



# Code of Conduct

Australian Council for International Development

ACFID is an independent association of Australian non-profit aid and development agencies



e-bulletin

2009/11: 24 November 2009

**ACFID's Code of Conduct e-bulletin** provides updates on changes to the Code, its Guidance Document and the current work of the Code of Conduct Committee. As only one bulletin is sent to each signatory agency, please ensure that it is circulated internally and that staff members are aware of any information relevant to them.

## LATEST DEVELOPMENTS

### Number of Code Signatories

There are now **116** ACFID Code of Conduct Signatories.

### Code Committee Elections 2009 – Call for Nominations

A postal ballot for the election of two Code of Conduct Committee members is to be held in November and December 2009. Signatories to the Code of Conduct are invited to nominate individuals for election to these two committee positions, as outlined in the letter dated 6 Nov 09.

If you or someone you know is interested in nominating for a Code Committee position, please contact Helen Vogt, Program Administrator of the Code Management Team for a Nomination Form and Committee Member Position Description. The ACFID Returning Officer must receive nominations by **1pm Friday, 27 November 2009**.

### Council 2009 – Code Resolution Outcomes

Five important resolutions on the Code of Conduct were put to ACFID Council on Friday 30 October 2009. All resolutions were accepted by ACFID's Membership. The resolutions covered:

- Code Review: recommended way forward 2010 (endorsing strategic imperatives for change, design principles, Code structure and elements and indicative preamble for an updated Code)  
<http://www.acfid.asn.au/code-of-conduct/review>
- Revised Financial Reporting Requirements (Minor changes to clauses 5.1 and 5.3 to accommodate major changes to Guidance Section 5)
- New Clause: 2.8 Control & Security of Funds (working with partners to ensure funds are used for the purposes intended and in accordance with counter terrorism financing and anti money laundering legislation)
- Revised Complaints Handling Process (incorporating the complaints handling process into the Code to ensure all signatories are bound by this process)

For more information on these resolutions and their impact on your organisation, please contact the Code Management Team.

### Code Review Update

The first draft of the revised Code is being developed by consultant firm The Navigator according to the design guidelines and the proposed structure and elements agreed at Council 2010.

ACFID Executive Committee will consider the recommendation to endorse the proposed consultation framework and timelines at its December meeting.

If you would like to provide feedback to the Code of Conduct Management Team or submit information for inclusion in the ACFID Code e-bulletin please forward it to [code@acfid.asn.au](mailto:code@acfid.asn.au).

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A more detailed update will be provided in the December eBulletin.

## SIGNATORY RESOURCES

### Revised Code and Guidance Document

The revised ACFID Code of Conduct and its Guidance Document, updated as a result of the Council Resolutions discussed above, will be available on the ACFID Code of Conduct [web page](#) during the week 30 November – 4 December 09. This will include a copy of the revised guidance information Section 5 – Finances, to be introduced on a compulsory basis from 1 January 2010.

If you have questions regarding the revised ACFID Code of Conduct or Guidance Document, please contact the Code Management Team, 02 6281 9222.

## GET INVOLVED

### Environmental Impact Reporting – your opportunity to contribute

A new Signatory Resource available on the ACFID website provides Signatories with an introduction to *Environmental Impact Reporting*. If your organisation has an example of an environmental reporting policy, and would like to share this with other Signatories, please email it to [code@acfid.asn.au](mailto:code@acfid.asn.au).

### Annual and Financial Reporting Compliance Submissions

If your organisation has a 30 June 2009 financial year-end please remember to submit your annual report and financial statements to the Code Management Team by Monday 30 November 2009. All submissions must be accompanied by an Annual Report Lodgment Form, available on the ACFID Code of Conduct web page, or by contacting the Code Management Team.

## SECTOR INSIGHT

### ImpACT: Code on Transparency and Accountability in Fundraising

The ImpACT Coalition, a UK based organisation, brings together over 130 charities and trade bodies to work together to improve transparency and accountability and preserve public trust in the charitable sector. Those who have joined the coalition include the biggest and smallest charities in the country, and reflect the diversity of the charitable sector in the UK.

ImpACT has published a number of useful tools for signatories to assist in ensuring transparency and accountability in fundraising (eg donor Q and A's, key messages to be used in fundraising). These are available:

<http://www.impactcoalition.org.uk/index/whoyouare/>

### Responding to NGO Development Effectiveness Initiatives.

As agreed at Council 2010, the updated Code is going to have a more outward looking focus with a renewed emphasis on development effectiveness.

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A comprehensive paper outlining the range of development effectiveness measures undertaken by International Non Government Organisations is available for downloading from the One World Trust [website](http://www.oneworldtrust.org) ([www.oneworldtrust.org](http://www.oneworldtrust.org)) and may be of interest to signatories. The paper outlines 6 development effectiveness principles which have been used by a range of NGOs and coalitions over the last 15 years, reviews the compliance mechanisms utilised by self regulatory Codes and identifies the issues and challenges for NGO's when using self regulatory initiatives to improve the effectiveness of their work. A summary table overviews national and international Codes, itemising the issues and compliance required.

## CODE COMMITTEE MEETING

The next meeting of the ACFID Code of Conduct Committee will be held on Friday 12 February 2009.

If you have an area of concern, an idea or a topic that you think should be tabled at the Code of Conduct Committee Meeting, please contact the Code Management Team at [code@acfid.asn.au](mailto:code@acfid.asn.au), 02 6281 9222.

## CODE IN FOCUS – New Clause 2.8 approved at ACFID Council 2009

### Control & Security of Funds

***An Organisation (being an Australian NGDO) should only disburse donated funds or resources to a third party (including to an international affiliate or an overseas partner organisation) for use in relation to an aid and development program if it is satisfied that:***

- a. the particular aid and development program is aligned with or consistent with the Organisation's strategy for achieving its objects and purpose;***
- b. the third party to whom funds or resources are to be disbursed has the capacity to utilise the funds or resources in accordance with the specific instructions of the Organisation, in accordance with relevant provisions of the Code of Conduct and in a manner consistent with the Organisation's donor promise, express or implied;***
- c. the funds and resources will be disbursed in accordance with relevant laws including counter terrorism financing and anti-money laundering legislation; and***
- d. appropriate control and risk management mechanisms (such as contractual arrangements specifying funding conditions and relevant reporting and monitoring obligations) are in place to mitigate the risk of misappropriation or improper use of the funds or resources once disbursed.***

Depending upon their particular objectives, purpose and organisational circumstances, Australian based NGDOs fund and support aid and development programs around the world in a range of ways and through different structures and arrangements.

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Virtually all NGOs will encounter risks associated with the international nature of their work. One element of risk is financial loss through the misappropriation or improper use of funds or resources transferred overseas (e.g. as a result of fraud or funding being applied inappropriately).

While any activity is likely to involve some element of risk, it is acknowledged that difficult local conditions may add to the risk profile of certain activities. Many overseas activities would not take place if they were simply dismissed because of their high-risk nature. Such an approach would prevent key objectives of NGOs being achieved.

However, practical steps to mitigate identified risk do need to be put in place. Appropriate *control* mechanisms play an important part in mitigating or reducing such risks as well as assisting NGOs to demonstrate to potential donors and beneficiaries that an NGO's property is being applied effectively towards the achievement of its specific objectives and purposes.

***Guidance Information and Supplementary Guidance is available as an attachment to this e-bulletin.***

## CODE MANAGEMENT TEAM

The Code of Conduct Management Team has two principal roles:

- (1) to assist the Code of Conduct Committee in all aspects of its work; and
- (2) to assist Signatories to meet their compliance obligations.

If you need to clarify any issues of concern, would like to provide feedback on issues relating to the Code, or to access Code resources, please feel welcome to contact the Code Management Team.

Code Manager	02 6281 9220	Cath Blunt
Program Administrator	02 6281 9222	Helen Vogt
Compliance Officer	02 6281 9234	Alicia Toohey

Further details at: <http://www.acfid.asn.au/code-of-conduct/contact-the-code-management-team>

**Code Management Team  
Australian Council for International Development**