



# AusAID Assessment of Civil Society Organisations

## Part A: Due Diligence Assessment Standards for CSOs

### Consultation Draft

#### TABLE OF CONTENTS

Background	2
Introduction	2
Document Purpose	2
Principles of the Assessment Process	3
The Assessment Framework	5
The Assessment Approach	6
The Methods of Inquiry	6
DRAFT Due Diligence Assessment Standards for Civil Society Organisations	7

## **Background**

AusAID's Civil Society Engagement Framework (CSEF) provides a structure for Australia's engagement with civil society, in Australia and overseas, and links increased funding for civil society organisations (CSOs) to their effectiveness, capacity and relevance to Australia's development interests. The Framework sets out how Australia will work more effectively with CSOs to increase the impact of aid on the world's poorest. The CSEF outlines five objectives: improved effectiveness and impact, sustainability, reduced risk and shared accountability, efficiency and value for money, and diversity and innovation.

## **Introduction**

AusAID will introduce a Due Diligence Framework (DDF) in mid 2013 as a risk management tool to build knowledge and assurance of existing and potential delivery partners' capacity and capability to deliver the Australian Aid Program. The DDF will provide AusAID with a consistent approach for conducting due diligence during delivery partner assessment and selection. It is underpinned by a uniform set of guiding principles and identifies assessment activities that are to be undertaken in proportion to the value, the partner type and the level of assessed risk of a proposed investment. The application of the Framework will be mandatory for all delivery partners, including contractors, NGOs, multilateral organisations, bilateral donors, partner governments and whole of government partners. It is to be applied after identifying a potential partner and prior to entering into agreements and providing funding.

To date this has been done by different business units within AusAID and at Posts, utilising a range of tools and approaches, limiting opportunities for shared knowledge and practice throughout the Agency. The DDF will provide AusAID with a consistent approach for conducting due diligence in partner assessment and selection using an agreed and transparent set of guiding principles and criteria. Existing processes such as the accreditation process under the AusAID NGO Cooperation Program will, in time, be revised to align with the agency-wide Due Diligence Framework. This revision will take into consideration of the history of accreditation and maintaining the integrity of the process so that delivery partners need only be assessed once. There will be no need to repeat due diligence assessment processes for different funding mechanisms. Due diligence assessments will be valid for five years. The DDF will be applied to all aid delivery partners, including Civil Society Organisations (CSOs). The assessment of CSOs will be undertaken in two parts: Part A: Due Diligence Assessment Standards and Part B: Effectiveness Assessment Methodology. The Effectiveness Assessment Methodology (EAM) will inform AusAID's approach to linking increased funding to CSO effectiveness, capacity and relevance.

## **Document Purpose**

This document will form the basis of consultations with internal and external stakeholders. Consistent with the Due Diligence Framework that AusAID will implement, AusAID has drafted a set of CSO due diligence assessment standards. Before finalising these standards, AusAID is seeking comment and feedback on the suitability of these standards as appropriate tests for CSOs that can be tailored for a differentiated approach (across a range of CSOs, from small in country CSOs to large international CSOs). It should be noted that this is only the first stage of

developing the Assessment Standards and that tools and guidelines will also be developed to guide the application of these standards that are specific to the assessment of CSOs.

It is important that feedback on the draft standards highlights the challenges that CSOs may face in meeting these standards and proposes alternatives that would otherwise satisfy the core principles of the Due Diligence Framework. This feedback will be important for finalising the AusAID Due Diligence Assessment Standards for CSOs, and also for the development of guidelines and tools for assessment of CSOs.

We are seeking feedback on Draft AusAID Assessment of Civil Society Organisations, Part A: Due Diligence Assessment Standards for CSOs; and Part B: Effectiveness Assessment Methodology. Comments on the overall assessment standards and methodology, and suggestions on how to implement them, can be provided in the form of emails, written submissions or annotations to the documents. Feedback should be sent to: [ngoengagement@ausaid.gov.au](mailto:ngoengagement@ausaid.gov.au) by **31 May 2013**.

We also encourage you to fill in the survey appropriate to your position as either a CSO or a peak body on both the Due Diligence Framework and Effectiveness Assessment Methodology before **17 May 2013**:

Due Diligence Assessment Standards for CSOs –  
CSOs: <http://www.surveymonkey.com/s/WFKSJ9D>  
Donors and peak bodies: <http://www.surveymonkey.com/s/SKCXBST>

Effectiveness Assessment Methodology  
CSOs : <http://www.surveymonkey.com/s/W6CWH7R>  
Donors and peak bodies: <http://www.surveymonkey.com/s/SLR7PKW>

### **Principles of the Assessment Process**

The CSO DDF assessment process will be undertaken in accordance with the following principles:

#### 1. Non-exclusion

A due diligence assessment will not be a pass/fail assessment. Rather, it will allow AusAID to understand partner capacity and any potential risks. Different areas of AusAID are then able to make decisions based on accurate information as well as instituting capacity building and risk mitigation strategies as required (through contract clauses etc) to address issues identified in the due diligence assessment and to facilitate partnerships in the context of higher risk and/or lower capacity.

#### 2. Diversity and proportionality

It is recognised that CSOs consist of a wide variety of organisational capacities and structures and sit within a wide range of development and regulatory environments, all of which must be considered when undertaking assessments. It is also recognised that the risk profile of partnering with different CSOs varies significantly. Within this context and to accommodate

diversity, the due diligence assessment process for CSOs includes differentiated standards and a range of possible verifiers which should be applied in a proportionate manner through the assessment process. It is acknowledged that, even with these differentiations, some of the standards may be onerous or impractical for some CSOs - particularly emerging local organisations in fragile states. Baseline or Comprehensive level assessments will be undertaken in proportion to the value and the level of assessed risk of a proposed activity.

### 3. Consistency and transparency

The AusAID DDF will be used to assess the capacity of all delivery partners including CSOs. The Assessment Standards for CSOs, which have been designed specifically for CSOs will be used for all CSOs receiving or seeking funding from AusAID. The Assessment Standards consist of 20 Capacity Domains each with a statement of minimum standard. Expectations of CSOs for Baseline Assessment and for Comprehensive Assessment are clearly outlined in a table format and will be publicly available. All CSOs will be assessed using these same Capacity Domains and Assessment Standards. A standardised report will be prepared.

### 4. Evidence based

Due diligence assessments will be based on the most current, objective and verifiable information available whilst still accommodating diversity of CSO structure and capacity.

### 5. Knowledge sharing

The use of the DDF, the CSO Assessment Standards and a central register of findings will lead to increased understanding of organisational capacity across AusAID of CSOs and will facilitate access to this information and partnerships by different business units.

### 6. Fit for purpose

The DDF, its Capacity Domains and Assessment Standards are designed to assess and understand institutional or organisational capacity and risk. The due diligence assessment process will provide eligibility for a CSO to continue receiving or to seek AusAID funds. It is not designed to assess initiative designs or proposals and these should still be assessed in accordance with AusAID's Quality at Entry or other quality appraisal processes of the day, taking into account the relative merits and risks of each initiative.

### 7. Recognition of existing processes

Where appropriate, existing AusAID institutional capacity assessment and risk management processes, including the accreditation process under the ANCP, will be revised to align with the agency-wide Due Diligence Framework whilst maintaining the integrity of these processes. Where appropriate, AusAID will recognise existing processes, such as those carried out by other donors, or codes of conduct administered by peak bodies such as the Australian Council for International Development (ACFID). AusAID will also seek to enter into data sharing arrangement with other organisations, such as the Australian Charities and Not-for-profits Commission (ACNC), to further streamline the due diligence assessment process and reduce the amount of information CSOs must submit to AusAID as part of the assessment.

## **The Assessment Framework**

The standards against which CSOs will be assessed for due diligence are outlined in the table commencing on page 4. The table outlines the following:

- 20 due diligence Capacity Domains, each with a statement of Minimum Standard
- 2 types or levels of assessment – Baseline (15 Capacity Domains with ‘baseline’ capacity expectations) and Comprehensive (all 20 Capacity Domains with ‘comprehensive’ capacity expectations)
- Expectations of CSOs for each Capacity Domain expressed as indicators of capacity
- Possible means of verification - the ‘Possible Means of Verification’ column is provided as guidance only for CSOs and Assessors – it does not represent an exhaustive or absolute list and CSOs would not be required to provide all of this evidence.

The level of due diligence assessment required – either Baseline or Comprehensive will be determined by the AusAID delegate, based on a risk assessment. There are many different types, sizes and capacities of CSOs and many variables influencing risk, including nature and context of funding, past performance and the quantum of proposed funding. This complexity presents an obvious challenge determining the level of risk and appropriate level of assessment and will require further consideration and clarification to ensure transparency and feasibility. An alternative approach that was considered was to inform the ‘level of assessment’ decision by the level of funding being sought, as a simple but less nuanced indicator of risk. While ensuring simplicity and objectivity, the limitations of this approach are also acknowledged. Regardless of the approach, assessments will take into consideration the full range of variables and provide feedback to inform AusAID management decisions such as capacity building plans and/or risk mitigation strategies. Feedback on appropriate factors or thresholds to determine when a comprehensive level assessment is appropriate is sought through this consultation process

At a minimum, a Baseline level of assessment will be undertaken for all CSOs receiving or seeking funding from AusAID. This level of assessment comprises 15 of the 20 Capacity Domains. Expectations for each of these capacity domains are commensurate with risk and diversity of CSO capacity.

The Comprehensive level of assessment will be undertaken for CSOs receiving or seeking funding that has been assessed by AusAID as medium to high risk. These CSOs will be assessed against all 20 Capacity Domains. Expectations for each of these capacity domains are significantly higher than for the Baseline assessment and will demand a higher degree of evidence and scrutiny, commensurate with risk and CSO capacity.

If a small, local CSO is receiving or seeking funding that is assessed as high risk and/or high value, it is reasonable to expect that it should have a greater degree of capacity than a CSO seeking funding that is assessed to be low risk and/or low value.

### **The Assessment Approach**

CSOs will be assessed against each Capacity Domain and the Reviewer will determine the CSO's level of capacity to comply with the Due Diligence Assessment Standards. The due diligence assessment is not a pass/fail process and as such CSOs will be assessed and accorded an accompanying capacity building plan and risk mitigation strategy as follows:

- Minimum level of capacity in place - requires capacity strengthening support and risk mitigation strategy
- Moderate level of capacity in place - requires minor capacity strengthening support
- High level of capacity in place - no action required
- This approach will also serve to further facilitate the inclusion of a diverse range of CSOs, capacities and risk profiles.

### **The Methods of Inquiry**

Baseline level assessment will involve the CSO providing limited documentation against a prescribed list ensuring this does not become overly onerous on the CSO. Where possible, information and evidence shall be sought from the public domain. The assessment will be undertaken as a desk-based activity with some follow up by Post if required.

Comprehensive level assessment will involve the CSO providing more substantial information and evidence against a prescribed list. Where possible information and evidence shall be sought from the public domain. The assessment will be undertaken as a desk-based activity with some follow-up by AusAID staff if required. Where warranted, this may be followed by a field visit to the office or workplace of the CSO.

This paper was drafted with the assistance of independent consultants, Belinda Lucas and Jo Thomson.

## DRAFT Due Diligence Assessment Standards for Civil Society Organisations

Due Diligence Pillar	Capacity Domain	Minimum Standard	BASELINE level of Assessment: Minimum level of assessment for all CSOs	COMPREHENSIVE level of Assessment: Expectations for CSOs where risk and value is assessed as medium or high	Possible Means of Verification i.e. CSO may not have and does not require all this evidence
<b>ORGANISATIONAL CAPACITY</b>	1. Entity Details	<p><b>This standard seeks to verify that the CSO is an established civil society organisation that is independent of government.</b></p> <p><b>Minimum Standard</b> CSO is an established entity that is voluntary, not-for-profit and independent of government</p>	<ul style="list-style-type: none"> <li>CSO is an accepted and known identity in the culture and tradition of its country</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>CSO is registered with an approving body in its country</li> <li>CSO has a stated purpose of existence or set of objectives</li> <li>CSO has a physical address</li> <li>CSO is supported by members of its community/constituency</li> <li>CSO is voluntary and not-for-profit</li> <li>CSO is independent of government and is not affiliated to any political party</li> </ul>	<ul style="list-style-type: none"> <li>CSO is a registered legal entity</li> <li>CSO is voluntary and not-for-profit</li> <li>CSO is independent of government and is not affiliated to any political party</li> <li>CSO has a governance instrument that outlines its purpose and statutes for operating</li> <li>CSO has a functioning governing body that meets regularly</li> </ul>	<ul style="list-style-type: none"> <li>Written or spoken references or testimonials</li> <li>Letterhead, website, Annual Reports</li> <li>List of Objectives or stated Purpose</li> <li>Registration document provided by an approving body</li> <li>Certificate of incorporation or other legal entity document</li> <li>Constitution, memorandum, articles of association, statutes, trust deed, or other governing instrument</li> <li>List of Governing body members</li> <li>ASIC, ABN, Australian Charities and Not-for-profits Commission and other equivalent bodies in other countries where the organisation is established</li> </ul>
	2. Past Performance	<p><b>This standard seeks to verify that the CSO has implemented projects or programs that have achieved demonstrable development and/or relief outcomes.</b></p>	<ul style="list-style-type: none"> <li>CSO has a history of implementing and completing projects or programs with development and/or relief related focus</li> <li>CSO is known and respected within the community or constituency it has been undertaking development and/or relief activities</li> </ul>	<ul style="list-style-type: none"> <li>CSO has a history of implementing and completing projects or programs with development and/or relief related objectives</li> <li>CSO can measure and articulate outcomes which have been achieved through its activities</li> <li>CSO is known and respected within</li> </ul>	<ul style="list-style-type: none"> <li>Written or spoken references or testimonials from project participants</li> <li>Progress reports, field trip reports, monitoring reports and other data generated from organisation's own monitoring processes</li> <li>Evaluation or review reports</li> <li>CSO's website</li> </ul>

Due Diligence Pillar	Capacity Domain	Minimum Standard	BASELINE level of Assessment: Minimum level of assessment for all CSOs	COMPREHENSIVE level of Assessment: Expectations for CSOs where risk and value is assessed as medium or high	Possible Means of Verification i.e. CSO may not have and does not require all this evidence
		<b>Minimum Standard</b> CSO can demonstrate a track record of undertaking effective development and/or relief activities for at least one year		the community or constituency it has been undertaking development and/or relief activities and is perceived as actively engaged with and responsive to that community	<ul style="list-style-type: none"> <li>Annual Reports and other communication publications</li> <li>Recent (past 2 years) referee reports from other donors</li> </ul>
	3. Technical / Operational capacity	<b>This standard seeks to verify that the CSO has the technical and organisational capacity to deliver effective aid outcomes.</b>  <b>Minimum Standard</b> CSO has assessed its own technical and operational capacity and the capacity of its partner organisations and takes responsive action to ensure its capacity requirements to deliver projects	<ul style="list-style-type: none"> <li>CSO technical capacity is commensurate with the scope of its projects/programs</li> <li>CSO invests in or seeks necessary training/capacity building for staff or volunteers if required</li> </ul>	<ul style="list-style-type: none"> <li>CSO technical capacity is commensurate with the scope of its projects/programs</li> <li>CSO has a documented operations plan and budget for its intended operations for the previous and current financial year</li> <li>CSO has a system in place to assess its own technical and operational capacity</li> <li>CSO has a system in place to assess the technical and operational capacity of its implementing partners (if using implementing partners)</li> <li>CSO invests in or seeks support for capacity building initiatives if required</li> <li>CSO has a system in place to assess and respond to staff performance</li> </ul>	<ul style="list-style-type: none"> <li>Project descriptions</li> <li>Strategic Plan</li> <li>Operations Plan</li> <li>Organogram of staff or volunteer positions</li> <li>CVs of key senior management and technical staff</li> <li>Staff performance assessment policy</li> <li>Documented capacity building plan</li> <li>Partner capacity assessment template</li> <li>Recent referee reports from other donors (past 2 years)</li> </ul>
	4. Financial Viability	<b>This standard seeks to verify that the CSO has</b>	Not required for Baseline assessments	<ul style="list-style-type: none"> <li>CSO has financial systems in place capable of capturing completely and</li> </ul>	<ul style="list-style-type: none"> <li>Annual reports, financial statements and regulatory reports (audited, if</li> </ul>



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		<p><b>the financial capacity to undertake its operations and deliver against its contractual obligations.</b></p> <p><b>Minimum Standard</b> CSO has financial health and resources to manage the delivery its aid program commitments, without sole reliance on any one funding source</p>		<p>accurately all financial transactions</p> <ul style="list-style-type: none"> <li>• CSO has documented policies and systems in place for budgeting, cash management and transaction recording</li> <li>• CSO is not dependant on one funding source alone</li> <li>• CSO has adequate financial reserves to allow for 3-6 months operations</li> </ul>	<p>available);</p> <ul style="list-style-type: none"> <li>• Budgets for current financial year</li> <li>• Any Board/ management minutes of meetings</li> <li>• List of Bank Accounts and balances</li> <li>• Bank Statements from last month and bank reconciliations for the same month</li> <li>• Organisation chart</li> <li>• List of all operating and finance contracts material to the organisation</li> <li>• Financial Management Policies and Procedures including reserves policy</li> <li>• Review of Key Financial Ratios e.g. liquidity, outstanding liabilities, debt</li> </ul>
	5. Results and Performance Management	<p><b>This standard seeks to verify that the CSO has the capacity to monitor, evaluate and report on results to enhance organisational performance.</b></p> <p><b>Minimum Standard:</b> CSO has practices in place to monitor initiative</p>	<ul style="list-style-type: none"> <li>• CSO can describe its plans for monitoring of projects</li> <li>• CSO undertakes regular project monitoring</li> <li>• CSO collects outputs data on a regular basis</li> <li>• CSO provides regular and timely written reports to stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>• CSO can distinguish between monitoring and evaluation</li> <li>• CSO has documented initiative-level monitoring and evaluation frameworks/plans</li> <li>• CSO has documented organisation-level performance effectiveness framework</li> <li>• CSO undertakes regular, scheduled project monitoring</li> </ul>	<ul style="list-style-type: none"> <li>• Written or spoken descriptions of monitoring plans or testimonials</li> <li>• Documented monitoring, reporting and evaluation guidelines in operations manual – could include definitions, templates for M&amp;E plans and all associated reports, example TOR, example methodologies</li> <li>• Initiative-level monitoring and evaluation frameworks/plans</li> <li>• Organisation-level performance</li> </ul>

Due Diligence Pillar	Capacity Domain	Minimum Standard	BASELINE level of Assessment: Minimum level of assessment for all CSOs	COMPREHENSIVE level of Assessment: Expectations for CSOs where risk and value is assessed as medium or high	Possible Means of Verification i.e. CSO may not have and does not require all this evidence
		implementation, incorporate learnings and provide timely reports		<ul style="list-style-type: none"> <li>CSO collects outputs and outcomes data on a regular basis</li> <li>CSO utilises both qualitative and quantitative data collection and rigorous analysis methods</li> <li>CSO undertakes evaluations</li> <li>CSO provides regular and timely written reports to stakeholders</li> </ul>	<p>effectiveness framework</p> <ul style="list-style-type: none"> <li>Progress reports, field trip reports, monitoring reports and other data generated from monitoring processes</li> <li>Evaluation or review reports</li> <li>Reports or documentation demonstrating action taken in response to findings and learning from evaluations and reviews</li> <li>Recent referee reports from other donors (past 2 years)</li> </ul>
	6. Cost and Value Consciousness	<p><b>This standard seeks to verify that the CSO operates in a manner which closely considers both cost and development effectiveness in designing and implementing projects</b></p> <p><b>Minimum Standard:</b> CSO makes well informed and intentional project design and cost management decisions</p>	<ul style="list-style-type: none"> <li>CSO plans its projects with consideration of both cost and development effectiveness</li> <li>CSO has a process in place to monitor expenditure against a plan or budget</li> <li>CSO seeks multiple quotes where possible and considers value for money in any procurement process</li> </ul>	<ul style="list-style-type: none"> <li>CSO has defined its project logic or theory of change, developed a project design document and the associated costs to ensure that costs, development outcomes and development effectiveness are carefully considered</li> <li>CSO has a system in place to monitor, manage and contain costs against a documented project budget</li> <li>CSO undertakes its procurement processes in accordance with Australian Commonwealth Procurement Guidelines</li> <li>CSO undertakes its operational processes relating to use of contractors, partnering or sub-granting</li> </ul>	<ul style="list-style-type: none"> <li>Written or spoken description of project design process and associated cost considerations</li> <li>Project budget</li> <li>Travel and expenses policy</li> <li>Procurement policy and practices</li> <li>Sub-granting, contracting or other tendering policies, including evaluation methodology</li> </ul>

Due Diligence Pillar	Capacity Domain	Minimum Standard	BASELINE level of Assessment: Minimum level of assessment for all CSOs	COMPREHENSIVE level of Assessment: Expectations for CSOs where risk and value is assessed as medium or high	Possible Means of Verification i.e. CSO may not have and does not require all this evidence
				arrangements, indirect costs, staffing arrangements and travel and admin costs in a cost effective manner	
RISK MANAGEMENT	7. Fraud Control	<p><b>This standard seeks to verify that the CSO has fraud control prevention, management and reporting capacity.</b></p> <p><b>Minimum Standard</b> CSO has practices in place to mitigate fraud risk</p>	<ul style="list-style-type: none"> <li>• CSO has a bank account</li> <li>• CSO has some practices in place that mitigate fraud risk such as banking of gifts and grants, multiple signatories on bank account, supporting documentation collected and retained</li> </ul>	<ul style="list-style-type: none"> <li>• CSO has robust financial controls in place that mitigate fraud</li> <li>• CSO has internal and external processes in place for safe reporting of wrongdoing i.e. 'whistle blowing' policy</li> <li>• CSO has processes in place for investigation of any suspected fraud or wrongdoing and recovery of any losses</li> <li>• CSO is audited annually</li> </ul>	<ul style="list-style-type: none"> <li>• Documented fraud control policy that sets out ways of working actively to minimise/ prevent the risk of operational fraud and monitor for evidence of wrongdoing.</li> <li>• Controls in place to mitigate fraud</li> <li>• Fraud is considered as part of risk assessments</li> <li>• HR policy/ code of conduct and reporting processes</li> <li>• Staff and volunteers are made aware of fraud control policies and sign code of conduct or employment contract</li> <li>• Standard fraud clauses in partner agreements/ contracts template</li> <li>• Governance policies, including Risk Management Policy, Code of Conduct, Whistle Blowing policy, conflict of interest, and anti-bribery etc</li> <li>• Investigation reports into suspected frauds</li> </ul>
	8.	<b>This standard seeks to</b>	<ul style="list-style-type: none"> <li>• CSO seeks multiple quotes for</li> </ul>	<ul style="list-style-type: none"> <li>• CSO has transparent and accountable</li> </ul>	<ul style="list-style-type: none"> <li>• Written or spoken description of</li> </ul>

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	Anti-Corruption	<p><b>verify that the CSO has anti-corruption prevention, management and reporting capacity.</b></p> <p><b>Minimum Standard</b> CSO has practices in place to prevent corruption</p>	<p>procurement where possible and documentation is collected and retained</p> <ul style="list-style-type: none"> <li>CSO involves multiple staff members/volunteers in procurement processes</li> <li>CSO commits to reporting any incidents of corruption to AusAID</li> </ul>	<p>procurement processes in accordance with Australian Commonwealth Procurement Guidelines</p> <ul style="list-style-type: none"> <li>CSO has internal processes for safe reporting of wrongdoing i.e. a 'whistle blowing' policy</li> <li>CSO has documented contractual arrangements in place to manage the use of contractors, partners or sub-grantees</li> </ul>	<p>practices</p> <ul style="list-style-type: none"> <li>Written references or testimonials</li> <li>Procurement policy</li> <li>Documented anti-corruption policy that sets out its ways of working actively to minimise the risk of operational wrongdoing and monitor for evidence of wrongdoing</li> <li>HR policy that refers to anti-corruption reporting processes</li> <li>Staff and volunteers are made aware of fraud control policies and sign code of conduct or employment contract</li> <li>Standard anti-corruption clauses in partner agreement template</li> <li>Governance policies, including code of conduct/ethics, conflict of interest, and anti-bribery</li> <li>Nominated officers for safe reporting</li> </ul>
	9. Sanctions Lists	<p><b>This standard seeks to verify that the CSO is not included on the World Bank listing of ineligible firms and individuals or the Asian Development Bank sanctions list.</b></p>	<ul style="list-style-type: none"> <li>CSO is not included on the World Bank listing of ineligible firms and individuals or the Asian Development Bank sanctions list</li> </ul>	<ul style="list-style-type: none"> <li>CSO is not included on the World Bank listing of ineligible firms and individuals or the Asian Development Bank sanctions list</li> <li>CSO has processes in place to screen staff and implementing partner organisations and key individuals (on a</li> </ul>	<ul style="list-style-type: none"> <li>World Bank Listing of Ineligible Firms &amp; Individuals and the ADB Sanctions Lists</li> <li>HR and Recruitment Policies</li> <li>Procurement policy</li> <li>Partner guidelines</li> </ul>

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		<b>Minimum Standard</b> CSO is not included on the World Bank listing of ineligible firms and individuals or the Asian Development Bank sanctions list and agrees that it will not provide direct or indirect support to ineligible firms and individuals		risk assessed basis) against the ADB and WB lists on a regular basis	<ul style="list-style-type: none"> <li>Contract in partnership agreements requiring screening against the lists</li> </ul>
	10. Counter Terrorism	<b>This standard seeks to verify that the CSO is not proscribed as a terrorist organisation and that it does not provide direct or indirect support or resources to organisations and individuals associated with terrorism.</b>  <b>Minimum Standard</b> CSO is not included on the Attorney General's Department (AGD) or Department of Foreign	<ul style="list-style-type: none"> <li>CSO and key individuals are not included on the Attorney General's Department (AGD) or Department of Foreign Affairs and Trade (DFAT) terrorism lists</li> </ul>	<ul style="list-style-type: none"> <li>CSO and key individuals are not included on the Attorney General's Department (AGD) or Department of Foreign Affairs and Trade (DFAT) terrorism lists</li> <li>CSO actively screens its employees and implementing partners (including key individuals on a risk assessed basis) against these lists</li> <li>CSO is not subject to United Nations Security Council Resolutions 1267 (and successor resolutions) and 1373 relating to terrorism</li> <li>CSO staff are aware of terrorism related issues</li> <li>CSO uses its best endeavours to</li> </ul>	<ul style="list-style-type: none"> <li>Listing of Terrorist Organisations maintained by the Australian Attorney Generals Department (AGD)</li> <li>Consolidated List of designated terrorist individual or entities maintained by the Department of Foreign Affairs and Trade (DFAT)</li> <li>Documented policy and procedures relating to counter-terrorism</li> <li>Documented recruitment processes addressing the issue of counter-terrorism</li> <li>Staff employment contract template and partner agreements including clauses relating to counter-terrorism including sub-contract cascade clause</li> </ul>

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		Affairs and Trade (DFAT) terrorism lists and agrees to use its best endeavours to ensure that its funds do not provide direct or indirect support or resources to organisations and individuals associated with terrorism		ensure that its funds do not provide direct or indirect support or resources to organisations and individuals associated with terrorism	<ul style="list-style-type: none"> <li>• Evidence that the CSO has checked employees and implementing partners ( as well as key individuals on a risk assessed basis) against relevant terrorism listings</li> <li>• Partner and/or funding agreement template</li> </ul>
	11. Criminal Records Check	<p><b>This standard seeks to verify that the CSO undertakes criminal records checks.</b></p> <p><b>Minimum Standard</b> CSO undertakes best endeavours to inform itself of criminal history of current and potential employees</p>	<ul style="list-style-type: none"> <li>• CSO informs itself of the criminal history of current and potential employees and volunteers through referee checks or disclosure testimonials or formal checks through official channels if appropriate</li> </ul>	<ul style="list-style-type: none"> <li>• CSO has identified appropriate local mechanisms to undertake criminal history checks on current and potential employees in countries of operation where appropriate</li> <li>• CSO has a HR policy that requires all employees to disclose all child protection related charges, conviction and outcomes of offences that occurred before or during employment with the CSO</li> </ul>	<ul style="list-style-type: none"> <li>• Written or spoken description of practices</li> <li>• HR Policy that relates to criminal record checks</li> <li>• Partner and/or funding agreement template</li> <li>• Evidence that the CSO has undertaken criminal record checks on current and potential employees in countries of operation</li> </ul>
	12. Risk Management	<p><b>This standard seeks to verify that the CSO is able to identify and manage risk commensurate with its operating context.</b></p>	<ul style="list-style-type: none"> <li>• CSO can describe organisational risks and how these are managed</li> <li>• CSO can describe project risks and how these are managed</li> </ul>	<ul style="list-style-type: none"> <li>• CSO integrates risk analysis in program design</li> <li>• CSO integrates risk management in program design</li> <li>• CSO has project level risk management frameworks/plans in place</li> </ul>	<ul style="list-style-type: none"> <li>• Written or spoken description of organisational and project risks</li> <li>• Risk Management Policy</li> <li>• Risk register</li> <li>• Risk Management Plans and reports</li> <li>• Insurance policies, e.g. Public liability,</li> </ul>

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		<b>Minimum Standard</b> CSO can demonstrate capacity to identify risk, and to manage and mitigate risks in practice.		<ul style="list-style-type: none"> <li>• CSO has an organisational level risk management framework/plan in place</li> <li>• CSO has appropriate financial, procurement and HR policies in place commensurate with its size and complexity</li> <li>• CSO has undertaken periodic risk assessments.</li> </ul>	travel <ul style="list-style-type: none"> <li>• Travel policy</li> <li>• Risk management strategy</li> <li>• Program design documents</li> <li>• Program reports</li> </ul>
	13. Fiduciary Risk	<b>This standard seeks to verify the CSO has the capacity to undertake financial management.</b>  <b>Minimum Standard</b> CSO can demonstrate a track record of sound financial management through the application of established policies and/or practices	<ul style="list-style-type: none"> <li>• CSO has some practices in place relevant to its size and transaction complexity, such as the banking of funds, authorisations, documentation to track financial transactions and supporting documentation collected and retained</li> </ul>	<ul style="list-style-type: none"> <li>• CSO has financial management, audit, accounting and reporting systems</li> <li>• CSO has established purchasing/procurement policies and practices</li> <li>• CSO has appropriate accounting systems relevant to the size and transaction complexity</li> <li>• CSO has appropriate authorisation policies and practices</li> </ul>	<ul style="list-style-type: none"> <li>• Organisational cash flow budgets and reports</li> <li>• Expenditure policies and procedures, including access to expenditure records</li> <li>• Delegation authorities schedule</li> <li>• Monthly reconciliation processes</li> <li>• Independent audits/ reviews of organisational systems and processes</li> <li>• Financial Management policies</li> <li>• Budget management policies and procedures</li> <li>• Documented Finance and accounting manuals</li> </ul>
SAFEGUARDS	14. Child Protection	<b>This standard seeks to verify that the CSO operates in a manner which ensures child</b>	<ul style="list-style-type: none"> <li>• CSO has some practices in place consistent with AusAID's child protection policy including awareness of staff and volunteers of potential</li> </ul>	<ul style="list-style-type: none"> <li>• CSO has a documented AusAID compliant child protection policy</li> <li>• CSO has an AusAID compliant child protection code of conduct and</li> </ul>	<ul style="list-style-type: none"> <li>• Written or spoken description of mitigation practises in place</li> <li>• Documented child protection policy of CSO</li> </ul>

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		<p><b>protection safeguards.</b></p> <p><b>Minimum Standard</b> CSO is aware of child protection risks and has mitigation practises in place.</p>	<p>risks and mitigation strategies and being informed of staff/volunteers criminal history</p> <ul style="list-style-type: none"> <li>CSOs working directly with children must also have some form of documented code of conduct (or equivalent) signed by staff or volunteers</li> </ul>	<p>ensures that all personnel that have contact with children agree to and abide by it</p> <ul style="list-style-type: none"> <li>CSO refers to its child protection policy in partner and/or funding agreements</li> <li>CSO undertakes training with staff to ensure understanding of child protection issues, their policy and compliance requirements</li> <li>CSO has child-safe recruitment and screening processes for positions that have regular contact with children</li> <li>CSO has a documented child protection complaints management procedure</li> </ul>	<ul style="list-style-type: none"> <li>Documented child protection Code of Conduct of CSO</li> <li>HR policy that relates to child protection employment issues</li> <li>Staff employment contract template</li> <li>Partner and/or funding agreement template requiring partners to abide by child protection policy</li> <li>Inclusion of child protection in risk assessments/risk templates and risk matrices</li> <li>Whistle-blower policy</li> <li>Evidence of child protection training fro staff</li> <li>Initiative progress report</li> </ul>
	15. Displacement and Resettlement	<p><b>This standard seeks to verify that the CSO operates in a manner that ensures displacement and resettlement safeguards (where this is relevant to the scope of the CSOs work).</b></p> <p><b>Minimum Standard</b> CSO can demonstrate a</p>	Not required for Baseline assessments	<ul style="list-style-type: none"> <li>Where it is relevant to the scope of the CSOs work, the CSO has a documented displacement and resettlement policy</li> <li>CSO refers to its displacement and resettlement policy in partner and/or funding agreements</li> <li>CSO undertakes training with staff to ensure understanding of displacement and resettlement issues, their policy and compliance requirements</li> <li>CSO has a resettlement strategy and</li> </ul>	<ul style="list-style-type: none"> <li>Documented displacement and resettlement policy of CSO</li> <li>Partner and/or funding agreement template</li> <li>Documented displacement and resettlement strategy and plan</li> <li>Project designs</li> <li>Initiative progress report</li> </ul>



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		track record of sound displacement and resettlement management through the application of established policies and/or practices ( <u>where this is relevant to the scope of the CSOs work</u> )		<ul style="list-style-type: none"> <li>plan that is consistent with local laws and regulations</li> <li>CSO adheres to the Sphere Humanitarian Charter and Minimum Standards in Disaster Response if engaged in a humanitarian response or working with IDPs or refugees</li> </ul>	
	16. Disability	<p><b>This standard seeks to verify that the CSO operates in a manner that ensures disability safeguards.</b></p> <p><b>Minimum Standard</b> CSO can demonstrate a track record of sound disability inclusive approaches through the application of established policies and/or practices</p>	Not required for Baseline assessments	<ul style="list-style-type: none"> <li>CSO has a disability inclusion policy.</li> <li>CSO refers to its disability inclusion policy in partner and/or funding agreements</li> <li>CSO undertakes training with staff to ensure understanding of disability and disability inclusion issues, their policy and compliance requirements</li> </ul>	<ul style="list-style-type: none"> <li>Documented disability inclusion policy of CSO</li> <li>Partner and/or funding agreement template</li> <li>Project designs</li> <li>Initiative progress reports</li> </ul>
	17. Environmental Safeguards	<p><b>This standard seeks to verify that the CSO operates in a manner which ensures environmental safeguards</b></p>	Not required for Baseline assessments	<ul style="list-style-type: none"> <li>Where it is relevant to the scope of the CSOs work, CSO has an environmental management policy.</li> <li>CSO refers to its environmental management policy in partner and/or funding agreements</li> </ul>	<ul style="list-style-type: none"> <li>Documented environmental management policy of CSO</li> <li>Partner and/or funding agreement template</li> <li>Environmental Risk Management Plan</li> </ul>

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		<b>Minimum Standard</b> CSO can demonstrate a track record of sound environmental impact and sustainability management through the application of established policies and/or practices <u>(where this is relevant to the scope of the CSOs work)</u>		<ul style="list-style-type: none"> <li>CSO undertakes training with staff to ensure understanding of environmental impact, management and sustainability issues, their policy and compliance requirements</li> <li>CSO conducts environmental impact assessments and risk management planning where appropriate</li> </ul>	<ul style="list-style-type: none"> <li>Project Designs</li> <li>Initiative progress report</li> </ul>
<b>POLICY REQUIREMENTS</b>	18. Transparency	<b>This standard seeks to ensure that the CSO provides accurate and transparent communication with its stakeholders.</b>  <b>Minimum Standard:</b> CSO communicates openly and accurately with stakeholders about itself and its work	<ul style="list-style-type: none"> <li>CSO makes information about the organisation, its objectives, its funding sources and its activities available to its members, its community or its constituency</li> </ul>	<ul style="list-style-type: none"> <li>CSO makes information about the organisation, its objectives, its funding sources and its activities publicly available</li> <li>CSO makes any selection criteria for participation in a project or program publicly available to local communities</li> <li>CSO provides opportunities for stakeholders to request information, provide feedback or make a complaint</li> <li>CSO accurately portrays recipients and their situations in any reporting and communication materials</li> <li>CSO has a mechanism in place to facilitate stakeholder feedback and information sharing with donor</li> </ul>	<ul style="list-style-type: none"> <li>Written or spoken description of practices</li> <li>Brochures or pamphlets</li> <li>Annual Reports</li> <li>Website(s) for publicly released information of the organisation</li> <li>Social media such as Facebook, Twitter, blogs and YouTube</li> <li>Review other forms of evidence of public information at the community level – e.g. newsletters, pamphlets, records of public meetings, notice boards, etc</li> <li>Check websites and other communication tools for publicly</li> </ul>

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				partners	known feedback mechanisms <ul style="list-style-type: none"> <li>• Conflict of interest policy</li> <li>• Transparency Charter</li> <li>• Publishing Policy</li> </ul>
	19. Branding	<b>This standard seeks to verify that the CSO has mechanisms in place to acknowledge and attribute AusAID contributions.</b>  <b>Minimum Standard:</b> CSO ensures that the source of AusAID contributions is publicly acknowledged	<ul style="list-style-type: none"> <li>• CSO acknowledges AusAID to its members, its community or its constituency</li> </ul>	<ul style="list-style-type: none"> <li>• CSO acknowledges AusAID support in its public statements and documents</li> <li>• CSO has internal processes for reviewing communications materials prior to publication</li> <li>• CSO has partnership agreements in place with clauses on branding</li> <li>• CSO adheres to all AusAID branding policies and standards for AusAID funded activities</li> </ul>	<ul style="list-style-type: none"> <li>• Photographs</li> <li>• Written or spoken descriptions of practices</li> <li>• Public statements made by CSO to the media or otherwise</li> <li>• Documents published by the CSO</li> <li>• Branding guidelines</li> <li>• Communication guidelines</li> <li>• Partner agreement templates</li> </ul>
	20. Policy Compatibility	<b>This standard seeks to verify that the CSO operates in a manner that aligns with AusAID policy requirements.</b>  <b>Minimum Standard:</b> CSO has documented policy positions which are not inconsistent with key	Not required for Baseline assessments	<i>NB: AusAID does expect CSOs to align with <u>every</u> policy it releases – there will be instances where this compromises CSO independence and their unique role representing civil society and also instances where it diminishes the value of the CSOs' role to AusAID.</i> <ul style="list-style-type: none"> <li>• CSO has development and humanitarian objectives which are consistent with Objectives of the</li> </ul>	<ul style="list-style-type: none"> <li>• Documented Mission, Vision and development and humanitarian Objectives of CSO – available in Annual Report or organisation's website</li> <li>• Documented policies for key safeguard and cross cutting themes</li> <li>• Reference on website or documented evidence of compliance with ACFID Code of Conduct (if Australian) or</li> </ul>

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		<p>AusAID safeguard and cross cutting policies as referenced in funding agreements between the CSO and AusAID</p> <p><b><i>NB: Compliance with this aspect of capacity must not limit a CSO's ability to engage in independent advocacy initiatives</i></b></p>		<p>Australian Aid Program</p> <ul style="list-style-type: none"> <li>CSO has policies on key safeguard and cross cutting themes which must include as a minimum: child protection, disability inclusion, displacement and resettlement (if applicable to organisation's work), environmental impact and gender inclusion</li> <li>CSO monitors its own initiatives and those of its partners to ensure compliance with its policies</li> <li>CSO is compliant with CSO sector code of good practice (where these exist) in home country</li> <li>CSO adheres to the Sphere Humanitarian Charter and Minimum Standards in Disaster Response if engaged in a humanitarian response or working with internally displaced persons (IDPs) or refugees</li> </ul>	<p>equivalent CSO sector code of good practice (where these exist) in home country</p>