

Frequently Asked Questions

This document provides an overview of the Code review process and the resulting changes to the Code. It has been developed for members to use with their staff, Boards and other stakeholders to assist them in understanding the Code review process and outcomes. More details on aspects outlined in this document can be found in *Document D: Background and rationale for amendments*.

Why review the Code and what has been the process so far?

The Australian Council for International Development (ACFID) Code of Conduct was developed in 1997 and comprehensively revised and expanded in 2010 and 2016. The Code is a voluntary code of good practice for the development and humanitarian sector. It aims to improve the outcomes of international development and increase the trust of stakeholders and the public by enhancing the transparency and accountability of signatory organisations.

The purpose of the 2022-23 review was to make sure the Code and associated Quality Assurance Framework remains relevant, coherent, useful and credible to members and external stakeholders. This has been done through an extensive consultative process between August 2022 – June 2023 involving ACFID decision-making bodies, Communities of Practice, ACFID members and external stakeholders including DFAT and the ACNC.

In August 2022, ACFID released a Discussion Paper outlining key questions to guide the first phase of consultations with ACFID members and stakeholders. The outcomes of these consultations informed the development of seven key recommendations, which guided the drafting of amendments to the Code from January – May 2023. The expertise of ACFID members, Communities of Practice and key ACFID Committees was instrumental in drafting and refining the amendments through an iterative process. External consultants were engaged to provide advice on updates to the financial elements in the Code and opportunities to improve alignment with other standards and legislation.

Following several rounds of consultation workshops, the penultimate Decision draft was reviewed by the Code of Conduct Committee (CCC) and ACFID Board, before being sent to members for decision 60 days before the Annual General Meeting.

What are the key differences between the current Code and the revised Code?

Overall, most of the Code remains the same. The purpose, objectives, values, architecture and the compliance mechanisms of the Code have not changed as a result of this review. The amendments that have been made to the Code are to a selection of the high-level Quality Principles and Commitments, and their related Compliance Indicators, Verifiers and Good Practice Indicators as outlined in the Quality Assurance Framework.

The amendments are based on the recommendations which arose from the initial consultation phase in 2022 and cover the following areas:

- **Alignment with other standards**

The Code is both informed by and informs other global and national standards and regulations relevant to Australian development and humanitarian organisations. Where relevant and possible, the Code seeks to align with other standards to reduce inconsistencies for members. A suite of amendments has been made to the Quality Assurance Framework to improve alignment with the ACNC External Conduct Standards and Governance Standards, DFAT’s Accreditation criteria, whistleblowing legislation, Australian Accounting Standards and the Core Humanitarian Standard. The aim is not to duplicate the external standards in the Code, but to reduce the risk of contradiction and the need for members to cross-reference between the Code and the standards in pursuing quality and compliance.

- **Thematic areas – addressing emerging issues**

Through the initial consultation phase, members identified the following as critical emerging issues that needed to be better reflected in the Code:

- **Climate Change**

The amendments to the Quality Assurance Framework build on [ACFID Council Resolution 2-2021](#) on climate action, along with the work ACFID and its members have already done in developing a [Climate Action Framework](#). They recognise that not all ACFID members engage in specific climate change programming, and there is no requirement to do so within the amendments. Instead, the amendments seek to ensure ACFID members are aware of and respond to the potential impacts and risks of climate change in both their internal operations and their development and humanitarian initiatives.

- **Locally-led action**

Across the development and humanitarian sectors much discussion has arisen about the need for locally-led development and humanitarian action. The amendments seek to strengthen the Code’s approach to locally-led action and reflect the understanding that the interests and wellbeing of the stakeholders and communities ACFID members seek to serve are best realised when work is locally-led. The amendments are spread throughout the Code, covering overarching commitments at an organisational level, how members work with and manage risk with partners, communication materials and the inclusion of the voice and decision-making of local actors at all stages of programming.

- **Anti-racism, racial justice and diversity**

In 2020, ACFID members affirmed their commitment to building greater representation, participation and access to decision making with peoples of varied cultural and racial origins and intersections in the sector, as outlined in [ACFID Council Resolution 1-2020](#). This was followed by a subsequent related [ACFID Council Resolution 1-2022](#) on Decolonisation, Anti-Racism and Locally-Led Action in 2022. Feedback throughout the consultation period emphasised the need to explicitly address NGOs’ own power structures, and the diversity of workforces, leadership, and governance bodies. Members noted that mandatory requirements may be burdensome or infeasible for

small agencies at this time, and as such many of the amendments have been introduced as Good Practice Indicators. The amendments will require members to ensure their governing body, staff and volunteers are aware of and have access to safe training in issues related to diversity and anti-racism, to have an organisational commitment to the pursuit of racial justice, and to ensure human resource policies and procedures cover anti-racism.

- **Misconduct Disclosure Scheme**

The [Misconduct Disclosure Scheme](#) was launched in January 2019 by the Steering Committee for Humanitarian Response, to address the specific problem of known sexual abusers moving between organisations within the development and humanitarian sector undetected. The amendments to the Code will require a sub-set of ACFID members who deploy personnel for humanitarian initiatives to participate in the Scheme. All other ACFID members are encouraged to participate, but this is not a mandatory requirement. ACFID has commissioned general legal guidance to support members' understanding and implementation of the Scheme in the Australian context, and will pursue other mechanisms to provide practical support to members that are implementing the Scheme, e.g. centralised investigation capacity, development of shared tools/templates.

- **Improving clarity and removing duplication**

As a self-regulatory sector code of good practice, it is important that the language and requirements in the Code are clear, accessible and meet the needs of all ACFID members. The Quality Assurance Framework has been amended to ensure consistent language and terminology is used throughout, to ensure definitions reflect key terms and current approaches, to remove duplication where relevant, and to update language to improve clarity. Most of these amendments do not have any material impact on the content or intent of the Code or members' reporting obligations.

Further details on all the amendments can be found in Document D – Background and rationale for amendments.

What does my organisation have to have in place to be compliant with the revised Code?

As is current practice, members must be compliant with all 90 Compliance Indicators in the revised Code. Many of these can be verified through the same piece of documentary evidence. These requirements consist of a mix of governance documents, policy documents, systems and processes, guidelines and tools, annual reports, etc. As in the current Code, some documents have more prescriptive requirements than others e.g. child protection policy.

A full list of the new and revised requirements for compliance can be found in Annex 1 in Document D: Background and rationale for amendments. There are 3 new documents required, and the current requirements for 15 documents have been amended. Some of these amendments are minor and are likely to already be covered in members existing documents, while others may require a more substantial review.

To be considered compliant with the Code, the Member's Board and Management must not only ensure that the documentation meets the requirements of the Code but that the stated requirements are effectively implemented and that the document is subject to regular review.

Following current practice, ACFID will provide guidelines, templates and worked examples to support members to meet the requirements in the revised Code through the online Good Practice Toolkit. ACFID will give priority to curating resources for new requirements and where there have been more substantive changes.

How will my organisation be assessed against the revised Code?

The responsibility for assessing compliance with the Code continues to rest primarily with the ACFID member and in particular with the ACFID member's governing body. ACFID will continue to do minimal desk based verification with selected aspects of the Code as part of the triennial Code Self-Assessment.

New members will be required to submit a Code Self-Assessment plus a broader suite of supporting documentation for verification by the Code secretariat and for consideration of Code signatory status by the CCC. As per current practice, members will continue to be subject to emergency appeal assessments, spot checks as required and an independent complaint handling mechanism.

What is the responsibility of Board members of an ACFID member?

As a voluntary self-regulatory system, responsibility for ensuring and assessing compliance with the Code sits primarily with the ACFID member and in particular with the ACFID member's governing body.

ACFID members are required to monitor their own compliance with the Code on an ongoing basis. As responsible persons, governing body members will play a key role in ensuring that their organisation has the required documentation in place and that these policies and procedures are fit for purpose for their organisation and being implemented effectively. How each board works with staff and/or volunteers in their organisation to oversee this is a decision for each member organisation.

Each year member's governing bodies are required to submit their annual and financial reports to ACFID, together with a statement which notes any exceptions to compliance which occurred during the previous year and actions undertaken to ensure that compliance is met. Every three years members complete a Code Self-Assessment and a member of the Governing Board is also required to approve this reporting.

What happens if my organisation is found to be non-compliant with the revised Code?

As with the current Code, if a member is found to be non-compliant with aspects of the Code either as a result of its triennial assessment, a spot check or a complaint then they will be required to undertake remedial action. Members will be required to submit a plan that outlines how they will become compliant within a time frame of up to 12 months (or sooner if the area of non-compliance is considered higher risk) and will need to re-submit any requested documentation. The Code Secretariat will provide support and advice during this process but the member is responsible for

completing the remedial action within required timeframes. If this is not achieved, then sanctions can be applied with these including suspension or revocation of code signatory status. As per current practice, only the CCC can award, suspend or revoke Code Signatory status.

When will the revised Code come into effect?

If ratified at the October 2023 Annual General Meeting, the revised Code will replace the current Code on 30 June 2024. During the first half of 2024, ACFID will update all Code-related documents, policies and tools to reflect the revised Code. This will include updating the resources and guidance provided in the Good Practice Toolkit, with a particular focus on areas of the Code where new compliance requirements have been introduced. ACFID will also host in-person and online workshops to socialise and provide learning opportunities related to the revised Code.

Members will continue to report against the Code, following the current three-year reporting cycle. All members will be advised well in advance about their reporting timetable and reporting requirements. Members that have a 30 June 2024 FYE will be required to report to ACFID against the revised Code by 30 November 2024. As per the current policies, members will have up to 12 months to remedy any areas of non-compliance that emerge through the reporting process, or within four months if the area of non-compliance is considered high risk.

As members are expected to be compliant with the current Code and there are relatively limited changes to the compliance requirements in the revised Code, the transition should be straight forward for most members. ACFID will work with members to provide support, advice, tools and templates to assist with any required remedial action.

How does the Code align with my organisation's other regulatory and good practice requirements?

A key recommendation from the initial consultation period was for the 2022-23 review to improve the alignment of the Code with other regulatory requirements and sector standards, where relevant and possible. In response, ACFID engaged external consultants to review a range of standards and legislation relevant to ACFID members. Following consultation with members, a suite of amendments has been made which specifically aim to improve alignment with the ACNC External Conduct Standards and Governance Standards, DFAT's Accreditation criteria, whistleblowing legislation, Australian Accounting Standards and the Core Humanitarian Standard. Further details are available in Document D – Background and rationale for amendments.

As part of refreshing resources to support the implementation of the revised Code, ACFID will be updating the current mapping of the ACFID Code with the ACNC External Conduct Standards, ACNC Governance Standards and DFAT's Accreditation criteria.