Accountability Self-Assessment Tool for

Korean NGOs in

International Development Cooperation

Foreword

In the field of international development cooperation, NGOs are recognized not only as the entities executing projects but also significant players in expanding people's awareness on global issues and offering new solutions as well as establishing policies and strategies.

In particular, the Accra Agenda for Action (AAA) adopted in 2008 at the 3rd High Level Forum on Aid Effectiveness (HLF-3) acknowledged civil society organizations as independent development agents along with the traditional players such as nations and international organizations and therefore, encouraged civil society organizations to place maximum efforts on enhancing their development effectiveness.

In the context of such trends, the amount of financial aid toward developing countries is gradually increasing along with people's level of interest and participation in individual NGOs in Korea. According to 2012 Survey on National Consciousness on ODA, conducted by Korea Institute for International Economic Policy, 90% of polled citizens answered that it is important to support developing countries and selected the NGO as one of the institutions that can make a significant difference in partner countries. On the other hand, Korean people are found to have more confidence in UN Agencies (UNDP, UN World Food Program, WHO, etc.), that in Korean NGOs, which demonstrates the need for Korean NGOs to make continuous efforts in order to gain more trust and support from the public.

Pursuing efficiency and effectiveness in development projects is indeed important in securing sustainability. However, we have arrived at point in time to go beyond that and show to the world how responsibly we operate our organizations and execute projects based on our vision and mission we commit to.

The issue of aid transparency and accountability was one of the key agenda items subject to much discussion at the 4th High Level Forum on Aid Effectiveness (HLF-4) held in Busan in 2011, and the topic of accountability is recently recognized as important yet again in Post 2015 Development Agenda against the backdrop of increasing voices demaning aid transparency and accountability from both NGOs and other stakeholders.

KCOC developed the Accountability Self-Assessment Tool for Korean NGOs in International Development Cooperation to objectively conduct self-evaluation on accountability performance and identify areas of improvements while pursuing sustainable development activities. This self-assessment tool is meaningful in that it provides the guidelines and sets the minimum standards on the level of accountability compliance required for development NGOs.

I would like to extend my gratitude to everyone whose help was vital in creating and publishing this self-assessment tool and look forward to seeing how this tool may help empower Korean NGOs in international development while openly and publicly fulfilling their accountability related obligations and in the course of doing so gain a higher level of societal trust in their organizations.

Sincerely,
Je-Hoon Lee
Chairman,
Korea NGO Council for Overseas Development Cooperation

Acknowledgements

The Accountability Self-Assessment Tool for Korean NGOs in International Development Cooperation was designed to assist NGOs in their accountability promoting endeavors so that they can be actually executed and pacticed, rather than becoming self-complacent and self-declaratory slogans. This self-assessment tool was developed in relation to the Code of Conduct for NGOs in International Development Cooperation. While the Code of Conduct comprehensively outlines core values, this self-assessment tool offers practical guidelines and index to help the actual implementation of such principles.

KCOC and Guide star Korea co-developed this self-assessment tool in 2013 after close consultation with KCOC's member organizations, scholars and experts. Furthermore, in November 2013, Open Forum to Promote Accountability was held to host a debate and deliverate on the published draft of this self-assessment tool. The final version of self-assessment tool was crafted with collected opinions from the forum attendees. Below is the list of individuals who provided supports in the process.

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We would like to extend our gratitude to everyone who participated.

Table of Contents

I. Introducing Accountability Self-Assessment Tool for Korean NGOs in International Development Cooperation

Accountability Self-Assessment Tool for Korean NGOs in International Development Cooperation (hereinafter referred to as the self-assessment tool) is developed to provide easy-to-follow evaluation guidelines to NGOs in international development (hereinafter referred to as the development NGOs). Through the self-assessment, a development NGO would be able to measure whether its activities are conducted in a responsible and accountable manner towards various stakeholders in its endeavor to realize its vision and mission.

This self-assessment aims to help NGOs to fulfill their accountability requirements and understand their own performance status by performing self evaluation, rather than to be used as a measuring tool by the 3rd parties. We hope that by utilizing this tool development NGOs will objectively identify the challenges and the areas of deficiencies, and manage their organizations and carry out projects in sustainable ways.

1. Self-Assessment Steps

This self-assessment shall be completed by following steps as described below.

Step 1: Establish self-assessment task force team
When creating a self-assessment team, the most ideal approach is for the NGO's executive director to form a TFT (Task Force Team) with the members from the various departments such as project management, accounting, public relations, etc. In order to minimize subjective interpretations due to rank, position, duration of service or individual preferences, it is recommended to perform the assessment in a group of at least three people and anyone with worked less than one year for the organization must be excluded.

Step 2: Understand the structure and content of the self-assessment tool
The task force team must clearly understand the overall flow and checklist items under each assessment area by familiarizing the structure and content of the self-assessment.

Step 3: Respond to Check-List items
Review the Check-List items listed as questions and mark the NGO's response accordingly.

Step 4: Devise overall assessment and improvement plans
Confirm the NGO's current accountability compliance level and devise improvement plans. Make sure those plans are proactively reflected in the organization's projects and management. Strive for continuous improvement by conducting periodic assessment.

2. Glossary

[Accountability]

There is no widely agreed definition of accountability due to its complex and ambiguous nature. In general, accountability assumes a precondition of answerability or liability of account-giving. Traditionally, accountability is defined as the procedural responsibility of stakeholders being called to account for their actions, especially that of the upper management/supervisors.

This self-assessment tool expanded the traditional definition of accountability to allow a more open and horizontal relapship and sharing of ownership among organization's executives, staff members, volunteers, donors, beneficiaries, and participating citizens. Therefore, the meaning of accountability in this context may be required to include new strategic concepts depending on changing circumstances and outside influences that NGOs may encounter in the future.

[Stakeholders]

The definition of stakeholders in this self-assessment tool includes the parties such as:

- Partner countries' citizens and parties benefiting from the aids
- Partner countries' governments and public institutions
- Korean and international NGOs in development cooperation
- Korean and international corporations, media, public corporation, professional societies and any other related organizations
- Governments and public institutions
- NGO's sponsors, donors and volunteers
- NGO's executives and employees
- Citizens

3. Structure of the Self-assessment Model

This self-assessment too is largely divided into four assessment areas of Organization, Project Management, Accounting and Release of Information, in each of which the accountability compliance level is measured.

Each Check-List evaluates the organization's accountability complaince level comprehensively by assessing the categories of Process Accountability, Development Effectiveness, Legality, and Transparency. The assessment is designed to calculate the total score by assigning weighted values on the most important category in each area.
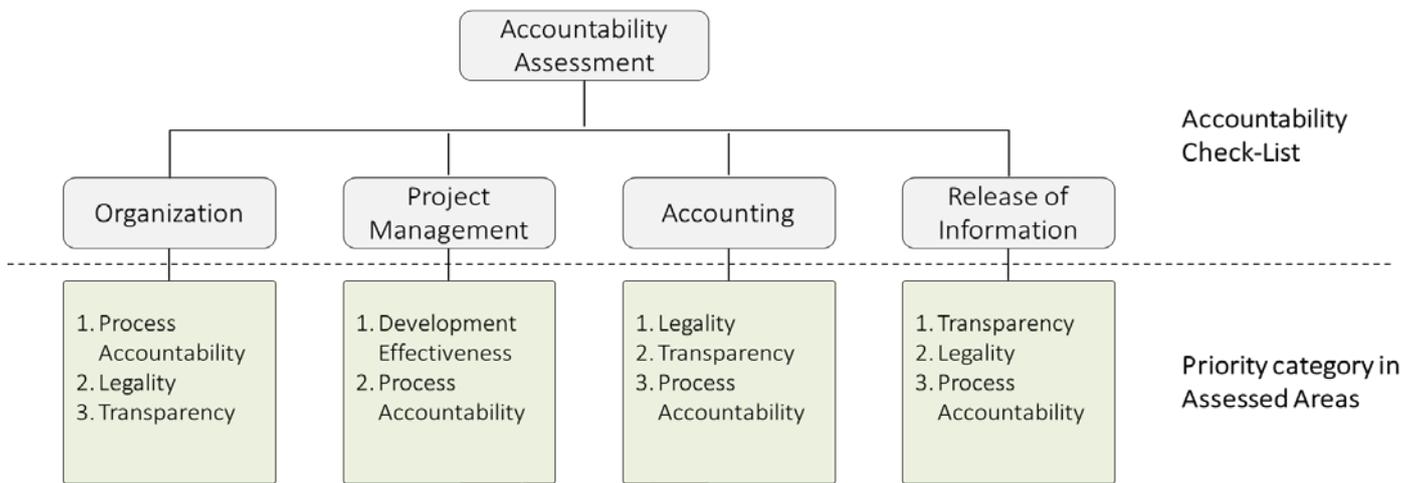
<Table 1> Check-List items and Priority

[Assessment Categories]

Process Accountability

Process Accountability measures how reasonable the NGO's decision-making process is and how appropriate, effective, justifiable and timely are the tools employed in operating the organization and executing planned projects. As a non-profit organization, the NGO's articles of incorporation (governing document) and internal operating procedures must be aligned with the one's own mission and vision while internal decisions are made democratically and plans are executed in a transparent, faithful and effective manner.

Development Effectiveness

Development Effectiveness measures practical and positive impacts made by the NGO's actions on fighting against the partner country's poverty. This category focuses on the quality of the results created by executed projects rather than the effectiveness of the project process. The Istanbul CSO Development Effectiveness Principles adopted in 2011 at 4th High Level Forum on Aid Effectiveness (HLF-4) held in Busan highlighted the structural cause of poverty and sustainable solutions such as enhanced human rights and social justice, gender equality, democratic ownership, accountability and positive and sustainable changes.

Legality

Legality reviews whether NGOs comply with the relevant laws and regulations and mainly concerns whether the funds and/or other financial resources are used according to the accounting standards. Legality is prioritized in the assessment area of Accounting because compliance and the prevention of accounting irregularities and diversion of funds to unauthorized purposes are particularly emphasized.

Transparency

Transparency represents the manner in which organization shares its processes regarding decision making, project execution and financial accounting with the public. As a not-for-profit entity, development NGOs must pursue the highest level of transparency in disclosing how the received financial aids are applied to best fulfill their organizational and project mission.

4. Pre-assessment Guidelines

- There are a total of 62 questions composed of 14 questions on Organization, 20 questions on Project Management, 14 questions on Accounting, and 14 questions on Release of Information.

- Self-assessment participant(s) should mark answers by using a rating scale of 1-5. Choose a proper rating after referring to 'Things to be considered.'

Response Scale	Response	Score
5 points rating scale	Almost always	5
	Most of the time	4
	More or less	3
	Usually not	2
	Never	1
	Not familiar with the material which the question pertains to Familiar with the material which the question pertains to but unaware of the recent development	0

There is no time limit on completing this self-assessment. Therefore, participants are encouraged to consider all items carefully with sufficient amount of time.

II. Self-assessment Tool

Name of the Organization   :

Date of Assessment (DD/MM/YY) :

Participant Name (Position)   :

1. Organization

> **The following is the self-assessment questionnaire on your organization (NGO)'s governance.**
>
> In order to fulfill their responsibility to carry out the committed activities and ensure the successful results, NGOs shall establish the democratic decision making process and strive to provide an organizational structure that is open and invites any citizen to offer suggestions and participate in NGOs' activities.

■ **Assessment Items**

No	Quesitons	5	4	3	2	1
1	The articles of incorporation (governing document) are clearly articulated and therefore easy to apply to practical situations.					
2	With the board of directors' final vote, the articles of incorporation were registered with the court of law after obtaining necessary permits from a competent administrative agency.		╳	╳	╳	
3	All executives and employees clearly understand the NGO's purpose of establishment and core values.					
4	Decision-making process and management style of the NGO's board of directors (general meeting) are based on democratic principles.					
5	There is a department or an individual assigned to audit in support of the decision making structure.		╳	╳	╳	
	Subtotal:					
6	The NGO are well aware of its organizational and operational requirements prescribed by law.					
7	The NGO follows all management and supervision related requirements set by competent administrative agency.					
8	The NGO has proactively implemented internal policies in place (self-regulatory and operational codes).					
9	There are set rules and regulations to respond accordingly when a conflict of interest arises with the partner country .		╳	╳	╳	
10	The NGO follows the laws and regulations set by the partner country.					
	Subtotal:					
11	There are multiple channels in place to receive public opinions and criticisms on the NGO.					
12	The information on the organizational structure, the board of directors, and key executives are publically available.					
13	We receive advice and consulting from third parties on the operation of organization.					
14	All employees are hired based on the principle of open recruitment.					
	Subtotal:					
	Total:					

■ **Things to be considered for self-assessment**

Question No.	Assessment Area	To be considered
1- 5	Process Account-ability	**1 Understanding and implementing the articles of incorporation (governing document)** - Is there a copy of the articles of incorporation (governing document) placed in the NGO's secretariat? - Does the person in charge have a clear understanding of the NGO's mission, the nature of the project and the membership requirements (rights and responsibilities) listed on the articles of incorporation to apply them to daily operation? **2 The board of directors' or the general meeting's voting on the articles of incorporation and the registration with the court of law** - For the NGOs who have not been registered as non-profit organizations, skip this section and proceed with the assessment **3 The executives and employees' understanding of the organization's mission and core values** - Did the NGO hold an orientation for new employees to help them understand the organization better? - Does the NGO offer training/workshops for all employees and share its mission and core values on a regular basis? - Is there a mid/long term development plan in place to execute the NGO's mission and core values? **4 The decision making process and operational methods of the board of directors and the general meetings** - Did NGO set a date for the general meeting and provide advance notice to all members as set forth in the articles of incorporation (governing document)? - Does NGO host the general meeting (for foundations-, the board of directors meeting) on the annual basis and does it meet a quorum for voting? - Does the NGO elect the board of directors and report the result of financial audit at the general meetings? - Were the members of the board of directors and auditors elected pursuant to the due proce of law? - Were the responsibilities and duties of a member of the board clearly presented to and understood by all relevant members? **5 Assigning a department or an individual to perform audit** - Is there an auditing department/individual who meets the requirements listed on the articles of incorporation (governing document) - Does the department/individual in charge of audit perform with integrity independent of any influence from the executive members or the board of directors? Are the audit results disclosed?

6-10	Legality	**6** **Understanding the legal requirements on the non-profit organization and its opera-tion**
		  - Is the NGO well acquainted with the laws governing the non-profit entities? (Civil Code Section 3, applicable act on establishing non-profit, Corporate Tax Act Related/Relevant Act, Subordinate Statue and etc.)
		
		9 **About partner countries**
		  - Does the NGO have set rules and regulations to respond accordingly when a conflict of interest with the partner country arises?
		  - Does the NGO satisfy the internationally agreed principles while executing projects?
		
		10 **Abiding by the laws and regulations set by the partner country**
		  - Is the NGO familiar with the procedures for the NGO registration and lawfully engaging in activities in the partner country?
		  - Is the NGO working legally in the partner country?

11-14	Transpar-ency	**11** **Channels of communication for public opinions**
		  - Are there channels for two-way communication such as an opinion board on the NGO's homepage? Are they actively in use?
		  - Does the NGO clearly explain and communicate the process in which the public opin-ions are received, collected, processed and solved?
		
		12 **Sharing the information on the NGO's organization structure, the board of directiors and key executives**
		
		13 **Third-party advice or consultation on its operation**
		  - Does the NGO proactively disclose its organization chart and the list of the board of di-rectors (on a constant basis, by demand only or not disclosed)
		  - Does the NGO receive third-party advice or consultation on its operation?
		  - Does the NGO review and accommodate received advice? If not, are there alternative plans?

2. Project Management

The following is the self-assessment questionnaire on your organization (NGO)'s project management.

Mid- and long-term objectives shall be established in line with the NGO's vision and mission statement. Based on such objectives, NGOs shall plan, implement and evaluate their projects while fulfilling the internationally agreed principles.

■ **Assessment Items**

No	Questions	5	4	3	2	1
1	The internationally agreed principles and standards are satisfied while implementing projects.					
2	In order to enhance development effectiveness, the NGO actively participates in policy discussions with relevant government ministries and institutions on a regular basis.					
3	The NGO's project implementation team and the board of directors have a balanced gender ratio.					
4	The project statistics reflect gender divided data (gender sensitivity and gender disaggregated results).					
5	All projects contribute to strengthen the bottom up leadership skills of underprivileged population and those in lower social class rather than locals who are already in privileged positions.					
6	The evaluation on project performance includes both the ratio of participants from the local community and the quality of their involvement.					
7	The NGO is aware of how its project implementation may influence local community's climatic environment and society.					
8	The NGO has a process in place to address complaints from local community members who were environmentally and socially impacted by the project.					
9	The NGO always act in a respectful manner towards local people and the beneficiaries.					
10	The NGO provides information in a way that can be easily accessed by local members.					
11	For project planning and implementations, a higher priority is given to the local people's needs and suggestions that are gathered in a democratic manner rather than focusing on the NGO's own goals and intentions.					
12	The NGO actively networks and collaborates with other NGOs, local institutions and citizen groups in the partner country.					
13	The NGO exchanges best practices and past lessons with other groups to prevent repetitive mistakes.					
14	The project manager has completed training designed to strengthen project management capabilities.					
15	The NGO focuses on enhancing local people's capabilities, level of satisfaction and quality of life.					
16	The NGO's project performance evaluation includes not only project output, but also					

	outcomes and impact.						
	Subtotal:						
17	The NGO's selected project mirrors the organization's vision, mission, values and strategies.						
18	The project plan includes stages in research, analysis and planning.						
19	During project implementation, monitoring activities are always in place for project management. If monitoring results suggest a need for plan modifications, they are reflected in future action steps.						
20	The lessons learned from completed projects are reflected in future project planning stages.						
	Subtotal:						
	Total:						

※ Projects refer to all international development cooperation projects (including humanitarian assistance efforts) that the organization is performing.

■ Things to be considered for self-assessment

Question	Assessment Areas	To be considered
1 - 2		**Istanbul CSO Development Effectiveness Principle 1.** **"Respect and promote human rights and social justice"**
		1 **Project implemented to realize human rights and social justice while fulfilling the internationally agreed principles** - During the implementation of projects (e.g.: education, health and etc), does the NGO recognizes and complies with the principles as set forth by the international conventions on the rights of project beneficiaries (e.g.: children, senior citizens, etc.)? - Did the NGO implement its project after performing an analysis to discover structural causes of discrimination/poverty? - Did the NGO consider whether its project would bring changes to discriminatory customs or help them continue to exist? Or, did the project reduce or eliminate discrimination? - Was the project implemented without bias against the beneficiaries' race, nationality, religion or any other forms of discriminatory intentions? - Was the NGO's project used to advance particular political or religious positions? - Does the NGO recognize and comply with the international standards and principles on humanitarian assistance during a humanitarian response?
3 - 4	Development Effectiveness	**Istanbul CSO Development Effectiveness Principle 2.** **"Embody gender equality and equity while promoting women and girls' rights"**
		4 **Reflecting gender sensitivity and gender disaggregated data in project statistics** - Does the NGO have guidelines on universal gender equality policies to bring about fair and accurate results between men and women? - Does the NGO utilize gender sensitivity and gender disaggregated statistics?
5 - 6		**Istanbul CSO Development Effectiveness Principle 3.** **"Focus on people's empowerment, democratic ownership and participation"**
		5 **Contributing to strengthen the bottom up leadership of the local people who are in lower social classes.** - Do the project's beneficiaries include underprivileged or marginalized population (example: venerable social groups such as children, elders, women and people with disabilities)? - Do the underprivileged and marginalized groups actively participate in the NGO's project to gradually gain self-independence and ultimately become the supporters for the advancement of their own community? - In a long term perspective, does the NGO have an exit strategy? **6** **Assessing the levels of participation from local citizens in evaluating the project** - Is the NGO assessing various levels of participation and empowerment on the areas of project planning, implementation, monitoring, diagnosis, evaluation, and the selection of beneficiaries?
7 - 8		**Istanbul CSO Development Effectiveness Principle 4.** **"Promote environmental sustainability"**

		7 **Considering the impact made on local community's climatic environment and society from the implementation of the NGO's project** - Does the NGO have an internally agreed definition and awareness of the importance on the environmental sustainability? - Did the NGO establish and evaluate goals related to environment sustainability? - Do the stages in project planning include the considerations on environmental issues such as climate change, disaster risks, resource management, environmental conservation, and native knowledge? - For humanitarian assistance projects, do the relief activities contribute to reducing vulnerabilities while meeting the local people's basic needs? **8** **Status on the existence of the complaint handling process for locals who were impacted by the NGO's project** - Is there a procedural mechanism in place to receive complaints and feedbacks? - Did the NGO take action to address complaints and feedbacks? - Did the person who submitted a complaint receive reports on progress?
9 - 10		**Istanbul CSO Development Effectiveness Principle 5.** **"Practice transparency and accountability"** **9** **Employee attitude on local people and beneficiaries** - Do employees respect and follow the partner country's social and cultural norms? - Do employees abuse their position against local community members? (do they ask for favors in return for providing assistance?) **10** **Local members' accessibility to project efforts** - Does the NGO provide project information in local language? - Is the project information distributed in media popular to local people and provided with easy accessibility? - Is information timely, accurate and complete? - To be disclosed: Background information on the NGO, detailed explanation on the specific programs, the NGO's contact information, etc.
11 ~ 12		**Istanbul CSO Development Effectiveness Principle 6.** **"Pursue equitable partnerships and solidarity"** **11** **Prioritizing the opinions of local people gathered in democratic ways when making decisions on the projects and implementation strategies.** - Is there an active two-way communication between locally deployed NGO staff and beneficiaries? - Does the NGO's Korean headquarters seek and collect opinions from local branch(es)? - Was the NGO's project planned based on the needs of the local community or a particular stakeholder's interest? **12** **Alliance and cooperation with other development NGOs, local institutions and community groups** - Did the NGO share its own vision and mission with other NGOs in partnership and was there a mutual agreement on the areas of collaboration (rules, responsibilities and decision making process)? - Are there regularly scheduled meetings among partner organizations?

		- Does the NGO discourage the project of one-off nature in favor of placing efforts on long term partnership with local organizations? ※ In case of humanitarian assistance, is the NGO collaborating with local aid agencies, the UN, and the partner country/government?: Sharing the data collection and activities; complying with local government's relief policy
13 ~ 14		**Istanbul CSO Development Effectiveness Principle 7.** **"Create and share knowledge and commit to mutual learning"**
		13 **Make efforts to prevent repetitive mistakes by exchanging best practices and past lessons** - Does the NGO have in-depth understanding of the partner country and its culture? - Does the NGO have full-time staff deployed in the partner country? - Did the NGO research and analyze in advance the activities of other organizations that have worked or currently work in the partner country? - Did the NGO plan its own project based such research and prepare solutions for expected challenges?
15 ~ 16		**Istanbul CSO Development Effectiveness Principle 8.** **"Commit to realizing positive and sustainable change"**
		16 **Evaluate project performance by including not only output, but also outcome and impact.** ※ Output: All achievements made from a project (What did the project do, focus on how well the project was performed) Outcomes and impact: the standards applied to determine development results, changes as well as mid and long term effects resulting directly from the implementation of the project. What happened as a result of project implementation? On what areas/levels did the project create actual changes on beneficiaries? (Focus on what changes occurred)
17 ~ 20	**Process Accountability**	**17** **Project selection** - Does the selected project meet the NGO's vision and mission while aligned with set values and strategies? - Does the NGO plan, execute and assess projects to implement its goals by using limited resources in a set period time? - Was project plan drafted by following the log frame? ※ Log frame: Clearly displays a project's ultimate goal and direction for project managers and policy makers to communicate in a common language towards creating outcomes **18** **Project planning stages** - Research and analysis stages: pre-investigation, stakeholder assessment, problem analysis, goal analysis, and project selection - Planning stages: PDM generation, business plan generation ※ PDM (Project Design Matrix): A most popular logframe tool used for project outcome management and project planning **20** **Reflect the lessons learned from completed projects on future project planning stages.**

| | | - After completing the project, did project management team collectively generate lessons? |
| | | - Are the lessons from previous projects reflected in the next project's planning steps? |

3. Accounting

The following is the self-assessment questionnaire on your organization (NGO)'s accounting.
NGOs shall manage all financial matters in a transparent manner and aim to creat sustainable developmental activities with professionally managed finances.

■ **Assessment Items**

No	Quesitons	5	4	3	2	1
1	The NGO follows the rules in the tax guidance booklet provided by the National Tax Service.					
2	The NGO legally provides receipts on all donations and accurately completes tax reports.					
3	Using National Tax Service's Hometax (e-filing) system, the NGO submits all necessary reports including the documents related to financial closing and non-profit contributed properties in a timely and truthful manner.		╳	╳	╳	
4	The NGO practices transparent accounting according to law by setting up a dedicated account for donations.		╳	╳	╳	
5	The NGO complies with all tax reporting requirements by separating the accounting of essential business and that of profit-making business.					
Subtotal:						
6	The NGO receives audit from the outside accounting expert.					
7	Recommendations by the auditor are implemented in the following fiscal year.					
8	Financial reports are generated and distributed through multiple channels.					
9	Accounting staff and management are familiar with the accounting standards for non-profit organizations.					
10	Detailed report on how donations are used is disclosed to the sponsors.					
Subtotal:						
11	Make sure that expenses would never exceed revenue by accurately separating and managing finances so as to maintain financial stability.					
12	Account books are managed in a monthly, quarterly and annual basis to follow double-entry bookkeeping standards.					
13	Revenue is divided into project (essential business) cost, management & operation cost and fundraising cost while indirect costs are allocated based on the NGO's set standards.					
14	The ratio between management & operation cost is determined and assessed based on the set standards of the NGO and such standards and assessment results are reported to sponsors.					
Subtotal:						
Total:						

■ **Things to be considered for self-assessment**

Question No.	Assessment Area	To be considered

1- 5	Legality	**3** **Submit a closing statement for non-profit organizations on the National Tax Service's Hometax page within given deadline**
		  - Did the NGO submit required statements on the National Tax Service's Hometax (e-filing) site? (http://npoinfo.hometax.go.kr)
		  - Documents to be disclosed: 1) Balance Sheet 2) Income Statement 3) Details on the received donations and expenses
		
		4 **Information on the non-profit organization's president, board of directors, staff, HQ address and core projects.**
		
		5 **Information required by a presidential decree including current stock holdings**
		  - Non-profit organizations that are not required by law to disclose financial information may choose to do so in order to enhance transparency.

6-10	Transparency	**6** **Tax related matters to be confirmed by external experts: In accordance with Article 50 of the Inheritance Tax and Gift Tax Act**
		  - External audit may be performed at the organization's discretion when it is not compelled by law
		  - If the organization with no legal obligation to perform external audit plans to receive such service through talent donation (pro-bono), it receives 3 points.
		
		※ Inheritance Tax and Gift Tax Act Article 50 【External confirmation of tax affairs on non-profit organization】
		① A public service corporation, etc. shall undergo tax verification (hereinafter referred to as "tax verification by outside experts") as to whether the contributed property is used for public interest projects by taxable period or business year by selecting not less than two attorneys-at-law, certified public accountants, or certified tax accountants who meet standards prescribed by Presidential Decree: Provided, That this shall not apply to public service corporations, etc. that undergo an audit pursuant to paragraph (3), and to public service corporations, etc. prescribed by Presidential Decree in consideration of the characteristics of project operation, the scale of the contributed property, etc. (Amended 2010.1.1)
		
		A public service corporation, etc. that has undergone tax verification by outside experts pursuant to paragraph (1) shall report the findings thereof to the head of the tax office having jurisdiction over the place for tax payment, as prescribed by Presidential Decree. In such cases, the head of the competent tax office shall make the findings on the tax verification by outside experts as to whether the public service corporation, etc. uses the contributed property for public interest projects available for perusal by the public. (Amended 2010.1.1)
		
		③ A public service corporation, etc. shall undergo an audit conducted by an auditor stipu-

		lated under Article 3 of the Act on External Audit of Stock Companies by taxable period or business year: Provided, That this shall not apply to any of the following public service corporations, etc.: (Amended 2010.1.1) 1. Public service corporations, etc., the scale of property of which is smaller than that prescribed by Presidential Decree (Amended 2010.1.1) Public service corporations, etc. prescribed by Presidential Decree inconsideration of the characteristics of projects (Amended 2010.1.1)
11-14	Process Account-ability	**12 Use of double-entry bookkeeping standards** - For the organization's financial statement, did the NGO select the accrual based accounting method on the basis of double-entry bookkeeping to submit proper financial reporting? **13 Financial reporting on essential business cost and indirect cost expenditure based on the set standards** - Does the NGO enforce cost reporting by the nature of expense or by the function of expense, based on the accounting standards for non-profit organizations?' - Is the indirect cost allocated and spent based on the set standards in order to ensure NGO's sustainable operation? ※ Indirect cost: Indirect costs are the spending that is not directly associated with the NGO's actual project implementation activities. Indirect costs occur before and even after the project related activities are implemented and therefore cannot be directly linked to particular project outcomes. Indirect cost is essential for organization's survival but cannot be directly linked to specific results.

4. Release of Information

The following is the self-assessment questionnaire on your organization (NGO)'s release of information. The organization shall provide objective and reliable information on the organization's operation, activities and finance. In addition, the organization shall proactively communicate and share information with its stakeholders, public, and external organizations.

■ **Assessment Items**

No	Quesitons	5	4	3	2	1
1	Released information includes the GO's basic organizational information, mission statement, governance structure and financial information.					
2	The NGO provides information in multiple channels to allow easy access from donors and other citizens.					
3	Materials prepared for fundraising and promotions are not exaggerated or distorted to suit particular goals.					
4	Anyone can access the annual financial statements on the NGO's official website.					
5	The NGO submits required financial statements on the National Tax Service's Hometax (e-filing) site or other third party financial reporting system venue.					
	Subtotal:					
6	Within two (2) months from the closing of a fiscal year, the NGO submits an annual report and a written settlement of accounts concerning revenue and expenditure to a competent administrative agency within a required period.		⨯	⨯	⨯	
7	The NGO submits following year's business plan and budgetary documents of revenue and expenditure to a competent administrative agency within a required period.		⨯	⨯	⨯	
8	With the official manual on information release in place, the NGO releases information in a consistent manner and takes accountability for such materials.					
9	The NGO understands and complies with related laws and regulations to protect donors' personal information and ensure confidentiality.					
10	The NGO has a response manual in place which prescribes the action plan to be deployed in case the misuse or abuse of information on the organization's stakeholders, donors and local people occurs.					
	Subtotal:					
11	For the purpose of filming local citizens in fundraising campaigns, the NGO ensures to clearly explain its purpose and mission to the subjects and gains their participation in advance.					
12	For the purpose of filming local citizens in fundraising campaigns, the NGO brainstorms in advance to review negative effects that the subjects may face during and after their media exposure and when necessary, and it takes necessary actions as precautionary efforts.					
13	The NGO delivers the accurate sense of reality from the partner country to its donors. However, the NGO describes the citizens of partner countries as cultivators of self-reliance for their own community rather than reactive aid recipients.					
14	The NGO shares information with other organizations to prevent inefficiency resulting from redundant input of resources on aid activities.					
	Subtotal:					

		Total:	

■ Things to be considered for self-assessment

Question No.	Assess-ment Area	To be considered
1- 5	Trans-parency	**2** **Diversified channels on information release** - In addition to the release of information required by law, does the organization voluntarily offer additional information to enhance transparency? e.g.) Easy-to-follow annual report for the convenience of information users, sustainability report, official homepage, information released on the on/off line sites such SNS - Is information timely, accurate and complete? **3** **Transparency of fundraising and promotional campaign materials** - For the purpose of fundraising campaigns, does the NGO accurately explain its vision, mission and project details? - Results from fundraising and sponsorship activities are clearly reported and information on beneficiaries are not exaggerated or distorted.
6-10	Legality	**6** **Reporting to a competent administrative agency within two (2) months of fiscal year end** - According to Article 32, Civil Law, an entity formed by the permission from the appropriate authorities or a non-profit organization formed by the permission in accordance with the Special Act is obligated to report its annual report and business plan to a competent administrative agency at the end of each year. - Required reports: business plan and a budgetary document of revenue and expenditure/ annual report and a written settlement of accounts concerning revenue and expenditure
11-14	Process Account-ability	**11** **Considerations to be made during fundraising and promotional campaigns** - Did the NGO film local citizens in fundraising campaigns with subjects' consent in advance and clearly explain the film's purpose and mission? - During a filming preparation period, were the human rights of the beneficiaries and local citizens respected? - Was filming conducted while respecting the local community's culture and traditions? - Were the partners involved in filming such as the NGOs and their employees from Korea and other nations where filming took place treated with respect? **12** **Considerations to be made during fundraising and promotional campaigns** - Did the NGO brainstorm in advance to review negative effects that the film may cause due to media exposure and take necessary actions as precautionary efforts? - Was the information on beneficiaries and filmed materials ever exaggerated or distorted to suit particular goals? - Did the NGO put upmost efforts to protect the parties involved in filming? **13** **Considerations to be made during fundraising and promotional campaigns** - While filming for humanitarian assistance (emergency relief) efforts, was the focus of message centered on refugees' will for recovery and capabilities rather than vulnerable

		state and apprehension? **14 Did NGO share information with other organizations to prevent inefficiencies from redundant input of resources?** - Does the NGO proactively participate in activities to mediate and collaborate with KCOC and other local organizations? - Does NGO proactively exchange information with other institutions? - During disaster relief situations, did the NGO engage in needless competition with other organizations over fundraising and media coverage?

* The self-assessment is now complete. Please mark your scores in the provided chart below.*
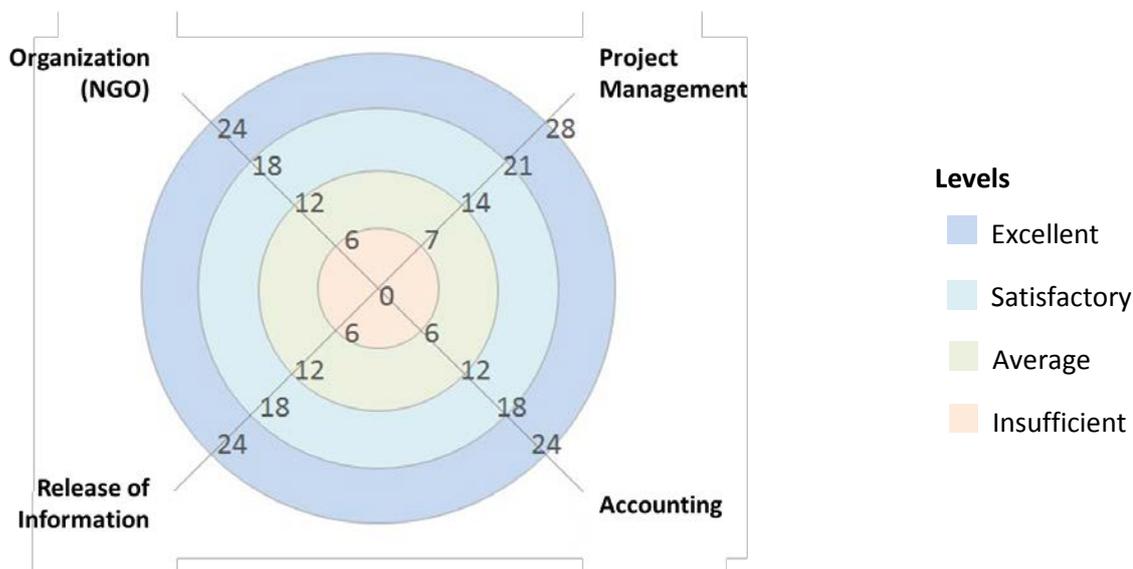
Overall Accountability Self-Assessment Result Sheet

Area	Assessment Areas	Question No.	Score	Weighted Value	Final Score (Weighted Score Applied)
Organiza-tion (NGO)	Process Accountability	1 ~ 5		0.5	/12.5
	Legality	6 ~ 10		0.3	/7.5
	Transparency	11 ~ 14		0.2	/4
	Subtotal				**/24**
Project Manage-ment	Development Effectiveness	1 ~ 16		0.3	/24
	Process Accountability	17 ~ 20		0.2	/4
	Subtotal				**/28**
Accounting	Legality	1 ~ 5		0.5	/12.5
	Transparency	6 ~ 10		0.3	/7.5
	Process Accountability	11 ~ 14		0.2	/4
	Subtotal				**/24**
Release of Infor-mation	Transparency	1 ~ 5		0.5	/12.5
	Legality	6 ~ 10		0.3	/7.5
	Process Accountability	11 ~ 14		0.2	/4
	Subtotal				**/24**
Total Score					**/100**

III. Self-Assessment Results

■ **Self-Assessment Result on the Organization's Accountability Performance**

	Organization (NGO)	Project Management	Accounting	Release of Information	Total Score
Score	/24	/28	/24	/24	/100
Level					

※ In the radar chart below, mark your organization's scores from each area of accountability and connect the four dots.

Levels
- Excellent
- Satisfactory
- Average
- Insufficient

※ **Listed below are the four levels:**

(Unit: Point(s))

Description	Organization (NGO)	Project Management	Accounting	Release of Information	Total Score
Excellent (A)	19 ～ 24	22 ～ 28	19 ～ 24	19 ～ 24	80 ～ 100
Satisfactory (B)	13 ～ 18.9	15 ～ 21.9	13 ～ 18.9	13 ～ 18.9	60 ～ 79.9
Average (C)	7 ～ 12.9	8 ～ 14.9	7 ～ 12.9	7 ～ 12.9	40 ～ 59.9
Insufficient (D)	0 ～ 6.9	0 ～ 7.9	0 ～ 6.9	0 ～ 6.9	0 ～ 39.9

- Result Analysis

1. Summary of Analysis

A. Excellent

A total score of 80 points or more: The organization is considered to be taking its social accountabilities seriously and fulfilling accountability related obligations in achieving its vision and values. A regular assessment on the accountability performance along with the consistent efforts and supports from the management is encouraged to maintain the 'excellent' status. In addition, it is recommended that the NGO use the result of this self-assessment to proactively engage in communication with the organization's stakeholders to have a dialogue with them on the expectation levels and challenges.

B. Satisfactory

A total score from 60 to79: The organization is evaluated as demonstrating a satisfactory level of accountability for its way of operation, project execution and project process while there is a need to preemptively investigate and address the areas of insufficiencies for the organization's sustainable development.

Also, the NGO may share the efforts made in the area of insufficiency with its stakeholders to strengthen their confidence in the organization.

For the NGO with less than two (2) years of experience in the field of international development cooperation since its incorporation or registration as not-profit entity, it may consider its performance result as 'excellent' even when the total score falls in the range of 'satisfactory.' The NGO would need strategic supports for performance enhancement.

C. Average

A total score from 40 to 59: The organization is in need of improving the overall accountability compliance level.

The NGO should review the priority category in each assessment area (Organization-Process Accountability, Project Management- Development Effectiveness, Accounting- Legality, and Release of Information- Transparency) and develop action plans to improve scores in those categories.

In addition, the NGO shall identify the items with low scores that may have a negative influence on the organization and take appropriate actions.
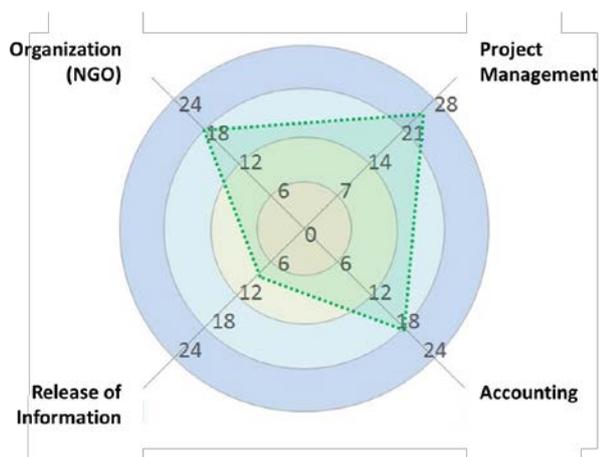
D. Insufficient

A total score from 39 and lower: The organization is considered critically lacking in accountability management. It is recommended that the NGO establish both mid and long term plans to enhance its accountability performance. First, the NGO should review the priority category in each assessment area and implement necessary actions. In addition, the NGO should make continuous improvements by comparing its past self-assessment scores with current status.

2. Analysis Guide

- The bigger the size of the quadrangle formed by connecting the points in the radar is, and the closer it is to a shape of square, the more balanced the organization is considered to be, and therefore the NGOs should focus on making balanced growth in its performance.

- It is recommended that the NGO use the result of this self-assessment to confirm its strength and investigate the areas in need of improvement by analyzing the underlying elements. All those who took part in self-assessment will participate in the analysis, and make sure sufficient time is assigned to discuss differences in opinion. To avoid arbitrary or subjective interpretation of the data, the NGO may seek a second opinion from outside experts or staff members who did not participate in the self-assessment process to generate the final report on the result. Such a report is to be used as a tool to check the changes in the organization on the regular basis.

- <Ⅳ.Reference> The following example will help the NGO in strengthening its capabilities in the areas in need of improvement.

(Example)

Organization: 18 points (Satisfactory)
Project Management: 24 (Excellent)
Accounting: 18 points (Satisfactory)
Release of information: 8 points (Average)
Total: 68 points (Satisfactory)

Analysis

The NGO is effectively executing its projects and demonstrating excellent project management accountability by applying and performing the fundamental principles of development work in all areas of operation.

The NGO also has achieved the satisfactory level in the assessment areas of Organization and Accounting. If the NGO carefully investigates on the items with low scores and improves upon them, it can leap ahead in overall accountability performance.

Release of Information is the area that needs to be immediately addressed. Please refer to the additional references listed below for further accountability enhancement.

IV. Additional References

[Organization]

1. Non-profit administrative SOS

https://www.p2pdc.or.kr/main.do

Introduces the collection of information for non-profit organizations to be registered with Korea's Ministry of Foreign Affair, including the the operation manuals for the non-profit organization that cover among other things the registration procedures, the registration requirements, the procedures for amending the articles of incorporation and extending permits and the designation for donation. The collection also contains related laws and legislations and forms.

2. Related acts/legislation

- Civil Code Section 3
- Regulations on establishing and overseeing non-profit organizations registered with the Ministry of Foreign Affairs
- Laws related to Corporate Tax Act
- Act on Establishment and Operation of Public-service Corporations
- Laws on Registering Entities
- Act on the Punishment against the Board Members of Non-Profit Corporation
- Clause 2, Arcticle 22, Regulations on Devolution and Entrustment of Administrative Competence

3. Peter F. Drucker, *Managing the Non-profit Organization* by Peter F. Drucker

[Project Management]

☞ **Development Effectiveness**

1. Open Forum for CSO Development Effectiveness:

http://cso-effectiveness.org/istanbul-principles,067

(Translated) KCOC(2012) 「The SIEM REAP CSO Consensus on the International Framework For CSO Development Effectiveness」: A material published to help the execution of Istanbul Principles

2. Materials to help the efficient execution of Istanbul Principles

http://cso-effectiveness.org/Toolkits

(Translated) KCOC (2012). 「Helpful Information on Development Effectiveness of Civil Society」: Selected and translated information from the 'Execution Toolkit,' published to help the efficient execution of Istanbul Principles.

3. Accountability to Beneficiaries Checklist

http://www.mango.org.uk

Refer to 'The Guide' section.

☞ **International Standards on Humanitarian Assistance**

1. The code of conduct for the international Red Cross and crescent movement and non-governmental organizations in disaster relief:

http://www.ifrc.org/en/

(Translated) The Republic of Korea National Red Cross(2012), Code of Conduct on Disaster Relief for Red Cross and NGOs) : A Code of Conduct to follow while executing humanitarian assistance efforts.

2. Sphere (Minimum Standards in Humanitarian Response)

http://www.sphereproject.org

(Translated) KCOC(2012). 「The Sphere Project: Humanitarian Charter and Minimum Standards in Humanitarian Response」 : Initiated in 1997 by Red Cross and the NGOs committed to humanitarian assistance to establish protection principles and core standards. In addition, introduces minimum standards in humanitarian response and key indicators for the four technical areas.

3. HAP (Humanitarian Accountability Partnership)

http://www.hapinternational.org/

Humanitarian Accountability Partnership International

4. People in Aid code: For HR related contents http://www.peopleinaid.org/code/

5. UNHCR Handbook for Emergencies

http://www.the-ecentre.net/

: A guidebook to use when executing projects related to humanitarian assistance

6. Minimum standards for child protection in humanitarian action

http://resourcecentre.savethechildren.se

(Translated) Save the Children Korea(2013), Minimum Standards for Child Protection in Humanitarian Action

☞ **Process Accountability**

1. KCOC (2010), *the Principles and Processes of Development Project: A Practical Guide for Project Managers.*

2. KOICA (2013), *Planning Development Projects*

[Accounting]

1. Korea National Tax Service-Official Website

http://www.nts.go.kr

: *Tax Guidelines for Non-Profit Organizations* (Annually published)

2. Korea Accounting Institute: *Accounting Standards for Non-Profit Organizations* (Scheduled for release in the 1st quarter of 2014)

[Release of Information]

1. Code of Conduct on Images and Messages

http://www.concordeurope.org

: Requested by CONCORD (European NGO confederation for relief and development) to its member NGOs to maintain people's dignity in partner countries while using their images to portray poverty.

2. International Aid Transparency Initiative, IATI

http://www.aidtransparency.net/

: Founded in 2008 with an aim of releasing aid related information on a framework that was internationally agreed. Therefore, established the International IATI standards and constructed a database system named IATI Registry.

3. Publish What You Want

http://www.publishwhatyoufund.org

Launched in 2008 by the international civil society to monitor and assess the level of transparency regarding the budget and expenses of aid organizations in donor countries. Publishes annual Aid Transparency Index.

※ Other materials: List of notable achievements from international societies on accountability enhancement (based on the consultative groups)

Organization	Country of origin	Key Programs
ACFID	Australia	Implemented Code of Conduct Cerification System - Code of Conduct - Code of Conduct Implementation Guidance http://www.acfid.asn.au/
InterAction	U.S.A	Implemented Code of Conduct Cerification System - PVO Standards Cerified - SCP(Self-Certificate-Process)

		Aimed to enhance the performance quality through continuous improvement via self-assessment Utilized Aid Map to promote transparency http://www.interaction.org/
Bond	United Kingdom	Through its own Bond Effectiveness Programme, provides the on-line self-assessment survey and related information - Bond Organisational Health Check http://www. bond.org.uk/effectiveness/health-check#downloads
CCC	Cambodia	Established minimum standards in ethics and the code of conduct for NGOs working in Cambodia - NGO GPP(Governance&Professional Practice Voluntary Certification System) http://www.ccc-cambodia.org/home.html

Accountability Self-Assessment Tool for

Korean NGOs in International Development Cooperation