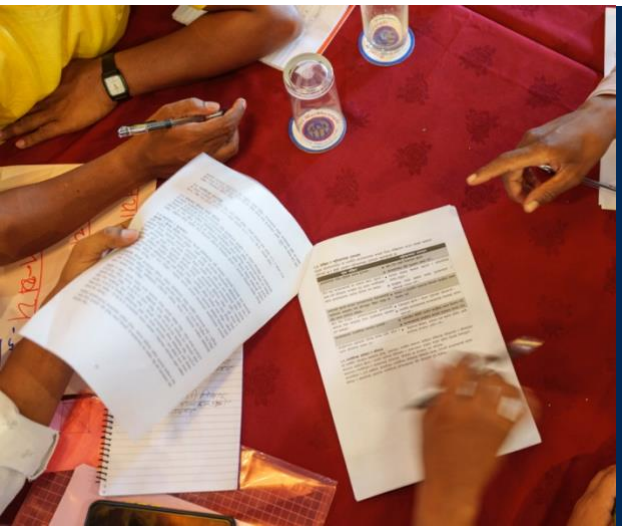
FREEDOM FUND DUE DILIGENCE PROCESS OVERVIEW

Revised June 2023



The Freedom Fund requires that all partner organisations (hotspot implementing partners, technical assistance partners, research partners and partners within our corporate accountability and movement building portfolios) undergo a due diligence assessment prior to funding. While the overall goals of due diligence relate to safeguarding and financial compliance, we also designed the process with the intention that it be mutually beneficial and constructive for applicants, supporting the organisation to build capacity in areas identified as gaps. We take a three-tiered approach to this process, with organisations following basic, standard or enhanced pathways based on organisational characteristics and the type of partnership we are considering. The following document details the steps involved with each pathway and is referenced by staff throughout the process.

1. Instructions

This document sets out the process for conducting due diligence checks on partners that will be awarded grants by the Freedom Fund.

The purpose of due diligence assessments is to ensure all organisations have systems in place that: (1) Protect their participants, beneficiaries and staff from harm; (2) Ensure that funds are spent appropriately, that expenditure is properly monitored and reported, and done so in a legal way.

2. Sanction checks

As part of our due diligence process, we conduct sanction checks for every organisation we fund against the LexisNexis Bridger Insight dataset. Sanction checks are conducted prior to contracting each grantee and then on an ongoing, monthly basis until the agreement ends or is terminated. Sanctions checks are conducted separately to due diligence assessments.

After a sanctions check, all grantees are placed on one of three different due diligence pathways, depending on the nature of the organisation, the nature of the grant and the nature of the partnership. The pathways require compliance checks of varying intensity.

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3. Basic due diligence pathway

A basic due diligence assessment with minimal checks is used for:

- Partners receiving only unrestricted grants.
- Partners receiving 'Initiate' grants, one-off capacity-building grants awarded to small start-up organisations which are typically under $25k USD. These organisations will not yet have developed the policies, procedures and processes expected under our full due diligence assessment.

In addition to sanctions checks, minimal checks include:

- Evidence of partner registration in the country of operation (or evidence that registration application is taking place)
- 2 references from appropriate people/organisations that have knowledge of the partners activities (e.g. other donors, partners, community representatives)
- The organisation must have a bank account in the name of the organisation that will be used to receive FF grant funds

4. Standard due diligence pathway

An organisation can use the standard due diligence assessment pathway if it meets the following criteria.

- Grantee meets any **one** of the following:
- Grant is $25k or less.
- Grant funds are payable to the partner on completion of specified outcomes or deliverables rather than on a cost-reimbursable basis.
- Grants to Corporate Accountability partners (a portfolio separate to our hotspot programs).

For grantees that do not meet any of the above criteria, organisations must meet **two out of four** of the following criteria to qualify for the standard due diligence pathway:

- Size of planned grant is less than $75k.
- Annual turnover of the organisation is more than $1m per year.
- Corruption perception index score of the country the organisation is registered in is over 50 on this index https://www.transparency.org/en/cpi.
- Grant is to a registered university or research institution. A research institution is defined as "any grantee or contractor who is commissioned to produce research outputs for the Freedom Fund, where the primary aim of the project is to produce deliverables that serve to advance knowledge, rather than providing services or support to vulnerable groups."

A set of four questions are sent to the organisation **(see Standard Due Diligence Form)**. The answers to these questions determine whether or not the organisation needs to take any further actions to meet standard Freedom Fund due diligence requirements.

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5. Enhanced due diligence pathway

The enhanced due diligence pathway is used for orgs that don't fit the criteria for basic or standard DD.

The process entails a more comprehensive set of compliance checks. Organisations will be assessed against the Freedom Fund's list of 39 standards, which are split into two sub-lists: 'Mandatory Standards' and 'Best Practice Standards'. Organisations will be assessed against all standards but the action taken for non-compliances will be different. Partner organisations are only given a compliance plan when there are gaps in meeting the Essential Standards. Where gaps exist to Best Practice Standards, the partner organisation will be awarded a grant and will be expected to implement improvements as part of their wider capacity building activities.

Enhanced due diligence assessments are usually carried out by an independent Financial Technical Advisor (TA) in the country where the partner is based. If necessary, a suitably qualified FF staff member may perform the assessment, or the assessment may be conducted virtually in special cases when they are located in a geography where FF does not have a physical presence.

Partners complete a self-assessment and provide supporting documents for the answers provided.

Step 1: Due diligence self-assessment

The first stage in the Freedom Fund's due diligence process is the self-assessment, which is completed by implementing partners during the grant application. The self-assessment is designed to help organisations get a sense of the Freedom Fund's expectations, make a decision in relation to their readiness to apply for funding and help with preparation for the formal assessment. The self-assessment should also provide a useful insight into the organisation's attitude, level of self-awareness and how they evaluate themselves in comparison to the formal assessment by an external consultant.

The organisation is sent the assessment template for FF standards along with either the concept note template or the grant application template and asked to assess itself against each standard using a numbered rating system. A document checklist is also sent, listing all documents that will need to be checked during the formal assessment.

FF sends the assessment template for FF standards and the document checklist to applicants along with either the concept note or full grant application template. Organisations assess themselves using a numbered rating system (1= standard not met, 2=standard partially met, 3=standard fully met) and return the form to the Freedom Fund along with their application. Freedom Fund reviews the self-assessment forms to understand how each organisation has evaluated itself.

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Step 2: Due diligence formal assessment

The formal due diligence should take place while the partner is developing its full grant application. Typically, a formal due diligence assessment during an in-person visit. Potential partners are given instructions in advance so they understand the process and can prepare the documentation required.

During the onsite visit, the assessment leader should look at all documentation, check against each mandatory standard, and assess the organisation's level using a numbered rating system: 1= standard not met, 2=standard partially met, 3=standard fully met.

The assessment leader records all results using the **Enhanced Due Diligence Onsite Assessment Form**. The summary table at the bottom of the template requires the assessment leader to note which standards have been assessed as not met (1) or partially met (2) with a short explanation of the gap or issue.

Once recorded, the assessment leader will share the findings of due diligence assessment with the management team of the organisation for a management response. Once the management response has been received, the assessment leader should let the organisation know the timeframe for a decision on whether the organisation has passed the assessment.

After the onsite assessment is complete, the assessment leader will analyse the findings/management response and come to one of two decisions:

- PASS: If the organisation complies with standards to an acceptable degree (i.e. that does not result in a significant risk of financial mismanagement or failure to meet the grant objectives), then it passes the due diligence assessment and is eligible for funding.
- FAIL: If the assessment reveals significant gaps or non-compliances against standards that would result in unacceptable financial risks with an awarded grant then the result will be that the partner is ineligible for funding. This decision may be overruled if there are justifiable reasons.

If the organisation has passed the onsite assessment but with non-compliances to the mandatory standards that do not result in unacceptable risks, the grant may be awarded but the partner will be asked to resolve the identified gaps or non-compliances within a given timeframe. Therefore, the assessment leader should also note the actions required to fulfil each non-compliant mandatory standard in the 'Action Point' column in the summary table, along with a suggested timeframe for completion.

Once the assessment leader has completed the analysis of findings, for each organisation that has unmet or partially met standards, FF will recommend a series of actions to make the required improvements.

Please note, the projected costs of the recommended actions should be factored into the decision of whether to contract with the partner. In some cases, the recommended actions won't require any funding – for example, if the required action is improved implementation of existing procedures. If funding is required, the Freedom Fund will need to decide what is

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appropriate support on a case-by-case basis. The organisation may also be asked to contribute funds.

If it is decided to fund the recommended actions and contract with the organisation, the actions should be drawn up into a compliance plan (see following section) to be included in the grant agreement. If neither the Freedom Fund nor the organisation can provide the necessary support to fill significant high-risk gaps, then a grant should not be awarded to the partner.

6. Compliance plans

If the Freedom Fund decides to fund:

- An organisation undergoing standard due diligence which does not have all the required documentation and processes in place
- An organisation undergoing enhanced due diligence that has not met, or only partially met, one or more of the mandatory standards

We may decide to put the organisation on a compliance plan to address the gaps within a reasonable time frame – ordinarily this will be no longer than six months. The plan outlines actions required to fill gaps identified within a set timeframe. Progress to complete improvement actions is tracked by the Freedom Fund.

The actions required to resolve identified issues are listed in the compliance plan, along with a timeframe for completion. A partner's compliance plan is included in the grant agreement. Organisations are contractually required to complete all listed actions within the specified timeframe, or risk having their grant terminated.

The contents of the compliance plan should be communicated to the organisation at the same time as the full grant agreement is sent for review and signature. It should be made clear to the organisation that they will be contractually required to complete the actions by the given deadline. Any questions the organisation may have on the compliance plan - e.g. completion is not possible by the stated deadline - are directed to their main Freedom Fund contact, their locally-based Program Advisor.

The Freedom Fund checks on the partners' progress in completing the action points, reviewing progress either virtually or through site visits if necessary. Progress against the compliance plan is checked prior to the grant instalment payment dates.

If the partner is making sufficient progress in meeting the objectives of the compliance plan, the release of the payment instalment is approved. However, if it is decided that the partner has not made sufficient progress, we may decide to delay the instalment until certain actions have been implemented.

In exceptional circumstances where the partner has not completed any of the agreed actions and has not shown motivation to fill the identified gaps, we may deliberate and decide to terminate the grant agreement.

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As each partner nears the end of their plan (timeframe will vary between partners), we conduct a final review of completed actions. This may be an office visit or a virtual review, depending on the contents of the plan.

We assess the outcome of the review and recommended assessment decision for each action and make a final decision on whether the compliance plan is completed. The decision is communicated to the partner in writing.

PASS: The partner is considered to have satisfactorily met the mandatory standards of the Freedom Fund. We communicate to the organisation in writing informing them of the decision. If a partner passes its compliance plan, its risk rating is usually downgraded to 'medium' unless there are other noted issues. It should be made clear to the partner that if standards drop again the Freedom Fund reserves the right to take actions as per the T&Cs of the grant agreement.

EXTENSION: The term of the compliance plan may be extended where we find that there are legitimate grounds for delay in the implementation of agreed improvements.

FAIL: if the partner has failed to complete the compliance plan without legitimate grounds for delay, then they do not pass the compliance plan and the grant agreement is terminated.

7. Termination of grant agreements

If the partner does not pass the compliance plan and the contract is terminated, the Freedom Fund determines the shape of the organisation's exit.

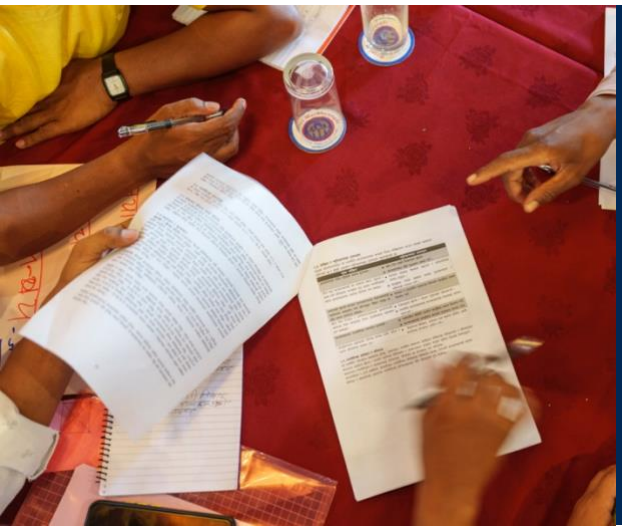
NORMAL EXIT: If no gross misconduct has occurred, the Freedom Fund may decide to support the partner's exit i.e. with resources, most likely over a longer period to mitigate negative impact on the organisation and its staff.

GROSS MISCONDUCT: If gross misconduct has occurred, the Freedom Fund reserves the right to terminate the agreement as per T&Cs. While there is no required contractual notice period, we try to provide one unless circumstances require for rapid termination.

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STANDARD DUE DILIGENCE ASSESSMENT FORM

Revised June 2023



The Freedom Fund takes a three-tiered approach to our due diligence process, with organisations following basic, standard or enhanced pathways based on organisational characteristics and the type of partnership we are considering. The following document is sent to applicant organisations that qualify for the standard due diligence pathway. (See **Freedom Fund Due Diligence Process Overview** for the criteria used to determine that an organisation should follow this pathway.) This template has been adjusted for use by any funder; the bracketed fields will need to be updated before use.

INSTRUCTIONS

The following form is intended for applicant organisations that qualify for the standard due diligence pathway. The answers to these questions determine whether your organisation needs to take any further actions to meet standard due diligence requirements. Please complete the sections in order and follow the directions closely. Then return the completed form to [Funder Contact] along with the supporting evidence.

Organisation legal name	
Address	
Name of person completing assessment	
Name, job title & email of most senior management employee	
Name, job title & email of the chair of supervisory board	
Assessment date	

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SECTION 1: HIGH LEVEL ASSESSMENT

First, please answer the following **FIVE** questions. Your answers to these questions determine whether or not the organisation needs to take any further actions to meet standard Freedom Fund due diligence requirements. Please see the instructions for each individual question for more information on the next steps.

Question	Yes/No	List evidence provided (copies required for review)
1. Is your organisation registered as is legally required in order to carry out the project in question? - If **YES**, please provide copy of documentation for review - If **NO**, are you in the process of applying for registration? Please describe the application stage you have reached and indicate how long it may be until registration is complete. The situation will be considered and approval may be given for a grant to be awarded.		
2. Has your organisation received unqualified audit reports for the two most recent financial years? - If **YES**, please provide copies of financial statements including the external audit opinion for review - **If NO** because your organisation has not yet been operating for two financial years or because an external audit is not required for your organisation under national regulations, the organisation should answer the extended questionnaire (Section 2). - **If NO** because your organisation has received a qualified audit report for either or both of the last two financial years, organisation is ineligible for funding.		
3. Will your organisation be required to submit detailed quarterly financial		

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Question	Yes/No	List evidence provided (copies required for review)
reports to [Funder Name] as part of the proposed grant? *'Detailed financial reports' are only required for cost-reimbursable grants where funds are provided to be specifically applied against expenditure. Grants where funds are paid against achievement of objectives/deliverables will generally not require detailed finance reports.* - **If YES**, answer question 3.A below - **If NO**, please skip to question 4. 3A. Is your organisation currently in direct receipt of funding, and successfully passed a due diligence assessment, from any of the following international donors in the past 3 years? US Government, UK Government, SIDA, NORAD, Australian Government. - **If YES,** organisation should list the names of these donors. If these awards are not identified within the audited financial statements provided at question 2, please provide suitable alternative evidence. - **If NO**, organisation must take the extended questionnaire.		
4. Does your organisation work directly with vulnerable adults and/or children in any of its projects? - If **YES**, please see Section 3 on Safeguarding. - If **NO**, no further action required on question 4. You will be required to sign a grant agreement with that includes the [Funder Name] safeguarding policy.		
5. Is the project you are applying for funded directly or indirectly by a US Government department or agency?		

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Question	Yes/No	List evidence provided (copies required for review)
- If **YES**, please request and complete Annex B (extended questionnaire for US government sub-grantees). - If **NO**, no further action required on question 5.		

SECTION 2: EXTENDED QUESTIONNAIRE – FINANCE

If you have answered NO to **Question 2** (two unqualified audits) because your organisation has not yet been operating for two financial years or **Question 3** (in receipt of support from specified international funders), please answer the following questions and provide supporting evidence.

Question	Yes/No	List evidence provided (copies required for review)
1. Describe your organisation's finance team and its capabilities. - Please provide the resumé or CV of the lead finance manager. - If you don't have a finance team please describe how your organisation manages budgeting, reporting, and overall financial management.		
2. Does your organisation have written policies and procedures for financial accountability? This must contain procurement policy, schedule of delegated authority and requirements for dual signatories on all payments. - Please provide these policies and procedures for review.		
3. Are the bank accounts used for receipt of grant funds in the official name of the organisation? - If **YES**, please provide copies of two recent bank statements.		

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Question	Yes/No	List evidence provided (copies required for review)
- If **NO**, please explain the reason for having the bank accounts in a different name.		
4. Can the organisation confirm that all staff receive minimum wage in accordance with national laws and that staff are not required to make contributions/donations to the organisation from their salary? - If the organisation receives any contributions or donations from staff, please explain the circumstances around this.		

SECTION 3: SAFEGUARDING

If the organisation is working directly with vulnerable adults and/or children, then it is required to meet the following minimum safeguarding standards. If the organisation does not meet these standards, it will be required to take actions to improve its safeguarding systems in order to receive funding.

Question	Yes/No	List evidence provided (copies required for review)
1. The organisation has a Child and Vulnerable Adult Protection Policy (Safeguarding policy). - If **YES**, submit for review - If **NO**, the organisation will be required to either develop their own safeguarding policy, or sign onto the Freedom Fund's policy. - If the organisation has a safeguarding policy, however this doesn't meet Freedom Fund minimum standards, it will be required to amend its existing policy to meet these standards. The Freedom Fund's minimum standards for		

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Question	Yes/No	List evidence provided (copies required for review)
a safeguarding policy are included at the end of this document.		
2. The organisation has appointed a safeguarding focal person who understands their role, and there is a system in place where staff members know they need to report any safeguarding concerns. - If **YES**, please explain what has been done to train the safeguarding focal person and describe the safeguarding system in place and what has been done to train staff to use it. - If **NO**, organisation will be put on a compliance plan and be required to appoint a safeguarding focal person within a specified timeframe and put in place an internal complaints reporting mechanism.		
3. The organisation has a safeguarding reporting register, which it used to record all safeguarding allegations. The register entries show how each allegation has been responded to. - If **YES**, please submit a scan/picture of 2 pages of the safeguarding reporting register. - If **NO**, organisation will be put on a compliance plan and be required to create a safeguarding reporting register within a specified timeframe.		
4. The organisation has a Code of Conduct that describes the standards of behaviour that all staff members are expected to comply with. - If **YES**, submit for review. - If **NO**, the organisation will be required to either develop their own Code of Conduct or adopt the Freedom Fund's Code of Conduct.		

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SAFEGUARDING MINIMUM STANDARDS

VULNERABLE ADULT & CHILD PROTECTION / SAFEGUARDING POLICY CHECKLIST

This document details the [Funder Name]'s minimum standards for all safeguarding policies. If your organisation's Vulnerable Adult & Child Protection / Safeguarding policy does not include the following points, then you either need to develop the policy to include them or sign onto the [Funder Name]'s policy.

At a minimum, the applicant's safeguarding policy should:

[ ] Include a definition of what the policy covers:

- Safeguarding from different forms of abuse, exploitation and neglect
- PSEA (the Prevention of sexual exploitation and abuse)

[ ] Include a Scope that defines who is covered by the policy – please note, the policy MUST be designed to protect children and vulnerable adults.

[ ] Be explicit that the policy applies to all staff, volunteers and associates at all times.

[ ] List associated policies and procedures. Is there alignment with these other policies? Does the policy integrate safeguarding measures into all areas of the organisation?

[ ] State the organisation's zero tolerance policy for staff and associated individuals committing harm, exploitation or abuse- setting the tone of the culture of the organisation.

[ ] Identify the organisation's commitment to the United Nations Secretary General's Bulletin on Special Measures for protection from sexual exploitation and sexual abuse (ST/SGB/2003/13).

[ ] Describe the standard of behaviour expected of the organisation's staff and representatives and that the organisation specifically forbids exploitation and abuse.

[ ] Outline the responsibilities of the organisation to prevent safeguarding concerns from arising. The policy should:

- Clearly state what conduct is appropriate and inappropriate or prohibited
- Consider safeguarding risks prior to activities and programs
- Have a clear safe recruitment process (job posting, interviews, references, police checks, mandatory induction, training, support) where relevant
- Provide safeguarding awareness to all stakeholders
- Clearly state how program participants/staff will be able to report concerns

[ ] Recognise the rights of all program participants to be protected from exploitation and abuse.

[ ] Identify and outline the responsibilities of specific managers/persons in authority in receiving concerns.

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[ ] Outline the various ways staff, organisational representatives, program participants and communities can raise concerns, and explain how to report a concern.

[ ] Outline how the organisation will respond.

[ ] Require oversight from a delegated safeguarding trustee and safeguarding issues shared with the board.

[ ] Refer to the protection of whistle-blowers, or reference a policy that covers this.

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ENHANCED DUE DILIGENCE ON-SITE ASSESSMENT FORM

Revised June 2023



The Freedom Fund takes a three-tiered approach to our due diligence process, with organisations following basic, standard or enhanced pathways based on organisational characteristics and the type of partnership we are considering. The following form is the second of two documents used to conduct due diligence on organisations that fit our criteria for the enhanced pathway. (See **Freedom Fund Due Diligence Process Overview** for the criteria used to determine that an organisation should follow this pathway.) Ideally, the form is completed during an on-site visit, but it could also be completed virtually if needed. This template has been adjusted for use by any funder; the bracketed fields will need to be updated before use.

INSTRUCTIONS

This form is to be used during the on-site assessment visit. The objective of the form is to determine and record if the partner complies with each due diligence standard.

1. There are two categories of due diligence standard: 'Essential' and 'Best Practice'; both categories are to be assessed but gaps or non-compliances will be treated differently.
2. For each standard, verify whether the partner is compliant by obtaining and reviewing documents, asking questions and considering the evidence/answers provided. Guidance is provided in the 'Checks' column but this should be taken as the minimum reviews to be carried out.
3. Further guidance is provided in the 'Satisfactory' and 'Unsatisfactory' columns to evaluate if the partner has met the standard or not. In the Compliance Rating column, assign a number rating according to the following scale:

1 = Standard not met
2 = Standard partially met
3 = Standard fully met

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For each standard, provide detail to support the Compliance Rating in the 'Comments' column, especially where standards have not been met (rating '1').

4. The summary table at the end of the form is to be filled in after completion of the detailed assessment. For each category note the reference of standards that have been assessed as '**not met' (1)** or **'partially met' (2)** in the relevant column and include recommended actions for that category in the last column 'Action Points'. If the standards under a category have all been fully met, please tick the third '**fully met'** column.

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GENERAL INFORMATION

Name of organisation		Form Completed by:	
Year organisation was founded		Name	
Type of organisation (CBO, CSO, NGO)		Date	
Annual Expenditure			
Number of Staff			
Organisation major Donors			
Residential care activities? (Yes/No) *		* Residential care activities involve higher safeguarding risk, so greater safeguarding control required if the answer is Yes	

FF STANDARDS ASSESSMENT FORM

a) Mandatory Standards

Category	Standard	Checks	Satisfactory	Unsatisfactory	Compliance Rating (1=not met, 2 = partially met, 3= fully met)	Comments
1. Legal	1.1 The organisation has all required and up-to-date legal registration documentation.	Obtain copies of current - Legal Registration certificates - Incorporation documents	The organisation is able to provide evidence of all required legal registration documentation.	The organisation is not able to provide evidence of all required legal registration documentation.		

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Category	Standard	Checks	Satisfactory	Unsatisfactory	Compliance Rating (1=not met, 2 = partially met, 3= fully met)	Comments
2. Governance	2.1 An external audit is carried out on the organisation financial statements, if this is a legal requirement in the country of operation.	Inspect latest two audited financial statements and management letter (if provided). Do the financial statements contain an unqualified audit opinion?	An external audit has been carried out recently. The report has been issued with an unqualified audit opinion.	Either: No external audit has been carried out but this is a statutory requirement. Or: The audit report has a Qualified opinion		
	2.2 The organisation has a functional board that has a set of governing body bylaws.	Obtain copy of the current Board bylaws or terms of reference of the governing body.	The organisation is able to provide evidence of a Board TOR and set of governing body bylaws.	The organisation is not able to provide evidence of a set of governing body bylaws. Records that show the Board has approved the bylaws are not available		
3. Finance	3.1 Standard operating policies and procedures are in place for finance, accounting (including petty cash management).	Obtain and check a copy of the current finance manual (policies & procedures).	The operating policies and procedures are complete and include the key finance functions. The policies and procedures are clear and readily available to users.	The operating policies and procedures are not documented or are incomplete. They are not clear or easily accessible to users.		
	3.2 Finance activities are appropriately managed.	Obtain the CV or details of the qualifications/ experience of the person	Head of Finance is qualified accountant (ACA, ACCA, CIMA, CPA, CCCA) or has several	Head of Finance is not a qualified accountant and/or does not have relevant experience of		

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Category	Standard	Checks	Satisfactory	Unsatisfactory	Compliance Rating (1=not met, 2 = partially met, 3= fully met)	Comments
		in charge of the finance department.	years of relevant finance management experience.	finance management in a similar organisation.		
	3.3 If a significant cash amount (more than US$100 equivalent) is held in the organisation premises, the cash fund is kept in a locked cashbox or safe and access is limited to key, senior staff members. Cash counts are performed regularly – at least weekly – with occasional spot checks carried out.	Obtain the average cash balance held by the organisation over the previous six months. If this exceeds the threshold, check that the cash fund in the premises is adequately secured. Obtain and review the latest three cash count forms to ensure these comply with the procedure set out in the finance manual.	Locked cashbox or safe is used for all cash. Cash counts are carried out at least weekly with occasional surprise counts performed by senior manager.	Cash is easily accessible and/or accessible by many people (including staff members outside finance team). Cash counts are not performed or only infrequently.		
	3.4 Advances made to staff to carry out expenditure (i.e. floats) are managed in accordance with defined procedures and good practice.	Review a sample of advances to check these comply with the procedure set out in the Finance manual.	Advances are recorded and settlement happens promptly. An employee cannot get an advance unless previous advances have been settled.	No record is kept of advances made to staff. Settlements do not happen promptly and/or several advances take place simultaneously.		
	3.5 Bank accounts are in the name of the organisation.	Obtain and check samples of organisation bank statements.	All bank accounts are in the name of the organisation.	Bank accounts used by the organisation in the name of other people/organisations.		

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Category	Standard	Checks	Satisfactory	Unsatisfactory	Compliance Rating (1=not met, 2 = partially met, 3= fully met)	Comments
	3.6 At least two signatories are required to sign a cheque/make a withdrawal. Cheques are never pre-signed. The list of bank signatories is up to date and there is a controlled process for changing signatories.	Review the organisation cheque book – how many signatures are required? Ensure blank cheques have not been signed, even partially. Obtain and check a copy of the bank signatory list. Check the process for updating signatories. Has this been applied recently?	At least two signatories are required to sign a cheque/make a withdrawal/sign a bank transfer. List of signatories is up to date. The cheque book does not include any signed blank cheques and staff confirm this does not happen.	Only one signatory required to sign a cheque. List of signatories is not up to date and/or there is no process for updating the list. There is evidence of blank cheques having been signed by one or more signatories.		
	3.7 Bank reconciliations are prepared often.	Obtain and review the last 3 bank reconciliations to ensure these comply with the procedure in the finance manual and expected controls.	Bank reconciliations are prepared, reviewed and approved monthly. There are no old reconciliation items	Bank reconciliations are not done monthly or these are not reviewed and approved. Old items are noted in the reconciliation without action having been taken.		
	3.8 The accounting system ensures that costs are not charged to multiple donors.	Obtain procedure or explanation of how transaction costs are allocated to funders.	There are effective controls in place to prevent the same expenditure being charged to multiple donors.	There is no process in place and staff show little awareness of need for controls to prevent misallocation.		
4. Procurement,	4.1 A procurement manual is in place that	Obtain and check procurement manual	Procurement procedures describe the important	Procurement SOPs are not available,		

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Category	Standard	Checks	Satisfactory	Unsatisfactory	Compliance Rating (1=not met, 2 = partially met, 3= fully met)	Comments
inventory and payments	includes key requirements and controls, including an authority delegation schedule and segregation of duties.	(policies & procedures) for inclusion of key procedures.	controls for purchase of goods and services, including authorization levels, competitive quotes, segregation of duties). The procedures are easily accessible to users.	incomplete and/or inaccessible to users.		
	4.2 Purchases comply with the procedures and controls set out in the Procurement manual.	Review a sample of transactions for compliance with the procurement procedures.	The sample of transactions comply with the approved procedures and correct supporting documents are available.	Transactions have not followed the approved procedures and/or correct supporting documents are not available.		
	4.3 There is a controlled procedure for payment of salaries that includes: - Review & authorisation of payroll calculations - Payslips provided to all staff members or confirmation of receipt of salary - Details of statutory deductions made	Obtain the procedure applied for calculation, approval and payment of staff salaries and employment taxes. Check that required items are included. Also, check that there is no mention of a salary contribution scheme.	The salary process is well-designed and operated. Calaculations are accurate and have been reviewed and approved. All statutory deductions are made and have been paid to the relevant authority. There is no evidence of contributions being taken from salaries for benefit of the organisation.	The organisation does not have a clear and complete process for calculation/payment of salaries and statutory deductions. The organisation takes contributions from employee salaries.		

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Category	Standard	Checks	Satisfactory	Unsatisfactory	Compliance Rating (1=not met, 2 = partially met, 3= fully met)	Comments
5. Human resources & safeguarding	5.1 Standard operating policies and procedures are in place for HR activities. The manual needs to include appropriate policies for anti-harassment, equal opportunities, non-discrimination and whistleblowing.	Obtain and review a copy of the current HR manual (policies and procedures).	The organisation has an HR manual that describes processes necessary for personnel management.	An HR manual does not exist or has insufficient detail.		
	5.2 All staff members have signed and received an employment contract that includes the responsibilities and salary to be received. (*Note – this may not be a requirement in the relevant jurisdiction. For example, it is not required under UK law but is good practice.).*	Obtain and check copes of employment contracts for two staff members that will be working on the project (or a similar project). Ensure it describes the activities to be carried out, the salary to be paid and has been signed by the organisation and the staff member.	Employees have signed a current contract that contains details of activities and the salary that will be paid.	Employee contracts do not exist or do not include the current activities and salary to be paid.		
	5.3 All staff members receive minimum wage in accordance with national laws. Required taxes etc.	Check payslips and payroll. Check tax and other withholding payments schedule. Compare this	All employees receive a salary that is equal to or more than the national or regional minimum wage.	There are some employees who are paid below the national or regional minimum wage.		

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Category	Standard	Checks	Satisfactory	Unsatisfactory	Compliance Rating (1=not met, 2 = partially met, 3= fully met)	Comments
	are withheld and paid to the relevant authority.	to national or regional legislation on minimum wage levels.				
	5.4 The organisation does not require contributions from employee salaries to be given to the organisation or any of its members.	Talk to at least 3 different employees and ask if they have been requested to pay contributions from their salary.	Employees confirm that they are not required to pay contributions to the organisation.	Employees report that contributions are taken from their salary, either through the payroll process or by other means.		
	5.5 An appropriate safeguarding policy and code of conduct is in place. The policy is supported by a complete Safeguarding process, including - nominated SG focal point (with TOR) - safeguarding risk assessment. Research institutions may have an ethical research handbook or similar.	Obtain a copy of the current HR/safeguarding policy, code of conduct and supporting procedures and check these include the required items/details.	SG procedures are documented and approved. A SG focal point exists with a clear TOR for the responsibilities. A SG risk assessment has been carried out.	The required SG elements do not exist.		
6. Project management (only for project-	6.1 The organisation allocates staff with relevant expertise and experience to project	Talk to at least two staff in project management positions regarding her/his experience and expertise in project	Staff are suitably qualified. Able to: - Plan and deliver project activities	Project members do not have the right skills and/or experience to deliver the project.		

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Category	Standard	Checks	Satisfactory	Unsatisfactory	Compliance Rating (1=not met, 2 = partially met, 3= fully met)	Comments
restricted grants)	management positions.	management. How long has he/she been in the current role and with the organisation?	- Report on project deliverables - Maintain project records - Implement project management processes			
	6.2 There is a process to ensure the timely delivery of planned project activities.	Talk to project managers about the process followed to implement a project. Will this process be appropriate for the FF project?	The project process exists and is sufficient to deliver the project successfully.	There is no process in place to ensure the timely delivery of project activities.		
7. Community relevance & credibility (only for project-restricted grants)	7.1 The organisation's track record and presence in the community and region adequately prepare it to work in the proposed project area and accomplish the project goals.	Verify that the organisation has worked or is known in the target location of the project. If possible, check in with communities to see how the organisation is perceived.	The organisation has a positive track record and presence in the proposed project location.	The organisation does not have a positive track record and presence in the project location.		
	7.2 Funders and/or partner organisations or peer organisations would attest that the organisation works to a high standard.	Carry out a reference check with other organisations or funders familiar with the organisation's work.	The organisation has a positive track record and presence in the proposed project location.	The organisation does not have a positive track record and presence in the project location.		

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b) Best Practice Standards

Category	Standard	Checks	Satisfactory	Unsatisfactory	Compliance Rating (1=not met, 2 = partially met, 3= fully met)	Comments
1. Legal	1.2 The remaining duration of the registration is sufficient for planned Agreement of Services/Grant.	Check that the duration of registration extends beyond the completion date of the Grant Agreement.	The registration will not require renewal during the project period.	The organisation does not have a valid registration for the duration of the project.		
2. Governance	2.3 The board meets frequently and demonstrates oversight of the organisation's activities.	Obtain the minutes of the last two meetings. Are meetings taking place regularly?	Board meetings occur frequently enough to ensure oversight of organisation activities.	The Board does not meet regularly and this is not being rectified.		
	2.4 The organisation has a risk management register (including consideration of Safeguarding risks) in place, including a process for review/update of risks.	Enquire if the organisation has a risk management process that includes a register of assessed risks.	The organisation has a well-designed risk management process. The register is reviewed and updated at least annually.	There is no risk management process.		
3. Finance	3.9 Percentage of expenses paid in cash is limited.	Add all cash withdrawals over the past 3 months and divide by total expenditure for the period.	Less than 20% of expenditure is paid in cash.	More than 80% of expenditure is paid in cash.		
	3.10 Chequebooks are kept in a secure place.	Enquire on the location of chequebooks. Verify	Chequebooks are kept in a secure location	Chequebooks are easily accessible by unauthorised persons.		

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Category	Standard	Checks	Satisfactory	Unsatisfactory	Compliance Rating (1=not met, 2 = partially met, 3= fully met)	Comments
		this is where chequebooks are kept.	(locked cupboard or drawer).			
	3.11 An organisational budget is prepared and is approved by the Board (or governing body).	Obtain a copy of the current organisation budget and evidence of its approval.	The organisation prepares an annual budget for the whole organisation. This is reviewed and approved by the Board.	An organisation budget is not prepared annually.		
	3.12 Management accounts are prepared for the whole organisation frequently (ideally monthly).	Obtain a copy of the latest management accounts for the organisation.	Management accounts are prepared regularly for the whole organisation.	Management accounts are not prepared.		
	3.13 The accounts are reviewed by the governing body at each meeting.	Check the minutes of latest two Board meetings that accounts have been presented and approved.	There is evidence that accounts have been discussed by the governing body.	Management accounts are not presented to the governing body.		
	3.14 There is a fixed asset register in place.	Verify that the fixed asset register exists. Has the register been updated recently? Has there been a physical check of assets within the last year?	A fixed asset register exists that contains details of all assets. This is maintained and verified at least annually.	A fixed asset register does not exist or is not updated regularly.		
	3.15 The organisation has a fraud register that will be used to record any	Obtain and check the fraud register. Is there an effective process for	Allegations of fraud are recorded in a fraud register with enough	A fraud register does not exist or is not maintained with		

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Category	Standard	Checks	Satisfactory	Unsatisfactory	Compliance Rating (1=not met, 2 = partially met, 3= fully met)	Comments
	incidents or allegations of fraud together with the details of investigation and conclusion. Any recorded incidents/allegations of fraud have been investigated promptly and the details are included in the fraud register. Appropriate actions have been taken to: a) deal with any guilty parties; b) put in place controls to prevent repetition	identification, investigation, and reporting of any fraud incidents? Have donors been informed of any fraud incidents?	detail and the outcome of investigations. Stakeholders are informed of allegations and outcome of investigations.	allegations of fraud and investigations.		
4. Procurement, inventory and payments						
5. Human resources & safeguarding	5.6 Recruitment of staff includes: - agreed job description (JD) - appropriate checks (references and police checks)	Check at least 3 recent recruitments. Are JDs in place? Have at least 2 references been received plus police check (if available in the jurisdiction)?	JD exists and references have been taken as part of the recruitment process. Police checks are carried out if this is possible in the jurisdication.	An appropriate JD has not been agreed for the role. References and police checks are not carried out.		

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Category	Standard	Checks	Satisfactory	Unsatisfactory	Compliance Rating (1=not met, 2 = partially met, 3= fully met)	Comments
	5.7 The organisation maintains adequate and up to date accident/liability insurance.	Verify existence of accident/liability insurance document.	The organisation has current insurance that protects employees and other stakeholders.	No insurance cover exists.		
6. Project management (only for project-restricted grants)	6.3 There is a process to systematically collect, monitor and evaluate project monitoring data.	Obtain and check details of the M&E process used by the organisation.	The organisation has a detailed M&E process that records and monitors progress of projects being implemented	There is no process or system in place to monitor and report progress of projects		
	6.4 A complaints system exists that is accessible to both organisation employees and community members.	Obtain details of the process for recording, investigating and recording complaints raised on the organisation.	A complaints system and process exists and is accessible to all stakeholders. Complaints and comments received are reviewed and investigated with actions taken where necessary.	There is no process to receive or manage complaints on the organisation activities.		
7. Community relevance & credibility (only for project-restricted grants)						

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SUMMARY TABLE:

1. Under the correct component, note down which standards have been assessed as **not met (1) or partially met (2)** together with some brief explanation.
2. If the standards under a component have all been fully met, please tick the third **fully met (3)** column. If all standards under all components have been fully met then the organisation automatically passes the DD assessment.
3. At the end of the form, note down the final funding decision and briefly explain the rationale behind this.

	EVALUATION			
Component	**Not Met (Please specify which standards)**	**Partially Met (Please specify which standards)**	**Fully Met (Please tick if all standards under component are fully met)**	**Action points**
1. Legal				
2. Governance				
3. Finance				
4. Procurement, inventory and payments				
5. Human resources & safeguarding				
6. Project management				
7. Community relevance and credibility				
Due diligence assessment decision (Pass/Fail)				

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ENHANCED DUE DILIGENCE SELF-ASSESSMENT FORM & DOCUMENT CHECKLIST

Revised June 2023



The Freedom Fund takes a three-tiered approach to our due diligence process, with organisations following basic, standard or enhanced pathways based on organisational characteristics and the type of partnership we are considering. The following form is one of two documents used to conduct due diligence on organisations that fit our criteria for the enhanced pathway and should be completed by the the applicant organisation in advance of an on-site visit by the grantmaker. (See **Freedom Fund Due Diligence Process Overview** for the criteria used to determine that an organisation should follow this pathway.) This template has been adjusted for use by any funder; the bracketed fields will need to be updated before use.

INSTRUCTIONS

This form describes the standards that [Funder Name] applies to organisations that receive grant funding for program work. The purpose of this form is to help potential partners understand [Funder Name]'s standards and evaluate the current level of compliance. There are two categories of standard: a) 'Mandatory' standards that organisations must comply with, either before funding is provided or shortly afterwards; b) 'Best Practice' standards that are recommended for all organisations to ensure projects are effective and well-controlled.

The form should be completed and returned to [Funder Name] as part of the grant application. Please be aware that the form will be used as part of the formal due diligence process, which will include an on-site visit and physical checks of the documentation detailed below.

Please complete this form following the instructions below:

1. Read through each of the standards, checks and measures of compliance and non-compliance.
2. Assess your organisation against each standard in both categories by assigning a Compliance Rating according to the following scale:

   1 = Standard not met
   2 = Standard partially met
   3 = Standard fully met

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3. Return the form to the [Funder Name], along with your full proposal.
4. Use the document checklist included at the end of this form to help prepare for the onsite due diligence assessment.

Please note that if your organisation is non-compliant against one or more of the Mandatory Standards, this does not necessarily mean you are ineligible for funding. In such instances, the organisation will be required to meet the standard within a given timeframe.

If you have any questions while completing the form, please contact [Contact Name] at [contact email].

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FF STANDARDS ASSESSMENT FORM

a) Mandatory Standards

Category	Standard	Checks	Satisfactory	Unsatisfactory	Compliance Rating (1 = not met, 2 = partially met, 3 = fully met)	Comments
1. Legal	1.1 The organisation has all required and up-to-date legal registration documentation.	Obtain copies of current - Legal Registration certificates - Incorporation documents	The organisation is able to provide evidence of all required legal registration documentation.	The organisation is not able to provide evidence of all required legal registration documentation.		
2. Governance	2.1 An external audit is carried out on the organisation financial statements, if this is a legal requirement in the country of operation.	Inspect latest two audited financial statements and management letter (if provided). Do the financial statements contain an unqualified audit opinion?	An external audit has been carried out recently. The report has been issued with an unqualified audit opinion.	Either: No external audit has been carried out but this is a statutory requirement. Or: The audit report has a Qualified opinion		
	2.2 The organisation has a functional board that has a set of governing body bylaws.	Obtain copy of the current Board bylaws or terms of reference of the governing body.	The organisation is able to provide evidence of a Board TOR and set of governing body bylaws.	The organisation is not able to provide evidence of a set of governing body bylaws. Records that show the Board has approved the bylaws are not available		

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Category	Standard	Checks	Satisfactory	Unsatisfactory	Compliance Rating (1 = not met, 2 = partially met, 3 = fully met)	Comments
3. Finance	3.1 Standard operating policies and procedures are in place for finance, accounting (including petty cash management).	Obtain and check a copy of the current finance manual (policies & procedures).	The operating policies and procedures are complete and include the key finance functions. The policies and procedures are clear and readily available to users.	The operating policies and procedures are not documented or are incomplete. They are not clear or easily accessible to users.		
	3.2 Finance activities are appropriately managed.	Obtain the CV or details of the qualifications/ experience of the person in charge of the finance department.	Head of Finance is qualified accountant (ACA, ACCA, CIMA, CPA, CCCA) or has several years of relevant finance management experience.	Head of Finance is not a qualified accountant and/or does not have relevant experience of finance management in a similar organisation.		
	3.3 If a significant cash amount (more than US$100 equivalent) is held in the organisation premises, the cash fund is kept in a locked cashbox or safe and access is limited to key, senior staff members. Cash counts are performed regularly – at least weekly – with	Obtain the average cash balance held by the organisation over the previous six months. If this exceeds the threshold, check that the cash fund in the premises is adequately secured. Obtain and review the latest three cash count forms to ensure these comply with the procedure set out in the finance manual.	Locked cashbox or safe is used for all cash. Cash counts are carried out at least weekly with occasional surprise counts performed by senior manager.	Cash is easily accessible and/or accessible by many people (including staff members outside finance team). Cash counts are not performed or only infrequently.		

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Category	Standard	Checks	Satisfactory	Unsatisfactory	Compliance Rating (1 = not met, 2 = partially met, 3 = fully met)	Comments
	occasional spot checks carried out.					
	3.4 Advances made to staff to carry out expenditure (i.e. floats) are managed in accordance with defined procedures and good practice.	Review a sample of advances to check these comply with the procedure set out in the Finance manual.	Advances are recorded and settlement happens promptly. An employee cannot get an advance unless previous advances have been settled.	No record is kept of advances made to staff. Settlements do not happen promptly and/or several advances take place simultaneously.		
	3.5 Bank accounts are in the name of the organisation.	Obtain and check samples of organisation bank statements.	All bank accounts are in the name of the organisation.	Bank accounts used by the organisation in the name of other people/ organisations.		
	3.6 At least two signatories are required to sign a cheque/make a withdrawal. Cheques are never pre-signed. The list of bank signatories is up to date and there is a controlled process for changing signatories.	Review the organisation cheque book – how many signatures are required? Ensure blank cheques have not been signed, even partially. Obtain and check a copy of the bank signatory list. Check the process for updating signatories. Has this been applied recently?	At least two signatories are required to sign a cheque/make a withdrawal/sign a bank transfer. List of signatories is up to date. The cheque book does not include any signed blank cheques and staff confirm this does not happen.	Only one signatory required to sign a cheque. List of signatories is not up to date and/or there is no process for updating the list. There is evidence of blank cheques having been signed by one or more signatories.		

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Category	Standard	Checks	Satisfactory	Unsatisfactory	Compliance Rating (1 = not met, 2 = partially met, 3 = fully met)	Comments
	3.7 Bank reconciliations are prepared often.	Obtain and review the last 3 bank reconciliations to ensure these comply with the procedure in the finance manual and expected controls.	Bank reconciliations are prepared, reviewed and approved monthly. There are no old reconciliation items	Bank reconciliations are not done monthly or these are not reviewed and approved. Old items are noted in the reconciliation without action having been taken.		
	3.8 The accounting system ensures that costs are not charged to multiple donors.	Obtain procedure or explanation of how transaction costs are allocated to funders.	There are effective controls in place to prevent the same expenditure being charged to multiple donors.	There is no process in place and staff show little awareness of need for controls to prevent misallocation.		
4. Procurement, inventory and payments	4.1 A procurement manual is in place that includes key requirements and controls, including an authority delegation schedule and segregation of duties.	Obtain and check procurement manual (policies & procedures) for inclusion of key procedures.	Procurement procedures describe the important controls for purchase of goods and services, including authorization levels, competitive quotes, segregation of duties). The procedures are easily accessible to users.	Procurement SOPs are not available, incomplete and/or inaccessible to users		
	4.2 Purchases comply with the procedures and controls set out	Review a sample of transactions for compliance with the	The sample of transactions comply with the approved procedures	Transactions have not followed the approved procedures and/or correct supporting		

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Category	Standard	Checks	Satisfactory	Unsatisfactory	Compliance Rating (1 = not met, 2 = partially met, 3 = fully met)	Comments
	in the Procurement manual.	procurement procedures.	and correct supporting documents are available.	documents are not available.		
	4.3 There is a controlled procedure for payment of salaries that includes: - Review & authorisation of payroll calculations - Payslips provided to all staff members or confirmation of receipt of salary - Details of statutory deductions made	Obtain the procedure applied for calculation, approval and payment of staff salaries and employment taxes. Check that required items are included. Also, check that there is no mention of a salary contribution scheme.	The salary process is well-designed and operated. Calculations are accurate and have been reviewed and approved. All statutory deductions are made and have been paid to the relevant authority. There is no evidence of contributions being taken from salaries for benefit of the organisation.	The organisation does not have a clear and complete process for calculation/payment of salaries and statutory deductions. The organisation takes contributions from employee salaries.		
5. Human resources & safeguarding	5.1 Standard operating policies and procedures are in place for HR activities. The manual needs to include appropriate policies for anti-harassment, equal opportunities, non-discrimination and whistleblowing.	Obtain and review a copy of the current HR manual (policies and procedures)	The organisation has an HR manual that describes processes necessary for personnel management.	An HR manual does not exist or has insufficient detail.		

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Category	Standard	Checks	Satisfactory	Unsatisfactory	Compliance Rating (1 = not met, 2 = partially met, 3 = fully met)	Comments
	5.2 All staff members have signed and received an employment contract that includes the responsibilities and salary to be received. (*Note – this may not be a requirement in the relevant jurisdiction. For example, it is not required under UK law but is good practice.)*	Obtain and check copes of employment contracts for two staff members that will be working on the project (or a similar project). Ensure it describes the activities to be carried out, the salary to be paid and has been signed by the organisation and the staff member.	Employees have signed a current contract that contains details of activities and the salary that will be paid.	Employee contracts do not exist or do not include the current activities and salary to be paid.		
	5.3 All staff members receive minimum wage in accordance with national laws. Required taxes etc. are withheld and paid to the relevant authority.	Check payslips and payroll. Check tax and other withholding payments schedule. Compare this to national or regional legislation on minimum wage levels.	All employees receive a salary that is equal to or more than the national or regional minimum wage.	There are some employees who are paid below the national or regional minimum wage.		
	5.4 The organisation does not require contributions from employee salaries to be given to the	Talk to at least 3 different employees and ask if they have been requested to pay	Employees confirm that they are not required to pay contributions to the organisation.	Employees report that contributions are taken from their salary, either through the payroll		

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Category	Standard	Checks	Satisfactory	Unsatisfactory	Compliance Rating (1 = not met, 2 = partially met, 3 = fully met)	Comments
	organisation or any of its members.	contributions from their salary.		process or by other means.		
	5.5 An appropriate safeguarding policy and code of conduct is in place. The policy is supported by a complete Safeguarding process, including - nominated SG focal point (with TOR) - safeguarding risk assessment. Research institutions may have an ethical research handbook or similar.	Obtain a copy of the current HR/safeguarding policy, code of conduct and supporting procedures and check these include the required items/details.	SG procedures are documented and approved. A SG focal point exists with a clear TOR for the responsibilities. A SG risk assessment has been carried out.	The required SG elements do not exist.		
6. Project management (only for project-restricted grants)	6.1 The organisation allocates staff with relevant expertise and experience to project management positions.	Talk to at least two staff in project management positions regarding her/his experience and expertise in project management. How long has he/she been in the current role and with the organisation?	Staff are suitably qualified. Able to: - Plan and deliver project activities - Report on project deliverables - Maintain project records	Project members do not have the right skills and/or experience to deliver the project.		

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Category	Standard	Checks	Satisfactory	Unsatisfactory	Compliance Rating (1 = not met, 2 = partially met, 3 = fully met)	Comments
			- Implement project management processes			
	6.2 There is a process to ensure the timely delivery of planned project activities.	Talk to project managers about the process followed to implement a project. Will this process be appropriate for the FF project?	The project process exists and is sufficient to deliver the project successfully.	There is no process in place to ensure the timely delivery of project activities.		
7. Community relevance & credibility (only for project-restricted grants)	7.1 The organisation's track record and presence in the community and region adequately prepare it to work in the proposed project area and accomplish the project goals.	Verify that the organisation has worked or is known in the target location of the project. If possible, check in with communities to see how the organisation is perceived.	The organisation has a positive track record and presence in the proposed project location.	The organisation does not have a positive track record and presence in the project location.		
	7.2 Funders and/or partner organisations or peer organisations would attest that the organisation works to a high standard.	Carry out a reference check with other organisations or funders familiar with the organisation's work.	The organisation has a positive track record and presence in the proposed project location.	The organisation does not have a positive track record and presence in the project location.		

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b) Best Practice Standards

Category	Standard	Checks	Satisfactory	Unsatisfactory	Compliance Rating (1 = not met, 2 = partially met, 3 = fully met)	Comments
1. Legal	1.2 The remaining duration of the registration is sufficient for planned Agreement of Services/Grant.	Check that the duration of registration extends beyond the completion date of the Grant Agreement.	The registration will not require renewal during the project period.	The organisation does not have a valid registration for the duration of the project.		
2. Governance	2.3 The board meets frequently and demonstrates oversight of the organisation's activities.	Obtain the minutes of the last two meetings. Are meetings taking place regularly?	Board meetings occur frequently enough to ensure oversight of organisation activities.	The Board does not meet regularly and this is not being rectified.		
	2.4 The organisation has a risk management register (including consideration of Safeguarding risks) in place, including a process for review/ update of risks.	Enquire if the organisation has a risk management process that includes a register of assessed risks.	The organisation has a well-designed risk management process. The register is reviewed and updated at least annually.	There is no risk management process.		
3. Finance	3.9 Percentage of expenses paid in cash is limited.	Add all cash withdrawals over the past 3 months and divide by total expenditure for the period.	Less than 20% of expenditure is paid in cash.	More than 80% of expenditure is paid in cash.		

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Category	Standard	Checks	Satisfactory	Unsatisfactory	Compliance Rating (1 = not met, 2 = partially met, 3 = fully met)	Comments
	3.10 Chequebooks are kept in a secure place.	Enquire on the location of chequebooks. Verify this is where chequebooks are kept.	Chequebooks are kept in a secure location (locked cupboard or drawer).	Chequebooks are easily accessible by unauthorised persons.		
	3.11 An organisational budget is prepared and is approved by the Board (or governing body).	Obtain a copy of the current organisation budget and evidence of its approval.	The organisation prepares an annual budget for the whole organisation. This is reviewed and approved by the Board.	An organisation budget is not prepared annually.		
	3.12 Management accounts are prepared for the whole organisation frequently (ideally monthly).	Obtain a copy of the latest management accounts for the organisation.	Management accounts are prepared regularly for the whole organisation.	Management accounts are not prepared.		
	3.13 The accounts are reviewed by the governing body at each meeting.	Check the minutes of latest two Board meetings that accounts have been presented and approved.	There is evidence that accounts have been discussed by the governing body.	Management accounts are not presented to the governing body.		
	3.14 There is a fixed asset register in place.	Verify that the fixed asset register exists. Has the register been	A fixed asset register exists that contains details of all assets.	A fixed asset register does not exist or is		

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Category	Standard	Checks	Satisfactory	Unsatisfactory	Compliance Rating (1 = not met, 2 = partially met, 3 = fully met)	Comments
		updated recently? Has there been a physical check of assets within the last year?	This is maintained and verified at least annually.	not updated regularly.		
	3.15 The organisation has a fraud register that will be used to record any incidents or allegations of fraud together with the details of investigation and conclusion. Any recorded incidents/ allegations of fraud have been investigated promptly and the details are included in the fraud register. Appropriate actions have been taken to: a) deal with any guilty parties; b) put in place controls to prevent repetition	Obtain and check the fraud register. Is there an effective process for identification, investigation, and reporting of any fraud incidents? Have donors been informed of any fraud incidents?	Allegations of fraud are recorded in a fraud register with enough detail and the outcome of investigations. Stakeholders are informed of allegations and outcome of investigations.	A fraud register does not exist or is not maintained with allegations of fraud and investigations.		

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Category	Standard	Checks	Satisfactory	Unsatisfactory	Compliance Rating (1 = not met, 2 = partially met, 3 = fully met)	Comments
4. Procurement, inventory, and payments						
5. Human resources & safeguarding	5.6 Recruitment of staff includes: - agreed job description (JD) - appropriate checks (references and police checks)	Check at least 3 recent recruitments. Are JDs in place? Have at least 2 references been received plus police check (if available in the jurisdiction)?	JD exists and references have been taken as part of the recruitment process. Police checks are carried out if this is possible in the jurisdication.	An appropriate JD has not been agreed for the role. References and police checks are not carried out.		
	5.7 The organisation maintains adequate and up to date accident/liability insurance.	Verify existence of accident/liability insurance document.	The organisation has current insurance that protects employees and other stakeholders.	No insurance cover exists.		
6. Project management (only for project-restricted grants)	6.3 There is a process to systematically collect, monitor and evaluate project monitoring data.	Obtain and check details of the M&E process used by the organisation.	The organisation has a detailed M&E process that records and monitors progress of projects being implemented	There is no process or system in place to monitor and report progress of projects.		
	6.4 A complaints system exists that is accessible to both organisation employees and community members.	Obtain details of the process for recording, investigating and recording complaints raised on the organisation.	A complaints system and process exists and is accessible to all stakeholders. Complaints and comments received	There is no process to receive or manage complaints on the organisation activities.		

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Category	Standard	Checks	Satisfactory	Unsatisfactory	Compliance Rating (1 = not met, 2 = partially met, 3 = fully met)	Comments
			are reviewed and investigated with actions taken where necessary.			
7. Community relevance & credibility (only for hotspot partners)						

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DOCUMENT CHECKLIST

Use this checklist to help you to prepare for the onsite due diligence visit. The assessor will ask to see the documentation listed below to check whether your organisation complies with [Funder Name]'s standards.

1. Legal

- ☐ Legal registration certificates
- ☐ Incorporation documents

2. Governance

- ☐ Minutes of last board meeting
- ☐ Board meeting schedule for last year
- ☐ Governing body bylaws or Terms of Reference
- ☐ Most recent audited financial statements and management letter
- ☐ Risk management register
- ☐ Safeguarding Focal point Terms of Reference

3. Finance

- ☐ Bank statements for last three months
- ☐ Head of finance CV
- ☐ Finance manual
- ☐ Cash advance policy (including limits for staff)
- ☐ Cash count documentation for last month
- ☐ Bank mandate
- ☐ Bank transfer documents
- ☐ Bank reconciliation documentation for last three months
- ☐ Cheque books
- ☐ Cash books
- ☐ Bank books
- ☐ Organisational budget
- ☐ Management accounts
- ☐ Fixed asset register
- ☐ Anti-Fraud & corruption policy and fraud register

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4. Procurement and inventory

- ☐ Procurement standard operating policies and procedures
- ☐ Written authority delegation document
- ☐ Documentation of procedures for expenditure approvals
- ☐ Documentation of procedures for segregation of duties
- ☐ Staff contracts
- ☐ Payroll record/ staff payslips

5. Human Resources & safeguarding

- ☐ Sample of staff contracts and personnel files
- ☐ Payroll report and supporting documents (payslips, payment confirmation for statutory deductions)
- ☐ HR manual including HR-related policies
- ☐ Code of conduct document
- ☐ Whistleblowing policy
- ☐ Vulnerable child and adult safeguarding policy & format of safeguarding register
- ☐ Accident/liability insurance document
- ☐ Recruitment policy (including sample JDs, reference and police check forms)

6. Project management

- ☐ CVs of at least 2 project management staff
- ☐ Monitoring & Evaluation process description and forms
- ☐ Examples of following documents from an active project:
  - ☐ Budget
  - ☐ Planning documents
  - ☐ Monitoring plan

7. Community relevance

- ☐ Complaints systems protocols, flow chart, guidance

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