



How the ACNC's External Conduct Standards compare with the ACFID Code of Conduct

As full members of ACFID who are required to meet the standards set by the ACFID Code of Conduct, it is likely your organisation will also meet the ACNC's External Conduct Standards. These External Conduct Standards came into effect in July 2019.

ACFID and the ACNC undertook a mapping exercise that compared the requirements in each, and the result is published on the ACNC's website [here](#). This high-level comparison maps the External Conduct Standards to the ACFID Code at a commitment level. Taking this one step further, the below mapping plots the comparison at a compliance indicator level. It is designed to help ACFID members understand how they are likely to meet the External Conduct Standards and provide a sense of assurance.

It should be noted that the two sets of standards do not map across to each other in an exact way, and the resulting comparison is not an exact science. Further, the ACNC may require your organisation to demonstrate how it meets the External Conduct Standards at any time.

EXTERNAL CONDUCT STANDARDS	CODE OF CONDUCT'S COMPLIANCE INDICATOR (CLICK ON THE LINKS TO SEE THE VERIFIERS)	
External Conduct Standard 1 – ACTIVITIES AND CONTROL OF RESOURCES Standard 1 requires a charity to: <ul style="list-style-type: none">take reasonable steps to ensure its activities outside Australia are consistent with its not-for-profit purpose and charactermaintain reasonable internal control procedures to ensure that funds, equipment, supplies and	1.4.3	Members have a documented child safeguarding incident reporting procedure and complaints handling procedure that aligns with principles of privacy and promotes safety and dignity.
	4.1.2	Members' initiatives are clearly linked to their organisational vision, mission and values
	4.2.2	Members assess and manage risk in their development and humanitarian initiatives.



<p>other resources are used outside Australia in a way that is consistent with the charity's not-for-profit purpose and character, and</p> <ul style="list-style-type: none"> • take reasonable steps to ensure that funds, equipment, supplies and other resources provided to third parties outside Australia (or within Australia for use outside Australia) are applied <ul style="list-style-type: none"> ○ in accordance with the charity's not-for-profit purpose and character, and ○ with reasonable controls and risk management processes in place. <p>It also requires charities comply with Australian laws as specified in the Regulation. A charity is required to maintain reasonable internal control procedures to ensure compliance with these laws.</p>	<p><u>4.3.2</u> Members monitor, evaluate and learn from their work.</p> <p><u>5.1.2</u> Members undertake due diligence and capacity assessments of organisations with whom they work in formal partnerships.</p> <p><u>5.2.1</u> Members negotiate shared goals and respective contributions with partners and those they collaborate with</p> <p><u>7.1.1</u> Members define their public benefit and specify the rules to ensure that they operate as a not-for-profit entity.</p> <p><u>7.2.1</u> Members are registered and meet their reporting and legal obligations to the relevant authorities.</p> <p><u>7.4.2</u> Members establish their membership and define how the organisation is governed and operates</p> <p><u>8.2.1</u> Members can control and manage their financial resources and risks.</p> <p><u>8.2.3</u> Members undertake measurement, analysis and review of financial performance and financial position</p> <p><u>8.2.5</u> Members undertake due diligence assessments of partners who manage funds on behalf of the Member</p>
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<p>External Conduct Standard 2 – ANNUAL REVIEW OF OVERSEAS ACTIVITIES AND RECORD KEEPING</p> <p>Standard 2 requires a charity to obtain and keep records for its operations outside Australia. The records must include information necessary for a charity to be able to prepare a summary of its activities and related expenditure outside Australia on a country-by-country basis. The records must be kept for each financial year in which a charity:</p> <ul style="list-style-type: none"> operates outside of Australia, or gives funds or other resources to third parties for use outside Australia. 	<p><u>4.1.2</u> Members’ initiatives are clearly linked to their organisational vision, mission and values</p> <p><u>4.3.1</u> Members assess the quality of their strategies, designs and plans.</p> <p><u>4.3.2</u> Members monitor, evaluate and learn from their work</p> <p><u>8.3.1</u> Members publish an annual report.</p>
<p>External Conduct Standard 3: ANTI-FRAUD AND ANTI-CORRUPTION</p> <p>Standard 3 requires a charity to take reasonable steps to:</p> <ul style="list-style-type: none"> minimise any risk of corruption, fraud, bribery or other financial impropriety by its Responsible Persons, employees, volunteers and third parties outside Australia, and identify and document any perceived or actual material conflicts of interest for its employees, 	<p><u>4.3.1</u> Members assess the quality of their strategies, designs and plans.</p> <p><u>5.1.2</u> Members undertake due diligence and capacity assessments of organisations with whom they work in formal partnerships.</p> <p><u>5.2.1</u> Members negotiate shared goals and respective contributions with partners and those they collaborate with</p> <p><u>7.2.1</u> Members are registered and meet their reporting and legal obligations to the relevant authorities.</p>



<p>volunteers, third parties and Responsible Persons outside Australia.</p>	<p>7.4.1 Members have a governing body</p> <p>7.4.3 Members manage conflicts of interest with responsible persons, staff and volunteers relating to all activities undertaken by the organisation</p> <p>8.1.3 Members have organisational standards for the procurement of goods and services.</p> <p>8.2.1 Members can control and manage their financial resources and risks.</p> <p>8.2.5 Members undertake due diligence assessments of partners who manage funds on behalf of the Member</p> <p>9.4.1 Members specify the expectation of professional conduct of all staff and volunteers.</p> <p>9.4.2 Members' staff and volunteers work in accordance with agreed standards of practice</p>
<p>External Conduct Standard 4: PROTECTION OF VULNERABLE INDIVIDUALS</p> <p>Standard 4 requires a charity to take reasonable steps to ensure the safety of vulnerable individuals overseas. It applies where individuals are:</p> <ul style="list-style-type: none"> • being provided with services or accessing benefits under programs provided by the charity (whether directly or through collaboration with a third party) • engaged by the charity, or a third party in collaboration with the charity, to provide services or benefits on behalf of the charity or third party. 	<p>1.1.3 Members protect primary stakeholders from discrimination, violence, abuse, exploitation or neglect based on an analysis of the context in which they are working</p> <p>1.2.1 Members demonstrate an organisational commitment to the inclusion and representation of those who are vulnerable and those who are affected by the intersecting drivers of marginalisation and exclusion.</p> <p>1.2.4 Members consider the potential impact of their development and humanitarian initiatives on those who are vulnerable and those who are affected by marginalisation and exclusion with a view to preventing unintended harm</p> <p>1.4.1 Members demonstrate their organisational commitment to the safeguarding of</p>



	children.
	<u>1.4.2</u> Members have a code of conduct that advances child safeguarding behaviours and applies to all personnel, partners and project visitors.
	<u>1.4.3</u> Members have a documented child safeguarding incident reporting procedure and complaints handling procedure that aligns with principles of privacy and promotes safety and dignity.
	<u>1.5.1</u> Members demonstrate their organisational commitment to the prevention of sexual exploitation and abuse.
	<u>2.3.2</u> Members' planning process includes consultation with those marginalised due to their gender, in particular women and girls, contextual analysis of barriers to their inclusion and identification of opportunities for their participation
	<u>2.4.2</u> Members' planning process includes consultation with people with disabilities and contextual analysis of the barriers to social inclusion and participation
	<u>5.1.2</u> Members undertake due diligence and capacity assessments of organisations with whom they work in formal partnerships.
	Members protect the safety, security and well-being of staff and volunteers
<p>The ACFID Code of Conduct also requires members to have a complaints handling policy (<u>7.3.3</u>) and process, as well as a whistle-blower policy and process (<u>9.2.2</u>). Both these requirements will also assist ACFID members to meet the requirements set out in External Conduct Standards 2, 3 and 4.</p>	