# CHARITY SELF-EVALUATION: MEETING OBLIGATIONS AS A CHARITY OPERATING OVERSEAS:

# *NOTE: This is for your charity’s own use and records. Do not submit it to the ACNC.*

This self-evaluation helps you assess whether your charity is meeting its obligations as a charity with operations overseas. It helps you identify issues that may prevent it from doing so.

It asks a series of simple questions and prompts you to describe the practical steps your charity is taking to meet its obligations. It provides space for you to note any issues that you identify, encouraging you to create an action plan to address them.

**THE ACNC’S EXTERNAL CONDUCT STANDARDS:**

[The External Conduct Standards](https://www.acnc.gov.au/for-charities/manage-your-charity/governance-hub/acnc-external-conduct-standards) are a set of standards that govern a registered charity’s operations outside Australia.

The External Conduct Standards apply in addition to the [ACNC’s Governance Standards](https://www.acnc.gov.au/governancestandards). And they work in a similar way to the Governance Standards – both impose reasonable levels of oversight and standards of governance rather than specific steps for charities to take.

All registered charities (including Basic Religious Charities) that operate outside Australia must comply with the External Conduct Standards. Operating outside Australia includes:

* undertaking activities overseas (for example - providing medical assistance, missionary work, building housing, education programs)
* sending money or supplies overseas
* sending people overseas (for example - on a cultural exchange, for research, or as volunteers helping on projects)
* buying goods or services from overseas
* working with, or funding, other parties that are operating outside of Australia.

Importantly, a charity is generally considered to be operating outside of Australia even if its activities:

* only involve sending a small amount of money overseas
* are only a minor part of the charity's overall activities
* are undertaken by another organisation on the charity’s behalf

The reasonable steps that a charity must take to comply with the Standards depend on its circumstances and the risks associated with its work.

See [more detailed information about the External Conduct Standards](https://www.acnc.gov.au/ecs) and how they apply.

**What the self-evaluation covers**

The self-evaluation for charities that operate overseas comprises 5 short parts that cover each of the ACNC’s 4 External Conduct Standards.

**External Conduct Standards:**

* [External Conduct Standard 1](https://www.acnc.gov.au/for-charities/manage-your-charity/governance-hub/acnc-external-conduct-standards/external-conduct): Activities and control of resources (including funds)
* [External Conduct Standard 2](https://www.acnc.gov.au/for-charities/manage-your-charity/governance-hub/acnc-external-conduct-standards/external-conduct-0): Annual review of overseas activities and record-keeping
* [External Conduct Standard 3](https://www.acnc.gov.au/for-charities/manage-your-charity/governance-hub/acnc-external-conduct-standards/external-conduct-1): Anti-fraud and anti-corruption
* [External Conduct Standard 4](https://www.acnc.gov.au/for-charities/manage-your-charity/governance-hub/acnc-external-conduct-standards/external-conduct-2): Protection of vulnerable individuals

**Completing the self-evaluation**

Go through each section in the self-evaluation and respond to the questions and statements about your charity in the columns.

Describe what your charity does or has done to ensure it is meeting its obligations.

Make a note of the action it needs to take to improve in specific areas. Create an action plan based on these notes. There is a template action plan to help you with this.

**Do not send this self-evaluation back to the ACNC.**

The self-evaluation is a way of checking your charity’s compliance with its obligations. Once you complete it, share it with people in your charity – particularly the Responsible People – and keep it as part of your charity’s records. Revisit it regularly as part of reviews of your charity’s compliance.

**BEFORE YOU BEGIN:**

First check that the information the ACNC has about your charity is correct and up to date. Do this by looking at the charity’s record on [the Charity Register](https://www.acnc.gov.au/charity) and in [the Charity Portal](https://charity.acnc.gov.au). If details are missing or incorrect, provide the information or correct the details in the Charity Portal.

When going through the self-evaluation, consider your charity’s unique circumstances and ask yourself:

* **What does the charity do?** Think about your charity’s objects, the activities and programs it delivers overseas and the scope of those activities, including the value of the funds it sends overseas.
* **Where are the charity’s activities located?** Different countries bring different challenges. Your charity may face challenges from environmental disasters, the threat of war or terrorism, poor regulatory oversight, lack of banking systems, language barriers and different customs.
* **Who is involved?** Think about the people your charity encounters or works with overseas, including beneficiaries, volunteers, employees, contractors and other organisations.
* **How is the charity run?** Think about the mix of skills and experience among your charity’s Responsible People, how decisions are made, and how the charity is funded. Consider whether your charity oversees its activities overseas from in Australia or in the country of the activities.
* **What are the risks most relevant to the charity’s work?** Consider the risks your charity needs to manage in light of its activities and operations overseas.

It might be useful to have a copy of your charity’s governing document and other documents that outline its activities, programs and operations too.

**SELF-EVALUATION AS A GUIDE:**

The questions and examples in this self-evaluation are intended as a guide only because each charity’s circumstances are unique. This self-evaluation should not be read as a compulsory or comprehensive list of requirements. And while answering ‘no’ to any one question doesn’t necessarily indicate that your charity is not complying with obligations, it should prompt a look at the charity’s compliance within its wider circumstances.



**PART 1: EXTERNAL CONDUCT STANDARD 1 – ACTIVITIES AND CONTROL OF RESOURCES (INCLUDING FUNDS):**

[External Conduct Standard 1](https://www.acnc.gov.au/for-charities/manage-your-charity/governance-hub/acnc-external-conduct-standards/external-conduct-2) requires a charity to:

* take reasonable steps to ensure its activities outside Australia are consistent with its [purposes and character](https://www.acnc.gov.au/tools/topic-guides/charitable-purpose) as a not-for-profit entity, and
* have reasonable internal controls in place to ensure resources used outside Australia – including resources given to [third parties](https://www.acnc.gov.au/for-charities/manage-your-charity/governance-hub/acnc-external-conduct-standards/when-do-external) – are used in a way consistent with the charity’s purposes and character as a not-for-profit entity.

Charities must also maintain reasonable controls for its activities outside Australia to ensure it complies with Australian laws regulating:

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| * money laundering
 | * people smuggling
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| * financing of terrorism
 | * international sanctions
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| * sexual offences against children
 | * taxation
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| * slavery and slavery-like conditions
 | * bribery
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| * trafficking in individuals and debt bondage
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| **Questions for your charity and examples of reasonable steps it can take.** | **Response:*** **Yes**
* **No**
* **N/A**
 | **Describe the steps your charity taken and demonstrate evidence.** | **Is action required? (If yes, update your charity’s Action Plan.)** |
| 1. **Does your charity have a process for sound decision-making?**

For example:* *All overseas activities and resources align with the charity’s purpose and are consistent with what is in the charity’s governing document.*
* *The charity has clear decision-making and approval policies and processes are in place; decisions are recorded.*
* *The charity assesses and formally approves all overseas projects prior to commencing*.
* *The charity identifies risks when deciding the activities to undertake and how to use resources; it considers mitigation and management strategies to address risks.*
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| 1. **Does your charity take steps to engage suitable staff and volunteers?**

For example:* *The charity has thorough recruitment processes for staff and volunteers, including appropriate background and vetting checks.*
* *The charity provides new staff with training and support to help them understand their responsibilities and how they can raise concerns.*
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| 1. **Does your charity take steps to ensure it is helping its intended beneficiaries?**

For example:* *The charity’s beneficiaries are clearly defined and documented.*
* *The charity regularly assesses its activities and projects to ensure they are meeting the needs of the intended beneficiaries.*
* *The charity has procedures in place to ensure aid reaches the intended beneficiaries.*
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| 1. **Does your charity monitor its activities and projects outside Australia?**

For example:* *The charity regularly monitors its overseas projects to ensure they are:*
	+ *consistent with the charity’s purpose and character as a not-for-profit entity;*
	+ *achieving the desired outcomes; and*
	+ *identifying risks or issues.*
* *The charity’s Responsible People regularly review project and financial reports.*
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| 1. **Does your charity monitor its resources used outside of Australia?**

For example:* *The charity has an asset register for all its equipment, and this is reviewed regularly.*
* *The charity makes sure its equipment is stored securely.*
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| 1. **Does your charity have a process for identifying things going wrong?**

For example:* *The charity develops and implements procedures to detect financial wrongdoing.*
* *The charity retains records of transactions and reviews them for accuracy and consistency; the charity acts on discrepancies.*
* *The charity has processes in place allowing staff, volunteers, third parties and beneficiaries to report suspected wrongdoing without fear, recrimination or disadvantage.*
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| 1. **Does your charity take steps to ensure it is engaging with appropriate third parties?**

For example:* *The charity prioritises ethical conduct and sound financial management as key criteria when selecting third parties.*
* *The charity has processes in place to check the reputation and experience of third parties to determine suitability and legitimacy.*
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| 1. **Does your charity oversee how third parties use charity funds or resources outside Australia?**

For example:* *The charity has written agreements setting out everyone’s responsibilities.*
* *The charity regularly monitors the projects of third parties overseas; details are regularly reported to the charity’s Responsible People.*
* *The charity’s third-party partners have appropriate management policies and procedures in place.*
* *The charity records risks in a risk register which is regularly reviewed by the charity’s Responsible People.*
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| 1. **`Does your charity take steps to ensure it complies with Australian laws?**

For example:* *The charity has a way to identify the laws it must comply with.*
* *The charity’s considers all its legal in planning projects and activities.*
* *The charity monitors changes to the laws and assess the effect on its operations*
* *The charity’s Responsible People ensure the charity’s licences, compliance obligations and reporting obligations are up to date and maintained.*
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**PART 2: EXTERNAL CONDUCT STANDARD 2 – ANNUAL REVIEW OF OVERSEAS ACTIVITIES AND RECORD-KEEPING:**

[External Conduct Standard 2](https://www.acnc.gov.au/for-charities/manage-your-charity/governance-hub/acnc-external-conduct-standards/external-conduct-0) requires a charity to [obtain and keep records](https://www.acnc.gov.au/for-charities/manage-your-charity/obligations-acnc/keep-charity-records) necessary to prepare a summary (if requested) of its activities and expenditure outside Australia on a country-by-country basis for each financial year in which it:

* operates outside of Australia, or
* gives resources (including funds) to third parties for use outside Australia.

These records need to be:

* complete, accurate and legible
* prepared on a timely basis
* kept in English or in a form that can be easily translated to English, and
* stored safely for at least seven years.

A charity can keep records in any format, including in electronic form, as long as specific information in the records is easy to find and can be produced if it is requested.

Read [more information on all record keeping obligations](https://www.acnc.gov.au/recordkeeping) for charities.

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| **Questions for your charity and examples of reasonable steps it can take.** | **Response:*** **Yes**
* **No**
* **N/A**
 | **Describe the steps your charity taken and demonstrate evidence.** | **Is action required? (If yes, update your charity’s Action Plan.)** |
| 1. **Does your charity keep records on its activities that allow a breakdown on a country-by-country basis?**

For example:* *The charity has records of how each of its activities outside its Australia enabled it to achieve its purposes.*
* *The charity has recorded details of all expenditure relating to its activities outside Australia, including activities by third parties it works with.*
* *The charity has details of the procedures and processes it has in place for each of the countries in which it has activities.*
* *The charity keeps a record of all third parties it works with outside Australia, including copies of written agreements, details of changes in personnel and any issues that arise.*
* *The charity keeps records of decisions that are made regarding its operations outside of Australia; specifically, issues raised about inappropriate conduct or behavior towards staff, third parties, volunteers or beneficiaries.*
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| 1. **Does your charity have a system in place to ensure it meets its record-keeping obligations?**

For example:* *The charity has completed the ACNC’s* [*record-keeping checklist*](https://www.acnc.gov.au/for-charities/manage/keep-charity-records/record-keeping-checklist)*.*
* *The charity has policies and procedures for record-keeping that cover:*
	+ *which records that are kept, how they are secured and who is responsible for them*
	+ *how sensitive records are secured and who has authorised access*
	+ *the requirement for records to be kept for seven years.*
* *The charity regularly backs up electronic records and stores them securely.*
* *The charity securely stores its paper records.*
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**PART 3: EXTERNAL CONDUCT STANDARD 3 – ANTI-FRAUD AND ANTI-CORRUPTION:**

[External Conduct Standard 3](https://www.acnc.gov.au/for-charities/manage-your-charity/governance-hub/acnc-external-conduct-standards/external-conduct-1) requires charities to take reasonable steps to:

* minimise risks of corruption, [fraud](https://www.acnc.gov.au/tools/topic-guides/fraud), bribery or other financial impropriety by its Responsible People, employees, volunteers and third parties outside Australia, and
* identify and document any perceived or actual [conflicts of interest](https://www.acnc.gov.au/tools/topic-guides/conflict-interest) for their employees, volunteers, third parties and Responsible People outside Australia.

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| **Questions for your charity and examples of reasonable steps it can take.** | **Response:*** **Yes**
* **No**
* **N/A**
 | **Describe the steps your charity taken and demonstrate evidence.** | **Is action required? (If yes, update your charity’s Action Plan.)** |
| 1. **Does your charity take proactive steps to prevent financial misconduct?**

For example:* *The charity has established clear policies and adequate controls for proper and ethical financial management.*
* *The charity’s policies and procedures for financial management are communicated throughout the charity and to relevant stakeholders.*
* *The staff involved in fundraising, managing money or reporting are supervised.*
* *The charity’s clearly articulates and records its financial delegations.*
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| 1. **Does your charity have a process to detect fraud or other financial misconduct?**

For example:* + *The charity’s financial statements are regularly checked for inconsistencies or inaccuracies.*
	+ *The charity’s staff are trained to identify warning signs that may indicate financial wrongdoing.*
	+ *The charity has processes allowing staff, volunteers and beneficiaries to report suspected wrongdoing without fear, recrimination or disadvantage.*
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**PART 4: EXTERNAL CONDUCT STANDARD 4 – PROTECTION OF VULNERABLE INDIVIDUALS:**

[External Conduct Standard 4](https://www.acnc.gov.au/for-charities/manage-your-charity/governance-hub/acnc-external-conduct-standards/external-conduct-2) requires a charity to take reasonable steps to ensure the safety of [vulnerable people](https://www.acnc.gov.au/tools/topic-guides/vulnerable-persons-or-people) overseas to the extent that they are:

* being provided with services, or accessing benefits under programs provided by the charity (whether directly or through collaboration with a third party) or
* engaged by the charity, or a third party in collaboration with the charity, to provide services or benefits on behalf of the charity or third party.

Vulnerable people are defined as a people aged under 18 or other individuals who may be unable to take care of themselves or are unable to protect themselves against harm or exploitation.

An individual may be unable to take care of themselves because of their age, an illness, trauma, disability, or some other disadvantage. Vulnerability may be either temporary or ongoing.

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| **Questions for your charity and examples of reasonable steps it can take.** | **Response:*** **Yes**
* **No**
* **N/A**
 | **Describe the steps your charity taken and demonstrate evidence.** | **Is action required? (If yes, update your charity’s Action Plan.)** |
| 1. **Does your charity communicate its commitment to protecting vulnerable people?**

For example:* + *The charity has a policy committing its staff, volunteers, third parties and visitors to protecting vulnerable people.*
	+ *The charity has a code of conduct setting out appropriate and inappropriate behaviors.*
	+ *All staff, volunteers, third parties and visitors are aware of their responsibility to report any suspected abuse within the charity.*
	+ *The charity has controls in place to ensure vulnerable people’s privacy is protected, particularly when using images and personal information.*
	+ *The charity’s staff, volunteers, beneficiaries and third parties know how to recognise when someone may become vulnerable.*
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| 1. **Does your charity take steps to ensure the suitability of staff, volunteers and contractors working with vulnerable people?**

For example:* + *The charity has thorough recruitment procedures, including appropriate background checks.*
	+ *Staff, volunteers and contractors are suitably qualified to work with vulnerable people and are properly supervised when doing so.*
	+ *The charity gives staff, volunteers and contractors training to help them understand their responsibilities identifying and protecting vulnerable people*.
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| 1. **Does your charity have a process for identifying and managing complaints, concerns or issues promptly and appropriately?**

For example:* + *The charity has confidential complaints procedures all vulnerable persons, as well as staff, volunteers and third parties can access.*
	+ *The charity deals with complaints or concerns appropriately, sensitively and promptly.*
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| 1. **Does your charity ensure it complies with laws and reporting requirements related to safeguarding?**

For example:* *The charity meets safeguarding requirements or relevant minimum standards in Australia and each host country.*
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**PART 5: ACTION PLAN:**

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| **Action Item** | **Issue** | **Action required** | **Timeframe** | **Assigned to** |
| *1* | *Our annual review of activities outside Australia has not been completed.* | *Complete the review, discuss any issues at board/committee level.*  | *1 July 20XX* | *CEO* |
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**SIGNING OFF:**

**Self-evaluation completed by:**

**Full name:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Position:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Signature:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Date:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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| **Charity’s Responsible People:****Full name:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**Signature:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Date:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Full name:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**Signature:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Date:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  | **Full name:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**Signature:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Date:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Full name:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**Signature:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Date:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  | **Full name:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**Signature:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Date:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Full name:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**Signature:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Date:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  |