managing its initiatives/programs e.g. project management cycle or equivalent, relevant to its types of initiatives or models of delivery.**

The ANGO’s project management system should suit the size, nature and complexity of the initiatives/programs being managed by the organisation. For ANGOs seeking Base accreditation, which usually carry smaller project portfolios, management systems may be less complex. As a minimum, the system will include documented guidelines or templates for each stage of the project cycle and evidence of project documentation of each stage. The management cycle usually includes design; appraisal; implementation; monitoring; and evaluation.

For larger organisations, or organisations working through field offices or international affiliates, the ANGO’s knowledge of the project cycle is still important, although it is recognised that there may be more limited evidence of project documentation for each stage available in the ANGO office. Where this is the case, the ANGO must provide evidence of how it establishes confidence in its field partners or international affiliates to effectively manage the project cycle and how it remains informed and can influence the initiative/program if required.

Often, in preparation for accreditation, ANGOs review and improve their project management systems. In such cases, it is important that any updates or changes to procedures and templates are completed before the accreditation review so that the system can be demonstrated in practice to meet accreditation criteria. Very new but largely untested systems will not usually constitute ‘track record’.

**B 2.3 ANGO undertakes contextual analysis including the perspectives of stakeholders, which informs planning and design.**

ANGOs initiative or program designs and planning should be informed by thorough contextual and stakeholder analysis, the inclusion of perspectives of stakeholders including partners and program participants/community members and research or other available evidence.

ANGOs should prepare design documentation. The preparation of comprehensive design documentation provides a structure which adds rigour to the analysis and design process and provides management tools which can be used and revised throughout the life of the program. The Annual Development Plan template does not constitute a design document on its own and is not considered adequate in this regard. Design documentation will differ from organisation to organisation although there would normally be fairly standard inclusions such as: contextual and stakeholder analysis, analysis of gender and other cross cutting issues, analysis of other barriers to inclusion for other vulnerable or marginalised groups, an outline of the program logic or theory of change, risk analysis and management, monitoring and evaluation, and management and governance arrangements including financial management.

For further guidance on Indigenous Peoples, ANGOs should refer to DFAT’s [Environment and Social Safeguard Policy for the Aid Program (January 2018)](http://dfat.gov.au/about-us/publications/Pages/environmental-social-safeguard-policy-for-the-aid-program.aspx) and the DFAT [Reaching Indigenous People in the Australian Aid Program: Guidance Note](http://dfat.gov.au/about-us/publications/Documents/reaching-indigenous-people-in-the-australian-aid-program-guidance-note.pdf).

**B 2.4 ANGO appraises potential initiatives against a documented set of quality standards and DFAT requirements.**

The ANGO must be able to demonstrate that it undertakes systematic appraisals or assessments of its initiatives/programs prior to funding or approval. These should be documented. This is an important quality assurance and quality improvement process and ensures programs reflect good development standards and comply with the ANGOs and DFAT compliance and safeguarding requirements. Typically, an appraisal seeks to ensure that the potential project supports the organisation’s overall development priorities and strategy; that it reflects key development principles, such as inclusion, participation and sustainability; that the implementing partner responsible for implementing the project has sufficient capacity and support; and that the design, budget and approach of the program appear reasonable. In addition, for activities funded by the Australian Government, appraisals must ensure that the program does not include welfare, evangelistic or partisan political activities and does not support organisations or individuals linked with child sex offences or terrorism and meets all other compliance and safeguarding requirements.

**B 2.5 ANGO assesses and manages activity risk.**

It is expected that all initiatives/programs will include an analysis of risk and have a documented risk management plan or equivalent. Risk management practise should be consistent with the International Standard for Risk Management (ISO31000:2018). Activity level risk management documentation will differ from organisation to organisation although there would normally be standard inclusions such as: identification of risks, a rating of the risks and treatment strategies. It must include treatment of child protection and other safeguarding risks. This risk analysis should be reviewed periodically.

**B 2.6 Where ANGO is working in association with international affiliates, networks or consortiums, it can demonstrate its knowledge of and influence throughout the initiative management cycle.**

While the ANGO may not be an active participant at all points in the management cycle, it should demonstrate how it assures itself of the quality of the work, how it remains informed and how it can influence or intervene where its interests dictate.

The ANGO must be able to demonstrate an understanding of and a degree of oversight and influence, for any initiatives or programs to which it provides funds and other resources. At a minimum, this should include:

* + the capacity to receive reports and monitor progress
  + being in an informed position in order to identify and respond to issues of poor performance or policy non-compliance
  + the right to withdraw funding where necessary; and
  + evidence of conducting due diligence on implementing partners to ensure policy compliance and effectiveness.

ADDITIONAL INDICATORS FOR FULL

**B 2.7 ANGO can demonstrate a strategic approach to programming and has country, regional and/or sectoral strategies relevant to the size and complexity of its programming.**

The ANGO should be well informed and making intentional and documented planning decisions. For Full accreditation, the ANGO is expected to have adopted a program approach which is defined as: Complex development assistance schemes which encompass a number of individual activities with a key sectoral or defined geographic focus in a multi-year timeframe, and which contribute to a common goal. This goal is linked to the ANGO’s strategic plan.

The sophistication of planning varies, but all Full ANGOs are expected to have in place a system that demonstrates that they have a strategic and well-considered rationale for their geographical and sectoral focus. This is expected to be documented in regional, country or sectoral strategies and plans. At a minimum, these plans would typically include a contextual analysis of the geographic and sectoral focus, identification of development challenge/need and an outline of the ANGO’s strategy to address or respond to this development challenge.

**B3: The ANGO integrates cross cutting themes to enable effectiveness.**

This criterion seeks to verify an ANGO’s approach to promoting gender equality, disability inclusion, environmental management and sustainability.

BASE AND FULL INDICATORS

**B3.1 ANGO has a gender equality policy and incorporates gender equality practices including contextual analysis of gender barriers, opportunities to enable inclusion, strategies to promote gender equality and targeted M&E.**

ANGO should be fully implementing its own gender equality policy (requirement for Criterion A2). ANGO should be able to demonstrate that it incorporates measures to address gender equality and women’s empowerment throughout its programs. This includes undertaking gender analysis which considers the differences experienced for different genders in terms of the distribution of resources, opportunities, constraints and power in a given context. Findings from this gender analysis should be used to ensure at minimum that the initiative/program does no harm and does not reinforce gender inequalities and that program designs promote the rights and equality of women and girls and others marginalised or vulnerable due to gender. Monitoring and evaluation should demonstrate the assessment of progress in promoting the rights and equality of women and girls and others marginalised or vulnerable due to gender.

ANGOs should refer to [DFAT’s Gender Equality and Women’s Empowerment Strategy.](http://dfat.gov.au/about-us/publications/Pages/gender-equality-and-womens-empowerment-strategy.aspx)

**B 3.2 ANGO incorporates disability inclusive practices including contextual analysis of barriers for people with disability, opportunities to enable inclusion and targeted M&E.**

ANGO should be able to demonstrate that it incorporates measures to understand the barriers to inclusion, and to promote disability inclusive practices throughout its programs. This includes undertaking analysis which includes consultation with people with disability and contextual analysis of the barriers to social inclusion and participation. Findings from this analysis should be used to ensure at minimum that the initiative/program does no harm and does not reinforce inequalities and barriers to inclusion and that program designs promote inclusion of people with disability. Monitoring and evaluation should demonstrate the assessment of progress in promoting the inclusion of people with disability.

ANGOs should refer to the [DFAT ‘Development for All 2015-2020: Strategy for strengthening disability-inclusive development in Australia’s aid program](http://dfat.gov.au/about-us/publications/Pages/development-for-all-2015-2020.aspx).

**B3.3 ANGO has a policy and practices in place to assess and mitigate environmental impact where appropriate.**

All programs, regardless of the monetary value or delivery approach should be screened for potential environmental impacts. This initial screening can be included in an appraisal checklist or approach with more through environmental impact assessments undertaken if required. DFAT funded projects must comply with the environmental laws of partner governments and Multilateral Environmental Agreements.

ANGOs must consider potential environmental impacts and the assessment and management of these impacts. The ANGO must ensure potential environmental impacts relating to its initiative/program are identified, assessed and managed to avoid or mitigate negative impacts and promote positive impacts and comply with all relevant environmental laws and regulations of the partner country.

ANGOs should refer to [DFAT’s Environment Protection Policy for DFATs Aid Program](http://dfat.gov.au/about-us/publications/Pages/environment-protection-policy-aid-program.aspx). Information about assessing and managing environmental risks is also included in the [DFAT’s Environment Protection Policy Good Practice Notes](http://dfat.gov.au/aid/topics/aid-risk-management/environmental-protection/Pages/environmental-protection.aspx).

**B3.4 Where relevant to its operations, the ANGO demonstrates compliance with DFAT’s Displacement and Resettlement policy.**

This indicator applies to ANGOs who are supporting activities funded by DFAT that result in the physical or economic displacement of people. This includes technical assistance supporting the design of development activities that requires land acquisition or restrictions on access to land or other natural resources. Where assessments reveal that projects and activities may result in physical or economic displacement, resettlement plans are required.

**B 3.5 ANGO can demonstrate approaches that will enhance sustainability.**

Sustainability of the results or impacts of programs should be a fundamental principle in all development initiatives. Designs should include evidence of analysis of issues relating to sustainability and approaches or strategies that will enhance the sustained or enduring benefits or impacts of initiatives.

ADDITIONAL INDICATORS FOR FULL

**B3.6 ANGO undertakes periodic assessments of its own and it’s implementing partners’ gender equality practice.**

ANGOs seeking Full accreditation should be undertaking periodic assessments (perhaps every 3 years or so depending on the nature of the partner and program) of its own and its implementing partners’ gender equality practice, including the degree to which its policy is being implemented and the ongoing quality of its policy and practices. This will strengthen the systematic nature, rigour and quality with which the related indicator for Base and Full accreditation is implemented and monitored. The frequency of the assessments should be determined by the ANGO based on risk and other variables rather than prescribed by DFAT however it would be prudent to ensure assessments have been undertaken prior to accreditation.

**B3.7 ANGO has a Disability Inclusion Policy and undertakes periodic assessments of its own and its implementing partners’ disability inclusion practice.**

ANGOs seeking Full accreditation should have a formal policy and procedures outlining its approach to promoting disability inclusive practice. ANGOs should also undertake periodic assessments (perhaps every 3 years or so depending on the nature of the partner and program) of its own and its implementing partners’ disability inclusion practice, including the degree to which its policy is being implemented and the ongoing quality of its policy and practices. This will strengthen the systematic nature, rigour and quality with which the related indicator for Base and Full accreditation is implemented and monitored. The frequency of the assessments should be determined by the ANGO based on risk and other variables rather than prescribed by DFAT however it would be prudent to ensure assessments have been undertaken prior to accreditation.

**B3.8 ANGO has an Environmental Management Policy and undertakes periodic assessments of its own and its implementing partners’ environmental management practice.**

ANGOs seeking Full accreditation should have a formal policy and procedures outlining its approach to the promotion of environmental sustainability and better environmental outcomes. Climate change mitigation, adaptation and impact and disaster risk reduction should be incorporated into program strategies wherever possible. ANGOs should also undertake periodic assessments (perhaps every 3 years or so depending on the nature of the partner and program) of its own and its implementing partners’ environmental management practice, including the degree to which its own policy is being implemented and the ongoing quality of its policy and practices. This will strengthen the systematic nature, rigour and quality with which the related indicator for Base and Full accreditation is implemented and monitored. The frequency of the assessments should be determined by the ANGO based on risk and other variables rather than prescribed by DFAT however it would be prudent to ensure assessments have been undertaken prior to accreditation.

**B4: The ANGO can monitor, report and assess the effectiveness of activities.**

This criterion seeks to verify an ANGO’s approach to performance management by establishing that the ANGO is able to assess the effectiveness of development activities.

BASE AND FULL INDICATORS

**B 4.1 ANGO undertakes regular monitoring of initiatives/programs, analysing information to assess progress and constraints.**

ANGO should be able to distinguish between the purposes and approaches to monitoring and evaluation. ANGO is expected to have established systems that enable it to track the progress and determine the effectiveness of the work of its partners and programs overseas. It must have systems that enable it to collect sufficient initiative/program information to analyse progress, identify constraints, make informed decisions and report to stakeholders. Monitoring and reporting are expected to reflect key project management and development principles, such as consideration of community empowerment, sustainability, gender, the environment (if relevant), financial accountability and risk management.

ANGO is expected to have developed its own monitoring and reporting tools and not rely on the ANCP reporting tools as its main form of monitoring. If an ANGO has adopted its partners’ templates, it must show that key issues are addressed in those reports or that supplementary monitoring activities are undertaken to gain a comprehensive understanding of progress and effectiveness. Where this analysis and communication takes place in-country through field offices, the ANGO needs to demonstrate how it develops its own understanding and confidence in the quality of field level monitoring systems. There must be evidence that reports are read and critiqued and that there is communication between the ANGO and its implementing partners on progress, constraints and risks.

**B 4.2 ANGO is able to collect and report data to meet DFAT and other stakeholder requirements including the ANCP, in a timely manner.**

ANGO and its partners should have robust and rigorous systems in place to collect, analyse and report data including the capacity to report against the ANCP MELF.  This should apply to reporting to all stakeholders, including DFAT. In addition to assessing ANGO’s M&E plans, internal data collection and reporting processes and reports to stakeholders, the review team will also be provided with past performance information from DFAT. For ANGOs new to accreditation, DFAT and the ANCP, they must be able to demonstrate the equivalent capacity to collect and report data against the ANCP MELF.

**B 4.3 ANGO conducts activity evaluations commensurate with activity size assessing results and effectiveness.**

ANGO should be able to distinguish between the purposes and approaches to monitoring and evaluation. While monitoring tracks a project throughout implementation, evaluation is a distinct exercise that makes a judgment on the approach, methodology, outcomes and impacts of a project or program.

ANGO should demonstrate that it understands the difference between outputs, outcomes and impact. While an assessment of outcomes and impact may not be possible in the early stages of a particular project, there must be sufficient evidence from the ANGO’s portfolio of activities that it has made substantial efforts to make such assessments over the life of an initiative or after its completion. Evaluation exercises for ANGOs seeking Base accreditation may be smaller and more limited than those for ANGOs seeking Full accreditation, but they must still demonstrate the ability to produce a qualified assessment of project outcomes.

ADDITIONAL INDICATORS FOR FULL

**B 4.4 ANGO assesses results and effectiveness at a whole of organisation level.**

At the Full level an ANGO should have developed an effectiveness framework or equivalent documentation that articulates what results and effectiveness means for their organisation and how these will be measured. There should be evidence of progress against this framework being assessed.

**B 4.5 ANGO involves primary stakeholders in reflection, learning and design adaptation processes.**

ANGOs seeking Full accreditation should ensure that design, monitoring and evaluation practices enable the contribution of primary stakeholders. This could be demonstrated through the use of community forums to input to contextual analysis and planning or provide feedback on evaluation findings, involving community members in data collection and reflection processes or. targeting particular groups within communities to enable their participation.

**B 4.6 ANGO has an established system that captures, documents, and disseminates its results, good practices and lessons learned.**

ANGOs seeking Full accreditation should demonstrate more sophisticated practices that ensure good quality information, results and lessons learned from its work are shared within its organisation and with others in the sector.

* 1. Section C Approaches to Partnership & Collaboration

**C1: The ANGO has documented arrangements with partner organisations in countries where it works.**

This criterion seeks to establish that the ANGO has documented, contractual frameworks in place to manage partnerships and initiatives.

The term ‘partner’ is used throughout Section C of the accreditation criteria. It is used to describe an entity with whom an ANGO collaborates on a particular initiative. The types and forms of relationships that ANGOs have with other entities vary widely. They could be anything from a local village community, to a research institute, a local civil society organisation, a local government ministry, a multi partner network internationally, or another international NGO. They may be informal networking and liaising arrangements or formal, contracted arrangements. New forms of partnership continue to evolve and this is an important part of innovative approaches to development cooperation. In accreditation, the onus rests with the ANGO to describe its relationships and arrangements with other entities with whom it collaborates, or partners, on particular initiatives.

The term ‘implementing partners’ is used within some criteria in Section C to refer to entities that the ANGO is working with to deliver a specific initiative. This implies that there would be a range of specific roles, responsibilities and obligations that would need to be agreed to and monitored. Where an ANGO is working through a related entity, such as a country office or international affiliate, these may still be considered ‘implementing partners’ if they have responsibility for an aspect of program delivery or oversight. Likewise, if a country office of an ANGO has devolved responsibilities for delivery or oversight with unrelated in-country entities, these entities would also be considered ‘implementing partners’.

BASE AND FULL INDICATORS

**C1.1 ANGO and its implementing partners have authority to work in the countries where they work (through partnership agreements with Government, partnerships with local partners, or license to operate etc.)**

It is expected that ANGOs that are operating or implementing activities in an overseas country have the acceptance and approval of local communities and stakeholders. This may be demonstrated in a range of ways – through an MoU with a local community or government authority, a formal registration process with government, or a partnership agreement with a representative community organisation. The onus is on the ANGO to determine the most appropriate way that it can ensure that it has local acceptance and approval to undertake activities. This will vary greatly depending on the nature of activities and local context.

This indicator is not intended to restrict or limit the operations of ANGOs, but in the spirit of local ownership and empowerment, seeks to assure that ANGOs seek appropriate local consent and support for their work overseas.

ANGOs who are undertaking DFAT funded activities in sensitive or ‘Do Not Travel’ countries as listed on the Smartraveller website are expected to show evidence of the prior approval of the proposed activity by an appropriate government authority. Countries where the delivery of aid programs may be sensitive include Pakistan, Palestinian Territories, West Papua or other countries where NGOs face significant risks or challenges.

**C1.2 ANGO has documented arrangements with partners.**

In accreditation, the onus rests with the ANGO to describe its relationships and arrangements with other entities with whom it collaborates, or partners. The nature of partnerships may vary widely – from a relationship based commitment to work towards shared goals, to a transactional arrangement where an entity is contracted to deliver agreed services. Often, there is a mix of both within any one partnership.

Where the ANGO is partnering with an entity to deliver an initiative together, it is expected that the arrangements will be documented and reasonably comprehensive to suit the nature of the initiative, the source of funding for the initiative, and the roles and responsibilities of all partners. The documented agreement should set out the agreed objectives of the partnership and outline the roles, responsibilities, and obligations of each partner.

In some cases, the agreement will be a high- level memorandum of understanding or partnership agreement that is negotiated every three to five years, and in other cases, this agreement would be supplemented by more specific program or initiative focused agreements probably negotiated every year or for the defined period of the program or initiative. These ‘initiative’ level agreements are relevant where the partnership is tied to specific funds and timeframes. As well as outlining the roles and responsibilities of the partners, agreements should refer to reporting obligations, such as reporting timelines and requirements, acquittal certification requirements, and obligations to report incidents.

It is very important that agreements include provisions for managing performance and termination.

Agreements should be regularly reviewed and updated to account for changing requirements, and signed by partners to demonstrate their acceptance of and commitment to the agreement.

**C1.3 DFAT contractual obligations are reflected in partner agreements that relate to DFAT funding.**

The ANGO’s contractual obligations to DFAT are set out in the ‘ANCP Grant Agreement’. Where another entity is responsible for carrying out all or any part of an activity that is funded by DFAT, the ANGO needs to show that its obligations to DFAT are shared with that entity in a documented agreement signed by all parties. This also applies if DFAT funds are used to provide grants to third-party entities.

The contractual obligations that should be reflected in documented agreements with implementing partners should address as a minimum, Prohibited Dealings, Child Protection, Compliance with Laws and Policies, and Fraud.

For ANGOs who are working in association with entities within international affiliates or consortiums, they will need to show how DFAT contractual obligations are reflected in agreements and arrangements where DFAT funding is involved.

**C1.4 ANGO can demonstrate that its partnership agreements are understood and accepted by its partners.**

The ANGO needs to demonstrate that the agreements it has in place with partners are clearly understood by those partners. While signed copies of partnership agreements provide evidence that there is a commitment to the agreement, this indicator seeks evidence that there is communication between the partners about the content of the agreement. For example, if an agreement requires a partner to be bound by certain policies, there should be evidence that these policies have been provided to the partner. Evidence may include email or other written correspondence, meeting minutes, field trip reports, training records or workshop records. The ANGO may equally identify other evidence that satisfies this criterion.

ADDITIONAL INDICATORS FOR FULL

**C1.5 ANGO has documented procedures for managing its partnerships.**

The ANGO will commonly have developed policies and procedures covering the development and management of partnerships. This would normally address partner identification, partner due diligence, approach to partner capacity assessment and strengthening, approach to negotiating partner agreements, approach to partnership feedback, and management of poor performance.

**C1.6 If ANGO is working in association with international affiliates or consortiums, there are documented roles and responsibilities of country offices and international partners, alliances or affiliates.**

When an ANGO belongs to or is a member of a network or affiliated group, it often shares or outsources aspects of managing or implementing an initiative with another part or member of that network or affiliated group. Where this is the case, the ANGO needs to show how the roles and responsibilities of all entities are clearly established and documented.

The arrangements that underpin this may take a different form to a ‘partnership agreement’ that would typically be developed with an external or unrelated entity, but it should be a formal document that governs the way that the entities will work together.

In addition to outlining roles and responsibilities related to the initiative, the document should also refer to key policies that are expected to apply. If DFAT funding is involved in shared or outsourced arrangements, these arrangements must address as a minimum, Prohibited Dealings, Child Protection, Compliance with Laws and Policies; and Fraud.

**C2: The ANGO undertakes due diligence and assesses the capacity of its partner organisations.**

This criterion seeks to establish that the ANGO takes a systematic approach to assessing the capacity and performance of its partners.

BASE AND FULL INDICATORS

**C2.1 ANGO undertakes formal due diligence on all new partners.**

Where an ANGO is partnering with other entities to work together, it is important that the ANGO has a sound knowledge of any risks associated with that entity, such as those associated with integrity, reputation, quality, finance and accountability. The process that is normally undertaken to develop an understanding of these risks is known as ‘due diligence’.

ANGOs will be expected to demonstrate their due diligence process by sharing the tool they use to guide them to undertake a due diligence assessment, and examples of completed due diligence assessments. A due diligence process would normally look at legal identity, governance, organisational structure, values and objectives, checks against prohibited entities listings, implementation of key safeguarding and risk policies and practices, track record, and financial management.

Where an organisation is working with an associated organisation, such as a field office or another member of an international alliance, the way that the ANGO makes its assessment of partner risk may be different. Alternates to stand alone due diligence assessments might be an accreditation process against a set of standards, an internal audit that has good coverage of entity risks, or risk areas addressed in a broader capacity assessment process. The onus is on the ANGO to demonstrate how it has appropriate mechanisms to make its own assessment of new partners.

**C2.2 ANGO regularly assesses the capacity of its implementing partners including financial management, safeguarding practices and operational performance.**

In addition to undertaking due diligence of a partner, ANGOs are expected to regularly assess the capacity of its partners in order to inform their decisions about resourcing and shaping the partnership – often resulting in targeted activities aimed at organisational strengthening. There are many areas relating to a partner’s values, approaches, strengths, capabilities, capacities and performance that will be relevant to a partnership and the delivery of an initiative or the achievement of a shared goal.

ANGOs will be expected to demonstrate its approach to assess the capacity of its partners. This may be undertaken in many different forms and ANGOs should not be expected to demonstrate this in any pre-determined way. Ideally, however, the ANGO should use a transparent, systematic approach, such as a standardised set of criteria or guidelines, to assess key aspects of partner capacity.

An assessment should be undertaken initially to determine the suitability of a new partner, and would usually cover a range of aspects of the partner organisation, such as its legal structure, integrity, philosophies and practices, and project and financial management capacities.

There should also be mechanisms for the ongoing assessment of partners. The type of assessment should reflect the role that the partner is expected to play. For example, if the partner is expected to implement a technical project, then the technical and management capacity of the partner would be assessed. Alternatively, if the partner is playing a role of coordination, then its capacity to establish and maintain networks would be assessed.

The review team will expect to assess a number of documented capacity assessments during the OR. There is no expectation that this criterion should limit the types of partners an ANGO is working with, even where capacity is limited.

Where an ANGO works with other entities within their international network and they adhere to a common set of standards and working practices, the ANGO needs to show evidence that it has an informed knowledge of those entities’ compliance with those standards and the general capacity of its in-country partners. It is not adequate for the ANGO to assume that an in-country entity is compliant simply by virtue of its membership of, or association with the same parent organisation.

**C2.3 ANGO ensures its implementing partners can differentiate between development activities and non-development activities**.

This indicator is particularly relevant where ANGOs are partnering with organisations who undertake development and non-development activity. Where this is the case, ANGOs must be able to demonstrate that their partners separate their activities, account for funding for different types of activities. ANGOs must also be able to demonstrate communication with partners which shows an understanding of the difference between the different types of activities.

Non-development activities include welfare, political and religious activities – refer below for descriptions of each of these activities.

#### **Political Activities**

Political activities are defined as supporting a political party, candidate or organisation affiliated to a political party. Examples include:

* NGO staff being involved in party political activities;
* using funds or resources to facilitate or support a specific political party, candidate, or party political organisation in a local, regional or general / national election;
* using funds or resources to facilitate or support independence or separatist movements;
* using funds or resources to facilitate or support a particular politician or faction to gain power within a government or within a political party structure.

#### **Religious Activities**

Religious activities are defined as supporting or promoting a particular religion, including activities undertaken with the intention of converting individuals or groups from one faith and/or denomination to another. Activities that build up religious structures (including infrastructure, training or organisational activities) are also considered religious activities, unless those structures are specifically designed to provide non-denominational development outcomes.

#### **Welfare Activities**

Welfare activities are defined as care and maintenance, which aims to maintain people in a particular condition on a longer-term basis. Substantial and broad impact on social and economic conditions in the community is not normally expected from welfare programs. Welfare may be provided to an individual or family basis including home-based and institutional care programs, such as those provided by orphanages, homes for the elderly, hospices and the provision of food for those who are destitute. Welfare activities are typically:

* implemented independently of other sustainable community development activities;
* include no strategy for integration into broader community development programs;
* provided on an individual or family basis, rather than on a community basis, and are unconnected to emergency needs; and
* implemented on a long-term basis with no clear exit strategy.

This does not imply any DFAT opinion about the value of welfare activities. The Australian Government provides grants under the ANCP for community development purposes only, and not for ongoing care and maintenance activities. NGOs are free to fund such activities using their own resources.

ADDITIONAL INDICATORS FOR FULL

**C2.4 ANGO assesses the capacity of its implementing partners, every 3-5 years, in a systematic and documented manner including financial management, safeguarding practices and operational performance or more frequently if required.**

Capacity assessments are usually undertaken at the commencement of a relationship to develop an understanding of a partners’ values, approaches, strengths, capabilities, capacities and performance that will be relevant to the partnership and the delivery of an initiative or capacity strengthening initiatives.

Staff and capacities change over time so it is important to revisit this assessment process at least every 3 to 5 years throughout the life of a partnership. Depending on the partner and the context, there may be good cause to revisit the assessment more frequently. For example, where ANGOs are working with partners in sensitive or ‘Do Not Travel’ countries as listed on the *Smartraveller* website, more frequent assessments may be required. Countries where the delivery of aid programs may be sensitive include Pakistan, Palestinian Territories, West Papua or other countries where ANGOs face significant risks or challenges.

**C3: The ANGO continually supports its partners to manage joint initiatives in a manner consistent with current good practice.**

This criterion seeks to establish that the ANGO provides adequate ongoing capacity strengthening support to partners to enable good development practice and comply with DFAT funding obligations.

BASE AND FULL INDICATORS

**C3.1 ANGO has taken the capacity of implementing partners into account in program design and delivery.**

The ANGO should use the knowledge gained from its assessments of capacity to guide project design and management decisions. The review team will expect to see evidence that the ANGO has included either capacity-strengthening initiatives within projects or that it is designing projects commensurate with the capacity of its partners and itself. For example, an ANGO might determine that a partner organisation or group lacks experience in monitoring, and in response might provide additional support for monitoring or perhaps some training for the partner. Similarly, an ANGO might decide to limit the complexity of a project to align with existing capacities.

**C3.2 ANGO monitors and responds to the performance of its implementing partners, including implementation of policy requirements.**

The ANGO must be able to demonstrate that it has processes and practice that enable it to monitor partner performance effectively. This is likely to be demonstrated through a range of ways including reports received and reviewed, regular communication, field monitoring, and periodic partner reviews or assessments. It is expected that monitoring would address implementation of initiatives as well as implementation of policy requirements.

The level of oversight of partners by ANGOs will vary depending on the capacity of the partner and the type of agreement in place. The onus is on the ANGO to demonstrate that in each partner arrangement, there is sufficient monitoring of the partner to provide the ANGO with a good understanding of partner performance. Similarly, the ANGO must be able to demonstrate that it responds to the performance of its implementing partners, through follow-up on identified issues, providing support in areas of weakness, and holding partners to account in areas of poor performance.

**C3.3 ANGO enables partners to provide feedback, raise complaints and receive a response through an effective, accessible and safe process.**

It is expected that organisations applying for Full accreditation have established accessible feedback mechanisms through which partners and program stakeholders can register feedback, concerns or complaints. This may be a stand alone mechanism, or may be comprised of project specific mechanisms that are integrated into a project’s monitoring and evaluation framework. The expectation is that key stakeholders are able to raise complaints and receive a response through an effective, accessible and safe process.

ADDITIONAL INDICATORS FOR FULL

**C3.4 ANGO has documented implementing partner capacity strengthening plans.**

It is expected that in response to undertaking partner capacity assessments, ANGOs will support their partners to strengthen capacity in areas of mutual priority. The areas of focus may be linked to a specific initiative the partnership is implementing or may relate to broader organisational strengthening. For Full level organisations, it is expected that the ANGO would document the partner capacity strengthening plan so that there is a record of shared objectives and commitments to initiatives or resources that are intended to strengthen the capacity of the ANGO’s partner.

**C3.5 ANGO can demonstrate it works with implementing partners on an ongoing basis to operate in a manner that is consistent with good development practice and meets reasonable risk management and safeguarding policy obligations.**

Collaboration between the ANGO and its partners should reflect key principles of effective development practice. This may be evidenced through communications, sharing of policies, training, capacity building initiatives, field trip reports, feedback on working documents, capacity assessment processes. The indicator seeks evidence that the ANGO actively advocates and pursues with its partners approaches to program design that include contextual analysis and sound program logic; the inclusion of primary stakeholders throughout the development process; promoting the participation of marginalised, vulnerable and less represented groups of people; building local community capacity; and strategies for sustainability.

Communications with implementing partners should also reflect regular attention to risk management and safeguarding policy obligations.

**C3.6 ANGO has a system to assess the effectiveness of its partnerships or collaborations.**

ANGOs may have various ways in which they assess the effectiveness of their partnerships. The onus is on the organisation to show what mechanisms exist and how these mechanisms equip the ANGO to make an assessment. Some organisations will have formal partner feedback mechanisms; others may have undertaken formal reviews in consultation with partners. Evidence of documented assessment of partnership practice would help an ANGO demonstrate its system in practice.

* 1. Section D Communications

**D1: The ANGO acknowledges and attributes Australian government support.**

This criterion seeks to assess that ANGOs and its partners have commitment and capacity to comply with the ANCP/DFAT requirements to acknowledge Australian Government support.

BASE AND FULL INDICATORS

**D1.1 ANGO acknowledges and attributes the Australian identity and the support of the Australian Government, both in Australia and overseas.**

If the organisation has received support from the Australian Government, it should be able to show examples of promotional or other materials which shows public recognition of the Australian identity and the support of the Australian Government in Australia and in countries where support has been provided. In some cases or contexts, this may not be appropriate – such as in highly political or sensitive contexts. The onus is on the ANGO to describe its approach and provide relevant evidence. If the organisation has not received Australian Government support before, the ANGO should be able to show evidence of having acknowledged and attributed the support of other donors, where such support has been received.

ADDITIONAL INDICATORS FOR FULL

**D1.2 ANGO has documented procedures that address the acknowledgement and attribution of the Australian identity and support of the Australian Government.**

The ANGO will be expected to show how it ensures that its own staff and its partners address the acknowledgement and attribution of the Australian identity and support of the Australian Government. Guidance may be articulated in communications guidelines, or at a minimum, outlined in agreements or exchange of letters/emails.

**D2: The ANGO provides accurate, timely and accessible information about the organisation, its objectives and its activities, in a manner that respects the dignity of recipient communities.**

This criterion seeks to assess an organisation’s commitment to transparency.

BASE AND FULL INDICATORS

**D2.1 ANGO and its partners share accurate, timely and accessible information with its stakeholders, including primary stakeholders.**

The ANGO is expected to demonstrate how it shares key information with stakeholders. This includes both the organisation’s Australian constituency, and the organisation’s overseas partners and stakeholders. Evidence such as newsletters, promotional material and the distribution of an annual report can show that the ANGO’s Australian community base is well informed about the organisation’s activities.

The ANGO should also be able to show evidence of how it has provided appropriate levels of information to its partners and project stakeholders.

**D2.2 There is consistency between ANGO’s activities and its promotional material.**

Promotional material needs to accurately reflect the projects supported by the ANGO. Text and images should directly relate to the country, place, context and activities being supported by the ANGO and be an honest representation of the work being undertaken by the ANGO. Promotional materials should not seek to deceive or mislead the general public.

**D2.3 ANGO’s promotional material respects the dignity, values, history, religion and culture of the people with whom it works.**

When describing the context, components or beneficiaries of a project, the ANGO should ensure that the dignity and values of the people involved are respected. Its communications should promote partners and beneficiaries as active agents, and not as passive recipients of aid. ANGOs should avoid sensationalising the challenges faced in developing countries.

If the ANGO uses images of people involved in projects, it should gain their permission in a way that is culturally appropriate and contextually sensitive and ensure that they are aware of how the images may be used. Where images of children are included in public materials, these should comply with the ANGO’s Child Protection Policy.

ADDITIONAL INDICATORS FOR FULL

**D2.4 ANGO has established systems to ensure that any public materials are quality assured against guidelines.**

It is expected that organisations applying for Full level accreditation have established processes that ensure that any public materials are quality checked to ensure that they accurately reflect the projects supported by the ANGO, and appropriately reflect the dignity and values of the people profiled. Evidence of these processes being applied will be sought during the OR.

**D2.5 ANGO has agreed guidelines with international partners, alliances or affiliates covering appropriate attribution in organisational promotional materials.**

If the ANGO is part of a broader international network, promotional materials should clearly distinguish between its work and that of the network, where they are different. The material must not lead the public to believe that the ANGO is undertaking work that is really being done by other parts of its international network. This does not prevent the ANGO from promoting the work of its network, but requires that a distinction be made between the international network and the ANGO.

* 1. Section E Financial Management

**E1: The ANGO has effective financial management policies, systems and capacity.**

This criterion seeks to establish that the ANGO has appropriate policies, systems and capacity in place to effectively manage its commitments and obligations to DFAT.

BASE AND FULL INDICATORS

**E1.1 ANGO has documented policies and procedures to account for funding.**

The ANGO must be able to demonstrate that is has well-established systems and processes for:

**The establishment of budgets, including their basis and authorisation**

* The basis and source of assumptions used in proposal budgets should be realistic for the proposed activities (not inflated).
* The adequacy, description and number of line items in budgets should be sufficient to ensure proper disclosure of expenditure for activities and for monitoring (e.g. identification of expenditure, over expenditure, trends and unauthorised activities).
* Line item descriptions for project activity costs both in Australia and in country should be consistent, so that expenditure line items provide transparency and audit trails when consolidated.
* For both line item descriptions and dollar amounts, budget line item changes for project activity costs should be properly identified and approved.
* The delivery organisation budget proposals should have been scrutinised before consolidation into the overall project budget proposal.

**Receipting and recording of donations and grants**

* Mail opening and payment receipt procedures should follow good internal control practices.
* Payments received through the mail should be recorded in a remittance advice register.
* Payments received electronically should be recorded in individual donor / grant management and ledger systems and should be reconciled on an appropriate basis, that is, daily, weekly or monthly.
* Commonwealth funds provided by DFAT should be properly receipted and banked promptly.
* An appropriate audit trail of all receipts, including for donations, should be maintained.

**Payments in Australia for project activity costs**

* Procurement, travel approval and expenditure systems should be in place.
* The good order, condition and quality of goods and services received should be verified before payment is processed.
* Payments should be properly authorised.
* Where electronic means cannot be used to identify invoices, invoices should be stamped ‘Paid’ after payment to prevent their resubmission.
* Project expenditure transactions should be verified by supporting documentation and the acquittal statement when claimed against the contract.

**Funds transfers to implementing partners**

* Evidence should exist that overseas transfers to partner and affiliate organisations have been properly authorised.
* Advice to the implementing organisation of payments (including source documentation) should exist.
* Evidence should exist of receipt of payment back to the ANGO (for example, a receipt or letter acknowledging funds received, including the conversion rate and local or hard currency (e.g. US$) amount, if applicable.
* The transfer of funds to the overseas organisation does not constitute an acquittal by the ANGO for acquittal statement purposes until the funds have been expended by the implementing organisation on the agreed activities.

**Procurement of project goods and services**

* Quotations should be obtained and documented for significant purchases where possible, and value-for-money principles should be followed.

**Cash management**

* Cash handling procedures should be adequate (among other things, the procedures should cover individual personnel responsibilities for cash; division of duties principles, where staffing resources permit; and approval processes for the use of cash for authorised activities).
* Petty cash advances should be properly controlled and held in a safe place.
* Petty cash advances should not be used for loans.
* Petty cash expenditure should be supported by documentation when acquitted.
* Handover/takeover procedures between implementing organisation personnel should be appropriate to deter fraud.
* Investments of surplus funds should be in cash or cash equivalent (before spending on DFAT-authorised activities or sending tranches overseas), and those funds should not be used for other purposes.

**Bank reconciliations**

* Bank reconciliations should be undertaken on a monthly basis where possible, be reviewed by a responsible officer, and be accurate and complete.
* Large and unusual reconciling items should be resolved promptly.
* Delivery organisation bank reconciliations or copies of bank statements should be requested from time to time to check unspent funds balances if monitoring visits are infrequent.

**Interest earned on DFAT funds**

* Where interest earned has to be estimated, the method of estimation should be stated.
* A transparent method should exist for the calculation of interest earned for funds provided by DFAT and its application and acquittal to the approved project activities.

**Progress reporting by the NGO and the delivery organisation**

* The ANGO has a procedure or system to monitor receipts of financial and narrative reports.
* The ANGO follows up overdue or outstanding reports.
* Reports are examined by the ANGO project officer and queries arising from the reports are followed up.

**Acquittal consolidation** (the consolidation of the implementing organisation acquittal statement and the ANGO’s Australia-based costs into the acquittal statement submitted to DFAT)

* The process for consolidating project activity costs and acquittals incurred by the ANGO needs to be transparent. If the budget line items are complex, an intermediate spreadsheet showing the relevant expenditure by line item should allow consolidation and provide transparency and an audit trail.
* Evidence should exist that the ANGO has verified that the budget used in the implementing organisation acquittal is the most current approved/agreed budget.
* Unusual expenditure variances from the agreed budget line item should be scrutinised and followed up with the implementing organisation for explanation before submitting the acquittal or the amalgamated acquittal (which includes the ANGO acquittal expenditure) to DFAT.

**Acquittal reporting**

* Acquittal reporting should correctly disclose funds received from DFAT for the reporting period concerned.
* Reporting should show interest earned on DFAT project funds and applied to the activity for approved purposes under a revenue heading of ‘interest earned’ in the acquittal statement.
* Reporting should show actual expenditure by line item against the agreed budget line items.
* Reporting should provide explanations when line items exceed a 10% variation from the agreed budgets.
* All acquittals are to be on an accrual reporting basis.
* The wording of the acquittal certification to DFAT should be in accordance with the DFAT agreement and must be signed by a nominated ANGO delegate.
* Unspent funds, interest and exchange rate gains remaining after the provision of the completion report should be refunded to DFAT.

**Activity management documentation system**

* An adequate filing system for project management should exist for correspondence between DFAT and the ANGO; correspondence between the ANGO and the delivery organisation; narrative and financial progress reports and monitoring visit reports; and contractual and other legal agreements.
* The ANGO should have systems to track the provision of reports required under the contract.

**E1.2 ANGO has financial systems controlling general ledger and project ledgers.**

Each project should have a discrete ledger account in which all project expenditure is recorded. The project accounts should generally be recorded as a liability within the general ledger and should identify the receipt and expenditure of the funds separately within the recipient's accounting records so that at all times the funds are identifiable, traceable and ascertainable. Adequate journal entry controls should exist (e.g. pro forma journal entry input sheets, sequential allotment of journal entry numbers, journal approvals, adequate journal narrations and backup documentation).

**E1.3 ANGO has documented delegation and authorisation levels for personnel, including cheque signatories.**

The ANGO’s financial systems should include clear delegations of authority which establish who is able to make decisions and to take action on behalf of the organisation. Typical examples of activities that may rely on delegated authority can range from signing contracts that commit the agency to significant expenditure, to approving leave or petty cash payments.

The ANGO should maintain an accurate and up to date list of authorised cheque signatories and electronic payment approvers across all payment locations.

**E1.4 ANGO has a clear segregation of duties between procurement, authorisation of supplier invoices and the authorisation of payment.**

Segregation of duties is critical to effective internal control as it reduces the risk of both erroneous and inappropriate actions. In general, the approval function, the accounting/reconciling function, and the asset custody function should be separated among employees and/or volunteers. This can be challenging for smaller organisations that have only a few staff or rely on volunteers. When these functions cannot be separated, a detailed supervisory review of related activities is required as a compensating control activity. In some cases, Board members may be required to perform review functions if the size of the organisation makes segregation between staff roles difficult. Segregation of duties is a deterrent to fraud because it requires collusion with another person to perpetrate a fraudulent act.

**E1.5 ANGO produces audited financial statements.**

ANGOs must be able to show that they have audited financial statements, consistent with the requirements of the ACNC and ACFID Code of Conduct. The purpose of an audit is to form a view on whether the information presented in the financial report, taken as a whole, reflects the financial position of the organisation at a given date. It must be undertaken by an auditor that is independent from management and directors; so that the assessment of the NGO’s financial statements are made objectively.

**E1.6 ANGO has appropriate procedures and practices to control funds sent overseas.**

The ANGO should have established systems and procedures that ensures that any overseas transfers have been properly authorized, that advice of payments (including source documentation) is made to overseas organisations, that it receives a receipt or letter acknowledging funds received, including the conversion rate and local currency amount. These systems should also include an acquittals process for all funds expended by the overseas organisation on the agreed activities.

**E1.7 ANGO has the financial human resource capacity to effectively manage its commitments and obligations to DFAT.**

The ANGO will need to demonstrate that it has a sufficient number of staff or access to expertise with the right financial skills to provide financial management, oversight and reporting that fully satisfies expected or current commitments and obligations to DFAT. The mix of financial personnel will depend on each ANGO and context but should be informed by the needs of the organisation. For small ANGO’s this may only be 1 or .5 of an EFT resource. However, the ANGO should have a nominated person responsible for the financial management requirements of the ANGO. It is also expected that staff with financial responsibilities will be supported and reviewed by senior management.

**E1.8 ANGO has the absorptive capacity to meet matching ratio requirements to effectively program and manage the level of ANCP funding provided or anticipated in the next FY.**

The ANGO should maintain an appropriate level of reserves sufficient to fund operational requirements in accordance with organisational policy requirements.

An estimation of the ANGO’s likely allocation as an accredited organisation should be made and an assessment made as to whether the organisation is able to provide a matching financial allocation of 20%. This provides an indication of whether the ANGO is likely to be able to meet matching ratio requirements under the ANCP.

ADDITIONAL INDICATORS FOR FULL

**E1.9 The ANGO has an organisational approach to cost and value consciousness including procurement processes and costs, use of contractors, partnering or sub-granting arrangements, indirect costs, staffing arrangements, and travel and administration costs.**

There are no predetermined expectations of how an ANGO will approach the concept of Value for Money. This indicator seeks to ensure that the ANGO has a sound development strategy and analyses how it will achieve effective outcomes, considering alternative approaches and associated costs. The ANGO should demonstrate how it makes well-informed and intentional investment decisions that include consideration of the relative costs and development benefits; and how it seeks to contain, avoid, and reduce operational and project costs. The onus is on the ANGO to describe and demonstrate its approach to the concept of Value for Money through appropriate processes and systems in place to manage and monitor cost effectiveness and value for money in its activities.

Consideration should be given to:

* Value for money policies
* Key value for money measures for the DFAT funding and overall value for money strategy, if available
* Partner policies and any agreements in place that may affect the grant
* Sub-grantee policies and any major contracts associated with the DFAT funding
* Travel and expenses policy
* Procurement policy
* Sub-granting, contracting or other tendering policies, including evaluation methodology

**E1.10 The ANGO has assessed its own capacity to undertake financial management (fiduciary assessment).**

This indicator seeks to establish that the ANGO has either undertaken or had undertaken capacity assessments of its own financial capability. Evidence could include assessments undertaken as part of a Global Network, independent audits of financial capacity, internal audits or reviews.

**E2: The ANGO assesses, monitors and strengthens the financial management capacity of its implementing partners and affiliates to ensure they have the capacity and commitment to undertake activities in a professionally competent manner with regard to financial operations.**

This criterion seeks to establish that the ANGO assesses, monitors and strengthens the financial capacity of its partners and affiliates.

BASE AND FULL INDICATORS

**E2.1 ANGO’s financial systems provide the necessary detail to effectively monitor expenditure in a timely manner.**

Accredited ANGO’s monitor and manage partners and affiliates expenditure through different approaches, either primarily through their own financial accounting system or outside of their accounting system through appropriate financial budget, acquittal and reporting templates (usually excel based). Whilst the approach undertaken is often dependent on the size of the ANGO, its partners and their financial capacity, the ANGO must be able to demonstrate it receives transparent financial information of sufficient detail and integrity on a timely basis, to enable it to effectively manage and monitor the expenditure of its project activities.

**E2.2 ANGO undertakes regular assessment of the financial and risk management systems and capacity of implementing partners (fiduciary assessment) before contracting.**

Accredited ANGO’s who provide funds to partners are expected to have a comprehensive understanding of their partner’s financial management capacity. There are a variety of ways in which an organisation will be able to demonstrate this understanding. For example, an annual external audit by a reputable firm of qualified accountants will provide some evidence in this regard. The scope of the external audit can be expanded at the request of the ANGO to examine certain systems, projects or partners as a specific system audit or acquittal certification. One normal output of an annual external audit is a management letter that raises concerns and areas for improvements. The ANGO should ask for such a letter as part of the audit.

In addition to audits, many ANGOs undertake their own ‘financial systems assessments’ of implementing partners before entering into a contractual partnership arrangement, and then later as part of regular monitoring visits. Evidence of the results of such assessments and the follow up to address any concerns should be provided to the review team. The use of self-assessment checklists of key controls by partners is common, but should not be relied on exclusively and should be followed up with other mechanisms on a cyclical basis. Deficiencies in internal controls revealed in spot checks or reviews by ANGO personnel should be reported to the chief accounting officer of the ANGO and to the ANGO’s governing body where appropriate.

ANGOs who are part of global networks will often rely on systems and processes in respect to capacity assessments undertaken by global internal audit or other assurance or global functions. These ANGOs should ensure that they can demonstrate appropriate evidence of receipt and review of these capacity assessments and the monitoring and follow up of any issues or deficiencies noted.

**E2.3 ANGO regularly receives and reviews project acquittals from implementing partners.**

It is expected that an ANGO receives detailed financial reporting from its partner organisations. Where an ANGO has not received funding from DFAT in the past, reporting processes should demonstrate the capacity to comprehensively account for DFAT funds. ANGOs systems will be assessed to show that:

* Acquittal reporting correctly discloses funds received from DFAT for the reporting period concerned.
* Reporting shows interest earned on DFAT project funds and applied to the activity for approved purposes under a revenue heading of ‘interest earned’ in the acquittal statement.
* Reporting shows actual expenditure by line item against the agreed budget line items.
* Reporting provides explanations when line items exceed a 10% variation from the agreed budgets.
* All acquittals are on an accrual reporting basis.
* The wording of the acquittal certification to DFAT is in accordance with the DFAT agreement and is signed by a nominated NGO delegate.
* Unspent funds, interest and exchange rate gains remaining after the provision of the completion report is refunded to DFAT.
* The process for consolidating project activity costs and acquittals incurred by the ANGO needs to be transparent. If the budget line items are complex, an intermediate spreadsheet showing the relevant expenditure by line item should allow consolidation and provide transparency and an audit trail.
* The ANGO has verified that the budget used in the implementing organisation acquittal is the most current approved/agreed budget.
* Unusual expenditure variances from the agreed budget line item are scrutinised and followed up with the delivery organisation for explanation before submitting the acquittal or the amalgamated acquittal (which includes the NGO acquittal expenditure) to DFAT.

**E2.4 ANGO monitors and responds to the financial management performance of its implementing partners.**

The ANGO can demonstrate appropriate evidence of regular communication and discussion around financial management of implementing partners, which should include:

* Evidence of preparation, review and approval of activity budget, often through emails or minutes of skype conversations;
* Explanations of significant budget to actual variations, significant over or underspends or delays in project expenditure activities;
* Explanations for significant delays in project reporting;
* Discussion and remediation of any identified internal audit or review issues; and
* Any performance management issues with partner staff.

**E2.5 ANGO assesses that implementing partners have practices in place to facilitate the prevention, detection and investigation of fraud.**

The ANGO can demonstrate appropriate evidence of discussion and review around practices in place to facilitate the prevention, detection and investigation of fraud, which could include:

* Evidence of review and approval of partner fraud prevention policy;
* Conducting fraud prevention training or assessing the adequacy of a partners own training;
* Understanding the key controls in place to mitigate fraud; and
* Assistance in conducting appropriate fraud investigations.

ADDITIONAL INDICATORS FOR FULL

**E2.6 ANGO can demonstrate it works with implementing partners on an ongoing basis to strengthen financial management capacity and operate in a manner that is consistent with good financial and risk management practice.**

For organisations applying for Full Level accreditation, evidence will be sought to demonstrate the ANGO’s efforts towards strengthening their partners’ financial capacity where required. This does not imply that other risk management approaches should be avoided, such as withdrawing from a high risk or poor performing partnership, but rather seeks to identify how the Australian ANGO supports and strengthens partners in financial management where this is appropriate.

**E2.7 ANGO assesses fiduciary risk of implementing partners and implements appropriate risk based controls.**

The partner’s systems should be verified from time to time, for example as part of regular partner assessment processes, which should consider fiduciary risk. The ANGO’s external auditor would not normally be expected to visit the implementing organisation to certify that ‘necessary and sufficient’ financial systems and records exist. However, some assurance is required that the ANGO has verified and documented the adequacy of the implementing organisation’s internal controls, thus minimising the financial risk of dealing with the implementing partner. Such evidence could include monitoring visit reports, control checklist results or reports by a visiting ANGO financial controller or accountant.

**E2.8 ANGO receives and reviews audited financial statements from implementing partners.**

It is expected that accredited NGOs actively request and review audited financial statements from their partners. If a implementing organisation is not audited annually by an in-country auditor, ANGO personnel should check that the partner’s accounting and activity management systems have adequate internal controls to provide assurance that Australian Government funds are properly accounted for, controlled and spent for the agreed purposes.

**E2.9 If ANGO is working in association with international affiliates, networks or consortiums, the ANGO receives and reviews regular financial statements, expenditure and acquittal reports and independent audits**.

When an ANGO is working through or supporting work through an international affiliate or network, the ANGO needs to show evidence of receiving regular financial statements, reports and independent audits relating to those programs so that the ANGO can have confidence in the application and use of funds provided.

**E2.10 ANGO can request an independent audit of implementing partners working in association with its international partners, alliances or affiliates, and has the right to withhold funds.**

Funding arrangements with international partners, alliances and affiliates need to have provisions that enable the ANGO to request an independent audit of implementing partners working in association with its international partners, alliances or affiliates; and that enable the ANGO to withhold funds. These provisions should ideally be outlined in formal partnership agreements, but may be demonstrated in practice. This forms an important part of the ANGO’s ability to assure appropriate financial management when working with international partners and their implementing partners. The cause for requesting an independent audit or withholding funds would be determined by the ANGO and may include concerns relating to misappropriation or misallocation of funds, delays in receiving reports, unresolved queries on reports, or general concerns about financial management or program implementation.

**E2.11 ANGO undertakes checks of implementing partners to ensure their internal controls (including fraud controls) are operating effectively and that staff are trained in the relevant policies and procedures.**

The ANGO can demonstrate appropriate evidence of review and assessment of implementing partners’ key controls, including fraud mitigation, which could include:

* Evidence of review and testing of implementing partners’ key controls;
* Documented understanding of key fraud mitigation controls;
* Internal audits or other review processes of implementing partners control systems
* Evidence of review of partner training of staff in relevant policies and procedures.

**E3: The ANGO has effective policies, systems and practices to manage financial risk.**

This criterion seeks to establish that the ANGO has the policies, systems and practices required to assess, report & escalate, mitigate and manage financial risk including risks relating to fraud, corruption, terrorism financing, and overseas expenditure.

BASE AND FULL INDICATORS

**E3.1 The ANGO conducts assessments of financial risks particular to its operating context.**

The ANGO should be able to show evidence that it has a documented financial risk assessment process in place and that they regularly review their risks, particularly when there are significant changes to the focus or scope of the activities of the ANGO.

**E3.2 The ANGO provides regular financial reports and financial risk reports to its governing body.**

The ANGO needs to be able to demonstrate evidence of a track record of regular financial reporting and financial risk reports to its oversight committees and the governing body. Ideally financial reports should be monthly and financial risk reporting may occur monthly or quarterly and in some cases for smaller ANGOs, annually. Where risk reporting occurs less frequently, i.e. annually or quarterly, the ANGO need to be able to demonstrate an appropriate risk escalation reporting process.

**E3.3 The ANGO undertakes periodic assessments of financial risk of its implementing partners.**

The ANGO should be able to demonstrate that it either undertakes, or ensures that periodic assessments of the financial risks of its implementing partners are undertaken. These may be undertaken by appropriately qualified ANGO staff, independent providers or global network or alliance assurance functions.

**E3.4 The ANGO has documented agreements with implementing partners for the management and use of funds.**

The ANGO is expected to have appropriately documented agreements in place with all implementing partners to which they provide funds. These agreements should address the management and use of the funds and well as all relevant financial compliance obligations including fraud mitigation obligations and reporting, financial acquittal reporting and terrorism financing.

**E3.5 The ANGO has a foreign currency exchange policy for limiting rate movement exposure.**

For organisations applying for Full level accreditation, they must have a policy or strategy that seeks to minimise the effects of adverse exchange rate fluctuations. While the operating philosophy and financial goals of each ANGO will vary, an effective policy statement for the day-to-day management of foreign exchange risk will establish risk thresholds and outline guidelines for control and reporting requirements.

**E3.6 The ANGO has appropriate insurance policies (e.g. public liability**).

The ANGO is expected to have appropriate insurance policies in place that are commensurate with the risk profile of the organisation’s activities. This should include as a minimum, public liability insurance with a limit of at least $5 million for each and every claim which covers: loss of, or damage to, or loss of use of any real or personal property; or personal injury to, illness (including mental illness) or death of any person.

**ANTI FRAUD & CORRUPTION**

**E3.7 The ANGO has policies, systems and practices in place to facilitate the prevention, detection and investigation of fraud and the prevention of corruption.**

The ANGO is expected to have processes and systems to effectively prevent, detect and investigate fraud and prevent corruption. This will usually be met by the ANGO having sound financial management systems, including clear segregation of duties, delegations of authority, documented financial policies and procedures, sound internal controls and clear reporting and review mechanisms. Organisations applying for Full level accreditation will normally have a stand alone policy on fraud.

**PREVENTING TERRORISM FINANCING**

**E3.8 ANGO has a policy to prevent terrorism financing.**

Australian law prohibits the financing and support of terrorism, with offences applying under the Australian Criminal Code Act 1995 (Cth) and the Charter of the United Nations Act 1945 (Cth) and associated regulations. Offences can attract penalties of up to life imprisonment and can apply extra-territorially (that is, in addition to conduct that occurs in Australia, they can apply to conduct that occurs outside Australia). The ANGO is expected to have a documented policy outlining the systems, processes and practises in place to manage the risk of terrorism financing in its operations. This may be a stand-alone policy, or part of a broader policy addressing fiduciary risks.

**E3.9 ANGO has systems and processes in place to verify that it and its implementing partners undertake terrorism screening (frequency should be commensurate with the risk context).**

The ANGO is expected to demonstrate that a systematic process is used to confirm that the ANGO and implementing partners routinely screen their partners for terrorism associations. Where the risk of diversion of funds to terrorist organisations has been assessed as low, this must include at a minimum checking partners against lists of prohibited terrorist organisations under Australian law and the Consolidated List of Australian-sanctioned individuals and entities. Where the risk has been assessed as medium or above, in addition to checking the lists, additional checks should be undertaken as part of the due diligence process and repeated on a routine basis. In some cases, the ANGO will request its partner to provide entity details to it so that it can undertake the required vetting and screening processes. In other cases, the ANGO will request its partner to undertake all necessary vetting itself. In both cases, the expectation needs to be clearly communicated and the ANGO needs to have made an assessment of how its partners will fulfil the expectation. It should be noted that there is not an expectation that direct beneficiaries would be screened against the listings, but that any sub-partner or contractor that receives Government funds has been screened.

**E3.10 ANGO has systems to support implementing partners have necessary controls in place to prevent terrorism financing.**

In addition to ensuring that an ANGO’s partners are not associated with terrorism, there is a requirement to demonstrate that best endeavours have been undertaken to ensure that the ANGO’s partners do not provide support to any individuals or organisations associated with terrorism. This may be demonstrated through evidence of risk and financial management capacity assessment and building, partner awareness raising or training, and appropriate clauses in partner agreements. Evidence of communication with partners regarding processes relating to counter terrorism is required.

**E3.11 ANGO has appropriate risk management systems in place to prevent funds going directly or indirectly to individuals or organisations associated with terrorism.**

ANGOs should demonstrate an understanding of the level of risk that their organisation may be exposed to in relation to terrorism financing, and where risk is evident, treat the risk appropriately. The ANGO needs to demonstrate how they analyse and treat the increased risk of terrorism financing, in particular where they:

* operate in regions where terrorist activity is known to occur or terrorist organisations are known to operate;
* use alternative remittance services or pay for goods or services in cash rather than using formal financial mechanisms (such as electronic funds transfers);
* are not able to provide direct oversight over programs or projects.

The risk of terrorism financing should be reflected in the enterprise risk management framework and project specific risk management plans. The ANGO should demonstrate an understanding of terror financing risk at all levels of the organisation. ANGO initiatives where the risk of terrorism financing is assessed as medium or above should address the risk in project design, monitoring and reporting.

ADDITIONAL INDICATORS FOR FULL

**E3.12 ANGO undertakes periodic assessments of its own financial systems.**

The ANGO should be able to demonstrate evidence of regular assurance activities in response to financial risk assessments. This evidence may occur through established internal audits or review programs, separately commissioned audits or reviews, extended external audit review programs or in-house management reviews. These reviews may cover ANGO operations or implementing partner activities, depending on the nature and scale of the financial risk assessment issue being addressed or mitigated.

**E3.13 ANGO undertakes internal audits or reviews in response to financial risk assessment.**

The ANGO can demonstrate that its own financial risk management assessments inform its schedule and approach to undertaking internal audits or reviews. This means that programs or units that are considered to be higher risk should be prioritized for review. There is an expectation that ANGOs will undertake internal audits or reviews relative to the scale, complexity and risk profile of its work.

**E3.14 ANGO has appropriate business continuity plans and disaster recovery plans in place.**

The ANGO needs to demonstrate consideration of the risk of disaster or a business continuity event impacting on its business operations and how they are mitigated through disaster recovery and business continuity plans.

This criterion seeks to establish that the ANGO has appropriate policies, systems and capacity in place to effectively manage its commitments and obligations to DFAT.

Evidence Required for Agency Profile and OR

When submitting an on-line application for accreditation, ANGOs will be required to provide a standardised set of documentary evidence which will be considered in the DA. The DA report will outline additional evidence required from the ANGO at the OR, some of which will be standardised for all ORs and some of which may be particular to an ANGO. The following guidance sets out the standardised evidence required in the on-line application for consideration in the DA and the standardised evidence required at the OR for each criterion.

### Criterion A1: The ANGO has a governing body, a documented structure of responsibilities and appropriate systems to ensure accountability.

In the Agency Profile, all ANGOs are required to attach:

* Governing instrument. For example: Certificate of Incorporation, Rules, Constitution, Trust Deed, Memorandum, Articles of Association
* Minutes of its two most recent annual general meetings (AGMs).
* Most recent Annual Report
* Most recent audited financial statements
* Three most recent Governing body meeting minutes
* Copy of papers provided to the governing body for most recent governing body meeting
* Terms of Reference for sub-committees of the Governing Body (if applicable)
* Organisation Chart
* Conflict of Interest Policy
* Gender equality and diversity policy (or equivalent)
* Agreement, MoU or equivalent between ANGO and international alliance or network ( if part of an international network or alliance).

An ANGO applying for Full level accreditation is also required to attach:

* Strategic Plan
* Example of a report on progress against the Strategic Plan
* Evidence of evaluation of governing body’s performance

Other documents/evidence may be requested in individual ANGO DA reports and throughout the OR.

### Criterion A2: The ANGO effectively manages enterprise risk.

In the Agency Profile, all ANGOs are required to attach:

* Human Resources Policy
* Staff Code of Conduct (or equivalent)
* Sexual exploitation, abuse, harassment and misconduct policy (or equivalent safeguarding policy)
* Complaints handling policy or procedures document
* Whistleblowing policy or procedures document
* Incident reporting policy or procedures document
* Staff safety and security policy
* Example of completed staff safety and security assessment

An ANGO applying for Full level accreditation is also required to attach:

* Risk management policy, procedures and framework (or equivalent)
* Current organisational level Risk Register

At the OR, the following documentation will also be assessed:

* Sample of organisational risk matrices prepared over the last three years.
* Examples of risk identification and management
* Incident register and sample of supporting files related to incident reporting and management
* Complaints register and sample of supporting files related to incident reporting and management
* Sample of staff integrity screening checks

Other documents/evidence will be requested in individual ANGO DA reports and throughout the OR.

### Criterion A3: The ANGO has effective child safeguards.

In the Agency Profile, all ANGOs are required to attach:

* Child Protection or Child Safeguarding Policy
* Child Protection Code of Conduct
* Child safeguarding procedures document
* Completed child protection safeguarding practices [checklist](http://dfat.gov.au/aid/who-we-work-with/ngos/ancp/Documents/accreditation-assessment-checklist.pdf)

An ANGO applying for Full level accreditation is also required to attach:

* Document demonstrating the completed assessment of ANGO’s own child protection practices.
* Document demonstrating a completed assessment of one implementing partner’s child protection practices.

At the OR, the following documentation will also be assessed:

* Signed Codes of Conduct
* Content of child protection training
* Register of child protection training
* Sample of implementing partners’ child protection policies
* Sample of police checks and child safe recruitment examples
* Sample of child protection risk assessments

Other documents/evidence will be requested in individual ANGO DA reports and throughout the OR.

### Criterion B1: The ANGO has a track record of supporting and managing effective international development activities.

In the Agency Profile, all ANGOs are required to attach:

* A table summarising all current projects (format provided in Agency Profile)
* Policy on development and non-development activity or equivalent (If applicable)

At the OR, the following documentation will also be assessed:

* Sample of project documentation relating to approximately 6-10 selected projects, addressing criterion B1

Other documents/evidence will be requested in individual ANGO DA reports and throughout the OR.

### Criterion B2: The ANGO has the capacity to operate in a manner that promotes quality and effectiveness.

In the Agency Profile, all ANGOs are required to attach:

* Programming procedures or guidelines manual
* Template/s used for project design
* Template/s used for project appraisal
* Template used project risk matrix
* One example of a project design document which includes contextual analysis (for the same project used in B2.4, B2.5, B4.1 and B4.3)
* One example of a project appraisal (for the same project used in B2.3, B2.5, B4.1 and B4.3)
* One example of a project risk assessment/framework/matrix (for the same project used in B2.3, B2.4, B4.1 and B4.3)

An ANGO applying for Full level accreditation is also required to attach:

* One example of a country, regional or sectoral strategy document

At the OR, the following documentation will also be assessed:

* Sample of project documentation relating to approximately 6-10 selected projects, addressing criterion B2

Other documents/evidence will be requested in individual ANGO DA reports and throughout the OR.

### Criterion B3: The ANGO integrates cross cutting themes to enable effectiveness.

In the Agency Profile, all ANGOs are required to attach:

* Gender equality policy (or equivalent)
* One example of project/program gender analysis
* One example of project/program disability inclusion analysis
* One example of project/program environmental impact assessment

An ANGO applying for Full level accreditation is also required to attach:

* Most recent assessment of ANGO and implementing partners’ gender equality practice.
* Disability Inclusion Policy
* Most recent assessment of ANGO and implementing partners’ disability inclusion practice.
* Environmental management policy
* Most recent assessment of ANGO and implementing partners’ environmental management practice.

At the OR, the following documentation will also be assessed:

* Sample of project documentation relating to approximately 6-10 selected projects, addressing criterion B3

Other documents/evidence will be requested in individual ANGO DA reports and throughout the OR.

### Criterion B4: The ANGO can monitor, report and assess the effectiveness of activities.

In the Agency Profile, all ANGOs are required to attach:

* Template/s used for M&E plans
* Template/s used for field monitoring reports
* One example of a M&E plan/framework (for the same project used in Indicators B2.3, B2.4, B2.5, B4.2 and B4.3)
* One example of a field monitoring report (for the same project used in Indicators B2.3, B2.4, B2.5, B4.2 and B4.3)
* Template/s used for progress reporting
* One example of a progress report (for the same project used in Indicators B2.3, B2.4, B2.5 and B4.1, B4.1 and B4.3)
* Template or standard Terms of Reference used for evaluations
* One example of an evaluation report (preferably for the same project used in Indicators B2.3, B2.4, B2.5, B4.1 and B4.2 unless an evaluation has not yet been conducted for this project)

An ANGO applying for Full level accreditation is also required to attach:

* Effectiveness Framework or equivalent
* One example of involvement of primary stakeholders in reflection, learning or design adaptation processes.
* One example of report shared with external parties or equivalent.

At the OR, the following documentation will also be assessed:

* Sample of project documentation relating to approximately 6-10 selected projects, addressing criterion B4

Other documents/evidence will be requested in individual ANGO DA reports and throughout the OR.

### Criterion C1: The ANGO has documented arrangements with partner organisations in countries where it works.

In the Agency Profile, all ANGOs are required to attach:

* One example of formal authority to operate in one country of operation
* Template or Standard partner agreement, MOU or equivalent
* One example of a signed partner agreement, MOU or equivalent
* Standard additional annexures or conditions for partner agreements, MOUs or equivalent, involving DFAT funding.

An ANGO applying for Full level accreditation is also required to attach:

* Procedures or guidelines for the management of partnerships
* Example of documented roles and responsibilities of country offices, international partners, alliance or affiliates (if applicable).

At the OR, the following documentation will also be assessed:

* Documentation relating to arrangements, agreements and communications with approximately 6-10 selected partners, addressing criterion C1.

Other documents/evidence will be requested in individual ANGO DA reports and throughout the OR.

### Criterion C2: The ANGO undertakes due diligence and assesses the capacity of its partner organisations.

In the Agency Profile, all ANGOs are required to attach:

* Guidelines or standard template used for due diligence assessment of new partners.
* One example of a completed due diligence assessment of a new partner.
* One example of a completed partner capacity assessment.
* One example of communication with partner regarding the differentiation between development activities and non-development activities (if applicable).

An ANGO applying for Full level accreditation is also required to attach:

* Guidelines or standard template used for the capacity assessment of implementing partners.

At the OR, the following documentation will also be assessed:

* Documentation relating to assessments, arrangements, agreements and communications with approximately 6-10 selected partners, addressing criterion C2.

Other documents/evidence will be requested in individual ANGO DA reports and throughout the OR.

### Criterion C3: The ANGO continually supports its partners to manage joint initiatives in a manner consistent with current good practice.

In the Agency Profile, all ANGOs are required to attach:

* Example of documentation from partner feedback mechanism or process.

An ANGO applying for Full level accreditation is also required to attach:

* One example of a partner capacity strengthening plan (related to example of capacity assessment provided in C2.2)
* Standard template or completed report that demonstrates the ANGO’s system to assess the effectiveness of its partnerships or collaborations.

At the OR, the following documentation will also be assessed:

* Documentation relating to assessments, arrangements, agreements and communications with 4 – 6 selected partners, addressing criterion C3.

Other documents/evidence will be requested in individual ANGO DA reports and throughout the OR.

### Criterion D1: The ANGO acknowledges and attributes Australian government support.

In the Agency Profile, all ANGOs are required to attach:

* Three examples of promotional or other materials that show public recognition of the Australian identity and the support of the Australian Government in Australia
* Three examples of promotional or other materials that shows public recognition of the Australian identity and the support of the Australian Government in countries where support has been provided.

An ANGO applying for Full level accreditation is also required to attach:

* Policy or guidance note that addresses the acknowledgement and attribution of the Australian identity and support of the Australian Government.

At the OR, the following documentation will also be assessed:

* Additional promotional materials if further evidence is needed to satisfy the criterion.

Other documents/evidence will be requested in individual ANGO DA reports and throughout the OR.

### D2: The ANGO provides accurate, timely and accessible information about the organisation, its objectives and its activities, in a manner that respects the dignity of recipient communities.

In the Agency Profile, all ANGOs are required to attach:

* Up to 3 webpage links that are indicative of the organisation’s approach to publishing information about its work.

An ANGO applying for Full level accreditation is also required to attach:

* Policy, guidelines or equivalent that ensure public materials are quality assured, ensuring they are accurate, timely and accessible and respect the dignity, values, history, religion and culture of people.

At the OR, the following documentation will also be assessed:

* Additional information materials that have been shared with the organisation’s stakeholders in Australia and overseas if further evidence is needed to satisfy the criterion.
* A sample of documentation demonstrating that informed consent was gained prior to the collection and use of images.

Other documents/evidence will be requested in individual ANGO DA reports and throughout the OR.

### E1: The ANGO has effective financial management policies, systems and capacity.

In the Agency Profile, all ANGOs are required to attach:

* Copies of key financial policies, systems and procedures, or an index if documents are very large
* Procurement Policy
* A schedule of delegation and authorisation levels for personnel
* A current list of approved cheque signatories
* Audited financial statements and management letters of the ANGO from the last 3 years.
* Overseas Payments/Transfers policy or procedure.

An ANGO applying for Full level accreditation is also required to attach:

* Most recent example of a self-assessment of your organisation’s own capacity to undertake financial management

At the OR, the following documentation will also be assessed:

* Financial systems and procedures, including testing
* Application of financial management policies, systems and processes
* Chart of accounts and controls around general and project ledgers for a sample of projects
* Process for preparation and approval of budgets for sample projects and track the process of monitoring and acquittal against these budgets.
* Procedures for recording of income (income recognition)
* Calculations and review use of interest earned on DFAT funds.
* An example of a significant equipment procurement item for internal controls, including procurement, approval and payment.
* Internal and external audit reports that are included in the table in the Agency Profile under Criterion E1, and sight management letters arising from annual external audits.
* The asset register and adequacy of controls over valuable items

Other documents/evidence will be requested in individual ANGO DA reports and throughout the OR.

### E2: The ANGO assesses, monitors and strengthens the financial management capacity of its implementing partners and affiliates to ensure they have the capacity and commitment to undertake activities in a professionally competent manner with regard to financial operations.

In the Agency Profile, all ANGOs are required to attach:

* Standard template or guidelines for the fiduciary assessment of implementing partners.
* One completed example of a fiduciary assessment of an implementing partner.
* One project acquittal (related to project example requested in section B and C)
* One example of a financial statement, one example of an expenditure or acquittal report and one example of an independent audit from an international affiliate or consortium partner (if applicable)

An ANGO applying for Full level accreditation is also required to attach:

* One example of any audit or financial review undertaken of your implementing partners or projects in the last 3 years

At the OR, the following documentation will also be assessed:

* Three monitoring reports of financial systems of implementing partners
* Fraud mitigation practices or policies of implementing partners.
* The most recent actual ANCP expenditure acquittal included in the Annual Performance Report to DFAT and documentation such as general ledger reports and financial reports from overseas partners supporting expenditure included in the acquittal.
* Actions taken to strengthen partners’ financial capacity where required.
* Systems for obtaining financial reports and review a sample of financial reports from partners.
* Partner and/or program audit reports and review actions taken to address matters raised in the reports.
* Management letters arising from annual external audits to identify any perceived shortcomings and remedial action taken.

Other documents/evidence will be requested in individual ANGO DA reports and throughout the OR.

### E3: The ANGO has effective policies, systems and practices to manage financial risk.

In the Agency Profile, all ANGOs are required to attach:

* Three examples of financial reports and three financial risk reports to the ANGO governing body.
* Minutes of the two most recent Audit and Risk Committee (or equivalent) meetings.
* One example of a financial risk assessment of an implementing partner.
* Foreign currency exchange policy
* A list of the organisation’s insurance policies
* Fraud and/or anti-corruption policy
* Fraud control plan or equivalent
* Prevention of terrorism financing policy

An ANGO applying for Full level accreditation is also required to attach:

* Example of an internal audit or review report.
* Reserves policy
* Business continuity plan and disaster recovery plan

At the OR, the following documentation will also be assessed:

* Certificates of currency of the insurance policies and clarify levels of cover.
* Reports of the internal audit function
* Minutes of the governing body relating to risk management and audit for the last 12 months.
* Additional signed partnership agreements with partners.
* Documentation for a sample of funds transfers for overseas projects, including authorisation process, advice of payment to the overseas partner and confirmation of receipt.
* Evidence of training provided to staff in Australia related to fraud, corruption, counter terrorism, and financial risk management.
* Fraud Incident Register
* Terrorism screening systems
* Evidence of terrorism screening and police checks by implementing partners
* Evidence of the mechanisms used to manage the business risk environment (including identification, analysis, evaluation, treatment, monitoring and review of risk) as applied to the ANGOs projects.

Other documents/evidence will be requested in individual ANGO DA reports and throughout the OR.

Guidance for Review teams

This section provides additional guidance for review teams. It is published for transparency as part of the public record.

* 1. Roles and Responsibilities of the Review team

DFAT commissions the same review team to conduct both the DA and the OR for each ANGO. A review team comprises two independent development and NGO specialists and a financial specialist. Consultants are selected for their development experience and knowledge of the ANGO sector, DFAT and ANGO operating structures. Review teams include a DFAT observer.

The dynamics of review teams vary according to the complexity of the review and the different approaches of team members and the ANGO involved. However, the principles of professionalism, confidentiality, procedural fairness, and peer review will be applied by all review teams and in all accreditation reviews. The aim is to create a working dynamic that achieves an appropriate balance between collegiality and rigour; and quality assurance and learning.

The accreditation criteria cover five domains of practice. Amongst the three-member review team, the two development specialists will assess sections A, B, C and D, and the financial specialist will assess section E. There is some cross over in these areas and it is important that the full review team cross references and shares findings throughout the review process. This is particularly important in relation to risk management which cuts across all aspects of an ANGO’s operations and the due diligence and capacity assessment of partners which impacts on risk, programming and financial management.

### **The Team Leader**

The team leader coordinates the review team’s activities and inputs. They are responsible for the smooth functioning of the process and for communication between the review team, DFAT and the ANGO on operational matters, particularly during the OR. The role of the team leader includes:

* Ensuring the coherence of the review team, including the development specialists, the financial specialist and the DFAT observer
* Contacting the ANGO and review team members to negotiate and confirm dates for the OR, and advising DFAT of the confirmed dates
* Agreeing with review team members on the allocation of tasks in the DA and OR
* Communicating with the ANGO prior to the OR to ensure they understand the issues raised in the DA report and the preparation required for the OR
* Liaising, consulting and working cooperatively with review team members, the ANGO and DFAT at each stage of the review
* Ensuring that DFAT is kept informed of the progress of the review and of any changes to schedules
* Ensuring the consistency and quality of reports
* Providing DFAT with reports, agreed on by all review team members
* Responding to DFAT and/or CDC requests for clarification or expansion of information in reports, as required
* Overseeing effective communication within the review team and with the ANGO being reviewed, ensuring that expectations of the review are shared.

### **Review Team members**

Review team members work under the direction of the team leader and in cooperation with the ANGO and DFAT at each stage of the review. This includes producing the relevant sections of the DA and OR reports in a well written, high-quality and edited manner. The financial assessor is an integral member of the team and should be included in all discussions with and about the ANGO. The roles of the review team are interconnected, and ensuring that they work well together will produce the best outcomes from the review.

### **Observers**

A DFAT observer accompanies the review team and is accountable in the first instance to the team leader. The observer must be clear about their role. The primary role of the observer is to bear witness to the process and conduct of the review team members and the ANGO. The observer may also provide clarification of DFAT policies if required. The observer’s views are welcome in team meetings, but all communications and discussions about the ANGO’s accreditation assessment must be through the three-member review team.

The observer has no role in assessing the ANGO’s claims for accreditation and does not participate in the preparation of any reports. However, at the request of the team leader, the observer may assist with administrative matters relating to the conduct of the review or the review team’s deliberations. The CDC may also seek comments from observers on the accreditation process to contextualise accreditation review reports.

* 1. Guidance for Conducting Reviews

The guidance provided below should help review teams to work consistently and strengthen the integrity of the accreditation process.

### **The accreditation criteria and indicators**

DFAT will advise the review team of the appropriate accreditation criteria to apply when it issues a services order. The criteria are revised from time to time to reflect industry good practice and the changing operational environment of DFAT and ANGOs.

Each criterion in the ANGO Accreditation Framework is accompanied by indicators. The Accreditation Guidance Manual includes detailed guidance on many of the indicators that should be used by review teams to inform their assessment of an ANGO against the established criteria. The onus is on the ANGO to demonstrate through evidence and explanation how it addresses each criterion and its associated indicators.

The review team is required to assess the ANGO against the agreed accreditation criteria, checking the ANGO’s policies, procedures and practices systematically against the criteria and indicators. Where the accreditation criteria refer to DFAT policies, the review team should fully understand those policies to make a full and proper assessment.

The review team may only work within the scope of the agreed accreditation criteria. It should not make judgments about the ANGO’s capacity or track record based on expectations or standards that are not included in the ANGO Accreditation Framework.

In some cases, there may be questions about the separation of the ANGO from an associated entity, such as a commercial company owned by the ANGO. Similarly, there may be other factors that blur the identity of the ANGO or the manner in which it addresses the agreed criteria. If the review team believes that significant questions remain, it should refer the matter to DFAT for consideration.

### **Principles underpinning each criterion**

There is an explanation or underlying intent for each accreditation criterion in the accreditation process. It is outlined below the criterion in the ANGO Accreditation Criteria Framework.

Review teams should assess the ANGO against each accreditation criterion in a way that acknowledges the underlying intent of the criterion, as well as the diversity and dynamic management practices of the ANGO sector. They should not use the criteria in a formulaic manner, but rather apply the principle of each criterion to the individual ANGO, embracing the diversity that exists within the sector. To work in this manner, review teams should be familiar with the explanation behind each criterion so that they interpret and apply the criterion consistently and carefully.

### **Applying criteria commensurate with the level of risk**

Review teams should apply each criterion in a way that is commensurate with the size of the risk to DFAT. This will be a judgment developed by the team leader in consultation with DFAT and the review team members. A small ANGO with limited operations that receives limited funding from DFAT is expected to have a capacity and track record that reasonably addresses each criterion, but may not have as comprehensive a capacity, as extensive a track record, or as robust a set of systems as ANGOs that receive substantial DFAT funding, operate globally, support complex programs, work extensively with children, work in high risk contexts or maintain a high profile in the community.

If an ANGO has applied for Full accreditation and the review team finds that the ANGO does not have sufficient capacity to satisfy the criteria for Full accreditation, the review team should consider whether the ANGO has enough capacity for Base accreditation.

### **Sampling Methodology**

The choice of programs and partnerships to be selected to test the application of policies and procedures will be undertaken using a purposive approach to sampling. It will be based on the judgement of the review team. The choice of sample will seek to consider a range of partnership and programming models, and funding modalities, highlight areas of practice which may be higher risk, and which reflect larger proportion of spend and programming activity. The sample selected by the review team will take into consideration the operating model of the ANGO, its partnership models, the spread of DFAT funding, geographic factors, and risk. The sample of programs and partnerships selected for review is crucial to ensure robustness of the accreditation findings.

The review team will identify approximately 6-10 programs and partnerships that will be reviewed in detail at the OR. Some of these will be identified in the DA report and the ANGO will have an opportunity to provide feedback on this selection. At the beginning of or throughout the OR, the review team will identify the remaining programs and partnerships for review. The review team may also increase the sample size during the OR to increase its confidence that the sample size is sufficient to make an assessment against the accreditation criteria.

The ANGO may request alternate selections if they believe that the programs and partnerships selected by the review team are not representative of the ANGO’s approach and practice. The review team may revise its sample selections at its discretion.

Review teams are required to provide a rationale for their approach to sampling in the OR report.

### Evidence-Based analysis and judgment

Review teams are required to exercise due care and competence, ensuring that judgments about the ANGO’s capacity or track record are based on verifiable evidence. It is the responsibility of the ANGO to provide that evidence. The review team tests the evidence by considering questions such as:

* Is the evidence up to date and current?
* Are documented policies being followed?
* Does the evidence follow current organisational policies and documented procedures?
* Are all relevant staff, board members and volunteers aware of the existence of those policies and where they can be found?
* Are the policies being applied in a reasonably consistent manner?

At the DA stage, the review team relies on the ANGO to provide a clear picture of how it operates through the Agency Profile.

At the OR stage, that picture can be analysed further, verified and tested when the review team examines project files, documents and other evidence provided by the ANGO, as well as through discussions with key staff and board members.

As a matter of accountable, professional practice, review teams should note evidence underpinning their judgments in the DA and OR reports.

During an OR, there may be conflicting evidence regarding whether the ANGO comprehensively or consistently addresses a criterion. In such cases, the review team may make an on-balance judgment against a particular criterion. The evidence for and against that judgment should be explicit in the OR report.

Similarly, the review team may make an on-balance overall recommendation, providing the ANGO has met each individual criterion.

In both cases, the review team should make it explicit in the final OR report that the judgment or recommendation is on-balance, rather than unequivocal, and provide justification for the recommendation.

It should be noted, however, that for ‘red-line’ criteria, ANGOs must be fully compliant with every aspect of that criterion and failure to fully comply will result in the loss of accreditation status. Any criteria that are ‘red-line’ are clearly marked in the ANGO Accreditation Criteria Framework.

### Encouraging improvement or finding fault

The purpose of accreditation is twofold: to ensure a rigorous risk-management process for DFAT, and to provide an opportunity for learning and institutional strengthening for ANGOs. Therefore, it is important, right from the beginning, to approach the review on the basis of testing and building evidence to support the assertions made by the ANGO rather than looking for something wrong. A punitive approach does not provide the best environment for cooperation and fairness or for encouragement and improvement. It is in the interests of both DFAT and the ANGO that organisational governance, management and financial systems operate well and efficiently.

Gaps in practice or more serious problems should still be uncovered and addressed, but an encouraging and collegial approach will foster openness by the ANGO and help to create a dynamic that will enable rather than block the review team from doing its job well.

* 1. Operational Guidelines

### Communication

DFAT is responsible in the first instance for communication with the ANGO about the accreditation process. This includes letters initiating reaccreditation, inviting the ANGO to submit an Agency Profile and introducing the review team, as well as other official correspondence preceding or following particular stages of the accreditation process.

The team leader manages communications with the ANGO about the operational arrangements for the review. They also manage communications between review team members.

DFAT forwards the Agency Profile and the appropriate accreditation tools, and other relevant information including past performance information to the review team.

The team leader will contact team members and delegate sections of the DA work, the analysis, assessment and writing. A common approach is to divide the various sections of the criteria among the team. All team members should then contribute to the overall review and assessment of all the criteria and any broad findings.

### Preparing the Desk Assessment Report

The team leader is responsible for coordinating the separate components and the development of the full DA and OR reports. This may require additional liaison with review team members about modifications to the separate report sections. The team leader should edit the report for consistency, quality and formatting before submitting the draft report to DFAT. The DA report should provide a clear rationale and recommendation for proceeding to OR. The DA report should also clearly identify any issues or additional information required by the review team at OR. Once DFAT has provided feedback on the draft report, the team leader will submit a final report to DFAT on-line.

### Scheduling the Organisation Review

The ANGO may decide to withdraw from the accreditation process after the DA. If the ANGO proceeds from the DA to the next stage, the OR should ideally be scheduled within four to six weeks of the receipt by the ANGO of the DA Report.

It is advisable for the review team to agree on perhaps two possible OR dates and then propose those dates to the ANGO. While there should be room for negotiation, the review team should make every effort to complete the OR within the six‑week time frame.

### A suggested methodology for an Organisation Review

The OR is a continuation of the assessment of ANGO capacity and track record and is conducted over two or three days at the ANGO’s head office. DFAT writes to the ANGO and advises them that the review team will:

* Seek to confirm preliminary conclusions and address any issues raised in the DA
* Review relevant records, including governance, risk, program, partnership, communications and financial documentation, original copies of documents submitted with the Agency Profile and other material
* Hold discussions with authorised personnel
* Consider any other appropriate sources of information
* Review financial and management systems
* Assess the ANGO against each criterion at the relevant level
* Draw conclusions as to whether and how the ANGO satisfies each criterion and, if not, indicate how the criterion has not been satisfied
* Recommend the appropriate level of accreditation
* Discuss the team’s findings and likely recommendations with ANGO representatives at the conclusion of the OR, and
* Provide a written OR report to DFAT.

Based on this official correspondence, the review team should develop a methodology for the OR and advise the ANGO in advance of the OR. The methodology at the OR would generally include at least the following elements:

* Introductions, clarification about the process and agenda or scheduling for the OR and the accreditation process generally
* A brief presentation or overview of the organisation by the ANGO
* Recapping, analysis, reviews of relevant documentation and clarification of any issues raised in the preliminary DA report with relevant staff or Board members
* General discussions with key Board and staff members (CEO; accountant; development staff; communications or fundraising staff) about systems, operational policies and practices to gain an overview of the ANGO and to highlight issues that may need more detailed consideration during the OR
* During or after these discussions, the identification of ANGO documentation (board minutes, strategic plan, operations manual, policies, procedures, etc.) that will assist the review team to assess project/program files and related financial management, and hence the ANGO’s capacity and track record
* Specific questions or prompts for particular accreditation criteria and the identification of files or other documents to enable the review team to assess the ANGO’s capacity and track record in that area
* Feedback from the review team to the ANGO, summarising observations and recommendations for accreditation (it is important to provide brief feedback at the conclusion of Day 1 of the OR and to flag any serious issues so that the ANGO has the opportunity to address them)
* Feedback from the ANGO to the review team.

Team leaders will clarify a working method for each OR in collaboration with review team members. It is good practice for review teams to meet briefly (such as for breakfast) immediately before the commencement of the OR to clarify the agreed methodology, specific roles or particular issues. This is usually only possible in the hour or so immediately before the OR, but it is an important aspect of managing the OR.

The usual approach for the DA and the OR is to allocate sections of the criteria to different review team members. For example, the financial specialist may work with the ANGO’s finance staff to identify documents and then to review them to assess organisational capacity and track record in that area; another may work with project staff to assess development philosophies and management practices; a third may work with the CEO and board members to assess the ANGO’s identity, structure and linkages with the Australian community. At agreed points, the review team would meet to review progress, identify issues and agree on ways forward.

### The Desk Assessment / Organisation Review reports

DA and OR reports should be purposeful and succinct. Review teams access the on-line Agency Profile and complete the DA and OR reports on-line through the online accreditation system.

Effective DA and OR reports have the following characteristics:

* The recommendation concerning accreditation is supported by logical argument (that is, the observations, analysis and evidence in the report lead logically to the recommendation).
* They are evidence based (for example, they cite examples or other evidence to support assessments).
* They are internally consistent (writing style, level of evidence cited in each section, etc.).
* They contain flat, verifiable statements of fact or evidence. Adjectives and personal opinions are kept to a minimum, except where they contribute to the substantiation of evidence.
* The narrative is specifically about the ANGO and is not a generic text using formulaic statements that could apply to any NGO.

### Managing problems or issues

Problems may occur within the review team, with the ANGO and its preparation for or response to the accreditation review, with DFAT’s management of the work, in writing the report, or in other areas.

The team leader should generally take the lead in addressing and managing any problems or issues that arise, usually in consultation with review team members, DFAT and the ANGO, if appropriate.

It is not possible to provide an exhaustive list of problems or issues that may emerge or of suggested ways forward. The following situations have occurred in the past and may provide some pointers for future reviews.

#### Example A: The review team cannot arrive at an agreed recommendation for accreditation

While uncommon, if the review team is unable to reach a consensus recommendation or judgment on an aspect of the accreditation criteria, it may refer the issue to DFAT for guidance. DFAT may subsequently consult the team leader and in some cases the review team members. This would normally occur by phone and email, but may involve the team leader participating in meetings in Canberra. While consensus is the usual result and is obviously preferable, the team leader has the final word, and is ultimately responsible for what is recorded in the OR report.

#### Example B: The ANGO does not accept the review team’s assessment or recommendation

The review team is required to brief the ANGO on its findings and recommendation for accreditation at the end of the OR. Errors of fact or interpretation can be corrected at this stage, but if the ANGO and the review team make different assessments of the ANGO’s track record and capacity, the review team should maintain its own recommendation and complete its OR report. The ANGO may formally appeal the recommendation and/or provide a response to DFAT to be considered by the CDC alongside the OR report. If the ANGO wishes to appeal the recommendation or respond to the OR report, DFAT would normally provide the response to the team leader, who would coordinate the review team’s response. The responses of the ANGO and the review team, as well as the final OR report, are provided to the CDC and the DFAT delegate for consideration and final decision.

Committee for Development Cooperation

This section outlines the membership of the CDC and its role in the accreditation process. This includes the process for reviewing accreditation reports and making recommendations to DFAT.

### Background

The CDC was established in 1975 and has been in operation for the last 40 years. The CDC is a joint DFAT–ANGO advisory and consultative body made up of expert members from the ANGO community and DFAT and an Australian Council for International Development (ACFID) staff member as an observer. The CDC is supported by a secretariat from DFAT and ACFID.

The CDC has a crucial role in the oversight and continuous improvement of accreditation, ANCP policies and funding streams involving ANGOs. Final decisions on funding and other cooperation with ANGOs that involve financial transactions are made by DFAT in accordance with The Public Governance, Performance and Accountability Act 2013 (PGPA Act).

### Role and functions of the CDC

The roles and functions of the CDC are to:

* Oversee the accreditation process, which includes:
  + providing advice on accreditation criteria and related procedures, including use of application templates and guidance material
  + reviewing OR reports and making recommendations to DFAT
  + ensuring consistency of approach by review teams
* Provide advice on DFAT policy, procedures and evaluation of ANGO funding streams, including the ANCP.

### ANGO CDC members

Four CDC members represent the accredited ANGO sector and ANGOs seeking accreditation.

Two ANGO CDC members are elected by the accredited ANGO sector. The elections are organised by ballot through the CDC secretariat every two years (coinciding with ACFID Council meetings), and the re-election of members is possible without limitation. The CDC secretariat may hold early elections if mid‑term vacancies occur.

In non-election years, the ACFID Executive Committee appoints the remaining two members on merit for two years. The committee makes appointments every two years with the option of reappointment, which is possible without limitation. Where possible, appointed members ensure that the relationships between the CDC and both the ACFID Development Practice Committee and the ACFID Board are maintained. The ANGO CDC members sit as individuals and represent ANGOs in general, rather than any specific organisation. ANGO members of the CDC are not paid for their attendance at CDC meetings or for participation in CDC working groups. However, they are reimbursed for their travel expenses to CDC and working group meetings.

ANGO CDC members may be engaged by the CDC or by DFAT to undertake specific tasks in which their ANGO experience and relationships with the ANGO community are utilised. When they undertake such tasks, payment is made at the appropriate rate for the work as described in the [Aid Adviser Remuneration Framework (ARF)](http://dfat.gov.au/about-us/publications/Pages/adviser-remuneration-framework.aspx).

### DFAT CDC members

DFAT is represented by four suitably qualified staff members, including one staff member at the level of Assistant Secretary and the Director of the NPQ Section. DFAT staff members are appointed to the CDC for two years, and re‑appointment is possible without limitation. All DFAT appointments are made by the Delegate (authorised representative of DFAT).

### CDC meetings

The appointed Assistant Secretary (or their nominee if they are unavailable) chairs the CDC. A quorum of two ANGO CDC and two DFAT CDC members is required for decision making. The CDC meets at least twice per year. The CDC may hold electronic/remote CDC meetings if it considers that a teleconference is adequate to handle the items on the agenda. Out-of-session meetings can be called as necessary, depending on the CDC’s workload.

The CDC secretariat provides professional secretariat services to the CDC members and in that capacity is involved in all CDC meetings and working groups. In addition, an ACFID staff member sits on the CDC as an observer, separately from the CDC secretariat’s role. All members undertake to provide relevant papers for discussion to the CDC secretariat in a timely fashion, so that they can be disseminated to all parties in advance of meetings.

### Review of Organisation Review reports

The accreditation review team prepares an OR report for the CDC. Before the report is presented to the CDC, a copy of it is provided to the ANGO for comment. Amendments may be made to the report by the review team, based on comments received from the ANGO, before the report is finalised. Amendments may only relate to factual material and are made at the discretion of the review team.

The CDC considers the OR report at its first meeting after the review. The ANGO may provide the CDC with a written response to the accreditation report for consideration at that time, and a recommendation from the CDC through the Chair will be made to the DFAT delegate. The recommendation to the delegate will include any representations made by the ANGO about the OR report findings.

Report findings cannot be changed during a CDC meeting, but the CDC may choose not to accept report findings and to direct that further investigation or clarification be undertaken with the ANGO before a final accreditation recommendation is made. In those circumstances, the CDC will consider the report again at its next meeting before making its recommendation to the DFAT delegate.

Grievance process

This section outlines the grievance process for all matters relating to accreditation.

DFAT’s ANGO accreditation complaints handling procedure applies to all complaints about accreditation, including the conduct of the process, its outcomes or policy-related matters. Communication with DFAT enables it to provide suitable remedies for the issues raised, and to evaluate and improve its administrative processes. The table below provides contact points for complaints.

### Complaints handling procedure

| Principles | Complaints handling procedure |
| --- | --- |
| ANGOs must have access to fair, equitable and non-discriminatory complaint handling procedures | The steps to be taken in the event of a dispute or complaint related to DFAT’s ANGO accreditation processes, policies and outcomes are set out here. |
| ANGOs should notify DFAT and/or the CDC if they wish to make a complaint regarding the application of accreditation policy | Call for change—accreditation policy issues  Where a change is proposed to accreditation policy, particularly if an ANGO thinks that it suffers from the application of the changed policy, the ANGO should raise the matter in writing with DFAT’s accreditation officer or send an email to [accreditation@dfat.gov.au](mailto:accreditation@dfat.gov.au).  The ANGO may also report its concerns to the CDC ANGO representatives, who can advocate on its behalf. The representatives may contact DFAT to resolve the issue and may recommend an adjustment to the policy for decision by the DFAT delegate or may agree to a solution for the ANGO that does not require a policy change.  A member of the CDC secretariat will respond to the ANGO in writing outlining the issue that has been raised and the next steps. The correspondence will also include an assessment of the complaint and inform the ANGO of its options if it remains dissatisfied with the outcome or process. |
| ANGOs should in the first instance notify DFAT of their complaint | DFAT’s complaints handling process for accreditation matters reflect DFAT’s desire to manage and resolve all complaints directly with the ANGO. However, the ANGO may seek advice from the CDC ANGO representatives and/or ACFID.  Complaints—accreditation procedural issues (including processes and outcomes)  In order to lodge a complaint about an element of the accreditation process, or its outcome, the ANGO should raise the issue in writing with the officer nominated in this document or on the DFAT website. Complaints can be emailed to accreditation@dfat.gov.au. The nominated DFAT officer, their supervisor/manager and the director of the responsible section in DFAT will attempt to resolve the issue.  In addition, the ANGO has the option of reporting its concerns to the CDC ANGO representatives, who can advocate on its behalf. The representatives may then contact DFAT in an effort to resolve the issue. The role of the CDC ANGO representatives is that of facilitator. If a complaint is raised by an ANGO that has a representative on the CDC, that representative would be required to declare a potential conflict of interest and may be excluded from the process.  DFAT will respond to the ANGO in writing outlining the issue and its initial response. DFAT’s correspondence will also include an assessment of the complaint and inform the ANGO of its options if it remains dissatisfied with the outcome or process. |
| Senior management and officials independent of the process should be involved as appropriate | If the ANGO remains dissatisfied after exhausting the options above and wishes to pursue the issue further, it may lodge a complaint in writing with the DFAT delegate.  The delegate may refer the matter to the CDC for further examination. The complaint will then be examined by the CDC at its next scheduled meeting or out of session.  The CDC may wish to examine any documentation or other correspondence from DFAT or the ANGO in relation to the matter. It will note any perceived conflict of interest among its members, including cases in which ANGO CDC representatives have acted as advocates on behalf of the ANGO lodging the complaint.  All CDC discussions will be coordinated through the CDC secretariat. If the CDC recommends further conciliation, a CDC ANGO member will attend discussions as a mediator.  Subject to the outcome of mediation discussions, the CDC secretariat will confirm the outcome to the DFAT delegate and, where appropriate, will advise DFAT of actions that may be required to modify accreditation processes and/or policies. |
| Complaints should be dealt with in writing | In all instances, complaints should be made and responded to in writing. Each party should be given reasonable notice (at least 20 days) to respond to the correspondence, unless the matter is urgent. |
| Complaints must be treated as confidential | DFAT and the CDC will treat any complaints they receive from ANGOs as confidential. DFAT staff will only be informed of a complaint if they have a ‘need to know’ due to their participation in the complaint resolution process. |
| DFAT must ensure that the initiation of a complaint process does not prejudice the ANGO’s situation in future accreditation processes | All DFAT staff and CDC members involved in the management of a complaint will ensure that the process is applied ethically and professionally. Initiating a complaint will not prejudice an ANGO’s participation in future DFAT accreditation or assessment processes. |
| External options are available if independent review of a complaint is necessary | An ANGO may seek an external review of a complaint that has not been satisfactorily resolved through DFAT’s internal mechanisms.  Commonwealth Ombudsman  Complaints may be made to the Commonwealth Ombudsman ([www.ombudsman.gov.au](http://www.ombudsman.gov.au)), who has powers to investigate administrative complaints. The Ombudsman aims to resolve matters by negotiation and persuasion, and may make recommendations to senior levels of government in the context of continuous improvement of Australian Government administration.  The Commonwealth Ombudsman cannot overturn DFAT’s administrative decisions or specifically direct DFAT to vary a decision that DFAT has made. However, its comments on the dispute may influence DFAT’s response.  If the Ombudsman decides not to investigate a particular complaint, the complainant will be provided with reasons for that decision. The Ombudsman may be able to suggest other avenues for resolving the matter.  Judicial system  The ANGO may seek a review of the matter through the court system.  The ANGO will need to seek independent legal advice about pursuing resolution through a court or tribunal.  If a matter is referred to an external body for review, DFAT must also provide all relevant documents to that body, as required by law. |

### Complaints contact points

|  |  |
| --- | --- |
| DFAT | Accreditation Manager |
|  | NGOs and Volunteers Branch |
|  | DFAT |
|  | R.G. Casey Building |
|  | John McEwen Crescent |
|  | Barton ACT 0221 |
|  | Phone: (02) 6178 5888 |
|  | Email: accreditation@dfat.gov.au |
|  |  |
| CDC secretariat | CDC secretariat |
|  | NGOs and Volunteers Branch  DFAT |
|  | R.G. Casey Building |
|  | John McEwen Crescent |
|  | Barton ACT 0221 |
|  | Phone: (02) 6178 5888 |
|  | Email: accreditation@dfat.gov.au |
|  |  |
| ACFID | 14 Napier Close |
|  | Deakin ACT 2600 |
|  | Phone: (02) 6285 1816  main@acfid.asn.au |

Frequently asked questions

This section contains answers to frequently asked questions.

#### **How long does it take to prepare for Accreditation?**

Depending on the ANGO’s resources and focus of activities, it can take up to two years to prepare for accreditation, and is unlikely to take less than 12 months.

#### **Is an ANGO guaranteed to get ANCP funding if it meets accreditation criteria?**

ANGOs that meet accreditation criteria are eligible to receive funding under the DFAT Australian Non-Government Organisation Cooperation (ANCP) Program, subject to funding availability. DFAT will allocate ANCP funding in the next financial year when indicative planning figures for all accredited ANGOs participating in the program can be calculated. The allocation of funding to newly accredited ANGOS will be made in the order in which they become accredited.

#### **Do Accredited ANGOs also need to undertake DFAT’s Due Diligence Assessment?**

DFAT Accreditation is equivalent to a comprehensive due diligence assessment. However, there may be occasions where DFAT needs to undertake additional due diligence with respect to the in-country delivery partners of an accredited Australian ANGO or with respect to particular aid delivery contexts.

#### **What is the scope of an accreditation review? What projects might the review team want to look at?**

All international development projects undertaken by the ANGO in which recognised development expenditure (RDE) is claimed fall within the scope of the accreditation review. Review teams require evidence of a systematic approach to all aspects of the project cycle across the entire portfolio. Where this does not occur, it may constitute a risk to DFAT. DFAT expects that risk management systems are in place for finances, child protection and other cross-cutting issues, such as counterterrorism, and that they are systematically applied across all activities in which RDE is claimed.

The distinction between development and non-development activities must be made for fundraising, project appraisal, annual reporting, and financial acquittals. The review team will seek to understand how the ANGO applies its rules or policies to differentiate between eligible and non-eligible projects and expenditure for the purposes of calculating RDE.

#### **Can an ANGO upgrade from Base to Full accreditation?**

An ANGO with Base accreditation may apply for Full accreditation 12 months from the date of the delegate’s decision to accredit the ANGO at Base level. Where an ANGO fails to satisfy the criteria for Full Accreditation it may be assessed against the expectation for Base accreditation. However an ANGO that applies for Base level accreditation cannot then seek Full accreditation within the same assessment process.

#### **What if our ANGO fails to gain accreditation?**

If the DFAT delegate decides not to grant accreditation, the ANGO may reapply for accreditation by providing a new Agency Profile at least 12 months after the date of the delegate’s letter.

#### **How do we maintain accreditation?**

Accreditation is valid for five years. The ANGO must meet the conditions in its annual grant agreements to maintain its accreditation status, including by:

* Meeting all milestones as specified in an ANGO’s Annual Grant Agreement with DFAT ( i.e. Submission of RDE, Annual Development Plan and Performance Report)
* Advising DFAT of changes in the ANGO’s governance structure, entity name or ABN, or other material or significant changes
* Ensuring that there is no breach of the ACFID Code of Conduct and that the ANGO maintains its status as a signatory
* Ensuring that Australian Government funds are not misused or misappropriated
* Not rolling over greater than 10% of funding from one year to the next
* Continuing to meet the requirements of the accreditation criteria.

#### **How is accreditation revoked?**

Accreditation can be revoked if the ANGO fails to meet its obligations under its annual grant agreements, or if it fails re‑accreditation. Revocation of accreditation would normally be undertaken in consultation with the CDC, following due process and adhering to principles of natural justice.

Should the ANGO fail to maintain accreditation standards, the following options may be considered:

* The DFAT delegate may write to the ANGO, outlining identified problems and asking the ANGO to show just cause as to why accreditation should not be revoked.
* The DFAT delegate may determine that an OR, audit or RDE spot check be conducted.
* The outcome of either process would be tabled at the next CDC meeting. If the ANGO still fails to meet the accreditation standards, the CDC may recommend through the CDC chair to the DFAT delegate that DFAT revoke accreditation.
* If an ANGO cannot maintain other accreditation requirements (for example, by not drawing down the required amount of funds), the CDC would be consulted and the matter referred to the DFAT delegate for decision.

#### **Can accredited ANGOs seek or receive financial assistance from other accredited ANGOs?**

Yes. There is nothing to prevent one ANGO supporting another ANGO that is experiencing difficulties, including through goodwill or survival grants. Such transfers are excluded from the receiving ANGO’s RDE calculations.

For example, if interagency support takes the form of one ANGO funding another ANGO’s projects or programs to free up the recipient ANGO’s own funds to pay overheads, the recipient ANGO must not claim any RDE allowance on the basis that the funds were sent overseas for development purposes.

#### **Can DFAT provide technical assistance to ANGOs that wish to apply for DFAT accreditation?**

Yes. Technical assistance of up to five days of consultancy time can be made available before, during and after the accreditation process, subject to the availability of DFAT funding and whether the ANGO satisfies qualifying criteria.

#### **What if I have a complaint?**

Refer to Section 8: Grievance process in this manual.

Resources and links

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| Australian aid: promoting prosperity, reducing poverty, enhancing stability | <http://dfat.gov.au/about-us/publications/Pages/australian-aid-promoting-prosperity-reducing-poverty-enhancing-stability.aspx> |
| ANCP Manual | <http://dfat.gov.au/about-us/publications/Pages/australian-ngo-cooperation-program-manual.aspx> |
| ANCP Monitoring, Evaluation and Learning Framework | <http://dfat.gov.au/aid/who-we-work-with/ngos/ancp/Pages/monitoring-and-evaluation.aspx> |
| ANCP Program Logic | <http://dfat.gov.au/about-us/publications/Pages/ancp-program-logic.aspx> |
| Australian Council for International Development Code of Conduct | <https://acfid.asn.au/code-of-conduct> |
| Committee for Development Cooperation | <http://dfat.gov.au/aid/who-we-work-with/ngos/cdc/Pages/committee-for-development-cooperation.aspx> |
| Recognised Development Expenditure | <http://dfat.gov.au/about-us/publications/Pages/recognised-development-expenditure-worksheet-explanatory-notes.aspx> |
| Aid Programming Guide – operational guide for DFAT staff that assists external stakeholders better understand DFAT’s aid management processes | <http://dfat.gov.au/about-us/publications/Pages/aid-programming-guide.aspx> |
| DFAT Logos and Style Guides | https:// dfat.gov.au/photos/ancp-australian-aid-branding |
| DFAT Child Protection Policy | <http://dfat.gov.au/about-us/publications/Pages/child-protection-policy.aspx> |
| Terrorism Financing risk | Consolidated List  <http://dfat.gov.au/international-relations/security/counter-terrorism/Pages/dealings-with-terrorists-information-for-australians-and-australian-businesses.aspx>  Further information on terrorist organisations listed under Division 102 of the Criminal Code Act 1995 (Cth) and the DFAT Consolidated List of persons and entities subject to UN sanctions regimes maintained in accordance with the Charter of the United Nations Act 1945 (Cth) can be found at:  <http://dfat.gov.au/international-relations/security/sanctions/Pages/sanctions.aspx>  Further information can be found on the Australian Government websites:  <https://www.nationalsecurity.gov.au/Pages/default.aspx>  <http://www.acnc.gov.au/ACNC/Manage/Protect/Checklist__protect_against_the_risk_of_terrorism_financing/ACNC/Edu/ChecklistTF.aspx>  <https://www.ag.gov.au/CrimeAndCorruption/AntiLaunderingCounterTerrorismFinancing/Documents/Safeguardingyourorganisationagainstterrorismfinancing-booklet.pdf> |
| Development for All 2015-2020: Strategy for strengthening disability inclusive development in Australia’s aid program | <http://dfat.gov.au/about-us/publications/Pages/development-for-all-2015-2020.aspx> |
| Displacement and resettlement of people in development activities | http://dfat.gov.au/about-us/publications/Pages/displacement-and-resettlement-of-people-in-development-activities.aspx |
| Environmental and Social Safeguard Policy for the Aid Program | <http://dfat.gov.au/about-us/publications/Pages/environmental-social-safeguard-policy-for-the-aid-program.aspx> |
| Fraud and Anti-Corruption Guidance for DFAT partners | <http://dfat.gov.au/about-us/publications/Pages/fraud-anti-corruption-guidance-dfat-partners.aspx> |
| Gender Equality | <http://dfat.gov.au/about-us/publications/Pages/gender-equality-and-womens-empowerment-strategy.aspx> |
| Indigenous Peoples | <http://dfat.gov.au/about-us/publications/Pages/dfat-indigenous-peoples-strategy-2015-2019.aspx> |
| Smartraveller | <http://smartraveller.gov.au/Pages/default.aspx> |

If you have comments or feedback, please send them to accreditation@dfat.gov.au

Please be specific: reference page numbers/sections; state changes or clarifications you believe are needed; advise us if issues have been omitted that you believe should be addressed/included in the manual.

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| Version | Date | Changes |
| 1 | November 2011 | Original Version |
| 2 | February 2012 | Inserted guidance on criteria B5, amended guidance on role of observers |
| 3 | September 2014 | Revisions to ensure that:  manual is consistent with revised accreditation criteria and indicators. NB: Accreditation criteria were revised in August 2014 to align with the Department of Foreign Affairs and Trade’s Due Diligence Framework;  manual informs and supports the implementation of an on-line application system for accreditation. [http://aid.dfat.gov.au/Publications/Pages/ANCP-Manual-11072014.aspx- ANCP Manual](http://aid.dfat.gov.au/Publications/Pages/ANCP-Manual-11072014.aspx-%20ANCP%20Manual) |
| 4 | August 2015 | Changes to wording to reflect DFAT maintaining consolidated lists of organisations subject to targeted financial sanctions under Australian law. |
| 5 | October 2016 | Minor changes – update of hyperlinks |
| 6 | May 2018 | Revised as part of 2017/18 review of the accreditation criteria and process. Changes made to ensure consistency with revised 2018 accreditation criteria and process and to expand on guidance for the conduct of accreditation reviews, in particular the preparation by ANGOs for the OR. |

Annex 1: ANGO Accreditation Framework

### Pre-eligibility Accreditation Criteria

* ANGO is registered with ACNC
* ANGO is not included on the [World Bank Listing of ineligible firms and individuals](http://web.worldbank.org/external/default/main?theSitePK=84266&contentMDK=64069844&menuPK=116730&pagePK=64148989&piPK=64148984), the [Asian Development Bank Sanctions List](http://lnadbg4.adb.org/oga0009p.nsf/sancALLPublic?OpenView&count=999), the [Attorney General’s Department List of Terrorist organisations](http://www.ag.gov.au/NationalSecurity/Counterterrorismlaw/Pages/Terroristorganisations.aspx), or [DFAT terrorism lists](http://www.dfat.gov.au/issues/terrorism.html).
* ANGO is a signatory to the ACFID Code of Conduct
* ANGO meets the relevant RDE threshold
* ANGO must have a two-year track record

| Assessment Criteria | **Base and Full Indicators** | **Additional Full indicators** |
| --- | --- | --- |
| A: Governance & Risk Management | **INDICATORS ARE APPLIED COMMENSURATE WITH THE NATURE AND SIGNIFICANCE OF RISK** | |
| A1: The ANGO has a governing body, a documented structure of responsibilities and appropriate systems to ensure accountability.  *This criterion seeks to verify the ANGO’s governance arrangements to establish that the ANGO’s governance structure and practices ensure accountability, including to its supporters.* | A1.1 Governing body documents, policies and practices ensure effective governance and accountability to members and the public.  A1.2 ANGO has a Conflict of Interest policy and established mechanisms to address conflict of interest.  A1.3 ANGO has a gender equality and diversity policy and the governing body ensures these principles are integrated across the organisation.  A1.4 If ANGO is a member of an international alliance or network, it can demonstrate its autonomy. | A1.5 Governing body sets strategic direction and targets, and monitors performance against these.  A1.6 Governing body periodically evaluates its own performance.  A1.7 If ANGO is a member of an international alliance, network or consortium, it can demonstrate engagement with relevant governing, strategy setting, and/or policy making bodies. |
| **A2: The ANGO effectively manages enterprise risk**  *This criterion seeks to establish that the ANGO has the policies, systems and practices required to assess, report & escalate, mitigate and manage enterprise risk including risks relating to: staff safety and security, safeguarding, incident management, staff integrity, high risk contexts, financial viability and reputation.* | A2.1 ANGO and its governing body can demonstrate the effective identification, review, rating, mitigation, reporting and escalation of organisational –wide risk.  A2.2 ANGO has systems to ensure the integrity of staff and volunteers including integrity screening checks, HR policies, Code of Conduct.  A2.3 ANGO has safeguarding policy and practices in place to manage risks associated with sexual exploitation, abuse, harassment and misconduct, including processes for investigating, reporting and action (where appropriate).  A2.4 ANGO has established public-facing complaints handling, whistle blowing, and incident management systems that are accessible to all stakeholders.  A2.5 ANGO has systems to assess and manage staff safety and security risk.  A2.6 ANGO can demonstrate the application of additional analysis, risk identification and risk management measures for high risk contexts. | A2.7 ANGO has a risk management policy, framework, procedures and practices in place. |
| A3: The ANGO has effective child safeguards  *This criterion seeks to establish that the ANGO has the policies, procedures and practices required to safeguard children and fully comply with DFAT’s Child Protection Policy.* | A3.1 ANGO has an organisational Child Protection Policy.  A3.2 ANGO has child safeguarding procedures in place that fully comply with DFAT’s Child Protection Policy and all of its nine minimum standards.  A3.3 ANGO has controls and procedures to ensure implementing partners have compliant child protection policy and practices. | A3.4 ANGO undertakes periodic assessments of its own and its implementing partners’ child protection practices. |
| **B: Development approaches & management** | **INDICATORS ARE APPLIED COMMENSURATE WITH THE NATURE AND SIGNIFICANCE OF RISK** | |
| **B1: The ANGO has a track record of supporting and managing effective international development activities.**  *This criterion seeks to verify past performance to establish that the ANGO has a documented track record of achieving effective development outcomes in developing countries.* | B1.1 ANGO’s Objectives in governing Instrument or Strategic Plan include development activities in developing countries.  B1.2 ANGO has a minimum two-year track record of development activities.  B1.3 ANGO can differentiate between development activities and ‘non-development’ activities.  B1.4 ANGO can demonstrate that it responds to past performance issues. | There are no additional Full Indicators. |
| **B2: The ANGO has the capacity to operate in a manner that promotes quality and effectiveness.**  *This criterion seeks to establish that the ANGO is committed to and operates in a manner consistent with current good practice guidelines for the sector including the ACFID Code of Conduct.* | B2.1 ANGO has the demonstrated capacity or a strategy to effectively program and manage DFAT grants of equivalent size and complexity to future ANCP grant.  B2.2 ANGO has a documented approach to managing its initiatives/programs e.g. project cycle or equivalent, relevant to its types of initiatives or models of delivery.  B2.3 ANGO undertakes contextual analysis including the perspectives of stakeholders, which informs planning and design  B2.4 ANGO appraises potential initiatives against a documented set of quality standards and DFAT requirements.  B2.5 ANGO assesses and manages activity risk.  B2.6 Where ANGO is working in association with international affiliates, networks or consortiums, it can demonstrate its knowledge of and influence throughout the initiative management cycle. | B2.7 ANGO can demonstrate a strategic approach to programming, and has country, regional and /or sectoral strategies relevant to the size and complexity of its programming. |
| **B3: The ANGO integrates cross cutting themes to enable effectiveness.**  *This criterion seeks to verify an ANGO’s approach to promoting gender equality, disability inclusion, environmental management and sustainability.* | B3.1 ANGO has a gender equality policy and incorporates gender equality practices including contextual analysis of gender barriers, opportunities to enable inclusion, strategies to promote gender equality and targeted M&E.  B3.2 ANGO incorporates disability inclusive practices including contextual analysis of barriers for People with Disability, opportunities to enable inclusion and targeted M&E.  B3.3 ANGO has a policy and practices in place to assess and mitigate environmental impact where appropriate.  B3.4 Where relevant to its operations, the ANGO demonstrates compliance with DFAT’s Displacement and Resettlement policy.  B3.5 ANGO can demonstrate approaches that will enhance sustainability. | B3.6 ANGO undertakes periodic assessments of its own and its implementing partners’ gender equality practice.  B3.7 ANGO has a Disability Inclusion Policy and undertakes periodic assessments of its own and its implementing partners’ disability inclusion practice.  B3.8 ANGO has an Environmental Management Policy and undertakes periodic assessments of its own and its implementing partners’ environmental management practice. |
| **B4: The ANGO can monitor, report and assess the effectiveness of activities.**  *This criterion seeks to verify an ANGO’s approach to performance management by establishing that the ANGO is able to assess the effectiveness of development activities.* | B4.1 ANGO undertakes regular monitoring of initiatives/programs, analysing information to assess progress and constraints.  B4.2 ANGO is able to collect and report data to meet DFAT and other stakeholder requirements including the ANCP in a timely manner.  B4.3 ANGO conducts activity evaluations commensurate with activity size assessing results and effectiveness. | B4.4 ANGO assesses results and effectiveness at a whole of organisation level.  B4.5 ANGO involves primary stakeholders in reflection, learning and design adaptation processes.  B4.6 ANGO has an established system that captures, documents, and disseminates its results, good practices and lessons learned. |
| C: Approaches to Partnership and Collaboration | INDICATORS ARE APPLIED COMMENSURATE WITH THE NATURE AND SIGNIFICANCE OF RISK | |
| **C1: The ANGO has documented arrangements with partner organisations in countries where it works.**  *This criterion seeks to establish that the ANGO has documented contractual frameworks in place to manage partnerships and initiatives.* | C1.1 ANGO and its implementing partners have authority to work in the countries where they work (through partnership agreements with Government, partnerships with local partners, or license to operate etc.).  C1.2 ANGO has documented arrangements with partners.  C1.3 DFAT contractual obligations are reflected in partner agreements that relate to DFAT funding.  C1.4 ANGO can demonstrate that its partnership agreements are understood and accepted by its partners. | C1.5 ANGO has documented procedures for managing its partnerships.  C1.6 If ANGO is working in association with international affiliates or consortiums, there are documented roles and responsibilities of country offices and international partners, alliances or affiliates. |
| **C2: The ANGO undertakes due diligence and assesses the capacity of its partner organisations.**  *This criterion seeks to establish that the ANGO takes a systematic approach to assessing the capacity and performance of its partners.* | C2.1 ANGO undertakes formal due diligence on all new partners.  C2.2 ANGO regularly assesses the capacity of its implementing partners including financial management, safeguarding practices and operational performance.  C2.3 ANGO ensures its implementing partners can differentiate between development activities and non-development activities. | C2.4 ANGO assesses the capacity of its implementing partners, every 3-5 years, in a systematic and documented manner including financial management, safeguarding practices and operational performance or more frequently if required. |
| **C3: The ANGO continually supports its partners to manage joint initiatives in a manner consistent with current good practice.**  *This criterion seeks to establish that the ANGO provides adequate ongoing capacity strengthening support to partners to enable good development practice and comply with DFAT funding obligations.* | C3.1 ANGO has taken the capacity of implementing partners into account in program design and delivery.  C3.2 ANGO monitors and responds to the performance of its implementing partners, including implementation of policy requirements.  C3.3 ANGO enables partners to provide feedback, raise complaints and receive a response through an effective, accessible and safe process. | C3.4 ANGO has documented implementing partner capacity strengthening plans.  C3.5 ANGO can demonstrate it works with implementing partners on an ongoing basis to operate in a manner that is consistent with good development practice and meets reasonable risk management and safeguarding policy obligations.  C3.6 ANGO has a system to assess the effectiveness of its partnerships or collaborations. |
| D: Communications | **INDICATORS ARE APPLIED COMMENSURATE WITH THE NATURE AND SIGNIFICANCE OF RISK** | |
| **D1: The ANGO acknowledges and attributes Australian government support.**  *This criterion seeks to assess that ANGOs and its partners have commitment and capacity to comply with the Australian aid program’s Visual Identity Guidelines.* | D1.1 ANGO acknowledges and attributes the Australian identity and the support of the Australian Government, both in Australia and overseas. | D1.2 ANGO has documented procedures that address the acknowledgement and attribution of the Australian identity and support of the Australian Government. |
| **D2: The ANGO provides accurate, timely and accessible information about the organisation, its objectives and its activities, in a manner that respects the dignity of recipient communities.**  *This criterion seeks to assess an organisation’s commitment to transparency.* | D2.1 ANGO and its partners share accurate, timely and accessible information with its stakeholders, including primary stakeholders.  D2.2 There is consistency between ANGO’s activities and its promotional material.  D2.3 ANGO’s promotional material respects the dignity, values, history, religion and culture of the people with whom it works. | D2.4 ANGO has established systems to ensure that any public materials are quality assured against guidelines.  D2.5 ANGO has agreed guidelines with international partners, alliances or affiliates covering appropriate attribution in organisational promotional materials. |
| E: Financial Management | INDICATORS ARE APPLIED COMMENSURATE WITH THE NATURE AND SIGNIFICANCE OF RISK | |
| **E1: The ANGO has effective financial management policies, systems and capacity.**  *This criterion seeks to establish that the ANGO has appropriate policies, systems and capacity in place to manage effectively its commitments and obligations to DFAT.* | INTERNAL CONTROLS  E1.1 ANGO has documented policies and procedures to account for funding.  E1.2 ANGO has financial systems controlling general ledger and project ledgers.  E1.3 ANGO has documented delegation and authorisation levels for personnel, including cheque signatories.  E1.4 ANGO has a clear segregation of duties between procurement, authorisation of supplier invoices and the authorisation of payment.  E1.5 ANGO produces audited financial statements.  E1.6 ANGO has appropriate procedures and practices to control funds sent overseas.  FINANCIAL CAPACITY  E1.7 ANGO has the financial human resource capacity to effectively manage its commitments and obligations to DFAT.  E1.8 ANGO has the absorptive capacity to meet matching ratio requirements to effectively program and manage the level of ANCP funding provided or anticipated in the next FY. | INTERNAL CONTROLS  E1.9 ANGO has an organisational approach to cost and value consciousness including procurement processes and costs, use of contractors, partnering or sub-granting arrangements, indirect costs, staffing arrangements, and travel and administration costs.  FINANCIAL CAPACITY  E1.10 ANGO has assessed its own capacity to undertake financial management (fiduciary assessment). |
| **E2: The ANGO assesses, monitors and strengthens the financial management capacity of its implementing partners and affiliates to ensure they have the capacity and commitment to undertake activities in a professionally competent manner with regard to financial operations.**  *This criterion seeks to establish that the ANGO assesses, monitors and strengthens the financial capacity of its partners and affiliates*. | E2.1 ANGO’s financial systems provide the necessary detail to monitor effectively expenditure in a timely manner.  E2.2 ANGO undertakes regular assessment of the financial and risk management systems and capacity of implementing partners (fiduciary assessment) before contracting.  E2.3 ANGO regularly receives and reviews project acquittals from implementing partners.  E2.4 ANGO monitors and responds to the financial management performance of its implementing partners.  E2.5 ANGO assesses that implementing partners have practices in place to facilitate the prevention, detection and investigation of fraud. | E2.6 ANGO can demonstrate it works with implementing partners on an ongoing basis to strengthen financial management capacity and operate in a manner that is consistent with good financial and risk management practice.  E2.7 ANGO assesses fiduciary risk of implementing partners and implements appropriate risk based controls.  E2.8 ANGO receives and reviews audited financial statements from implementing partners.  E2.9 If ANGO is working in association with international affiliates, networks or consortiums, the ANGO receives and reviews regular financial statements, expenditure and acquittal reports and independent audits.  E2.10 ANGO can request an independent audit of the implementing partners working in association with its international partners, alliances or affiliates, and has the right to withhold funds.  E2.11 ANGO undertakes checks of implementing partners to ensure their internal controls (including fraud controls) are operating effectively and that staff are trained in the relevant policies and procedures. |
| **E3: The ANGO has effective policies, systems and practices to manage financial risk.**  *This criterion seeks to establish that the ANGO has the policies, systems and practices required to assess, report & escalate, mitigate and manage financial risk including risks relating to fraud, corruption, terrorism financing, and overseas expenditure.* | E3.1 ANGO conducts assessments of financial risks particular to its operating context.  E3.2 ANGO provides regular financial reports and financial risk reports to its governing body.  E3.3 ANGO undertakes periodic assessments of financial risk of its implementing partners.  E3.4 ANGO has documented agreements with implementing partners for the management and use of funds.  E3.5 ANGO has a foreign currency exchange policy for limiting rate movement exposure.  E3.6 ANGO has appropriate insurance policies (e.g. public liability).  ANTI FRAUD & CORRUPTION  E3.7 ANGO has policies, systems and practices in place to facilitate the prevention, detection and investigation of fraud and the prevention of corruption.  TERRORISM FINANCING RISK  E3.8 ANGO has a policy to prevent terrorism financing.  E3.9 ANGO has systems and processes in place to verify that it and its implementing partners undertake terrorism screening (frequency should be commensurate with the risk context).  E3.10 ANGO has systems to support implementing partners to have the necessary controls in place to prevent terrorism financing.  E3.11 ANGO has appropriate risk management systems in place to prevent funds going directly or indirectly to individuals or organisations associated with terrorism. | E3.12 ANGO undertakes periodic assessments of its own financial systems.  E3.13 ANGO undertakes internal audits or reviews in response to financial risk assessment.  E3.14 ANGO has appropriate business continuity plans and disaster recovery plans in place. |

End.