GOVERNANCE AND RISK

18 March 2015

OUR ETHICAL STANDARDS

We are committed to ensuring all our activities are conducted legally, ethically and in accordance with high standards of integrity. Board members, employees and volunteers are required to signify acceptance of, and compliance with, the organisation's Child Protection Policy and Code of Conduct.

We have also developed policies that address occupational health and safety, privacy, equal opportunity and employee grievances. These policies help our employees and volunteers meet our high standards of ethics and conduct.

HOW WE'RE CONSTITUTED

Save the Children Australia is incorporated as a company limited by guarantee. It operates nationally in all states of Australia – and in selected overseas countries – to promote the welfare and rights of children.

Our corporate governance is the responsibility of our Board of Directors, who collectively oversee the strategies, policies and performance of Save the Children Australia. The Board delegates the responsibility for the day-to-day administration of the company to the Chief Executive Officer (CEO) who, together with the Executive team, is accountable to the Board. The roles of Chairman and CEO are separate, and the company's constitution does not permit employees to be Board directors.

HOW WE'RE REGULATED

Save the Children Australia and the Save the Children Australia Trust are registered with the Australian Charities and Not-for-Profits Commission (ACNC). The ACNC requires registered charities to comply with the following set of governance standards:

1. Purposes and not-for-profit nature of a registered entity
2. Accountability to members
3. Compliance with Australian laws
4. Suitability of responsible persons
5. Duties of responsible persons

Save the Children Australia is compliant with these standards.

For further detail in relation to these standards, please refer to the ACNC website at **acnc.gov.au**

We also comply with the Code of Conduct of the Australian Council of International Development (ACFID), including laws in each state that apply to fundraising. In addition, we comply with state and Commonwealth privacy legislation. Following a detailed assessment by AusAID (now the Department of Foreign Affairs and Trade) in 2013, we were once again awarded full-partner status. Obtaining this status means the Australian public can be confident the Federal Government is funding a professional, well-managed, community-based organisation that is capable of delivering quality development programs.

MANAGING RISK

Save the Children Australia has established controls designed to safeguard its assets and interests, and to ensure the integrity of its reporting. Risk is intrinsic to the type of work we do and locations where we operate, and needs to be considered and addressed. Risks can be both positive, in the form of opportunities, and/or negative, in the form of threats.

Although it is impossible to operate in an environment devoid of risks, they can be managed and we will continue to undertake high-risk activities (such as responding to humanitarian emergencies and working in conflict-affected countries) to support the world's most vulnerable children, young people and their families.

Risk management is the combination of organisational systems, processes, procedures and culture that facilitate the identification, analysis, evaluation and treatment of risk.

Risk management protects the organisation and assists in the successful pursuit of its strategies and performance objectives. Our approach to risk management is consistent with the internationally accepted best practice standard for Risk Management ISO 31000:2009. This represents our minimum risk management standard.

Commitment from all levels of the organisation is required to foster, develop and demonstrate behaviours that are consistent with a risk-conscious culture. All employees have a common understanding of the organisation and its goals and their roles in achieving them through the sound application of risk management principles.

The Save the Children Australia Risk Management Strategy and Framework includes all aspects of risk and crisis management together with the roles and responsibilities of the Board and Executive. It is updated annually. Oversight and review of the effectiveness of our internal control framework and risk management processes has been delegated to the Board Programs and Risk Committee.

The Executive Risk Committee is responsible for addressing operational risk issues, as well as reviewing the corporate risk profile. The General Manager Risk Assurance is responsible to the chief executive officer (CEO) and Board for risk and assisting in the development of a risk culture within our organisation.

Risk management software has also been introduced for the management and tracking of risks, compliance issues and incident reporting. Our willingness to pursue opportunities for children is underpinned by a commitment to ensuring appropriate decision-making and approval processes are in place to support our people in the actions we take. Risk is a factor of everyday life and can never be eliminated completely.

All representatives of Save the Children Australia – be they employees, partners or volunteers – are required to understand the nature of risk and accept responsibility for risks associated with their area of authority. The necessary support, assistance and commitment of senior management are provided.

Our risk appetite was developed through consultation with the Board and is summarised below.

We:

Stand by our core values and charitable objectives and are willing to turn down or lose income or discount opportunities where – to accept them – would be in contravention of those values.

Often work in challenging environments but we take our commitments for the duty of care towards our employees and representatives – wherever they work – extremely seriously.

Demand zero tolerance on harm to children or beneficiaries caused by a Save the Children Australia representative. We will not knowingly make decisions that put children or beneficiaries at risk of harm.

Have clear policies and procedures that govern the way we operate, including delegated management decision-making frameworks and Board reporting mechanisms.