

# Quality Assurance Framework

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## Introduction

This document details the key elements of the Quality Assurance Framework. The framework is separate from but linked to the revised Code of Conduct. It should be read in conjunction with the ACFID Code of Conduct, and the guidance provided in the Good Practice Toolkit.

The Quality Assurance Framework includes:

- The Compliance Indicators, Compliance Verifiers and Good Practice Indicators for each of the Quality Principles and associated Commitments in the ACFID Code.
- The definitions of key terms used in the Code and/or in the Quality Assurance Framework.
- The definition of financial terms used in the Code and/or in the Quality Assurance Framework.
- The formats that members are required to use for their financial reports.
- The compliance mechanisms as summarised in the Code, which are elaborated in more detail in the Good Practice Toolkit.

- The continual improvement mechanisms – including the health check, the good practice toolkit and learning and development opportunities – as summarised in the Code itself, in the revised Good Practice Toolkit and reflected in ACFID’s Learning and Development Program.

This document includes the first four elements of the Quality Assurance Framework listed above. ACFID’s members ratified both the Code of Conduct and these elements of the Quality Assurance Framework at a Special General Meeting (SGM) on 1 December 2016. The ACFID Code of Conduct and the associated requirements of the Quality Assurance Framework came into effect on 1 June 2017. Changes to the Quality Assurance Framework are as approved by the Code of Conduct Committee on advice from the Development Practice Committee, and with the Board retaining a right of veto.

Commented [EM1]: To be updated.

## Compliance Indicators, Verifiers and Good Practice Indicators

The following table details the Compliance Indicators, Verifiers and Good Practice Indicators for each of the Principles and Commitments in the ACFID Code of Conduct.

Compliance with the Commitments is assessed against the Compliance Indicators. All of the applicable Compliance Indicators must be met by every ACFID member if they are to be considered compliant with the Code. Members self-assess against the Compliance Indicators, with a targeted selection of those being verified by ACFID.

Each of the Compliance Indicators has one or more compliance Verifiers. Verifiers are the description of evidence that is required to substantiate compliance with each Compliance Indicator. Compliance Indicators which demand a more prescriptive approach because of regulatory requirements or high risk have verifiers with more detailed specifications. To demonstrate compliance, members will have all of the Verifiers in place, commensurate with their size and the nature of their work. Members will also ensure that their policies, processes and guidelines are implemented and subject to regular review. Where a Compliance Indicator requires members to ensure they have appropriate mechanisms to assess, manage and mitigate the risks relevant to these Compliance Indicators and Verifiers when working with partners this should also be undertaken commensurate to the size, nature and risk profile of the partner agency and the partnership.

Good Practice Indicators describe a higher standard of practice than that set out in the Compliance Indicator. Members may work towards achieving the Good Practice Indicators over time.

Members do not need to meet the Good Practice Indicators to be considered compliant with the Code. Rather, they provide a clear pathway for the strengthening and improvement of practice over time. Members self-assess against the Good Practice Indicators to provide themselves with a ‘health check’ of good practice. The data generated by the health checks is de-identified, aggregated and analysed by ACFID to help inform its learning and development program and to inform Code performance reporting to its members and to its stakeholders.

# 1. Rights, Justice and Safeguarding

<b>Quality principle:</b> Development and humanitarian initiatives respect and protect human rights and advance justice.	
1.1 We respect and protect human rights, acknowledging power and resource inequities, systemic barriers and racism.	
<i>To demonstrate compliance, members will have all of the Verifiers in place, commensurate with their size and the nature of their work. Members will also ensure that their policies, processes and guidelines are Implemented and subject to Regular Review.</i>	
<b>Compliance Indicators</b>	<b>Verifiers</b>
1.1.1 Members demonstrate an organisational commitment to human rights.	Policy, statement or guidance document which commits members to human rights, noting that human rights are for everyone, regardless of race, religion, ethnicity, indigeneity, disability, age, displacement, caste, gender, gender identity, sexuality, sexual orientation, poverty, class or socio-economic status.
1.1.2 Members demonstrate an organisational commitment to the pursuit of racial justice.	Policy, statement or guidance document which commits members to the pursuit of racial justice.
1.1.3 Members contribute to the realisation of human rights in their development and humanitarian initiatives.	Development and humanitarian initiatives show evidence of linkages to the realisation of human rights.
1.1.4 Members protect primary stakeholders from discrimination, violence, abuse, exploitation or neglect based on an analysis of the context in which they are working.	Development and humanitarian initiatives consistently show evidence of strategies towards protecting primary stakeholders from discrimination, violence, abuse, exploitation or neglect as relevant to the context.
<b>Good Practice Indicators</b>	
<ul style="list-style-type: none"> <li>• A human rights or rights-based approach is integrated into programming.</li> <li>• Training is provided to staff and volunteers on a rights based approach to development.</li> <li>• Periodic evaluation and reflection on their rights based approaches is undertaken.</li> <li>• Information about issues relating to human rights is promoted to the public and external stakeholders.</li> </ul>	

1.2 We prioritise the needs, voice, rights, and inclusion of those who are in vulnerable positions or experiencing marginalisation and exclusion.	
<i>To demonstrate compliance, members will have all of the Verifiers in place, commensurate with their size and the nature of their work. Members will also ensure that their policies, processes and guidelines are implemented and subject to regular review.</i>	
<b>Compliance Indicators</b>	<b>Verifiers</b>
1.2.1 Members demonstrate an organisational commitment	Policy, statement or guidance document that commits the member to the inclusion and representation of those who are in

to the inclusion and representation of those who are in vulnerable positions and those who are affected by the intersecting drivers of marginalisation and exclusion.	vulnerable positions or experiencing marginalisation or exclusion – temporarily or ongoing.
1.2.2 Members’ planning process prioritises the needs, voice, rights and input of those who are in vulnerable positions and those who are experiencing marginalisation and exclusion.	Design or planning frameworks, tools, templates that require or approaches that consistently show the consideration of the needs, rights and barriers to the inclusion of those who are in vulnerable positions and those who are experiencing marginalisation and exclusion in context-specific ways.
1.2.3 Members’ monitoring and evaluation processes consistently incorporate the voice of those who are in vulnerable positions and those who are experiencing marginalisation and exclusion.	Monitoring and evaluation framework, tools, templates that require or approaches which consistently show evidence of the assessment of progress addressing the needs, rights and inclusion of those who are in vulnerable positions and those who are experiencing marginalisation and exclusion in context-specific ways.
1.2.4 Members consider the potential impact of their development and humanitarian initiatives with a view to preventing unintended harm.	Design or planning frameworks, tools, templates which require or approaches that consistently show the consideration of the potential for unintended harm and strategies to mitigate the risk of harm, including for those who are in vulnerable positions or experiencing marginalisation and exclusion.
<b>Good Practice Indicators</b>	
<ul style="list-style-type: none"> <li>• Training is provided for staff and volunteers to understand the intersecting drivers of marginalisation and exclusion, exacerbating factors, and barriers to inclusion.</li> <li>• Initiatives that build the capacities of specific rights holders to understand and advocate for their rights are supported.</li> <li>• Information about issues relating to marginalisation and exclusion is promoted to the public and external stakeholders.</li> </ul>	

**1.3 We support people affected by crisis.**

*The indicators and verifiers under this commitment are relevant to all members that support or undertake humanitarian initiatives.*

*To demonstrate compliance, members will have all of the Verifiers in place, commensurate with their size and the nature of their work. Members will also ensure that their policies, processes and guidelines are implemented and subject to regular review.*

<b>Compliance Indicators</b>	<b>Verifiers</b>
1.3.1 Members that support or undertake humanitarian initiatives are guided by the four Humanitarian Principles	Policy, statement or guidance document that commits the member to the Humanitarian Principles of Humanity, Impartiality, Independence and Neutrality
1.3.2 Members that support or	Policy, statement or guidance document that commits the

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<p>undertake humanitarian initiatives work towards application of the Core Humanitarian Standard.</p>	<p>member to working towards application of the Core Humanitarian Standard:</p> <ul style="list-style-type: none"> <li>• aiming to fulfil all nine Core Humanitarian Standard Commitments</li> <li>• working to continuously improve systems, structures and practices to improve the quality and accountability of humanitarian initiatives, acknowledging where difficulties are encountered in fulfilling the Core Humanitarian Standard Commitments</li> </ul>
<p>1.3.3 Members that deploy personnel for humanitarian initiatives participate in the Misconduct Disclosure Scheme.</p> <p><i>This indicator and verifier are relevant to members who are engaged in the deployment of personnel for humanitarian initiatives.</i></p>	<p>Evidence of participation in the Misconduct Disclosure Scheme.</p>
<p><b>Good Practice Indicators</b></p>	
<ul style="list-style-type: none"> <li>• Staff and volunteers working on humanitarian initiatives have expertise appropriate to the nature and scale of response.</li> <li>• Seeking understanding of how partners approach the Core Humanitarian Standards’ Nine Commitments and do whatever they can to work with them to implement the CHS commitments.</li> <li>• Members pursue verification for compliance with the Core Humanitarian Standard</li> <li>• Information and training for staff and partners on Standards for Child Protection in Emergencies is provided, and related compliance mechanisms established.</li> <li>• Evaluation and reflection on the effectiveness of supported humanitarian responses is undertaken.</li> <li>• Results of evaluations and reflections of humanitarian responses are shared with partners and external stakeholders.</li> </ul>	

<p><b>1.4 We advance the safeguarding of children.</b></p>	
<p><i>Members are required to ensure they have appropriate mechanisms to assess, manage and mitigate the risks relevant to these compliance indicators and verifiers when working with partners.</i></p>	
<p><i>To demonstrate compliance, members will have all of the Verifiers in place, commensurate with their size and the nature of their work. Members will also ensure that their policies, processes and guidelines are implemented and subject to regular review.</i></p>	
<p><b>Compliance Indicators</b></p>	<p><b>Verifiers</b></p>
<p>1.4.1 Members demonstrate their organisational commitment to the safeguarding of children.</p>	<p>Policy document applicable to all governing body members, staff, contractors, volunteers and visitors to projects, that includes:</p> <ul style="list-style-type: none"> <li>• A commitment to effective leadership to enable the safeguarding of children.</li> <li>• Definition of a child as anyone under 18.</li> <li>• The reporting procedure for child exploitation and abuse suspicions or allegations, code of conduct or policy non-compliance, and sanctions that would be applied in the</li> </ul>

	<p>event of breaches.</p> <ul style="list-style-type: none"> <li>• A commitment to communication of the Child Safeguarding policy and procedures to all governing body members, staff, volunteers, visitors to projects and partners.</li> <li>• A commitment to report to any donors that require reporting under any funding agreements.</li> <li>• A commitment to providing child safeguarding training for personnel at induction and regularly thereafter depending on risk profile.</li> <li>• A commitment to preventing a person from working with children if they pose an unacceptable risk to children.</li> <li>• Approach to assessing risk and monitoring risk and child safeguarding processes of all activities. A commitment to the use of images and personal information for promotion, fundraising and development education which ensures the privacy and safeguarding of children.</li> <li>• The process for regular review of the policy, at least every 5 years.</li> </ul> <p>Policy or procedures applicable to all governing body members, staff, contractors, volunteers and visitors to projects, that cover:</p> <ul style="list-style-type: none"> <li>• Recruitment screening processes for all personnel in contact with children which include: <ul style="list-style-type: none"> <li>○ Criminal record checks before engagement; statutory declarations of local legal equivalent where criminal record checks are unavailable or unreliable. Checks must be conducted for each country in which the individual has lived for 12 months or longer over the last 5 years, and for the individual’s countries of citizenship.</li> <li>○ Verbal referee checks.</li> </ul> </li> <li>• The following additional screening measure for all personnel working with children: <ul style="list-style-type: none"> <li>○ Behavioural-based interview questions.</li> </ul> </li> </ul> <p>Risk assessments of all activities including identification of risks and an outline of mitigations measures, which are regularly re-assessed.</p> <p>Employment contracts which contain:</p> <ul style="list-style-type: none"> <li>• Provisions for the prevention of a person from working with children if they present an unacceptable risk to children.</li> <li>• Suspension or transfer to other duties for any employee who is under investigation and provision to dismiss any employee after an investigation.</li> </ul> <p>Child safeguarding training is provided to all personnel, including on reporting procedures.</p>
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<p>1.4.2 Members have a code of conduct that advances child safeguarding behaviours.</p>	<p>A documented code of conduct that covers the following with regard to child safeguarding:</p> <ul style="list-style-type: none"> <li>○ Appropriate language, communications and behaviour.</li> <li>○ Banning of alcohol and drugs.</li> <li>○ Gifts to children.</li> <li>○ Physical contact with children.</li> <li>○ Banning of sexual relations with children.</li> <li>○ Child labour.</li> <li>○ Photos and images.</li> <li>○ Reporting obligations.</li> </ul> <p>The code of conduct must be signed by relevant governing body members, staff, contractors, volunteers and project visitors.</p>
<p>1.4.3 Members have documented approaches to child safeguarding incident reporting and complaints handling that are child-focused, aligned with principles of privacy and that promote safety and dignity.</p>	<p>Documented and accessible policies and/or procedures for:</p> <ul style="list-style-type: none"> <li>● Child safeguarding incident reporting</li> <li>● Child-friendly complaints handling</li> </ul> <p>These policies and/or procedures must be known by all personnel and:</p> <ul style="list-style-type: none"> <li>● Cover: <ul style="list-style-type: none"> <li>○ How to report and respond to child exploitation and abuse suspicions and/or allegations.</li> <li>○ The relevant roles and responsibilities of governing body, staff and volunteers.</li> <li>○ How concerns or allegations of child exploitation, abuse, or non-compliance with the code of conduct or policy will be managed, including Sanctions that would be applied in the event of breaches.</li> <li>○ How reporting obligations will be fulfilled.</li> <li>○ Contact information to enable an external person to report.</li> <li>○ Appointment of a child protection incident reporting focal person.</li> </ul> </li> <li>● Reflect the following principles: <ul style="list-style-type: none"> <li>○ The safety and wellbeing of children and young people are prioritised.</li> <li>○ Consistency with relevant legislation, including compliance with mandatory reporting responsibilities, privacy, and employment law.</li> <li>○ Protection of all parties involved in the complaint of concern.</li> <li>○ Confidentiality (as distinct from secrecy).</li> <li>○ Expedient reporting.</li> <li>○ Truthfulness.</li> <li>○ Fairness.</li> <li>○ Professionalism.</li> </ul> </li> </ul>
<p><b>Good Practice Indicators</b></p>	
<ul style="list-style-type: none"> <li>● A child safeguarding focal person is in place who is responsible for child safeguarding systems.</li> <li>● Policies and/or procedures address all National Principles for Child Safe Organisations</li> </ul>	

- Compliance with or analysis of breaches of relevant safeguarding policies are periodically reported to the governing body
- Child safeguarding policies and practices are adapted to local contexts in collaboration with local stakeholders.
- Commitment to child safeguarding is promoted to the public and external stakeholders.

<p><b>1.5 We advance the safeguarding of those who are vulnerable to sexual exploitation, abuse and harassment.</b>  <i>Members are required to ensure they have appropriate mechanisms to assess, manage and mitigate the risks relevant to these compliance indicators and verifiers when working with partners.</i></p> <p><i>To demonstrate compliance, members will have all of the Verifiers in place, commensurate with their size and the nature of their work. Members will also ensure that their policies, processes and guidelines are implemented and subject to regular review.</i></p>	
<b>Compliance Indicators</b>	<b>Verifiers</b>
<p>1.5.1 Members demonstrate their organisational commitment to the prevention of sexual exploitation, abuse and harassment.</p>	<p>Policy document that:</p> <ul style="list-style-type: none"> <li>• describes the standards of behaviour for governing body members, staff, contractors, volunteers, visitors to projects and partners.</li> <li>• specifically prohibits sexual exploitation, abuse and harassment.</li> <li>• outlines how the policy is implemented throughout the organisation.</li> <li>• specifies the agency’s reporting responsibilities where an incident is identified, including processes for reporting to local enforcement authorities, subject to the wishes and welfare of the complainant/survivor.</li> </ul> <p>Appointment of a prevention of sexual exploitation, abuse and harassment focal person.</p>
<b>Good Practice Indicators</b>	
<ul style="list-style-type: none"> <li>• Members limit the use of non-disclosure agreements in grievance processes.</li> <li>• Members display statements about their commitments to PSEAH and their complaints process in public places such as at head office and country offices and at project sites (in local language).</li> <li>• Members work with partners and communities to challenge attitudes which permit or excuse sexual exploitation, abuse and harassment, or other sex-based misconduct.</li> <li>• Members participate in the Misconduct Disclosure Scheme.</li> </ul>	



## 2. Locally-led Action and Inclusion

**Quality Principle:** Development and humanitarian initiatives enable sustainable change by supporting local leadership and inclusive approaches.

**2.1 We seek to reduce power imbalances and invest in locally-led development and humanitarian initiatives.**

*To demonstrate compliance, members will have all of the Verifiers in place, commensurate with their size and the nature of their work. Members will also ensure that their policies, processes and guidelines are implemented and subject to regular review.*

Compliance Indicators	Verifiers
2.1.1 Members demonstrate an organisational commitment to locally-led action.	<p>Policy, statement or guidance document that commits the member to locally-led action.</p> <p>Evidence of naming and addressing power imbalances in organisational relationships relevant to the member’s development and humanitarian initiatives.</p>
2.1.2 Members contribute to locally-led action in their development and humanitarian initiatives.	<p>Evidence of the voices and decision-making of local actors is consistently captured in:</p> <ul style="list-style-type: none"> <li>• Design or planning framework, tools, templates or approaches.</li> <li>• Monitoring and evaluation framework, tools, templates or approaches</li> <li>• The allocation of resources (time, funds and people) throughout the project cycle</li> <li>• The design and evaluation of feedback and complaints mechanisms</li> </ul>
2.1.3 Members have mechanisms in place to ensure primary stakeholders can contribute their ideas and feedback and influence decision-making about the initiatives that affect them.	<p>Development and humanitarian initiatives consistently show evidence of the influence of primary stakeholders in planning, decision-making and evaluation.</p>

**Good Practice Indicators**

- Program and organisational information is accessible, in relevant local languages and in appropriate forms.
- Training for staff, volunteers and partners on primary stakeholder participation in the development process and techniques to enable this participation in relevant ways is provided.
- Resources (time, funds and people) are allocated to building the capacities of primary stakeholders to implement and lead their own capacity strengthening and development initiatives.
- The representation of primary stakeholders in local leadership roles is promoted and supported.

<b>2.2 We promote gender equality and equity.</b>	
<i>To demonstrate compliance, members will have all of the Verifiers in place, commensurate with their size and the nature of their work. Members will also ensure that their policies, processes and guidelines are implemented and subject to regular review.</i>	
<b>Compliance Indicators</b>	<b>Verifiers</b>
2.2.1 Members demonstrate an organisational commitment to gender equality and equity.	Policy, statement or guidance document that commits the member to promoting gender equality and equity and to non-discrimination in regard to gender identity. This policy should address how these are prioritised and advanced within organisational programming as well as within the organisation's internal operations.
2.2.2 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.	Design or planning framework, tools, templates which require, or approaches which consistently show evidence of, consultation with those marginalised due to gender identity, in particular women and girls, contextual analysis of barriers to their inclusion and identification of opportunities for their participation.
2.2.3 Members promote opportunities for those marginalised due to their gender, in particular women and girls, to participate in decision-making.	Development and humanitarian initiatives consistently show evidence of strategies for those marginalised due to gender identity, in particular women and girls, to participate in decision-making.
2.2.4 Members monitor and evaluate their progress in promoting gender equality and equity.	Monitoring and evaluation framework, tools, or templates which require, or approaches which consistently show evidence of, the assessment of progress in promoting gender equality and equity.
<b>Good Practice Indicators</b>	
<ul style="list-style-type: none"> <li>• Gender focal person in place.</li> <li>• Initiatives with a primary or explicit focus on the promotion of women's rights and/or gender equality and equity are supported.</li> <li>• Gender training for governing body, staff, volunteers and partners is provided, covering topics such as gender analysis, gender programming, gender equality and equity, gender identity and gender rights.</li> <li>• Initiatives that seek to build the capacities of those marginalised due to gender identity, in particular women and girls to determine their own priorities and advocate for their own equality and equity are supported.</li> <li>• Women's rights, gender equality and equity, and other relevant gender issues are promoted in communications with the public and external stakeholders.</li> <li>• Members work with partners and communities to challenge attitudes which permit or excuse sexual misconduct both internally and within organisational program activities.</li> </ul>	

2.3 We promote the empowerment of people with disabilities.	
<i>To demonstrate compliance, members will have all of the Verifiers in place, commensurate with their size and the nature of their work. Members will also ensure that their policies, processes and guidelines are implemented and subject to regular review.</i>	
Compliance Indicators	Verifiers
2.3.1 Members demonstrate an organisational commitment to the inclusion of people with disabilities.	Policy, statement or guideline document that commits the member to the inclusion of people with disabilities.
2.3.2 Members' planning process includes consultation with people with disabilities and contextual analysis of the barriers to social inclusion and participation.	Design or planning framework, tools, templates which require or approaches which consistently show evidence of consultation with people with disabilities and contextual analysis of the barriers to social inclusion and participation.
2.3.3 Members promote opportunities for people with disabilities and/or their representative organisations to participate in decision-making.	Development and humanitarian initiatives consistently show evidence of people with disabilities and/or their representative organisations participating in decision-making about the initiatives that affect them.
2.3.4 Members monitor and evaluate their progress in promoting the empowerment of people with disabilities.	Monitoring and evaluation framework, tools, templates which require or approaches which consistently show evidence of the assessment of progress in promoting empowerment of people with disabilities.
Good Practice Indicators	
<ul style="list-style-type: none"> <li>• Disability inclusion focal person in place.</li> <li>• Activities focused on the promotion of rights and inclusion of people with disabilities are supported.</li> <li>• Training for key personnel and partners which covers disability inclusion issues and the rights articulated in the UN Convention on the Rights of Persons with Disabilities (CRPD) is provided.</li> <li>• Activities that build the capacities of disabled people's organisations (and other groups with disabilities) to advocate for the fulfilment of the rights articulated in the CRPD are supported.</li> <li>• The principles of disability inclusivity are promoted in communications with the public and external stakeholders.</li> </ul>	

2.4 We promote the participation of children.	
<i>The indicators and verifiers under this commitment are relevant to members with initiatives involving or directly affecting children.</i>	
<i>To demonstrate compliance, members will have all of the Verifiers in place, commensurate with their size and the nature of their work. Members will also ensure that their policies, processes and guidelines are implemented and subject to regular review.</i>	
Compliance Indicators	Verifiers
2.4.1 Members whose initiatives involve or directly affect children demonstrate an organisational commitment to	Policy, statement or guideline document that commits the member to the participation of children in development and humanitarian initiatives which target them.

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their participation.	
2.4.2 Members whose initiatives involve or directly affect children enable children’s views to influence initiative designs.	Design or planning framework, tools, templates which require or approaches which consistently show evidence consultation with children, contextual analysis of their needs and rights, and identification of opportunities for their participation.
2.4.3 Members whose initiatives involve or directly affect children have complaints handling processes that are child friendly.	Complaints handling processes are child friendly.
<b>Good Practice Indicators</b>	
<ul style="list-style-type: none"> <li>• A staff person with specialised expertise in child-centred development is in place.</li> <li>• Activities that seek to build the capacities of children to participate and influence issues that affect them are supported.</li> <li>• Child-centred development and/or child rights training is provided for key personnel and partners.</li> </ul>	

### 3. Systemic Change, Environmental Sustainability and Climate Action

<b>Quality Principle:</b> Development and humanitarian initiatives contribute to systemic change, environmental sustainability and climate action.	
<b>3.1 We contribute to systemic change.</b>	
<i>To demonstrate compliance, members will have all of the Verifiers in place, commensurate with their size and the nature of their work. Members will also ensure that their policies, processes and guidelines are implemented and subject to regular review.</i>	
<b>Compliance Indicators</b>	<b>Verifiers</b>
3.1.1 Members design initiatives considering the root causes of poverty and inequity.	Design or planning framework, tools, templates which require, or approaches which consistently show, analyses of the causes of poverty and inequity.
3.1.2 Members work with local systems, structures and institutions, such as civil society, community structures and authorities (where appropriate) to support and strengthen people and systems.	Development and humanitarian initiatives consistently show evidence of working with and supporting local systems and structures.
3.1.3 Members that undertake advocacy and/or campaigning support initiatives that are evidence-based, accurate and reflect the perspectives of primary stakeholders.  <i>This indicator and verifiers are relevant only to members which undertake advocacy and/or campaigning.</i>	Policy, statement or guideline document that covers the following: <ul style="list-style-type: none"> <li>• Advocacy does not do harm or increase the level of risk facing affected groups.</li> <li>• Advocacy is evidence-based and accurate.</li> <li>• Advocacy messages reflect the perspectives of the affected population.</li> </ul> Design or planning framework, tools, templates or approaches which show evidence of the analysis of risks associated with advocacy initiatives, with a particular focus on the safety and rights of primary stakeholders.
<b>Good Practice Indicators</b>	
<ul style="list-style-type: none"> <li>• Training on the principles of sustainable development is provided to key personnel and partners.</li> <li>• The extent to which initiatives lead to durable and lasting change is evaluated.</li> <li>• Commitment to durable and lasting improvements is promoted to the public and external stakeholders.</li> <li>• Diverse stakeholder groups are brought together to engage on change management processes.</li> <li>• Collaboration with other organisations on intersecting issues is undertaken at national and international levels.</li> <li>• Periodic reports are provided internally and to relevant primary stakeholders on the outcomes of advocacy work.</li> <li>• Activities are undertaken to strengthen the capacity of marginalised groups to participate in multi-stakeholder processes.</li> </ul>	

3.2 We promote environmental stewardship, sustainability and climate action.	
<i>To demonstrate compliance, members will have all of the Verifiers in place, commensurate with their size and the nature of their work. Members will also ensure that their policies, processes and guidelines are implemented and subject to regular review.</i>	
Compliance Indicators	Verifiers
3.2.1 Members demonstrate an organisational commitment to environmental sustainability, climate action and improved environmental outcomes in their development and humanitarian initiatives.	<p>Policy, statement or guidance document committing the member to promoting environmental sustainability, climate action and improved environmental outcomes in development and humanitarian initiatives.</p> <p>Design or planning framework, tools, templates which require or approaches which consistently show evidence of the analysis of environmental risk and management, including risks associated with climate change.</p>
3.2.2 Members demonstrate an organisational commitment to environmental sustainability, climate action and improved environmental outcomes in their organisation’s internal operations.	Policy, statement or guidance document committing the member to minimising the environmental impact, including the carbon footprint, of their organisation’s internal operations.
Good Practice Indicators	
<ul style="list-style-type: none"> <li>• A focal person with responsibility for environmental sustainability is in place.</li> <li>• Climate change mitigation, adaptation, and impact, and disaster risk reduction are incorporated into program strategies wherever possible.</li> <li>• Program designs, implementation and monitoring and evaluation processes include consideration of potential and realised impacts on the environment.</li> <li>• Environmental sustainability and impact training is provided to key personnel and partners.</li> <li>• Periodic reports are provided internally and to relevant external stakeholders on environmental sustainability and impact achievements.</li> <li>• Information about the impacts of climate change and environmental sustainability issues are promoted in public communications.</li> <li>• Climate action policy, programs and advocacy reflect climate justice and equity principles.</li> <li>• Organisational targets are in place to measure progress in minimising the environmental impact of our operations.</li> </ul>	

## 4. Quality and Effectiveness

**Quality Principle:** Development and humanitarian organisations and initiatives are informed by evidence, planning, assessment and learning.

### 4.1 We articulate clear strategic goals for our work.

*To demonstrate compliance, members will have all of the Verifiers in place, commensurate with their size and the nature of their work. Members will also ensure that their policies, processes and guidelines are implemented and subject to regular review.*

Compliance Indicators	Verifiers
4.1.1 Members have stated vision, mission, values and an organisational strategy.	<ul style="list-style-type: none"> <li>Documented and publicly available organisational vision, mission, and values.</li> <li>Documented organisational strategy or plan.</li> </ul>
4.1.2 Members' initiatives are clearly linked to their organisational vision, mission and values.	<ul style="list-style-type: none"> <li>Guidelines, tools or templates which require or initiatives which consistently show a linkage to the organisation's vision, mission, values or strategy.</li> </ul>
<b>Good Practice Indicators</b>	
<ul style="list-style-type: none"> <li>Information on vision, mission and values and organisational strategy is provided during induction or other training with key personnel and partners.</li> <li>Progress against performance indicators in the organisational strategy and alignment with their vision, mission and values is reported to the governing body.</li> </ul>	

### 4.2 We analyse and understand the contexts in which we work.

*To demonstrate compliance, members will have all of the Verifiers in place, commensurate with their size and the nature of their work. Members will also ensure that their policies, processes and guidelines are implemented and subject to regular review.*

Compliance Indicators	Verifiers
4.2.1 Members' planning and practice are informed by analysis of context, evidence and research, and inclusion of the perspectives and knowledge of primary stakeholders.	Design, planning or appraisal framework, process, tools, templates which require or approaches which consistently show context and stakeholder analysis. Contextual analysis should consider the perspectives and knowledge of primary stakeholders, impacts of climate change and an analysis of power dynamics including issues of gender equality and equity.
4.2.2 Members assess and manage risk in their development and humanitarian initiatives.	A risk framework, risk management plan or approach that assesses and addresses risks for all initiatives including from a protection / safeguarding perspective, and risks associated with climate change (see 1.4.1, 1.5.1, 3.2.1).
4.2.3 Members undertake research and establish their own ethical guidelines for research.	Ethical guidelines for research.  Research plans and results are shared with those who are involved in or impacted by the findings.

<i>This indicator and its verifier is relevant only to members which undertake research.</i>	
<b>Good Practice Indicators</b>	
<ul style="list-style-type: none"> <li>• The Research for Development Impact (RDI) Network Principles for Ethical Research and Evaluation in Development are used to inform approaches to research.</li> <li>• Training is provided to key personnel and partners on undertaking contextual, stakeholder and risk analysis, including the analysis of power dynamics and gender.</li> <li>• Structured processes to periodically re-assess contextual and stakeholder analysis and risk on an ongoing basis are in place.</li> <li>• The results of research are shared with local partners and primary stakeholders.</li> </ul>	

<b>4.3 We invest in quality assessment of our work.</b>	
<i>To demonstrate compliance, members will have all of the Verifiers in place, commensurate with their size and the nature of their work. Members will also ensure that their policies, processes and guidelines are implemented and subject to regular review.</i>	
<b>Compliance Indicators</b>	<b>Verifiers</b>
4.3.1 Members assess the quality of their strategies, designs and plans.	Strategies, designs and plans are critically assessed against a set of criteria or equivalent, including whether initiatives are consistent with the member’s charitable purpose and not-for-profit status.
4.3.2 Members monitor their development and humanitarian initiatives.	<ul style="list-style-type: none"> <li>• Policy, statement or guidance document committing the member to monitoring their development and humanitarian initiatives.</li> <li>• Monitoring framework, tools, templates or approaches that consistently show evidence of monitoring in practice.</li> </ul>
4.3.3 Members evaluate their development and humanitarian initiatives.	<ul style="list-style-type: none"> <li>• Policy, statement or guidance document committing the member to evaluation of the effectiveness of their development and humanitarian initiatives.</li> <li>• Evaluation framework, tools, templates or approaches that consistently show evidence of evaluation in practice.</li> </ul>
<b>Good Practice Indicators</b>	
<ul style="list-style-type: none"> <li>• Specialised monitoring and evaluation staff are in place.</li> <li>• External specialists undertake evaluations using a range of data collection methods and tools.</li> <li>• Monitoring and evaluation training is provided to key personnel, partners and relevant primary stakeholders.</li> <li>• The results of reviews and evaluations are published on organisation website, and made available through other mediums to partners and primary stakeholders.</li> <li>• Monitoring and evaluation systems include the participation and leadership of partners, community members and primary stakeholders.</li> </ul>	

<b>4.4 We reflect on, share and apply results and lessons with stakeholders.</b>
<i>To demonstrate compliance, members will have all of the Verifiers in place, commensurate with their size and the nature of their work. Members will also ensure that their policies, processes and guidelines are implemented and subject to regular review.</i>



DOCUMENT C – QUALITY ASSURANCE FRAMEWORK

Compliance Indicators	Verifiers
4.4.1 Members disseminate information about results and lessons to primary stakeholders, partners and donors.	<p>Policy, statement or guidance document which commits members to the dissemination of information about results and lessons to primary stakeholders, partners and donors.</p> <p>Evidence of consistent dissemination of information and results on website.</p>
4.4.2 Members reflect on and learn from results and lessons in order to inform and improve practice.	Documented process or evidence of consistent reflection on results and lessons and how these are used to inform and improve practice.
Good Practice Indicators	
<ul style="list-style-type: none"> <li>• Multi stakeholder learning events are hosted and/or engaged with (this may include conferences, workshops, presentations, etc).</li> <li>• A yearly schedule of reflection and learning events is in place.</li> <li>• Mechanisms are in place to ensure findings are shared and feedback is sought from primary stakeholders in accessible ways.</li> </ul>	

## 5. Collaboration

**Quality Principle:** Development and humanitarian initiatives are optimised through effective coordination, collaboration and partnership.

### 5.1 We respect and understand those with whom we collaborate.

*To demonstrate compliance, members will have all of the Verifiers in place, commensurate with their size and the nature of their work. Members will also ensure that their policies, processes and guidelines are implemented and subject to regular review.*

Compliance Indicators	Verifiers
5.1.1 Members work with others in mutually respectful ways.	Policy, statement or guidance document that commits the member to working in mutually respectful ways.
5.1.2 Members undertake due diligence and capacity assessments of organisations with whom they work in formal partnerships.	<p>A documented assessment process that includes:</p> <ul style="list-style-type: none"> <li>• Alignment with members' values and objectives.</li> <li>• Governance, legal registration and authority to work in relevant countries.</li> <li>• Financial management capacity and systems.</li> <li>• Reference checks of partners against prohibited entities listings.</li> <li>• Capacity assessment to implement safeguarding practices including child protection and prevention of sexual exploitation, abuse and harassment.</li> <li>• Capacity assessment to implement risk management practices, including financial wrongdoing.</li> </ul>

#### Good Practice Indicators

- Specialised partnership staff are in place.
- Joint capacity assessment and re-assessment is undertaken with partners, extended to areas such as human resources, project cycle management systems, risk management, financial management, policy compliance and safeguarding of children and those vulnerable to sexual exploitation and abuse.
- The role of partners and attribution for their work, is identified and promoted to the public and external stakeholders.

### 5.2 We have a shared understanding of respective contributions, expectations, responsibilities and accountabilities of all parties.

*To demonstrate compliance, members will have all of the Verifiers in place, commensurate with their size and the nature of their work. Members will also ensure that their policies, processes and guidelines are implemented and subject to regular review.*

Compliance Indicators	Verifiers
5.2.1 Members negotiate shared goals and respective contributions with partners and those they collaborate with.	<ul style="list-style-type: none"> <li>• Policy, statement or guidance document committing the member to partnership and/or collaboration and the approaches it takes.</li> <li>• For formal partnerships, partnership agreement template or examples of partnership agreements that consistently describe:</li> </ul>

	<ul style="list-style-type: none"> <li>○ Value and contribution of each party.</li> <li>○ Shared goals, roles and responsibilities of all parties.</li> <li>○ Financial and non-financial resources and support offered by and required of each party.</li> <li>○ Dispute resolution process.</li> <li>○ Mutual accountabilities for reporting, sharing information and communication.</li> <li>○ Specific statements about child protection, prevention of sexual exploitation, abuse and harassment, policies, procedures and incident reporting (see 1.4 and 1.5).</li> </ul> <ul style="list-style-type: none"> <li>● For formal partnerships, members and partners ensure shared understanding of responsibilities under partnership agreements (e.g. through inception workshops or periodic partnership reviews)</li> </ul>
5.2.2 Members coordinate with and complement the work of others.	Development and humanitarian initiatives consistently show evidence of coordinating with others.
<b>Good Practice Indicators</b>	
<ul style="list-style-type: none"> <li>● Partnership management procedures are documented in a manual or equivalent.</li> <li>● Training is provided for key personnel and partners on their partnership related policies, procedures and tools.</li> <li>● Formal agreements with partners are periodically reviewed through a process which encourages discussion and feedback.</li> <li>● Active steps are taken to collaborate with other INGOs and donors to reduce the resources required by local partners to manage compliance obligations.</li> </ul>	

<b>5.3 We invest in the sustainability and effectiveness of our collaborations and partnerships.</b>	
<i>To demonstrate compliance, members will have all of the Verifiers in place, commensurate with their size and the nature of their work. Members will also ensure that their policies, processes and guidelines are implemented and subject to regular review.</i>	
<b>Compliance Indicators</b>	<b>Verifiers</b>
5.3.1 Members invest time and resources in supporting the sustainability of local partners, including their broader mandate, strategy and capacity.	<p>Development and humanitarian initiatives consistently show evidence of listening to and responding to local partners' priorities for organisational strengthening.</p> <p>Regular partnership meetings take place where open feedback and dialogue is facilitated.</p>
5.3.2 Members assess the effectiveness of their collaborations and partnerships.	Documented evidence of the periodic and joint review of the effectiveness of key collaborations and partnerships.
<b>Good Practice Indicators</b>	
<ul style="list-style-type: none"> <li>● The effectiveness of capacity strengthening initiatives is periodically reviewed.</li> <li>● A formal process is used to enable partner feedback on the member's performance and the partnership itself.</li> </ul>	

## 6. Communication

<b>Quality Principle:</b> Development and humanitarian organisations communicate truthfully and ethically.	
<b>6.1 We are truthful in our communications.</b>	
<i>To demonstrate compliance, members will have all of the Verifiers in place, commensurate with their size and the nature of their work. Members will also ensure that their policies, processes and guidelines are implemented and subject to regular review.</i>	
<b>Compliance Indicators</b>	<b>Verifiers</b>
6.1.1 Members' public materials accurately describe the organisation and its work.	Public materials: <ul style="list-style-type: none"> <li>• Are obtained and used according to ethical principles.</li> <li>• Are consistent with their stated purpose and values.</li> <li>• Accurately describe the nature and scope of their work.</li> <li>• Acknowledge the role of partners.</li> <li>• Are consistent with ACFID's Fundraising Charter (8.1.2) where the public materials relate to fundraising.</li> <li>• Reflect the perspectives of primary stakeholders.</li> </ul>
6.1.2 Members have clear processes and responsibilities for the approval of public materials.	Policy, statement, guidance document or checklist outlining processes and responsibilities for the approval of public materials.
<b>Good Practice Indicators</b>	
<ul style="list-style-type: none"> <li>• A communications focal person is in place.</li> <li>• Training is provided for communications personnel on organisational protocols, Fundraising Institute of Australia guidelines and ACFID's Fundraising Charter.</li> <li>• Communication materials are reviewed periodically to ensure they comply with organisational policies, ethical decision making frameworks and the ACFID Code of Conduct.</li> <li>• Commitment to the ACFID Fundraising Charter is published on the organisation website.</li> </ul>	

<b>6.2 We collect and use information ethically.</b>	
<i>To demonstrate compliance, members will have all of the Verifiers in place, commensurate with their size and the nature of their work. Members will also ensure that their policies, processes and guidelines are implemented and subject to regular review.</i>	
<b>Compliance Indicators</b>	<b>Verifiers</b>
6.2.1 Members' communications are accurate, respectful, and protect privacy and dignity.	An ethical decision-making framework, aligned with the values of the member and this Code, which must: <ul style="list-style-type: none"> <li>• Include a process that integrates a range of key staff in the organisation (e.g. communications, planning, child protection and CEO) in decision-making where appropriate.</li> <li>• Include clear responsibilities for approval for public use of images and messages.</li> <li>• Include a process which recognises and balances both donors and affected people but which gives primacy to the primary stakeholders.</li> </ul>

	<ul style="list-style-type: none"> <li>• Be consistent with ACFID’s Fundraising Charter (8.1.2).</li> <li>• Be consistent with the member’s privacy policy (7.2.2).</li> </ul>
6.2.2 Members have organisational requirements for the collection of information, images, and stories.	<p>Policy, statement or guidance document that:</p> <ul style="list-style-type: none"> <li>• Commits the organisation to use images and messages in communications in a way that portrays the affected people (including children) in a manner that respects their dignity, values, history, religion, language and culture, and protects their safety and rights.</li> <li>• Is consistent with ACFID’s Fundraising Charter (8.1.2).</li> <li>• Includes a requirement for free, prior and informed consent and acknowledges people’s right to information.</li> <li>• Requires that the collection of information, images and stories does not harm people or the environment.</li> <li>• Applies to all information, stories and images collected for research, evaluation, and donor and supporter purposes.</li> </ul>
6.2.3 Members are respectful and considerate of the reputation of other ACFID members.	<p>Policy, statement or guidance document that commits the member to not making statements about other ACFID members with the intention of creating a reputational or other advantage to themselves.</p>
<b>Good Practice Indicators</b>	
<ul style="list-style-type: none"> <li>• Procedures for seeking consent for the use of images and stories are available in local languages and other forms such as images to ensure full accessibility to stakeholders.</li> <li>• Training is provided to key personnel and partners on appropriate ways to obtain informed consent, and collect and use information, images and stories. The organisational ethical decision making framework is used to guide this.</li> <li>• Copies of communications or fundraising materials which use images or stories of primary stakeholders are provided to those stakeholders, and information about ways to withdraw consent at any time.</li> <li>• The use of images and stories in communications and fundraising materials is jointly defined with the primary stakeholders involved.</li> </ul>	

## 7. Governance

**Quality Principle:** Development and humanitarian organisations are governed in an accountable, transparent and responsible way.

### 7.1 We are not-for-profit and formed for a defined public benefit.

*To demonstrate compliance, members will have all of the Verifiers in place, commensurate with their size and the nature of their work. Members will also ensure that their policies, processes and guidelines are implemented and subject to regular review.*

Compliance Indicators	Verifiers
7.1.1 Members define their public benefit and specify the rules to ensure that they operate as a not-for-profit entity.	<ul style="list-style-type: none"> <li>A governing instrument, available from the member’s website, that includes the member’s purpose (a charitable purpose for the public benefit) and a rule requiring them to operate as a not-for-profit</li> </ul>
<b>Good Practice Indicators</b>	
<ul style="list-style-type: none"> <li>Periodic review of compliance with organisational governing instrument is undertaken by the governing body.</li> </ul>	

### 7.2 We meet our legal and compliance obligations.

*To demonstrate compliance, members will have all of the Verifiers in place, commensurate with their size and the nature of their work. Members will also ensure that their policies, processes and guidelines are implemented and subject to regular review.*

Compliance Indicators	Verifiers
7.2.1 Members are registered and meet their reporting and legal obligations to the relevant authorities.	<ul style="list-style-type: none"> <li>Current registration with the Australian Charities and Not-for-Profit Commission (ACNC).</li> <li>Up-to-date ACNC Annual Information Statement, and financial reporting as required.</li> <li>Compliance registers or other documented records of obligations and compliance with, Australian laws and regulations, including those that affect overseas activities.</li> <li>Periodic reports are provided to the organisation’s governing body on legal and compliance obligations.</li> </ul>
7.2.2 Members have organisation-wide requirements for the protection of privacy.	<ul style="list-style-type: none"> <li>A privacy policy that meets the requirements of privacy legislation and which is available on the organisation’s website.</li> </ul>
7.2.3 Members keep records for all their operations outside Australia	<ul style="list-style-type: none"> <li>Records that include information necessary for the organisation to be able to prepare a summary of its activities and related expenditure outside Australia on a country-by-country basis.</li> </ul>
<b>Good Practice Indicators</b>	
<ul style="list-style-type: none"> <li>A senior staff member with the responsibility of maintaining a register of legal and compliance obligations is appointed.</li> </ul>	

7.3 We are accountable to our stakeholders.	
<p><i>To demonstrate compliance, members will have all of the Verifiers in place, commensurate with their size and the nature of their work. Members will also ensure that their policies, processes and guidelines are implemented and subject to regular review.</i></p>	
Compliance Indicators	Verifiers
<p>7.3.1 Members demonstrate an organisational commitment to operating transparently with all stakeholders.</p> <p><i>Members are required to ensure they have appropriate mechanisms to assess, manage and mitigate the risks relevant to this compliance indicator and verifier when working with partners.</i></p>	<p>Policy, statement or guidance document (separate, or as part of other guidance such as for communications), that address expectations for transparency including what information is made public and when.</p>
<p>7.3.2 Member development initiatives consistently demonstrate the separation of development activities from non-development activities.</p> <p><i>Members are required to ensure they have appropriate mechanisms to assess, manage and mitigate the risks relevant to this compliance indicator and verifier when working with partners.</i></p>	<p>Policy, statement or guidance document that addresses the separation of development activities from non-development activities in:</p> <ul style="list-style-type: none"> <li>• programming.</li> <li>• expenditure reporting.</li> <li>• fundraising.</li> <li>• advocacy campaigns.</li> <li>• communications.</li> <li>• choice for donors.</li> <li>• partners.</li> </ul> <p>Development and humanitarian initiatives that consistently show evidence of the separation of non-development activities.</p>
<p>7.3.3 Members enable stakeholders to make complaints to the organisation in a safe and confidential manner.</p> <p><i>Members are required to ensure they have appropriate mechanisms to assess, manage and mitigate the risks relevant to this compliance indicator and verifier when working with partners.</i></p>	<p>A documented complaints handling policy that:</p> <ul style="list-style-type: none"> <li>• is publicly available on the organisation’s website.</li> <li>• provides a safe point of contact for stakeholders in Australia and countries where work is conducted, to raise concerns or complaints about the organisation.</li> <li>• is responsive and fair.</li> <li>• provides information to all stakeholders, including to members of the communities where activities are implemented, about the reporting and complaints procedure.</li> <li>• provides information in a clear and easily understandable manner in appropriate forms and through appropriate media.</li> <li>• ensures that requirements for filing a complaint take into consideration the needs of the most vulnerable and considers minority and disadvantaged stakeholders.</li> <li>• advises a complainant of the ability to make a complaint regarding an alleged breach of the Code to the ACFID Code of Conduct Committee.</li> <li>• provides information on how staff and volunteers are</li> </ul>

	<p>equipped to understand and implement the policy.</p> <ul style="list-style-type: none"> <li>• includes a process for reviewing and analysing complaint information within the organisation.</li> <li>• outlines a triage system for escalating serious incidents</li> <li>• outlines a referral process for complaints that do not fall within the scope of the policy (e.g. complaints against an employee of another organisation or government department)</li> <li>• commits to providing appropriate assistance and referrals to survivors (e.g. assistance to complainants might include medical, social, legal and financial assistance, or referrals to such services)</li> </ul> <p>A documented investigation procedure, which stipulates that an organisational record must be kept of all misconduct complaints, noting the ability to deidentify complaints at the request of the complainant or survivor.</p>
<p>7.3.4 Members make information about their organisation and its work available to all stakeholders.</p>	<p>Members will provide the following information on their website:</p> <ul style="list-style-type: none"> <li>• Information on its governance: structure, responsible persons and organisational contact information.</li> <li>• ABN.</li> <li>• Information on their work, including key projects or programs.</li> <li>• Information on partners and their roles.</li> <li>• A statement of commitment to adherence to the Code.</li> <li>• The scope for and mechanism/process for lodging a complaint against the organisation, and a point of contact.</li> <li>• Identification of the ability to lodge a complaint alleging a breach of the Code with the ACFID Code of Conduct Committee, and a point of contact.</li> <li>• An Annual Report including the ACFID-Code-compliant financial statement in line with ACFID requirements (as outlined in 8.3.1 and 8.3.2).</li> <li>• Governing instrument (as outlined in 7.1.1)</li> <li>• The Member’s code of conduct</li> <li>• Key policies relevant to the public including but not limited to, privacy, complaints, whistleblowing, transparency non-development activity, child protection, prevention of sexual exploitation, abuse, and harassment, and conflict of interest.</li> </ul> <p>Primary Stakeholder communication:</p> <ul style="list-style-type: none"> <li>• Information is provided to primary stakeholders on the expected behaviour of the organisation’s staff and volunteers, and access to its local complaints mechanism</li> </ul>
<p>7.3.5 Members seek input and feedback from all stakeholders.</p>	<ul style="list-style-type: none"> <li>• Policy, statement or guidance document committing the member to the dissemination of information to all stakeholders and to seeking their inputs and feedback.</li> </ul>
<p><b>Good Practice Indicators</b></p>	
<ul style="list-style-type: none"> <li>• Materials outlining organisation vision, mission and values, are available to partners and</li> </ul>	



- primary stakeholders in accessible forms.
- Complaints mechanisms are adapted to local contexts and provided in accessible formats and languages.
- Consultation with primary stakeholders is undertaken to ensure their perspectives inform the design of community-based complaints mechanisms, particularly in relation to sexual exploitation, abuse and harassment

7.4 We have responsible and independent governance mechanisms.	
<i>To demonstrate compliance, members will have all of the Verifiers in place, commensurate with their size and the nature of their work. Members will also ensure that their policies, processes and guidelines are implemented and subject to regular review.</i>	
Compliance Indicators	Verifiers
7.4.1 Members have a governing body.	<p>A governing instrument, charter or policy that meets ACNC governance standards and sets out:</p> <ul style="list-style-type: none"> <li>The processes for selection, appointment and induction of Responsible People and any provisions for termination.</li> <li>Clear term limits and number of consecutive terms a responsible person may serve.</li> <li>A requirement for the majority of the Responsible People to be non-executive.</li> <li>The approach to remuneration and expense reimbursement of Responsible People.</li> </ul>
7.4.2 Members establish their membership and define how the organisation is governed and operates.	<p>A governing instrument that sets out:</p> <ul style="list-style-type: none"> <li>The organisation’s basic goals and purposes.</li> <li>The not-for-profit nature of the organisation.</li> <li>Membership of the organisation, as applicable, and members’ rights and obligations.</li> <li>Governance structure and processes of the organisation.</li> <li>Frequency and processes for meetings of members (at least annually).</li> <li>Rules for meetings of the governing body, including the frequency of meetings (at least two a year) and quorum for meetings.</li> <li>Powers and responsibilities of responsible persons including a statement of the overall responsibility of the governing body.</li> <li>Strategic controls to be exercised by the governing body.</li> <li>Financial controls to be exercised by the governing body.</li> <li>Power of the governing body to delegate authority to officers, staff and others.</li> </ul>
7.4.3 Members manage conflicts of interest with responsible people, staff, volunteers and third parties relating to all activities undertaken by the organisation.	<p>A conflict of interest policy that includes:</p> <ul style="list-style-type: none"> <li>A definition of ‘conflict of interest’.</li> <li>A requirement for responsible people, staff, volunteers and third parties to disclose perceived, potential and actual conflicts of interest.</li> <li>A requirement to document and review disclosed perceived, potential or actual conflicts of interest.</li> <li>Procedures for the prevention, management and remedy of</li> </ul>

	conflicts of interest, and their potential impact, including open and fair procurement of goods and services (or reference made to a relevant policy, see 8.1.3).
7.4.4 Members governing body is informed of and responds to serious incidents in accordance with their mandate and responsibilities.	<ul style="list-style-type: none"> <li>• Policy and/or procedure for the reporting of serious incidents to the governing body.</li> <li>• Safeguarding is a standing agenda item for governing body meetings.</li> </ul>
7.4.5 Members governing body has an organisational-wide risk management approach.	<ul style="list-style-type: none"> <li>• A documented organisation-wide risk management approach.</li> <li>• Regular reporting to the governing body of key risks and controls.</li> </ul>
<b>Good Practice Indicators</b>	
<ul style="list-style-type: none"> <li>• Provide information or training to Responsible People on their duties to refresh their knowledge (e.g. webinars from ACNC and governance professional bodies)</li> <li>• The governing body Chair does not also occupy the position of Chief Executive Officer, or equivalent.</li> <li>• The member’s governing instrument, charter or policy sets maximum term limits.</li> <li>• Periodic reviews of the effectiveness of organisation governing body are undertaken.</li> <li>• A Register of Interests is maintained, ‘conflict of interest’ is a standing agenda item at governing body meetings, and there are clear procedures or consequences for responsible persons’ failure to disclose</li> <li>• Members seek out gender and safeguarding expertise as desirable skills and experience when recruiting new persons to the governing body.</li> <li>• Members seek out diversity and representation in their leadership and governing body, which reflects the Australian community and the communities they serve.</li> <li>• Members report publicly on the diversity and representation of their leadership and governing body.</li> </ul>	

## 8. Resource Management

Quality Principle: Development and humanitarian organisations acquire, manage and report on resources ethically and responsibly.

### 8.1 We source our resources ethically.

*To demonstrate compliance, members will have all of the Verifiers in place, commensurate with their size and the nature of their work. Members will also ensure that their policies, processes and guidelines are implemented and subject to regular review.*

Compliance Indicators	Verifiers
8.1.1 Members have organisational standards for the acceptance of donations.	Policy, statement, guidance document or governing body decision outlining the conditions that must be satisfied to accept or reject a donation.
8.1.2 Members report their compliance with the ACFID Fundraising Charter annually to their own governing body.	<p>The ACFID Fundraising Charter requires that members have processes and procedures in place to ensure that:</p> <ul style="list-style-type: none"> <li>• Decisions to accept or reject donations support the purpose of the organisation.</li> <li>• Legislative requirements for fundraising are met.</li> <li>• The privacy of donors, consistent with the Privacy Act, are met.</li> <li>• Free, prior and informed consent is obtained for all images and stories.</li> </ul> <p>All fundraising materials will be truthful and:</p> <ul style="list-style-type: none"> <li>• Include the organisation’s identity including name, address, ABN and purpose.</li> <li>• Accurately represent the context, situation, proposed solutions and intended meaning of information provided by affected people.</li> <li>• Clearly state if there is a specific purpose of each donation.</li> <li>• Avoid material omissions, exaggerations, misleading visual portrayals and overstating the need or what the donor’s response may achieve.</li> </ul> <p>If outsourcing fundraising activities, members will ensure that:</p> <ul style="list-style-type: none"> <li>• Contracts are in place which meet all relevant legislative and regulatory requirements.</li> <li>• Specific expectations, responsibilities and obligations of each party are clear and in writing.</li> <li>• Members are identified as the beneficiaries of the funds.</li> <li>• Contractors are clearly identified.</li> </ul> <p>Images and messages used for fundraising will not:</p> <ul style="list-style-type: none"> <li>• Be untruthful, exaggerated or misleading (e.g. not doctored, created as fiction or misrepresenting the country, etc.).</li> <li>• Be used if they may endanger the people they are portraying.</li> <li>• Be used without the free, prior and informed consent of the person/s portrayed, including children, their parents or</li> </ul>

	<p>guardians.</p> <ul style="list-style-type: none"> <li>• Present people in a dehumanised manner.</li> <li>• Infringe child protection policies and in particular show children in a naked and/or sexualised manner.</li> <li>• Feature dead bodies or dying people.</li> </ul>
8.1.3 Members have organisational standards for the procurement of goods and services.	<ul style="list-style-type: none"> <li>• Policy, procedure or guidance document that commits the member to ethical procurement procedures.</li> </ul>
<b>Good Practice Indicators</b>	
<ul style="list-style-type: none"> <li>• Qualified and experienced staff for raising funds/resource mobilisation are in place.</li> <li>• Training is provided for key personnel on the ACFID Fundraising Charter and the Fundraising Institute of Australia's Principles &amp; Standards of Fundraising Practice and Professional Development.</li> <li>• Commitment to the ACFID Fundraising Charter is promoted to the public and external stakeholders.</li> </ul>	

<b>8.2 We ensure that funds and resources entrusted to us are properly controlled and managed.</b>	
<i>To demonstrate compliance, members will have all of the Verifiers in place, commensurate with their size and the nature of their work. Members will also ensure that their policies, processes and guidelines are implemented and subject to regular review.</i>	
<b>Compliance Indicators</b>	<b>Verifiers</b>
<p>8.2.1 Members effectively control and manage their financial resources and risks.</p> <p>Members are required to ensure they have appropriate mechanisms to assess, manage and mitigate the risks relevant to the financial wrongdoing requirements of this compliance indicator and verifier when working with partners.</p>	<p>Policy, procedure or guidance documents that address:</p> <ul style="list-style-type: none"> <li>• Risk management and control mechanisms.</li> <li>• Financial wrong-doing, especially fraud, corruption, bribery, terrorism financing and money-laundering and violation of sanctions imposed by the Australian Government.</li> <li>• Checks of individuals and organisations receiving funds against the Australian National Security Listed Terrorist Organisations and the DFAT ASO Consolidated List of all persons and entities listed under Australian sanctions laws.</li> <li>• Appropriate and effective internal controls.</li> </ul>
8.2.2 Members are effective in their use of resources and minimise financial wastage in the planning and implementation of activities.	<ul style="list-style-type: none"> <li>• Evidence of consideration of cost effectiveness during activity planning, implementation and review.</li> </ul>
8.2.3 Members undertake measurement, analysis and review of their financial performance and financial position.	<ul style="list-style-type: none"> <li>• An accounting system that is appropriate to the member's operational, legal and structural requirements, and is adequate to the scale, capacities and risks of the organisation.</li> <li>• Detailed accounting records that are structured to enable forecasting, measurement and review of income, expenditure, assets, liabilities and equity.</li> </ul>

<p>8.2.4 Members produce and publish annual audited financial statements.</p>	<p>Members must have the following in place:</p> <ul style="list-style-type: none"> <li>• Full financial reports that comply with accounting standards</li> <li>• ACFID Code-compliant financial statements (see 8.3.2) which are independently audited by a qualified accountant in accordance with relevant Australian auditing standards.</li> <li>• Publish in the full audited financial statements, a declaration by the governing body stating that the financial statements are in accordance with the relevant legislation, accounting standards and provide a true and fair view of their financial position and performance. In addition, companies and trustee companies include in that declaration, that the organisation can pay its debts as and when they become due.</li> <li>• Review and approval of the Member’s financial statements by the Member’s governing body, evidenced in governing body meeting minutes – this does not need to be published.</li> </ul> <p>The audit report that specifically relates to the full financial report must:</p> <ul style="list-style-type: none"> <li>• Accompany the full financial report.</li> <li>• Be signed by the auditor and include their identity, qualifications and contact details.</li> </ul> <p>The audit report that specifically relates to the Code of Conduct Summary Financial Report must:</p> <ul style="list-style-type: none"> <li>• Be included in the Annual Report.</li> <li>• Be signed by the auditor and include their identity, qualifications and contact details.</li> </ul> <p>The auditor will be, at a minimum, a qualified accountant who is a member of CPA Australia, Chartered Accountants Australia and New Zealand, or the National Institute of Accountants, or be a registered company auditor.</p>
<p>8.2.5 Members undertake due diligence assessments of partners who manage funds on behalf of the member.</p>	<p>A documented due diligence process which:</p> <ul style="list-style-type: none"> <li>• Assesses the partner’s capacity to apply funds or resources in accordance with the member’s charitable purpose, promise to the donor, the member’s strategy, and the specific instructions of the member.</li> <li>• Includes reference to checking partners against prohibited entities listings.</li> <li>• Assesses the partner’s capacity to manage and control funds.</li> </ul>
<p><b>Good Practice Indicators</b></p>	
<ul style="list-style-type: none"> <li>• Qualified staff, volunteers, and/or contractors with responsibility for financial management and oversight are in place.</li> <li>• Regular analysis of internal systems is undertaken to identify areas that need to be monitored and updated.</li> <li>• Financial wrongdoing policy (or equivalent) specifically references facilitation payments and provides guidelines regarding appropriate forms of gifts and entertainment.</li> <li>• Regular training is provided to partners and staff on financial policies, in particular financial</li> </ul>	

- wrongdoing prevention.
- Organisation governing body formally reviews income and expenditure report, balance sheet, cash flow forecast and relevant key performance indicators on at least a quarterly basis.
  - Adequate funding reserves exist to protect staff and partners in the event of a reduction in funding, and a policy is in place to reflect this.

**8.3 We report on the acquisition and use of our resources.**

*To demonstrate compliance, members will have all of the Verifiers in place, commensurate with their size and the nature of their work. Members will also ensure that their policies, processes and guidelines are implemented and subject to regular review.*

Compliance Indicators	Verifiers
<p>8.3.1 Members publish an annual report.</p>	<p>The publicly available Annual Report must include:</p> <ul style="list-style-type: none"> <li>• A description of the signatory organisation’s purpose, objectives/aims and values.</li> <li>• A description of the most significant development and humanitarian initiatives undertaken during the reporting period and their impact.</li> <li>• Information about evaluations into the effectiveness of, and the learning from, development and humanitarian initiatives conducted by the organisation.</li> <li>• A report by the management and/or the governing body.</li> <li>• A plain-language summary of income and expenditure and overall financial health.</li> <li>• A statement of commitment to full adherence with the ACFID Code of Conduct.</li> </ul>
<p>8.3.2 Members publish annual ACFID-Code-compliant financial statements in their Annual Reports.</p>	<p>All members must publish ACFID-Code-compliant financial statements in their Annual Reports which include:</p> <ul style="list-style-type: none"> <li>• An auditor’s report that refers to the Code-compliant Financial Statements included in the Annual Report (i.e. not the auditor’s report that refers to the full financial statements).</li> <li>• Comparative figures for the previous reporting period.</li> <li>• A note stating that the ACFID Code-compliant financial statements comply with the presentation and disclosure requirements of the ACFID Code of Conduct and refers readers to the ACFID Code of Conduct website for further information.</li> <li>• Reporting in Australian dollars.</li> </ul> <p>Members whose consolidated entity international development and humanitarian revenue is below \$250,000 must publish Financial Statements in Australian dollars and include:</p> <ul style="list-style-type: none"> <li>• An Income Statement in Option 1 Format.</li> </ul> <p>Members whose consolidated entity international development and humanitarian revenue is above \$250,000 must publish Financial Statements in Australian dollars and include the following:</p>

	<ul style="list-style-type: none"> <li>• An Income Statement in Option 2 format.</li> <li>• A Balance Sheet that complies with the requirements of Australian Accounting Standard <i>AASB 101 Presentation of Financial Statements</i>.</li> <li>• A Statement of Changes in Equity that complies with Corporations Law requirements (for members that are companies or trustee companies only).</li> </ul> <p>If members publish their full statutory financial statements separately from their Annual Report, a reference to the availability of the full statutory financial report must be included in the Annual Report.</p>
<p>8.3.3 Members fully and accurately disclose administration costs and costs of any public fundraising.</p>	<p>The following must be in place for all members:</p> <ul style="list-style-type: none"> <li>• Any financial reports do not inaccurately claim zero expenses or otherwise understate the amount spent on public fundraising and administration and/or overstate development expenditure.</li> <li>• If reporting financial ratios, members will apply ACFID's Financial Definitions in their calculations and accompany any use of ratios with a note explaining how these have been determined.</li> </ul>
<p><b>Good Practice Indicators</b></p>	
<ul style="list-style-type: none"> <li>• Member annual report includes:             <ul style="list-style-type: none"> <li>○ Information on the breadth of stakeholder relationships.</li> <li>○ Presentation of clear and measurable goals and explanations of how their work and these goals contribute to vision, mission and values.</li> <li>○ Information on outcomes and impact as well as outputs (including trend information).</li> <li>○ Disclosure of the source and sustainability of different types of funding.</li> <li>○ Risk management reporting.</li> <li>○ A balanced disclosure of positive and negative impacts and performance</li> <li>○ Adaptation to challenges faced.</li> <li>○ Environmental sustainability reporting, including reporting on actions to reduce organisational carbon footprint</li> </ul> </li> </ul>	

## 9. People and Culture

<b>Quality Principle: Development and humanitarian organisations manage and support their people fairly and effectively.</b>	
<b>9.1 We have the human resource capacity and capability to deliver our work.</b>	
<i>To demonstrate compliance, members will have all of the Verifiers in place, commensurate with their size and the nature of their work. Members will also ensure that their policies, processes and guidelines are implemented and subject to regular review.</i>	
<b>Compliance Indicators</b>	<b>Verifiers</b>
9.1.1 Members have an organisational structure appropriate to the scope of their work.	An organisational chart or a description of the organisational structure.
9.1.2 Members provide a clear description of roles and performance expectations.	Job descriptions or terms of reference for staff and for key volunteers (i.e. those that fill formal roles in the organisational structure).
<b>Good Practice Indicators</b>	
<ul style="list-style-type: none"> <li>• Dedicated staff, volunteers, or contractors are assigned to key areas of organisational responsibility.</li> <li>• Periodic reviews are undertaken of the human resource needs of the organisation.</li> </ul>	

<b>9.2 We protect, value and support our people.</b>	
<i>To demonstrate compliance, members will have all of the Verifiers in place, commensurate with their size and the nature of their work. Members will also ensure that their policies, processes and guidelines are implemented and subject to regular review.</i>	
<b>Compliance Indicators</b>	<b>Verifiers</b>
9.2.1 Members provide professional development opportunities for staff and key volunteers.	A record of professional development undertaken by staff and key volunteers.
9.2.2 Members enable staff and volunteers to make complaints and report suspected wrongdoing through fair, transparent and accessible procedures, without fear, recrimination or disadvantage.	<p>Both of the following must be in place for all members:</p> <ul style="list-style-type: none"> <li>• A policy or guideline which: <ul style="list-style-type: none"> <li>○ Must meet complaints handling requirements in 7.3.3.</li> <li>○ Is clearly accessible to all staff and volunteers.</li> <li>○ Provides clear processes that are safe and confidential.</li> </ul> </li> <li>• A whistleblowing policy, for disclosures where a whistleblower has reasonable grounds to suspect their information discloses misconduct or wrongdoing, that has the following components as a minimum: <ul style="list-style-type: none"> <li>○ States the purpose and importance of the policy.</li> <li>○ Requires staff and volunteers to disclose possible misconduct or wrongdoing, and encourages disclosures from other whistleblowers.</li> </ul> </li> </ul>



	<ul style="list-style-type: none"> <li>○ Outlines any Whistleblowing Protections for governing body members, staff, volunteers, their relatives or dependents, and others, including as required by law, and guaranteeing that staff and volunteers who disclose possible misconduct or wrongdoing will be protected from adverse employment consequences.</li> <li>○ Clarifies to whom disclosures that qualify for protection can be made.</li> <li>○ Outlines processes to protect anonymity where requested, confidentiality, and a fair and impartial investigative process.</li> </ul>
9.2.3 Members protect the safety, security and well-being of staff and volunteers.	<ul style="list-style-type: none"> <li>● Policy, procedure or guidance document outlining the requirements for the safety and security for personnel while travelling.</li> <li>● Workplace, Health and Safety policy and training for staff and volunteers.</li> <li>● Current workplace and travel insurances, as relevant.</li> <li>● Anti-bullying policy.</li> <li>● Governing body, senior leadership, staff and volunteers are aware of and have access to safe training in issues related to diversity and anti-racism.</li> </ul>
<b>Good Practice Indicators</b>	
<ul style="list-style-type: none"> <li>● A focal point for Occupational Health and Safety is in place.</li> <li>● Counselling support services are available to staff.</li> <li>● Organisation, staff and volunteers are aware of and have access to a range of professional development opportunities across and outside the sector.</li> <li>● Periodic reviews are undertaken to assess the organisation’s cultural safety.</li> <li>● An incident register is maintained and periodically reviewed by organisation management and governing body.</li> </ul>	

<b>9.3 We manage our people effectively and fairly.</b>	
<i>To demonstrate compliance, members will have all of the Verifiers in place, commensurate with their size and the nature of their work. Members will also ensure that their policies, processes and guidelines are implemented and subject to regular review.</i>	
<b>Compliance Indicators</b>	<b>Verifiers</b>
9.3.1 Members are fair, transparent and non-discriminatory in their management of staff and volunteers.	<p>Human resource policies and procedures which address:</p> <ul style="list-style-type: none"> <li>● Recruitment and selection, including                         <ul style="list-style-type: none"> <li>○ Screening of staff as part of child safeguarding and prevention of sexual exploitation, abuse and harassment (see 1.4.1 and 1.5.1)</li> <li>○ Reference checking and vetting for previous misconduct of all staff and volunteers.</li> </ul> </li> <li>● Remuneration and benefits.</li> <li>● Equity, diversity and anti-racism.</li> <li>● Staff learning and development.</li> <li>● Performance management.</li> <li>● Family and carer leave provisions.</li> <li>● Conduct in the workplace.</li> <li>● Integrity (including confidentiality and conflict of interest)</li> </ul>

	<p>(see 7.4.3).</p> <ul style="list-style-type: none"> <li>Grievance and disciplinary procedures.</li> <li>Workplace health and safety (see 9.2.3)</li> </ul>
9.3.2 Members comply with human resource regulatory requirements and legislation.	<ul style="list-style-type: none"> <li>Human resource policies and procedures that are consistent with and reflect industrial relations, legislation and relevant agreements or awards in Australia and in countries of operation.</li> </ul>
9.3.3 Members manage the performance and grievances of their staff and volunteers in a fair and transparent manner.	<ul style="list-style-type: none"> <li>Performance management, grievance and disciplinary processes that are accessible to all staff and volunteers.</li> <li>Performance management processes for staff and volunteers that include adherence to the member’s code of conduct and other codes and standards as relevant to their roles.</li> <li>HR policies clearly define what constitutes staff and volunteer misconduct and outline consequences of such misconduct, including grounds for termination.</li> </ul>
<b>Good Practice Indicators</b>	
<ul style="list-style-type: none"> <li>A dedicated governing body member or staff person for human resource management is appointed.</li> <li>Organisation complies with the National Standards for Volunteer Involvement.</li> <li>Merit-based and transparent processes for filling vacancies are in place.</li> <li>Members seek out diversity and representation in their staff and volunteers, which reflects the Australian community and the communities they serve.</li> <li>Members report publicly on diversity and representation in their staff and volunteers.</li> </ul>	

**9.4 We enable our people to conduct themselves professionally and according to our stated values.**

*To demonstrate compliance, members will have all of the Verifiers in place, commensurate with their size and the nature of their work. Members will also ensure that their policies, processes and guidelines are implemented and subject to regular review.*

<b>Compliance Indicators</b>	<b>Verifiers</b>
9.4.1 Members specify the expectation of professional conduct of all staff and volunteers.	<ul style="list-style-type: none"> <li>A documented code of conduct that specifies the values and expectations of professional conduct of all staff and volunteers. This must include reference to child safeguarding behaviours, prevention of sexual exploitation, abuse and harassment, transactional sex, anti-racism, and anti-bullying; and an obligation on staff and volunteers to report wrongdoing.</li> <li>Acknowledgement by staff and volunteers of their acceptance of the code of conduct (e.g. signed, incorporated into employment or volunteer agreement)</li> </ul>
9.4.2 Members’ staff and volunteers work in accordance with agreed standards of practice.	<ul style="list-style-type: none"> <li>Members provide all staff with information about the ACFID Code of Conduct and opportunities for associated training.</li> <li>Members provide staff and volunteers with information about and training in other Codes and Standards as relevant to their roles (for example the Core Humanitarian Standards, and International Humanitarian Law for those working in conflict affected areas or fragile states).</li> <li>Documented evidence of induction, pre-deployment and refresher training provided to all staff and volunteers on the</li> </ul>

	member’s code of conduct and key policies including child protection, prevention of sexual exploitation, abuse and harassment, complaints and whistle blowing.
<b>Good Practice Indicators</b>	
<ul style="list-style-type: none"><li>• Organisation governing body and staff undertake ACFID Code of Conduct training.</li><li>• Pre-deployment training covers scenario-based discussions about power imbalances, status and workplace cultures of the destination country and how these impact work and personal relationships.</li><li>• A member of the senior leadership or governing body has responsibility for and oversight of the organisation’s progress on diversity and anti-racism.</li></ul>	

## General Definitions

These definitions are provided for the clarification of the use of key terms with reference to the Code of Conduct.

**Accessible:** Easy to approach, reach, speak with or use. Presented in a form, format, language or media that is readily useable.

**Accountability:** Taking responsibility for actions and impacts; being answerable and honest to all stakeholders – employees, communities, donors – in a transparent and easy to understand way; doing the utmost to achieve mission goals in a fair and just manner; and openly sharing information. (Global Standard for CSO Accountability)

**ACNC:** Australian Charities and Not-for-profit Commission, the national independent regulator of charities

**Advocacy:** Activities undertaken to change the systemic and structural causes of poverty and disadvantage which may include popular campaigning, lobbying, research, policy positions, alliances and use of the media. It may occur both in Australia and globally (Australian Tax Office).

**Anti-racism:** Anti-racism refers to everyday deliberate actions that aim to eradicate the racism that exists at interpersonal and systemic levels. It means actively standing up to and challenging racism. (Diversity Council Australia, Racism at Work: How Organisations Can Stand Up to and End Workplace Racism, Sydney, Diversity Council Australia, 2022)

**Bribery:** The offering, promising, giving, accepting or soliciting of an advantage as an inducement for an action which is illegal, unethical or a breach of trust. Inducements can take the form of gifts, loans, fees, rewards, facilitation payments or other advantages (Transparency International, 'Global Anti-Bribery Guidance', <https://www.antibriberyguidance.org/guidance/5-what-bribery/guidance>). Within Australia, bribery is defined in the Criminal Code Act 1995 (Cth).

**Capability:** A feature, ability, or competence that can be developed or improved. ('Differentiating Competence, Capability and Capacity', Innovating Perspectives, Vol. 16. No. 3, 2008).

**Capacity:** 'The ability of individuals, organisations, and whole societies to define and solve problems, make informed choices, order their priorities and plan their futures, as well as implement programs and projects to sustain them' ('Nurturing Capacity in Developing Countries: From Consensus to Practice', Capacity Enhancement Briefs, No 1. World Bank Institute).

**Carbon footprint:** the total amount of greenhouse gases (including carbon dioxide and methane) that are generated by an individual or organisation's actions.

**Child Safeguarding:** Actions, policies and procedures that create and maintain protective environments for children to protect them from exploitation and abuse of all kinds (adapted from DFAT Child Protection Policy).

**Climate Action:** actions taken to reduce the overall climate risks that communities, economies and ecosystems are facing across the world by addressing both the causes and the impacts of climate change. Climate action includes activities that support adaptation, environmental restoration and mitigation. These activities may relate to an organisation's operations, programming or policy/advocacy work. (Adapted from ACFID's Climate Action Framework)

**Climate Change:** Climate change refers to any long-term trends or shifts in climate over many decades. These changes may be due to natural variations (such as changes in the Earth's orbit) or caused by human activities changing the composition of the atmosphere. (CSIRO)

**Climate Justice:** Climate justice is a concept that addresses the just division, fair sharing, and equitable distribution of the burdens of climate change and responsibility for its mitigation. A climate justice approach

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sees climate change as an issue of social and environmental injustice. It recognises that vulnerability to climate change can reflect existing structural injustices in society, and that climate action must explicitly address these structural power imbalances.

**Collaborate/Collaboration:** A process in which two parties contribute core competencies and share the risks and decision-making to achieve mutual objectives. Typically considered less formal than a partnership (see Partnership).

**Complaint:** An expression of dissatisfaction made to or about an organisation, its services, staff or the handling of a complaint where a response or resolution is explicitly or implicitly expected or legally required. (AS/NZ 10002:2014)

**Conflict of interest:** A conflict of interest is when a person's personal interests conflict with their responsibility to act in the best interests of the charity. A conflict of interest may be actual, potential or perceived and may be financial or non-financial. (ACNC)

**Contact with Children:** Working on an activity or in a position that involves or may involve contact with children, either under the position description or due to the nature of the work environment (see also Working with Children definition)

**Corruption:** Dishonest or illegal behaviour for private gain, especially by people with power or influence (ACNC External Conduct Standards).

**Cost-effectiveness:** Value-for-money. Consideration of reasonable opportunities to reduce cost. However, this requires consideration of the impact or priority of the task, alternative ways of achieving it, and the costs and benefits of different approaches. It may not always be the lowest-cost option.

**Core Humanitarian Standard:** The Core Humanitarian Standard on Quality and Accountability (CHS) is a globally recognised voluntary standard that sets out Nine Commitments that organisations and individuals involved in humanitarian response can use to improve the quality and effectiveness of the assistance they provide. It is available from <https://corehumanitarianstandard.org/> and is updated from time-to-time.

**Cultural safety:** Cultural safety is about creating a workplace where everyone can examine our own cultural identities and attitudes, and be open-minded and flexible in our attitudes towards people from cultures other than our own. A culturally safe workplace is committed to anti-racism and has a defined set of values and principles, and demonstrates behaviours, attitudes, policies, and structures that enable all workers to work effectively cross-culturally.

**Development initiatives:** Activities undertaken in order to reduce poverty and address global justice issues. In the non-government organisation sector, this may occur through a range of engagements that includes community projects, humanitarian response and emergency management, community education, advocacy, volunteer sending, provision of technical and professional services and resources, environmental protection and restoration, and promotion and protection of human rights.

**Dignity:** The feeling of having decision-making power, freedom and autonomy over life choices, together with the feeling of self-worth and self-confidence, and feeling that one has the respect of others (Safety with dignity, ActionAid 2009, based on Protection: an ALNAP Guide for Humanitarian Agencies, Slim and Bronwick 2005).

**Disability:** People with disabilities include those who have long-term physical, mental, intellectual or sensory impairments which in interaction with various barriers may hinder their full and effective participation in society on an equal basis with others (United National Convention on the Rights of People with a Disability).

**Diversity:** Understanding that each individual is unique, and recognising our individual differences. These can be along dimensions of race, ethnicity, gender, sexual orientation, socio-economic status, age, physical abilities, religious beliefs, political beliefs, or other ideologies.

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**Due diligence:** Research and analysis of an organisation done in preparation for a business transaction, prior to signing a contract.

**Ethical:** Being in accordance with the rules or standards for right conduct or practice, especially the standards of a profession.

**Environmental stewardship:** The responsible use and protection of the natural environment through conservation and sustainable practices to enhance ecosystem resilience and human well-being. (National Oceanic and Atmospheric Administration)

**Environmental sustainability:** Making decisions and taking actions that minimise harm to the environment and people through the relationship they share with it, and ensuring the environment is not degraded beyond its capacity to maintain critical ecological processes.

**Financial Wrongdoing:** Behaviour that is illegal or immoral with regards to financial transactions. Includes bribery, corruption, fraud, money-laundering, terrorism financing and violation of sanctions imposed by the Australian government.

**Focal person:** A focal person provides a key role in raising awareness, coordinating, supporting and advising on the development and implementation of policy and practices relevant to the topic area, e.g. child safeguarding.

**Formal Partnership:** A partnership between a member and a partner where the partner is responsible for the oversight or delivery of an aspect of a development or humanitarian initiative. It will involve a documented arrangement, signed by parties and will often involve the sharing of risk and resources. This term includes 'implementing partners' used by DFAT Accreditation.

**Fraud:** Dishonestly obtaining a benefit, or causing a loss, by deception or other means (Fraud Control Framework, Commonwealth Attorney General's Department; Fraud Control Toolkit, DFAT).

**Free, prior and informed consent:** Free, prior and informed consent is permission that a person grants to have their information, images or stories collected, with full knowledge of where, when, how, and for what purpose the material will be used, and with the understanding that they can say "no" without consequence.

**Fundraising:** The act of seeking and obtaining donations – voluntary contributions or bequests of money, property, goods, or services – on behalf of or to further a cause (Fundraising Institute of Australia).

**Gender:** The social, historical and cultural construction of norms and behaviours attributed to people differently on the basis of their sex assigned at birth.

**Gender analysis:** A type of social analysis that requires the collection, analysis and application of sex disaggregated data and information. It considers the different impacts that a problem, policy, organisation, project/program or issue may have/is having on women and men, girls and boys, and on people of diverse gender identities and on the economic and social relations between them. (ACFID Gender Audit Toolkit)

**Gender equality:** Equal status, opportunities, outcomes, and rights for people regardless of gender. This requires the removal of discrimination and structural inequalities in access to resources, opportunities, and services and the promotion of human rights. (IWDA)

**Gender equity:** This means treating people of different genders with fairness, recognising that people are starting from different points, and may need different kinds of assistance if we are to achieve gender equality. (ACFID Gender Audit Toolkit)

**Gender identity:** A person's innate sense of their own gender. This may or may not correspond to the sex they were assigned at birth, for example, trans men and women and non-binary people, and people of other genders as differently expressed in the different contexts and cultures in which we work.

**Good practice:** A technique, methodology or approach that, through experience and research, has proven to work well reliably, produce desirable results and can be recommended.

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**Governance:** The systems and processes that direct and control an organisation (Australian Institute of Company Directors, Not-for-Profit Governance Principles, 2019)

**Governing body:** The group of Responsible People who make decisions about how an organisation is run and are responsible for its governance as defined by the governing document

- Generally, a charity's **Responsible People** are its board or committee members, or trustees (including insolvency trustees or administrators). (ACNC).

**Governing document:** A charity's formal document/s that includes sets out the organisation's charitable purpose or purposes, that the charity operates on a not-for-profit basis, and the way the governing body (such as a committee or board) makes decisions and consults members. Governing documents may have different names depending on an organisation's structure or form, including a statement of purpose, rules or articles of association, constitution, or trust deed. (ACNC).

**Guidelines:** Information which outlines an organisation's expectations for a given process; a guide for a course of action or activities that can include rules, checklists, plans, procedures.

**Human rights:** Legal statements by the international community that assert the equality and dignity of all human beings. Includes civil and political rights and economic, social and cultural rights. This includes the core international human rights treaties and their optional protocols.

**Humanitarian initiatives:** Action taken with the objective of saving lives, alleviating suffering and maintaining human dignity during and after human-induced crises and disasters, as well as action to prevent and prepare for them (Core Humanitarian Standard). In the context of this Code, humanitarian initiatives include activities undertaken directly, funded, or supported by members. It is recognised that 'nexus' activities span development and humanitarian purposes; throughout this Code typical usage is the combined 'development and humanitarian initiatives' to cover all initiatives without distinction.

**Humanitarian Principles:** The humanitarian principles of humanity, neutrality, impartiality and independence provide the foundation for humanitarian action. They are derived from the Red Cross Movement's 'fundamental' principles, and have since been endorsed by UN General Assembly and other resolutions. Commitment to the principles is expressed at an institutional level by most humanitarian organizations, as well as through Code of Conduct for the International Red Cross and Red Crescent Movement and Non-Governmental Organizations in Disaster Relief, the Sphere Project and the Core Humanitarian Standard.

- **Humanity:** Human suffering must be addressed wherever it is found. The purpose of humanitarian action is to protect life and health and ensure respect for human beings
- **Neutrality:** Humanitarian actors must not take sides in hostilities or engage in controversies of a political, racial, religious or ideological nature.
- **Impartiality:** Humanitarian action must be carried out on the basis of need alone, giving priority to the most urgent cases of distress and making no distinctions on the basis of nationality, race, gender, religious belief, class or political opinions.
- **Independence:** Humanitarian action must be autonomous from the political, economic, military or other objectives that any actor may hold with regard to areas where humanitarian action is being implemented.

**Implemented:** The process of communicating a policy and providing training to governing body members, staff, and volunteers as is appropriate, and applying the policy to the members' systems, procedures and programs accordingly.

**Legislation:** Laws made by parliament, also called Acts of Parliament or statute laws (ACNC).

**Local actors:** Describes a wide range of individuals, organisations and institutions, who have the knowledge and expertise to understand and respond to the needs of their communities. This can include local and national governments, local and national NGOs, civil society organisations, community-led organisations and communities.

**Locally-led action:** Locally-led development and humanitarian action recognises, respects and strengthens the leadership and decision-making of local actors who are best placed to understand and respond to the needs of their communities. By its nature, this will look different in each country context, and even within countries or programs. Successful locally-led action recognises how power imbalances influence development and humanitarian initiatives. It is facilitated by strong and equal partnership, quality direct funding, transparency and mutual accountability, and diversity and empowerment in staffing and leadership. (adapted from draft ACFID Locally-led Action Framework)

**Marginalised:** A person or group who is isolated, pushed to the edge, treated or considered unimportant, insignificant and powerless.

**Members:** Current formal Full Members of ACFID, which must be signatories to the Code of Conduct (Rules and Objects of ACFID)

**Money Laundering:** The process of concealing the origin, ownership or destination of illegally or dishonestly obtained money and hiding it within legitimate economic activities to make them appear legal (Source: Transparency International AntiCorruption Glossary [https://www.transparency.org/glossary/term/money\\_laundering](https://www.transparency.org/glossary/term/money_laundering))

**Monitoring and evaluation:** Monitoring and evaluation are systems or processes used to manage and assess the progress and results of their work. They are conducted to provide accountability to affected stakeholders and donors, to improve performance, to enable learning and adaptation, and to communicate information about results and impact.

- Monitoring refers to the continuous or ongoing assessment of work over time.
- Evaluation is a systematic and objective assessment of an ongoing or completed development or humanitarian initiative.

**Non-development activity:** Includes activity undertaken to promote a particular religious adherence or to support a particular party, candidate or organisation affiliated to a political party.

**Non-government organisations:** Voluntary, not-for-profit, organisations formally registered with government, that are run by a governing board that is accountable to its members.

**Not-for-profit (NFP):** An organisation that has rules that do not allow it to distribute profits or assets to its members, the people who run it or their friends or relatives while it is operating or winding up. An organisation that is not-for-profit generally does not operate activities for the profit, personal gain or other benefit of particular people (for example, benefit of its members). (ACNC).

**Partner:** Organisations, individuals and other parties we work jointly with, who have defined roles and responsibilities for achieving common goals

**Partnership:** An ongoing working relationship between partners where risks and benefits are shared.

**Personnel:** Personnel are either employed by an organisation, engaged by an organisation on a subcontract basis, or engaged by an organisation on a voluntary or unpaid basis. Personnel can include paid staff, volunteers, interns, trustees, board members. (DFAT, Child Protection Policy)

**Policy:** High level principles, rules, and guidelines formulated or adopted by an organisation to guide conduct and reach its long-term goals.

**Primary stakeholders:** The term used in the Code of Conduct to refer to those whom we seek to support, work with and directly benefit through development and humanitarian initiatives. All individuals who are participants in, and are directly affected by, development and humanitarian initiatives. They may also be known as beneficiaries or local people.



**Privacy:** A fundamental human right that generally includes the right to be free from interference and intrusion, to associate freely with whom you want, to be able to control who can see or use information about you. (Office of the Australian Information Commissioner)

**Privacy legislation:** The Australian Commonwealth Government Privacy Act 1988 (Privacy Act) Covers how personal information must be handled by organisations. The Act's 13 Australian Privacy Principles govern the collection, use and disclosure of personal information, the governance, accountability and integrity of personal information, and the rights of individuals to access their personal information (Office of the Australian Information Commissioner).

**Prohibited Entities:** Includes those individuals and organisations within the Australian National Security Listed Terrorist Organisations, and the ASO Consolidated List of all persons and entities listed under Australian sanctions laws, recognising these are not exhaustive, nor the only such listings. For example, the Consolidated List only includes persons and entities listed under Australian sanctions laws, and Members are encouraged to consider whether activities may be subject to other Australian laws, or sanction laws of other countries.

**Racial Justice:** The systematic fair treatment of people of all races, resulting in equitable opportunities and outcomes for all. It is not just the absence of discrimination and inequities, but also the presence of deliberate systems and supports to achieve and sustain racial equity through proactive and preventative measures. The pursuit of racial justice seeks to remove the racial hierarchies that deny justice to people of colour.

**Regular review:** Includes monitoring, reviewing, evaluating, and amending a policy, process or guideline as is necessary.

**Resources:** Stock or supply of money, materials, staff, and other assets that can be drawn on by a person or organisation in order to function effectively.

**Responsible People:** Responsible People refers to individuals who are responsible for governing a charity. Generally, a charity's Responsible People are its board or committee members, or trustees (including insolvency trustees or administrators). (ACNC)

**Safeguarding:** Actions, policies and procedures that create and maintain protective environments to protect people from exploitation, harm and abuse of all kinds.

**Sector:** An area of the economy in which businesses share the same or a related product or service. In the context of the Code, this refers to organisations and entities engaged in international development and humanitarian initiatives.

**Sexual abuse:** The actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions. (UN Secretary General's Bulletin on protection from sexual exploitation and abuse)

**Sexual exploitation:** Any actual or attempted abuse of a position of vulnerability, differential power, or trust for sexual purposes. It includes profiting monetarily, socially, or politically from sexual exploitation of another. (UN Secretary General's Bulletin on protection from sexual exploitation and abuse)

**Sexual harassment:** Australian law states that sexual harassment occurs when: a. a person makes an unwelcome sexual advance, or an unwelcome request for sexual favours, to the person harassed; or b. engages in other unwelcome conduct of a sexual nature in relation to the person harassed; in circumstances in which a reasonable person, having regard to all the circumstances, would have anticipated the possibility that the person harassed would be offended, humiliated or intimidated. This definition is used in the Sex Discrimination Act and Fair Work Act and is also recognised in WHS codes of practice.

**Signatory:** An organisation which the Code of Conduct Committee has accepted as a signatory to the ACFID Code of Conduct and which has not resigned or been removed and has paid all its fees.

**Staff:** People employed by an organisation.

## DOCUMENT C – QUALITY ASSURANCE FRAMEWORK

**Stakeholders:** Individuals and groups that can affect or are affected by an organisation's policies and/or actions (Pathways to Accountability, the GAP Framework One World Trust, 2005).

**Strategic:** Relating to the identification of long-term or overall aims and interests and the means of achieving them.

**Sustainable change:** Change that is lasting and durable.

**Systemic change:** Systemic change means that change has to be fundamental and affects how the whole system functions. It involves confronting root causes of issues (rather than symptoms) by transforming structures, customs, mindsets, power dynamics and policies. It's about changes that spread and behaviours that become a new normal, rather than benefits remaining confined to a narrow group. (Catalyst 2030; ILO)

**Terrorism Financing:** Providing or collecting funds and being reckless as to whether those funds will be used to facilitate or engage in a terrorist act (Criminal Code Act 1995)

**Third party:** A third party is an organisation or individual that formally or informally collaborates with a charity to advance the charity's purposes. (ACNC)

**Transactional sex:** The exchange of money, employment, goods, services or other benefits for sex or sexual acts (DFAT Preventing Sexual Exploitation, Abuse and Harassment Policy).

**Transparency:** An organisation's openness about its activities, providing information on what it is doing, where and how this takes place and how it is performing (Pathways to Accountability, the GAP Framework, One World Trust, 2005).

**Volunteers:** A person or people willingly giving their time for the common good and without financial gain (Volunteering Australia). In the context of the Code, the focus is on formal volunteering, taking place within or for member organisations in a structured way. While the vast majority of volunteering is undertaken by individuals, entities also donate employee time and this is included within this definition.

**Whistleblower:** someone with inside knowledge of an organisation who reports misconduct or dishonest or illegal activity that may have occurred within that organisation.

**Whistleblower Protections:** Protections provided to whistleblowers to enable them to come forward to report misconduct without fear of retribution or personal detriment. It is illegal to fire, harass or discriminate against a whistleblower or potential whistleblower because someone thinks they made a disclosure (whistleblowers can be compensated for any loss, damage, or injury they suffer, and people breaching whistleblower confidentiality or causing detriment can face criminal or civil penalties)

- Some whistleblower protections are mandated by legislation, including through the *Corporations Act 2001* (Cth) and the *Taxation Administration Act 1953* (Cth).
- **Eligible whistleblowers**, for mandated whistleblowing protection can be an officer or employee, an individual or employee of a person that supplies services or goods to the entity (including volunteers), an individual who is an associate of the entity, a relative or dependant of any of the above, or a dependant of the spouse of any of the above, or an individual as otherwise prescribed by the regulations. An eligible whistleblower can remain anonymous and still qualify for protection.
- **Disclosures that qualify for protection** are those reports of conduct by a charity, or an officer or employee of the charity, that represents misconduct, an improper state of affairs or circumstances, or a breach of the law. To qualify for protection, the whistleblower must have reasonable grounds to suspect that the information they will disclose indicates misconduct.
- **Eligible Recipients:** To qualify for protection, a whistleblower must make their disclosure to an eligible recipient, including as relevant ASIC, APRA, a Commonwealth body nominated for this purpose in the regulations, a legal practitioner if seeking advice about whistleblower protections, an officer or senior manager of the charity, and auditor or member of the audit team for the charity, an actuary of the charity, a person that the charity has authorised to receive a disclosure (this may be a person external to the charity).

DOCUMENT C – QUALITY ASSURANCE FRAMEWORK

**Working with Children:** Being engaged in an activity with a child where the contact would reasonably be expected as a normal part of the activity and the contact is not incidental to the activity. Working includes volunteering or other unpaid works (see also Contact with Children definition).

## Financial Definitions

The definitions listed below are to be used by all members in the preparation of their ACFID Code-compliant Financial reports. Treatment must be in accordance with the relevant accounting standards. If you are in doubt, please consult your accountant or auditor for clarification of the appropriate accounting treatment for your organisation.

### INCOME STATEMENT – DEFINITIONS

The definitions are to be used by all members in the preparation of their Income Statements in conjunction with the Australian Accounting Standards. For those which are not specified here refer to the definitions found in the [National Standard Chart of Accounts \(NSCOA\)](#).

### INCOME STATEMENTS – REVENUE

**Donations and Bequests:** Donations are income received without providing consideration in return, and include all donations actually received. Donations are also called gifts. Bequests are donations received through wills and memorials.

Where donations or bequests form the major category of income, members are advised to provide further detail of the composition of these. For example: restricted or unrestricted as to purpose, relating to international or domestic programs, or by major fundraising activity.

- *Donations and Bequests – Monetary* – Donations and bequests received in cash.
- *Donations and Bequests – Non-monetary* – Goods and services received as gifts in kind.
  - Non-monetary donations should be recognised in the accounts when they are reliably measurable, taking into account materiality considerations. Any figure recorded under this heading should match a corresponding expenditure heading named 'Non-monetary expenditure'.
  - Donated assets (excluding buildings) are recognised as income when the asset is received. The amount recorded should be equivalent to the fair value of the donated asset. The fair value is 'the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction' (AASB 116). Both usability and marketability are joint considerations in determining fair value.
  - Donated buildings are not recorded as income and should be recorded directly as an asset in the Balance Sheet (refer definition for Property, Plant and Equipment).
  - If an organisation recognises volunteer services in their Financial Statements, it will depend on their unique circumstances, taking into account their ability to reliably measure the value of volunteer services and materiality considerations. If agencies choose to disclose the value of volunteer services in their Financial Statements, then they can choose whether to include this value as both Non-Monetary Revenue and Expense items in the Income Statement OR as a disclosure in the Notes to their Accounts. This decision will be based on whether the item meets accounting standards criteria for recognition. The Department of Foreign Affairs and Trade (DFAT) publishes job descriptions and relative rates of pay to use as a guide in valuing volunteer services. These are provided specifically for accredited organisations operating under the Recognised Development Expenditure (RDE) guidelines. However they may also assist other organisations as a reference. Refer to RDE Worksheet Explanatory Notes available at: [http://aid.dfat.gov.au/ngos/ancp/Documents/rde\\_notes.doc](http://aid.dfat.gov.au/ngos/ancp/Documents/rde_notes.doc)

**Grants:** Funding received from governments and other institutions to support the objectives of the organisation. Most grants require the funds to be spent in a specified manner.

- *Grants – Department of Foreign Affairs and Trade (DFAT)* – Grants sourced directly from DFAT.

## DOCUMENT C – QUALITY ASSURANCE FRAMEWORK

- *Grants – Other Australian* – Grants sourced from all other Australian institutions, including other Australian Commonwealth Government departments or agencies other than DFAT, State and Territory Government departments, and other Australian organisations such as philanthropic organisations and corporate entities like managing contractors.
- *Grants – Other overseas* – Grants sourced from non-Australian institutions, including international affiliates, multilateral institutions and other non-Australian organisations.

**Commercial Activities Income:** Income from activities where there is an exchange of value with an intention to generate a surplus to contribute to the organisation's aims. This includes gross income from any retail activities, membership and subscription fees, royalties, fees for services provided, corporate sponsorships and raffles.

**Investment Income:** Income from interest, dividends, rent and other income earned on investment assets.

**Revenue for International Political or Religious Adherence Promotion Programs:** Income received for the purpose of supporting a political party, promoting a political candidate or organisation affiliated to a political party, or to promote a particular religious adherence. Refer to the definitions of non-development activity and the relevant section of the Good Practice Toolkit guidance for more detail in this area. If organisations have material amounts of funds in any of these areas, they should itemise them on separate lines to enhance understanding.

**Other income:** Inflows of economic benefits not included in the other categories. This might include gains from the sale of fixed assets, gains on foreign currency transactions and forgiveness of a liability. If any single category income item constitutes more than 10% of total revenue, organisations are encouraged to disclose this separately in the Income Statement. This may apply for example, to organisations with large Domestic Programs.

## INCOME STATEMENT – EXPENSES

**International Development and Humanitarian Programs Expenditure:** Expenditure incurred to perform international development and humanitarian initiatives, i.e. activities undertaken to reduce poverty and address global justice issues via direct engagement through community projects, humanitarian relief and/or community education and public policy campaigns.

- *International Programs* - Funds to international programs - These costs may include (but are not limited to):
  - Salaries of international program staff or costs of volunteers working overseas, that are paid from Australia,
  - The cost of acquiring property, plant and equipment in Australia which is then sent overseas, for example the cost of a computer and transportation costs in getting this computer equipment overseas,
  - Costs of programs implemented directly by overseas field offices or country offices of the member,
  - Costs of programs implemented by international partners,
  - Administration costs of overseas field offices or program partners, and
  - Program expenditure (not management fees) funded via international secretariats.

Funds to international programs must be limited to funds and gifts in kind actually remitted overseas to development and humanitarian initiatives, plus the cost of remitting those funds.

Organisations are encouraged to show details of their international programs either by program or by country. These details may be disclosed either in the Income Statement or in notes in the form of a supplementary report or set of graphics.

- *International Programs – Program support costs* – Direct costs of program management spent in Australia, including project design, monitoring and evaluation and project management. It includes the salaries of international program support staff based in Australia and their training and professional

## DOCUMENT C – QUALITY ASSURANCE FRAMEWORK

development. International program support staff are staff involved in the effective management of international projects. This may also include the costs associated with volunteers involved in the effective management of international projects. Program support costs can also include the costs of dedicated international project management software or the project management module of a broader Enterprise Resource Planning (ERP) software system.

- *International Programs – Community Education* – Costs related to informing and educating the Australian community of, and inviting their active involvement in, global justice, development and humanitarian issues. This includes the cost of producing and distributing materials, the cost of conducting educational and public policy campaigns, and the cost of personnel involved in these activities. Educational materials and campaigns often include the opportunity for the community to provide financial or other support to the organisation. If educational and campaign activities include an element of fundraising, the following requirements must be followed:
  - An amount proportionate to the fundraising elements involved must be charged to Fundraising Costs. For example, a one page fundraising request in a 20-page campaign newsletter will charge 5% of the total newsletter costs to Fundraising Costs.
  - The method for allocating the proportion of fundraising cost must be documented and be able to be produced to support the decision and is suggested to be included by way of a note to the accounts.

These requirements ensure that all costs associated with fundraising activities are disclosed at the highest level of transparency.

- *International Programs Fundraising costs – Public* – Costs incurred for the purpose of raising revenue from the public. These can include (but are not limited to):
  - the production and mailing (physically or electronically) of fundraising materials,
  - the cost of promotional or marketing campaigns,
  - the costs of establishing and maintaining public donor databases,
  - funds paid to third parties to provide fundraising services,
  - donation related bank fees; and
  - the cost of personnel involved in preparing, conducting and evaluating marketing and fundraising campaigns.
- *International Programs fundraising costs – Government, multilateral and private sector* – Costs of personnel and related expenses involved in the preparation of funding submissions for, and reporting against, grants and other contracts from government, multilateral organisations, corporate and philanthropic organisations.
- *International Programs – Accountability and Administration costs* – Costs (not able to be allocated to a program activity) associated with the overall operational capability of the organisation. These costs include (but are not limited to):
  - audit and accounting fees
  - legal fees
  - memberships and subscriptions
  - management costs of international secretariat functions
  - office accommodation expenses (rent, maintenance, depreciation, utilities, etc.)
  - bank charges (not donation related)
  - general staff training.

## DOCUMENT C – QUALITY ASSURANCE FRAMEWORK

**Non-Monetary Expenditure:** Expenditure to offset the value of gifts of goods and services received in kind, as well as any volunteer services (refer to Non-Monetary Income definition for details relating to volunteer services) that are recognised in the financial statements.

**International Political or Religious Adherence Promotion Programs Expenditure:** Expenditure made for the purpose of supporting a political party, promoting a political candidate or organisation affiliated to a political party, or to promote a particular religious adherence.

Refer to the definitions of non-development activity and the relevant section of the Good Practice Toolkit guidance for more detail in this area.

If members have material amounts of expenditure in any of these areas, they should itemise them on separate lines to enhance understanding.

**Domestic Programs Expenditure (including monetary and non-monetary):** Expenditure on programs that are directed towards beneficiaries within Australia. If this is a material category for members, they are encouraged to add extra detail to report on under this heading and to use headings that are simple and clearly explain their operations.

**Commercial Activities Expenditure:** Expenditure incurred on activities where there is an exchange of value with an intention to generate a surplus to contribute to the organisation's aims. This includes expenditure on retail activities, membership and subscription programs, maintaining assets that earn royalties, services provision that generate fees and raffles.

**Other Expenditure:** Outflows of economic benefits not included in other expenditure categories. This could include losses on foreign currency transactions. If any single category Other Expenditure item constitutes more than 10% of total expenditure, organisations are encouraged to disclose this separately in the Income Statement.

**Other Comprehensive Income:** Items of income and expense (including reclassification adjustments) that are not recognised in the body of the Income Statement. Includes items such as:

- fair value changes in available for sale financial assets, and
- changes in valuation of fixed assets.

### BALANCE SHEET DEFINITIONS

The definitions listed below are to be used by members in the preparation of their Balance Sheets in conjunction with the Australian Accounting Standards. If members decide to disclose other categories in the Balance Sheet, they should ensure that the definitions of these are similarly based on accounting standards.

### BALANCE SHEET – ASSETS

**Assets:** Assets are resources controlled by the member as a result of past events and from which future economic benefits are expected to flow to the entity.

**Current Assets:** Assets that are expected to be realised within twelve months from the reporting date or within one operating cycle, whichever is the shorter. Current assets include:

- *Cash and cash equivalents:* Cash includes cash at bank and cash on hand e.g. petty cash, cash floats and undeposited funds. Cash equivalents are highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.
- *Trade and other receivables:* Amount of receivables still owing by customers (debtors) to the organisation at the end of the operating cycle which are expected to be collected in the next twelve months.

## DOCUMENT C – QUALITY ASSURANCE FRAMEWORK

- *Inventories*: Items held for sale or expected to be consumed in the process of delivery of services in the next twelve months. Includes fundraising stock, trading stock, publications for sale and emergency response stocks. Inventories may be purchased or received by way of donation.
- *Other financial assets*: Investments, deposits and bonds, which are expected to be redeemed in the next twelve months.

**Non-current assets**: Assets that are not expected to be realised within twelve months from the reporting date or within one operating cycle, whichever is the shorter.

Non-current assets include:

- *Trade and other receivables*: Amount of receivables still owing by customers (debtors) to the organisation at the end of the operating cycle which are not expected to be collected in the next twelve months.
- *Other financial assets*: Long-term investments, deposits and bonds which are not expected to be redeemed in the next twelve months.
- *Property, plant and equipment*: Tangible items that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to have a life beyond the next twelve months. Includes freehold and leasehold land (the land is shown at either cost or at its re-valued amount), buildings and building improvements. These are also known as fixed assets. Donated fixed assets, are recorded at the time of acquisition at fair value.
- *Investment property*: Land and/or buildings held for purposes of economic benefit via rental returns and capital appreciation, instead of for direct use in the organisation's operations.
- *Right of use asset*: An asset that represents a lessee's right to use an underlying asset for the lease term.
- *Intangibles*: Intangible assets purchased, e.g. goodwill, distribution rights, intellectual property, licenses, patents, trademarks, as well as those internally generated, eg computer software development.
- *Other non-current assets*: Non-current assets not specifically included in other categories.

## BALANCE SHEET – LIABILITIES

**Liabilities**: A liability is a present obligation of the member arising from past events, the settlement of which is expected to result in an outflow of resources.

**Current liabilities**: Liabilities that are due to be settled within twelve months from the reporting date, or within one operating cycle, whichever is the shorter. Current liabilities include:

- *Trade and other payables*: The total owing to creditors (not including bank loans) at the end of the operating cycle and payable within the next twelve months.
- *Borrowings*: Balance of loans owed by the organisation to banks and other lenders that are payable within the next twelve months.
- *Current tax liabilities*: Amount of taxes payable to taxation authorities for local taxes including Goods and Services Tax, Pay As You Go tax, Income Tax, Fringe Benefits Tax and Australian Business Number withholding tax.
- *Other financial liabilities*: Other amounts payable to external parties due and payable within the next twelve months.
- *Lease liabilities*: Present value of the minimum payments due under a contract that conveys the right to use an asset for a period of time in exchange for consideration, due and payable within the next twelve months.
- *Provisions*: Liabilities of uncertain timing or amount. Can include provisions for employee entitlements like annual leave and provisions for maintenance.
- *Other*: Current liabilities not specifically included in other categories.



**Non-current liabilities:** Liabilities not expected to be settled within 12 months or one operating cycle, and therefore not classified as current. Non-current liabilities include:

- *Borrowings:* Loan amounts owed by the organisation to banks and other lenders that are not payable within the next twelve months.
- *Other financial liabilities:* Other amounts payable to external parties that are not payable within the next twelve months.
- *Lease liabilities* – Present value of the minimum payments due under a contract that conveys the right to use an asset for a period of time in exchange for consideration, that are not due and payable within the next twelve months.
- *Provisions:* Liabilities of uncertain timing or amount that are not payable within the next twelve months. Can include provisions for employee entitlements like long-service leave.
- *Other:* Non-current liabilities that are not specifically included in other categories.

#### BALANCE SHEET – EQUITY

**Equity:** The residual interest in the assets of the member after deducting all of its liabilities.

**Reserves:** Any reserve established by the organisation (such as the capital profits reserve, building maintenance reserve, IT reserve etc.). Reserves can include amounts of money specifically set aside by the governing body for future purposes, as well as those prescribed by accounting standards (for example an Asset Revaluation Reserve). An asset revaluation reserve is generated when an organisation decides to revalue certain non-current assets, such as land and buildings. Reserves are split into Restricted and Unrestricted categories.

- *Restricted Reserves:* Reserves allocated for a specific purpose within the organisation's objectives. The specific purpose is usually defined by the donor or by law, ie it is an external restriction. This may include funds held for future distribution from a bequest or other type of specific donation.
- *Unrestricted Reserves:* Reserves that can be spent at the discretion of the organisation within its charitable objectives, but are not otherwise restricted as to their use.

**Retained Earnings:** The accumulated surpluses or deficits of the organisation over the years it has been operating.

# Financial Reporting Formats

Option 1 format: International Development and Humanitarian Initiatives Short Form Income Statement template

## INCOME STATEMENT FOR THE YEAR ENDED [DATE 202X]

	202X	202X-1
<b>REVENUE</b>		
Donations and gifts		
- Monetary		
- Non-monetary		
Grants		
Commercial Activities Income		
Other Income		
<b>TOTAL REVENUE</b>	\$0	\$0
<b>EXPENDITURE</b>		
International Programs		
Community Education		
Fundraising Costs		
Accountability and Administration		
Commercial Activities Expenditure		
Non-monetary Expenditure		
Other Expenditure		
<b>TOTAL EXPENSES</b>	\$0	\$0
<b>Excess / (Shortfall) of Revenue over Expenditure</b>	\$0	\$0

Option 2 format: Income Statement template

<b>Income Statement of XXXX</b>		
<b>Year Ended XXX</b>		
	<b>202X</b>	<b>202X-1</b>
<b>Revenue</b>		
Donations and <b>Bequests</b>		
Monetary		
Non-monetary		
<b>Bequests and Legacies</b>		
Grants		
Department of Foreign Affairs & Trade		
Other Australian Grants		
Overseas Grants		
Commercial Activities Income		
Investment Income		
Other Income		
Revenue for International Political or Religious Adherence		
Promotion Programs		
<b>Total Revenue</b>	<b>\$0</b>	<b>\$0</b>
<b>Expenditure</b>		
International <b>Aid and</b> Development <b>and Humanitarian</b> Programs Expenditure		
International Programs		
Funds to International Programs		
Program Support Costs		
Community Education		
Fundraising Costs		
Public		
Government, multilateral and private		
Accountability and Administration		
Non-monetary Expenditure		
<b>Total International <b>Aid and</b> Development <b>and Humanitarian</b></b>	<b>\$0</b>	<b>\$0</b>
Programs Expenditure		
International Political or Religious Adherence Promotion		
Programs Expenditure		
Domestic Program Expenditure		
Commercial Activities Expenditure		
Other Expenditure		
<b>Total Expenditure</b>	<b>\$0</b>	<b>\$0</b>
<b>SURPLUS/(DEFICIT)</b>	<b>\$0</b>	<b>\$0</b>
Other Comprehensive Income		
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>\$0</b>	<b>\$0</b>

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Option 2 format: Balance Sheet (also known as a Statement of Financial Position)

<b>Balance Sheet of XXX</b>		
<b>As at XXX</b>		
	<b>202X</b>	<b>202X-1</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents		
Trade and Other Receivables		
Inventories		
Assets Held for Sale		
Other Financial Assets		
<b>Total Current Assets</b>	<b>\$0</b>	<b>\$0</b>
<b>Non-current Assets</b>		
Trade and Other Receivables		
Other Financial Assets		
Property, Plant and Equipment		
Investment Property		
Intangibles		
<b>Right of Use Assets</b>		
Other Non-current Assets		
<b>Total Non-current Assets</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL ASSETS</b>	<b>\$0</b>	<b>\$0</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade and Other Payables		
Borrowings		
Current Tax Liabilities		
Other Financial Liabilities		
<b>Lease Liabilities</b>		
Provisions		
Other		
<b>Total Current Liabilities</b>	<b>\$0</b>	<b>\$0</b>
<b>Non-current Liabilities</b>		
Borrowings		
Other Financial Liabilities		
<b>Lease Liabilities</b>		
Provisions		
Other		
<b>Total Non-current Liabilities</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL LIABILITIES</b>	<b>\$0</b>	<b>\$0</b>
<b>NET ASSETS</b>	<b>\$0</b>	<b>\$0</b>
<b>EQUITY</b>		
General Reserves		
Restricted Reserves		
Retained Earnings		
<b>TOTAL EQUITY</b>	<b>\$0</b>	<b>\$0</b>

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