



**integrity • values •
accountability**

Australian Council for International Development

incorporated in the Australian Capital Territory

14 Napier Close Deakin ACT 2600

Private Bag 3 Deakin ACT 2600

ph. 02 6285 1816 fax. 02 6285 1720

email code@acfid.asn.au

website www.acfid.asn.au

ARBN:091 918 704

Amended 5 October 2004

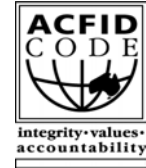
CONTENTS



1. Preamble	1
2. Organisational Integrity	2
3. Governance	2
4. Communication with the Public	3
5. Finances	4
6. Personnel and Management Practice	4
7. Reference to Other Codes and Standards	5
8. Complaints Handling and Compliance Monitoring Process	5
9. Amending the ACFID Code of Conduct and the Guidance Document	5
10. Definitions	6

ACFID CODE OF CONDUCT

For Non Government Development Organisations



This Code of Conduct sets out standards and requirements to which signatories to the Code are bound and against which **complaints and compliance is assessed**.

1. Preamble

- 1.1 This Code of Conduct defines standards of governance, management, financial control and reporting with which non government development organisations (NGDOs) should comply. It identifies mechanisms to ensure accountability in NGDO use of public monies. The Code aims to maintain and enhance standards throughout the NGDO community, ensuring public confidence in: the integrity of individuals and Organisations comprising the NGDO community; and quality and effectiveness of NGDO programs.
- 1.2 Organisations which are signatories to this Code aim to build creative and trusting relationships with people of developing countries and to meet program standards which:
 - give priority to the needs and interests of the people they serve;
 - encourage self help and self-reliance among beneficiaries and thus avoid creating dependency;
 - involve beneficiary groups to the maximum extent possible in the design, implementation and evaluation of projects and programs;
 - respect and foster internationally recognised human rights, both socio-economic and civil-political;
 - seek to enhance gender equity; and
 - are based on an understanding of the history and culture of the people served.
- 1.3 NGDOs are required to meet a range of state and federal legal obligations which are presumed in this Code. These obligations may include corporations laws, rules of incorporation of associations, fundraising and charitable institutions legislation, privacy legislation, equal employment opportunity principles, occupational health and safety standards, anti discrimination legislation, intellectual property and copyright legislation and other codes of ethics.

2. Organisational Integrity

- 2.1 In all of its activities and particularly its communications to the public, the Organisation will accord due respect to the dignity, values, history, religion, and culture of the people with whom it works consistent with principles of basic human rights.
- 2.2 The Organisation will be formed voluntarily and be not-for-profit.
- 2.3 The Organisation will oppose and not be a willing party to wrongdoing, corruption, bribery, or other financial impropriety in any of its activities. It shall take prompt and firm corrective action whenever and wherever wrongdoing is found among its Governing Body, paid staff, contractors, volunteers and partner Organisations.
- 2.4 The Organisation will have a policy to enable staff confidentially to bring to the attention of the Governing Body evidence of misconduct on the part of anyone associated with the Organisation. All reports must be channelled through the Chief Executive Officer unless it is an issue concerning the Chief Executive Officer which should be taken directly to a member of the Governing Body.
- 2.5 The Organisation will conduct itself in ways that do not denigrate other agencies, or make misleading or false public statements regarding other agencies.
- 2.6 The Organisation will have policies and procedures to promote the safety and well being of all children accessing their services and programs, particularly to minimise the risk of abuse of children.
- 2.7 Funds and other resources designated for the purposes of **aid and development** will be used only for those purposes and will not be used to promote a particular religious adherence or to support a political party, or to promote a candidate or organisation affiliated to a political party.

3. Governance

- 3.1 An Organisation's governing instrument (constitution, articles of association, rules, by-laws or similar documents) will be consistent with legislative requirements and set forth the Organisation's basic goals and purposes, define membership, governance structure of the Organisation including the frequency of meetings (at least two a year) and the size of a quorum.
- 3.2 Each Organisation will have a governing body elected/appointed by members from within the membership/supporters. The Governing Body will approve the annual budget and may delegate authority to staff or others but must accept ultimate responsibility for governance over all aspects of the Organisation. There should be clearly defined lines of authority between the Governing Body and management.
- 3.3 There will be written policies covering appointment, termination and, where applicable, remuneration of members of the Governing Body. The Organisation will have policies restricting the number of paid staff who are voting members of the Governing Body.
- 3.4 Members of the Governing Body, paid staff, and volunteers will make known to the Governing Body any conflict of interest or any affiliation they might have with an actual or potential supplier of goods and services, recipient of grant funds or Organisation with competing or conflicting objectives. Members of the Governing Body and paid staff will absent themselves from discussion and abstain from voting or otherwise participating in the decision on any issue in which there is a conflict of interest. Large or otherwise

inappropriate gifts to members of the Governing Body or staff for personal use shall be forbidden.

- 3.5 The Governing Body will commit the Organisation to open and accurate disclosure of information concerning its goals, programs, finances and governance. Due regard will be given to the human rights and personal safety of staff, partners and aid recipients, legal requirements regarding privacy and confidentiality, proprietary information and personnel matters.
- 3.6 The Organisation will hold an annual general meeting of its members as defined in its governing instrument and which meets the requirements of the legislation under which the Organisation is incorporated. The AGM will receive the annual audited financial statements and appoint an independent auditor for the subsequent year(s).

4. Communication with the Public

- 4.1 An Annual Report is to be produced and made available to the organisations own members, supporters and members of the public upon request.
- 4.2 Fundraising solicitations will be truthful, will accurately describe the Organisation's identity, purpose, programs, and needs and will only make claims which the Organisation can fulfil. There will be no material omissions or exaggerations of fact, no use of misleading photographs, nor any other communication which would tend to create a false impression or misunderstanding.
- 4.3 In all fundraising activities initiated or authorised by it, the Organisation will have policies (consistent with the Privacy Act 1988) set up to protect donors' rights to:
- have their names deleted from mailing lists;
 - have their names deleted from mailing lists the Organisation may intend to share;
 - be informed whether those seeking donations are volunteers, paid staff or agents of the Organisation;
 - be informed about the causes for which funds are being raised;
 - get information on the application of their donation; and
 - be able to identify collectors and have documentation confirming the bona fides of the Organisation.
- 4.4 The Organisation will be responsible for all fundraising activities outsourced to a third party and will put all such contracts and agreements in writing.

5. Finances

- 5.1 The Organisation will have internal control procedures which minimise the risk of misuse of funds. Reporting mechanisms which facilitate accountability to members, donors and the general public will be used. The Organisation will have adequate procedures for the review and monitoring of income and expenditure. Loans to and transactions with Governing Body members shall be publicly disclosed. Loans to staff shall be disclosed to the Governing Body.
- 5.2 Notwithstanding any other legal requirements, the Organisation must publish in their Annual Report, financial statements prepared in accordance with the Code of Conduct Summary Financial Report Format found in the Guidance Document to the ACFID Code of Conduct. Additionally, organisations may choose to publish their Full Financial Statements within their Annual Report.
- 5.3 Code of Conduct Summary Financial Reports and Full Financial Reports must be audited by at least a qualified accountant who is a member of the Australian Society of Certified Practising Accountants, the Institute of Chartered Accountants in Australia or by a Registered Company Auditor. The Auditors statement must accompany the financial report in the Annual Report.
- 5.4 Where an organisation chooses to publish only their Code of Conduct Summary Financial Reports in their Annual Report and not the organisations Full Financial Report, the Annual Report must make reference to the fact that the Full Financial Report is available on request. Any other organisational publications that detail, summarise, or comment on financial performance must also indicate that the Full Financial Report is available on request.
- 5.5 Donations shall be used as promised or implied in fundraising appeals or as requested by the donor. When funding is invited from the general public for a specific purpose, the Organisation shall have a plan for handling any excess and shall make this known as part of the appeal. Organisations shall substantiate; upon request, that their application of funds is in accordance with donor intent or request.
- 5.6 The use of ratios in publications shall at all times be accompanied by a note explaining how these have been determined.

6. Personnel and Management Practice

- 6.1 The Organisation will seek to achieve best practice in its personnel policies in response to initiatives in the aid sector and to changes in working and legal environments. The Organisation will have well defined policies and procedures relating to paid staff including expatriate and local staff employed overseas and volunteers working in Australian or overseas. These policies and procedures will clearly define and protect the rights and safety of personnel assuring fair treatment in all matters. Policies and procedures relating to staff and volunteers based outside Australia will be informed by the *People in Aid: Code of best practice in the management and support of aid personnel*.
- 6.2 The Organisation's expectations of its employees' and volunteers' professional conduct shall be clearly communicated and consistent with the requirements of the ACFID Code of Conduct.

- 6.3 The Organisation will be committed to continuous improvement in its management practice including the provision of regular opportunity to employees for training and professional development.
- 6.4 The Organisation will have policies and strategies to promote gender equity especially in senior positions in the management and governance of the Organisation.

7. Reference to Other Codes and Standards

- 7.1 Organisations that are signatories to the ACFID Code of Conduct are guided by the strategies and standards of engagement for program management in the ACFID NGO Effectiveness Framework.
- 7.2 Organisations which are signatories to this Code, will also be informed by the following codes and standards where they are relevant to the work of the Organisation:
- *The Code of Conduct for the International Red Cross and Red Crescent Movement and NGOs in Disaster Relief*
 - *Sphere Humanitarian Charter and Minimum Standards in Disaster Response*

8. Complaints Handling and Compliance Monitoring Process

- 8.1 Complaints made against a signatory Organisation must be in writing and must specify the section of this Code that the Organisation is alleged to have breached. Complaints will be investigated by the ACFID Code of Conduct Committee according to the Complaints Handling Process detailed in the Guidance Document to the ACFID Code. Information on how to make a complaint may be obtained from ACFID and is accessible on the ACFID website.
- 8.2 In the event of a complaint being brought against an Organisation under the terms of this Code, signatories to the Code shall co-operate with the Code of Conduct Committee's inquiry described in the Complaints Handling Process. Failure to co-operate with the inquiry and reconciliation process will constitute a breach of the Code.
- 8.3 Compliance to the reporting requirements in this Code is monitored by the ACFID Code of Conduct Committee according to procedures detailed in the Guidance Document to the ACFID Code.

9. Amending the ACFID Code of Conduct and the Guidance Document

- 9.1 The **ACFID Code of Conduct** may only be amended by ACFID Council according to the procedures in the ACFID Rules and Objects. The consent of non-members of ACFID which are signatories to this Code is not required for amendment of the Code of Conduct.
- 9.2 The **Guidance Document** to the ACFID Code of Conduct may be amended by ordinary resolution of the ACFID Council or by the ACFID Executive Committee on the recommendation of the ACFID Code of Conduct Committee.

10. Definitions

ACFID Code of Conduct

The standards and requirements set out in this Code to which signatories to the Code are bound and against which complaints and compliance is assessed.

Annual Report

The annual report is one of the principal windows of Organisational performance, activity and accountability. It should be both reflective of the pursuits, issues and achievements for the period being reported and be predictive on future directions and activity. It shall contain, as a minimum:

- a statement of the Organisation's goals or purposes;
- a summary of overall program activities by country or region;
- the names, qualifications and experience of current members of the Governing Body as well as those who served at any time during the period being reported on;
- financial statements using the Code of Conduct Summary Financial Report Format; and
- an audit opinion on the financial statements, clearly identifying the auditor (name, company, address and signature).

Code of Conduct Summary Financial Report

Summary Financial Report derived from Full Financial Report as detailed in the Guidance document to the Code of Conduct.

Full Financial Report

Organisations Full Financial Report (inclusive of statements, notes and auditors report) as approved by the organisations Governing Body and presented to Members.

The Governing Body

The Governing Body is the authority ultimately responsible for governance over all aspects of the Organisation and is the responsible for the Organisation's signature to and compliance with this Code of Conduct. The Governing Body must be elected or appointed by members from within the membership or support base of the Organisation.

Guidance Document

The guidance document to the ACFID Code provides guidelines on how signatories maintain adherence to the ACFID Code of Conduct. It includes the Code of Conduct Summary Financial Report Format, the Complaints Handling Process, explanatory notes and other documents which the Code of Conduct Committee recommend as useful to inform and guide the application of the ACFID Code to the work of signatories.

Organisation

A Non Government Development Organisation (NGDO), which is a signatory to this Code.