

# GOOD GOVERNANCE AND ACCOUNTABILITY



A guide to strengthening your child helpline



Child Helpline International

[www.childhelplineinternational.org](http://www.childhelplineinternational.org)

Child Helpline International would like to thank our membership for cooperation with this manual and their willingness to share the details of their various organisational structures. In particular we would like to thank the child helplines in: Australia, Egypt, Canada, Colombia, India, Ireland, Uganda and the United States of America.

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## Introduction

This guide is intended as a resource for the Child Helpline International (CHI) membership. It aims to inform the reader on how to incorporate good governance strategies at their child helplines, taking into account the various organisational structures and the different stages of child helplines.

The document takes the reader through the cycle of good governance, from the earliest stages of design and conception of a child helpline, to the parameters of the decision-making role of the Board. This document provides examples from child helplines around the world, and also includes questionnaires for child helplines to fill out and assess their governance structure.

This guide has been produced as part of a strategy by Child Helpline International in response to the needs as requested by member child helplines through the CHI Principles, Standards and Practises (PSP) checklist and at regional and international consultations. The information contained in this guide, reflecting the governance structure of various child helplines, was gathered between April and July 2007. The guide was developed by drawing on the One World Trust's expertise in principles of organisational accountability and good governance and through interviews conducted with representatives of both the CHI Secretariat and CHI members. The interviews explored gaps in members' current governance practices and highlighted examples of where members were putting good governance and accountability principles into practice.

While the guide does not contain an exhaustive description of the good governance methods practiced by member helplines, it does provide the reader with the key tools to aid setting up good governance structures. We hope this guide will inspire and motivate our membership into continuing to improve their services for the benefit of children around the world.



# 1. Background

## Why this guide

Among CHI members and their parent bodies there is considerable diversity in how child helplines are governed and managed. This is a reflection of each helpline's unique history. In terms of their governance structures, child helplines fall into one of six broad categories:

- Child helplines that are run as projects of non-governmental organisations (NGOs);
- Child helplines that are run as the sole purpose of an NGO;
- Child helplines that are run as projects of government agencies;
- Child helplines that are run as part of a company's corporate social responsibility programme;
- Child helplines that are run by foundations;
- Child helplines that are managed as partnerships between actors from different sectors (companies, government and NGOs).

Because of this diversity, guidelines on how to strengthen governance and accountability need to be pitched at the level of principles; this way they have broader applicability and can be taken and adapted according to the context and specific governance arrangements of a helpline.

Among CHI members however, helplines are at various stages of organisational development. The principles identified here are likely to be most useful to well-established helplines, while those that are currently being set up might find them useful in terms of helping them consider what processes and structures they should aim to have in place once they are established.

In section four of the guide, a good governance and accountability self-assessment are presented. This can be used as a starting point for discussion within your team on areas where the child helpline is performing well and not so well, the changes needed to strengthen the governance of your child helpline, and areas where there is a need for better information sharing within the child helpline. There is a cross-referencing between this tool and the rest of the guide so that users can quickly gain additional information on a particular question as they undertake the self-assessment.

As a note, this is an exploratory guide. The hope is that it will be added to and developed further. There may be scope to develop sections of the guide that relate specifically to good governance and accountability within a specific type of governance arrangement, e.g. partnerships. Alternatively, additional case studies could be added on how child helplines are putting the various principles of good governance and accountability into practice.



## 2. Good governance and accountability: the basics

### **What is good governance?**

Governance relates to the way power and authority is exercised and distributed within an organisation. 'Good' governance is about making sure this power and authority is not concentrated in the hands of a single individual or group. This requires checks and balances be put in place within an organisation that separates and balances power between different bodies (such as management and board) and has clear lines of accountability between them. Effective governance structures play an important role in ensuring resources are managed effectively within an organisation and ensuring activities are undertaken that are in the interests of the mission and not of a group of individuals.

In the context of this guide, governance refers specifically to the structures and processes CHI members have in place (at the Board of Trustees/Supervisory or Advisory Board level) to ensure the effective and efficient functioning of the child helpline.

### **What is accountability?**

Accountability is a difficult term to define as it means different things to different people. This is not helped by the fact that it does not translate into many languages. At its core however, is the notion of accepting responsibility for ones actions, being willing to answer for them, and ultimately be held to account for them.

At the most basic level, this requires child helplines to demonstrate that resources are being used wisely and that no activities are being pursued that conflict with the mission statement.

To realise accountability a child helpline needs to be:

- Transparent - readily opening their accounts and records to public scrutiny by funders, beneficiaries, etc. and making decisions in an open and transparent way;
- Participatory - engaging key stakeholders in the decisions that affect them at all levels within the organisation's projects, programmes and governance (for examples of the participation of children at child helplines, see CHI's handbook entitled 'A Guide to Child Participation Practice in Child Helplines');
- Evaluating and learning - monitoring and evaluating their own activities on a regular basis and feeding lessons from this back into decision making;
- Responsive to complaints - providing stakeholders with channels through which they can voice their grievances and receive a response.

Accountability is a key part of good governance. Likewise, good governance provides a basis for effective accountability. The two elements are intrinsically linked. Clear lines of responsibility and accountability within an organisation prevent abuse of power and ensure good governance, while good governance creates stable structures of accountability.



## 3. Principles of good governance and accountability

The following section identifies principles of good governance and accountability. These are for child helplines to use and adapt according to their context and specific arrangements.

The principles have been grouped under five main headings:

- Minimum principles of organisation-wide good governance and accountability;
- The roles, responsibilities and functioning of the board;
- The relationship between the board and management;
- The integrity of the board;
- The review and renewal of the board.

The first grouping relates to principles of good governance and accountability that are organisation-wide. These relate to the child helpline as a whole, i.e. planning, evaluation, strategic planning etc. The other groupings are focused specifically on the board and identify good governance and accountability principles specifically as they relate to this key decision making body.

### 3.1 Minimum principles of organisation wide good governance and accountability

#### **Basic documents exist that formally identify governance structures**

As a first step in good governance, all organisations should have a basic document that formally establishes their structures and identifies their system of governance. Depending on the organisation this might be their articles of association, articles of incorporation, constitution, by laws, rules of procedure or statutes. Whatever the label given, the purpose of such a document is the same: to clearly identify how the organisation will be governed.

An explicit governance structure is the first step toward establishing a stable and predictable framework for accountability and good governance.

The basis of how organisations are governed will usually be dictated by a country's legal code, which assigns an internal governance structure according to the type of organisation. An organisation's governing body (or bodies) and their responsibilities should therefore be identified in its basic documents as required by law.



An organisation's governance arrangements vary depending on the legal requirements of a particular country. In the case of a helpline that is governed through an NGO located in a developing country, legislation for the non-profit sector is still developing. As a result, legal responsibility is oftentimes not clearly specified and the specific duties and liabilities of the governing body may not be enshrined in law. In such cases, helplines should draw on international good practice.

For child helplines that are projects of government departments, part of a company's corporate social responsibility programme, or run by multi-stakeholder partnerships a basic document that identifies the governance system is still needed. Currently, few child helplines run through such arrangements, which clearly outline how they are governed.

Without a basic governing document, the lines of responsibility within a child helpline become blurred and this can lead to confusion over who actually governs.

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### **Basic documents guide the activities of the governing body**

If your helpline is a registered NGO or has an NGO as a parent body, basic documents (articles of association, statutes, charters and rules of operation) establish a basis for good governance.

If your helpline is run as part of a government agency or it is governed under a partnership agreement or memorandum of understanding between different entities, you may want to include the following information about your governing body or bodies in a formal document to help clarify and strengthen your governance:

- Name of governing body or bodies;
- Basic responsibilities and powers of the governing body or bodies;
- The relationship between the governing body and other organisational entities;
- Duties of individual board members, such as loyalty and confidentiality;
- Minimum number of board members;
- Membership rules (including eligibility, suspension, and removal from office);
- Terms of office (length of terms, limits on re-election);
- Minimum number of board meetings per year;
- Method of convening meetings (who initiates them, how dates are set, who decides agenda, etc);
- Decision-making procedures (number needed for quorum, how to vote and record decisions).

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### **A main governing body has been identified**

No matter what the governance structure of the helpline, there should be a governing body that meets regularly and exercises constant and consistent oversight and decision-making authority. Depending on the specific governance arrangement, this main body may not always wield overarching power and authority within a helpline. A number of CHI members, for example, are membership associations and the highest governing body is the general membership through

the member's assembly. Their decisions and instructions outweigh those of other parts of the organisation. But in structures such as these, the membership often meets infrequently- annually or bi-annually- so a second, governing body is needed to perform governance duties between meetings of the general membership. This governing body is often known as the Board of Directors or Board of Trustees.

In Germany for example, NummergegenKummer has a Member's Assembly made up of all members that meets once a year and has the power to confirm accounts and annual report, elect and dismiss board members and change the articles or incorporation. However because of the infrequency with which they convene the Members Assembly have delegated authority to a Board of Directors which meets more regularly. This is made up of the executive director of a member, two vice executive directors, one treasurer and one secretary who are all elected for three years (and can be re-elected) by the membership.

In the case of partnership arrangements or child helplines run by government agencies, a board is still recommended. Although it might not necessarily go by that name nor be recognised as a legal entity, it is essential for accountability that there is a single body, visible to stakeholders, where key decisions are made. ChildHelpLine 16000 in Egypt for example, sits within the National Council for Childhood and Motherhood (a government agency) but is a partnership of government, NGOs and telecom companies. Their governing body is called the Advisory Committee and is composed of representatives of each of their key stakeholder groups. On the other hand, a child helpline in Swaziland within the Social Work Department of the Ministry of Education, has a formal Board.

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### **A formal governance structure is key to good governance**

Child helplines should strengthen their governance by establishing and clearly identifying the key governing entity(ies) and clarifying/simplifying the relationships among them. An ambiguous governance structure can lead to internal conflict or even a breakdown in leadership altogether, which in the long term can negatively affect the proper functioning of the helpline. A well-designed governance structure strengthens accountability and provides the foundations for an efficient, well-run organisation.

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### **A mission statement exists that is known throughout the helpline and shared with the public**

A child helpline's mission is their reason for existence. It reflects a realistic and long-term determination of what the organisation is, who it serves, what it does and what it can accomplish. The mission is usually linked to a set of basic, deeply held values such as adherence to the Committee on the Rights of the Child (CRC) or the empowerment of children.

The mission and values inspire people to get involved in the helpline while providing a common focus for its activities and goals. A declaration of the child helpline's mission is usually included in its founding documents.

## Example of basic document: Corpolatín, Colombia

Below are excerpts from the Statutes of Corpolatín, Colombia, relating to basic responsibilities and powers of the governing board and the executive director.

The functions of the governing board as identified in the statutes are:

- Choose the officers of the board (president, vice president, secretary);
- Ensure compliance with the statutes and proposed objectives;
- Appoint the executive director of the helpline;
- Create the positions it feels necessary to achieve the objectives of the helpline;
- Approve the plan and programme of activities and investments presented to them by the executive director;
- Approve the budgets of income, outgoings and investments presented by the executive director;
- Examine and approve the monthly budgets presented to them by the executive director;
- Make decisions regarding the acceptance of inheritances, legacies and donations made to the helpline;
- Take decisions regarding the acceptance or refusal of new members and the conditions under which they should be admitted;
- Take decisions regarding the sanctions which should be applied to members for violation of the statutes;
- Present to the general assembly proposals for reform of the statutes;
- In general, execute such activities as are necessary to achieve the objectives of the helpline, subject to the present statutes and the law;

The functions of the executive director as identified in the statutes are:

- Within the established limits, be the judicial and extra-judicial legal representative of the helpline;
- Present to the governing board for its study and approval the plans and programmes; the annual budget differentiated by programme and the consolidated annual budget;
- Submit for consideration and study by the governing board the internal regulations which are necessary for the running of the organisation and achievement of its objectives;
- Organise the finances in accordance with the budget and policies approved by the governing board;
- Supervise the running of the helpline and inform the board, when opportune, of the normal activities and of any extraordinary matter;
- Comply with the statutes and ensure they are complied with, along with the decisions of the board.

The mission should be expressed in a concise and convincing statement. The mission statement is an informative and motivational message for multiple audiences, including beneficiaries, volunteers, donors, media, and staff. The mission statement provides a point of reference for planning and development efforts and brings unity to programs, communications, and other core activities. The mission statement should be known and embraced by everyone, starting with the board.

### **Mission statement: Kids Help Line, Australia**

“Kids Help Line exists to assist people to develop strategies and skills which enable them to more effectively manage their own lives. An integral part of this mission is the provision of free, accessible national services which are founded on the principle of empowerment.”

For more information: [www.kidshelp.com.au/template/standard.aspx?s=112](http://www.kidshelp.com.au/template/standard.aspx?s=112)

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### **How to develop a mission statement**

If your child helpline does not have a written mission statement, ask your board to take the lead in crafting one. It is a good way to unite the board around a common vision while producing a consistent message for all your internal and external communications. Writing a mission statement can be as easy as following these steps:

**Step 1:** Set aside two hours for a focused discussion, ideally led by a skilled facilitator. Be sure to include the executive director, senior staff and even volunteers.

**Step 2:** At the meeting, ask yourself these questions, first individually and then as a group:

- What kind of organisation are we?
- What needs do we address?
- Who are our beneficiaries?
- What do we do and how do we do it?
- Where do we do it?
- Why do we do it?

**Step 3:** Try to reach a consensus about your answers. If this is not possible, you may have uncovered a basic tension in your organisation that needs to be addressed.

**Step 4:** Express your consensus in one or two short, energetic sentences.

**Step 5:** Show your results to a few stakeholders, staff, and some people not directly associated with the helpline. What do they think? Does everyone understand it? Does it touch their heart? If the answers to these questions are “yes” then you now have a mission statement. If not, you need to work on the words some more.

## Mission statement: Child Helpline, Egypt

“Establish community monitoring mechanisms to protect children at risk through a free telephone line, email and website over 24/7.”

### A strategic plan exists with clear goals, objectives and targets

Strategic planning is a mission-oriented activity that enhances the accountability of a child helpline. It is a process of setting key goals for the organisation, typically for the next three to five years, and laying out a strategy to achieve them through the allocation of financial and human resources. A strategic plan usually consists of:

- A mission statement;
- Goals to achieve that mission;
- Measurable objectives to guide and track whether goals are being met or can be accomplished;
- Specific, assigned activities that need to be completed to attain the objectives;
- Timetable to evaluate progress, update the plan, and make any adjustments or changes.

No matter what its size or governance arrangements, all child helplines need to have a strategic plan, it will not only strengthen the organisation by focusing its efforts and resources but will enable it to deliver more effectively the needs of its beneficiaries.

## Strategic Goals and Objectives: Action for Children, Uganda

**Mission:** “To work with and through individuals, families and communities to rescue, protect, care and support children who are in danger to enable them achieve a purposeful future.”

**Strategic goals:** Action for Children’s program goal is to improve quality of life of orphans and other vulnerable children in Uganda.

**Strategic objectives:** Pursuant to this goal, AFC seeks to achieve the following strategic objectives:

- To improve the survival, health and wellbeing of the children and other vulnerable groups;
- To reduce household income poverty among the vulnerable children and their families;
- To improve food availability and accessibility for vulnerable families at household level;
- To ensure equitable access to quality education among orphans and other vulnerable children;
- To promote social protection and rights of children and other vulnerable groups;
- To strengthen the organisational capacity for effective management and implementation of the program.

For more information: [www.actionforchildren.or.ug/Mission.html](http://www.actionforchildren.or.ug/Mission.html)

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## Key step in developing a strategic plan

### Step 1: Review mission statement

The first step is to review the child helpline's mission statement and reflect on why it exists and what it does. The mission drives your organisation's programs, services, goals and day-to-day activities, so each review you perform is an opportunity to invest in the future.

### Step 2: Assess your child helpline's situation

Once you are clear on why the child helpline exists and what it does, you need to look at the current situation of your organisation. There are two types of situation analysis that you can undertake to do this: internal situational and external situational analysis.

An internal analysis helps you plan for the future by giving you an accurate picture of how the organisation operates right now. It can reveal trends, irregularities, limitations, and opportunities. To perform an internal analysis, gather information about the child helpline's strengths and weaknesses, services, programs, activities, staffing, and finances. One way to do this is to get input from key stakeholders (e.g. beneficiaries, staff, and volunteers).

An external analysis helps you understand how the child helpline is perceived externally and what societal factors may affect its future. External factors that influence your helpline may be things like the economy, demographics, social factors, technology changes, competition, politics, regulatory factors, and public opinion.

### Step 3: Setting your goals

Unlike the situation analysis, which requires a concrete assessment of your child helpline's situation, the goal-setting process is a time for imaginative thinking. Your child helpline's goals should spring from its vision. The goals you set should be general. Questions to consider in setting your goals are:

- What do you hope to accomplish and why?
- What is the desired outcome?
- Who is the primary target?
- Who will derive the major benefit when the desired outcome is achieved?

### Step 4: Establishing objectives and activities

Objectives are desired outcomes, while activities describe how the objectives will be met. Objectives are statements of specific circumstances to be achieved by a designated time that address a particular goal and may be attained by any number of approaches. Objectives must be measurable by some means (e.g. dates, money, percentages) so you can determine your progress toward reaching them.

Activities are ventures undertaken by assigned individuals to reach an objective. They are specific, time measured, and have a targeted completion. Activities are how a helpline moves ahead<sup>1</sup>.

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<sup>1</sup> Adapted from : [www.scoreknox.org/library/steps.htm](http://www.scoreknox.org/library/steps.htm)

## Five-year strategic workplan: Child Helpline 16000, Egypt

### General objective

Child Helpline 16000 was one of the main mechanisms adopted to fulfil the principles of the Convention on the Rights of the Child (CRC) and to protect child's rights to gain access to education, medical services, so as to ensure the right to play and to be protected from all types of violence and exploitation.

### Secondary objective

- Deliver child helpline services to all governorates through NGOs;
- Deliver child helpline services to Egyptian children (school children, street children working children and disabled children);
- Activate NGOs role in society and link them to the national network;
- Provide psychological services to families on the national level with special focus on the governorates having high violence rates based on child helpline mapping.

### Main Components

- National media campaign particularly for schools to create awareness of child helpline;
- Establish national electronic network linking H.G. and concerned agencies. Moreover activate child helpline database through setting up a mechanism to classify data statistically;
- Prepare and train qualified cadres (150 specialists) from different NGOs on receiving calls and providing family counselling;
- Identify the different types of school violence and its impact on children in coordination with Psychological centres;
- Advisory committee meetings every three months to discuss problems encountered. Follow up and modify legislation;
- Design child helpline site to open new communication channels with children;
- Family counselling sessions that are held twice a month at NCCM premises in coordination with the Centre of Psychological services.

### An annual report is produced and is widely disseminated

An annual report is an important vehicle for communicating a child helpline's activities and finances publicly. It is also a useful tool for demonstrating accomplishments to current and future donors, cultivating new partnerships, and recognising important people.

At a basic level, an annual report should show how much money has come into the child helpline over the past year, who provided it and how it was spent. It should also include an audited financial statement. An annual report should identify key activities undertaken over the course of the year and highlight what the results of these activities were and what their impact was.

Increasingly, organisations are also using annual reports as a tool for learning. They are being used as an opportunity to engage stakeholders in an honest conversation on how they are performing in relation to key goals and objectives and communicating the outcome of this dialogue publicly along with other evaluation findings. This openness and honesty around what is working and what is not, strengthens learning and builds trust with stakeholders. Child HelpLine 16000 in Egypt for example, includes a section in their annual report on challenges and recommendations which communicates the results of their internal evaluations.

### **Outline of an annual report: ChildLine India Foundation, India**

Below is the outline for Childline India Foundation's 2005-06 Annual Report. It touches upon many of the key areas that helplines should try to cover in their annual report.

- Statement from the Honorary secretary introducing the report and providing a board overview of the year and identifying highlights;
- Vision, mission and objectives;
- Description of ChildLine intervention methodology;
- Graph indicating ChildLine organisational growth;
- Overview of activities broken down according to functional departments (services, policy research and documentation);
- ChildLine in Action section that uses case studies to highlight the impact of the organisations work on the lives of children;
- Overview of number of overall calls received;
- List of individual donors, corporate donors and institutional donors;
- Accounts details;
- Information on good governance principles for board and members;
- List of board members and staff;
- List of partners.

For more information: [www.childlineindia.org.in/pdf/Annual-Report-05-06.pdf](http://www.childlineindia.org.in/pdf/Annual-Report-05-06.pdf)

### **Accounts are audited annually**

Audited accounts are an important component of good governance. They verify and thus add credibility to management's annual assertion that the financial statements fairly represent the helpline's position and performance. An audit also speaks loudly to stakeholders of financial stability and reliability. Importantly the person undertaking the audit should not be compromised by any other relationship to the organisation. Furthermore, the commissioning of audits should be a board activity and not undertaken by staff.

In a number of countries in which child helplines are in operation, having accounts audited will be a legal requirement. Even in those countries where it is not legally mandated, it is good practice to undergo such a process.



### **The board has a risk management policy**

While every child helpline is subject to risk - events that might threaten their ability to accomplish their mission- what is key is that the board is aware of them and undertakes a process to manage them. Having processes in place to manage risk is integral to good governance.

The types of risk a child helpline might face (and their capacity to absorb them) will vary from organisation to organisation and depend on issues such as size, governance structure and the political and legal context in which they operate etc. Generally, however they will fall into one of five categories:

- Governance related (e.g. the board lacks the necessary skills);
- Operational (e.g. service quality and development);
- Financial (e.g. accuracy and timeliness of financial information);
- External (e.g. public perception and adverse publicity);
- Related to compliance with law and regulation (see appendix 1 for a generic list of potential risks helplines may face, their potential impacts and mitigation strategies).

A risk management policy outlines an organisation's boundaries and limits in relation to risk, taking account of its exposure and capacity to tolerate or absorb it. A child helpline's governing body need to stipulate in the policy, and communicate to managers the boundaries and limits to ensure there is a clear understanding of the risks that can be accepted.

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### **The process of risk management has three main stages:**

1. Identify risks - have a good look at what you do, where you do it and who with, and spot what could go wrong;
2. Analyse the risks - decide how serious and likely the risks are. Prioritise them;
3. Control the risks - do whatever you think is necessary to reduce the chances of things going badly wrong.

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### **There is a regular planning process that takes place in a participatory way**

Planning is a process of setting goals and articulating a strategy to achieve them through the allocation of organisational resources. It can take many forms: an annual budget, a staffing plan, or a full-blown strategic plan. Whatever its shape or scope, seeing that planning is an effective and regular process is a basic component of good governance and accountability.

To ensure what a child helpline is proposing to do is in line with the needs of its stakeholders, the planning process should be undertaken in a participatory manner. Key stakeholders such as children should be engaged in all stages of the planning process - from setting goals and defining targets to allocating resources.

## **Involvement of children in the citizen child strategy: Childline Ireland/ Irish Society for the Prevention of Cruelty to Children (ISPCC)**

The Citizen Child Strategy was launched by the ISPCC/Childline in 2005 and details a ten-year plan for the agency as a whole, including the Childline service. The strategy was developed following a nationwide consultation involving children and young people, ISPCC/Childline staff and volunteers, and other interested parties. Over 2,000 children were consulted on outreach visits to 30 schools nationwide. In class groups, children were asked a number of questions either in individual questionnaires or brainstorming as a group, with the ISPCC/Childline staff member recording responses from the group at the front of the class. Questions included looking at the services that young people knew of (ISPCC/Childline and non-ISPCC), what they felt the ISPCC/Childline did well, and what they felt the ISPCC/Childline did badly. They were also asked what they would like to see the agency do in the future.

Taken from CHI's practice handbook, *A Guide to Child Participation Practice in Child Helplines*.

### **Programs and projects are regularly evaluated**

Evaluation is the means by which a helpline can identify if it is meeting its goals and objectives and undertaking the appropriate activities for realising its mission. It is important both for accountability and learning.

Evaluation enables helplines to show that they are achieving what they set out to achieve, are using resources effectively, and ultimately having a positive impact. Evaluation can also help a helpline identify what is working and what is not. For this to foster learning it is crucial that lessons are fed back into the decision making cycle. To effectively realise this, however, it is useful to have procedures in place for following up the recommendations emerging from evaluations such as the board reviewing progress and questioning staff on what has changed as a result.

Key to an effective evaluation is transparency. Child helplines should report progress against key goals and objectives in their annual report or through individual evaluation reports that are made publicly available. Openness is important because it communicates externally that the helpline is learning and thus helps build trust with stakeholders.

## The involvement of children in evaluation: Childline Foundation, India

Childline India has created spaces called Open Houses where children are empowered to assess, review and evaluate the activities that the helpline undertakes in their interest. This open, uninhibited interaction allows the Childline team along with the children to identify solutions to problems. Importantly, children not only have the authority to judge a situation, they are also given the power to decide a verdict or determine a course of action in relation to a problem.

As well as serving an important evaluative function, the open houses also serves as an opportunity to share the positive encounters between children and functionaries of the allied systems, like the police, health personnel etc., who otherwise traditionally share a relationship of mistrust. This helps not only in giving insights for improving the service, but also in building a relationship of trust with the children.

For more information: [www.childlineindia.org.in/pdf/Annual-Report-05-06.pdf](http://www.childlineindia.org.in/pdf/Annual-Report-05-06.pdf)

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### Key principles of participatory evaluation

Whenever you are thinking of undertaking an evaluation in which you are engaging stakeholders in the process, it is important that the following principles are followed. Without each of these being reflected in the process, the benefits that ensure from engaging stakeholders will be undermined.

- The evaluation process involves participants using their skills - for example setting goals, establishing priorities, selecting relevant questions, analysing data and making decisions on the data;
- The participants in the process own the evaluation. They make the major decisions on the focus of the design of the evaluation. They come to their own conclusions;
- Participants make sure the evaluation focuses on methods and results they consider important;
- Participants work together as a group and any evaluation facilitator supports group unity and group questioning;
- All aspects of the evaluation, including the data, are understandable and meaningful to participants;
- Any facilitators act as resources for learning. Participants are decision makers and evaluators.

Adapted from: [http://tilz.tearfund.org/webdocs/Tilz/Roots/Introducing%20evaluation\\_E.pdf](http://tilz.tearfund.org/webdocs/Tilz/Roots/Introducing%20evaluation_E.pdf)

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## 3.2 The roles and responsibilities of the board

### **The board ensures that the helpline's mission and values are upheld**

As already noted in section 3.1, a child helpline's mission is their reason for existence. This reflects a realistic and long term determination of what the organisations is, who it serves, what it does and what it can accomplish. The mission and values inspire people to get involved in the helpline while providing a common focus for its activities and goals. One of the basic responsibilities of the board is to identify, safeguard, and promote the mission. In watching over the mission, the board, in a sense, protects the very heart of the organisation. The board's most important duty in this respect is to ensure the helpline honours the mission in everything it does.

The board should make sure the mission statement is known and embraced by everyone, starting with board members themselves. The board should also review the mission regularly to ensure it aligns with existing or planned activities. A misalignment between mission and programs can emerge for various reasons; perhaps the need for the original service no longer exists, or available funding has led to "mission creep". The board should confirm periodically that the helpline is still carrying out the original purpose expressed in the governing documents and, of course, that it does not engage in any illegal, unethical, or non-permitted activities. Through a regular review of the mission statement, the board can determine if a misalignment exists and what steps can be taken to bring mission and programs back into harmony.

### **The board focuses on strategy, policy and oversight of the helpline**

No matter what the size, mission, age, or budget of a helpline, the basic duties of the board are primarily to set policy, exercise oversight, and provide strategic direction in the following areas:

- **Mission:** the board safeguards the mission by making sure there is a clear sense of mission shared throughout the helpline, a good mission statement, and appropriately planned and evaluated programs and services;
- **Values:** the board defines values and sets the standard for professional conduct through its own behaviour as well as in the policies it establishes for others to follow;
- **Resources:** the board ensures the helpline has adequate resources (human, material, and financial) by hiring the executive director, monitoring the financial health of the helpline, ensuring the acquisition of sufficient resources, and assisting in resource mobilization;
- **Outreach:** the board promotes the helpline in the community and serves as a link with members, donors, beneficiaries, and other stakeholders.

### **The board understands the helpline's finances and ensures that financial controls are agreed and implemented**

To uphold the stability of a child helpline, the board needs to understand its financial situation and have reassurance that funds are being used wisely. Key to this is an effective system of financial controls.

A child helpline's board has the responsibility of developing financial controls, making sure they are implemented, and reviewing them periodically. Along with having the accounts audited by an independent party (see 3.1), one of the fundamental principles of financial control is the segregation of transactional duties. If duties are segregated, the scope for errors and oversights are reduced, as well as deliberate manipulation or abuse. For example, if the person who records incoming cash is the same person who checks that cash paid in is recorded on the bank statements, it would not be easy to detect any dishonesty. Mistakes are also more likely to go undetected if a person checks their own work. The degree of segregation of duties which can be achieved will vary from helpline to helpline according to their size.

To ensure the financial integrity of the helpline, it is also important that board members understand the financial information which is given to them. To facilitate this, a helpline may need to consider recruiting board members with particular financial expertise, and need to ensure that full explanations and training are provided for those who are not so familiar with financial matters.

### 3.3 The functioning of the board

#### **The board has a clear set of rules for its own operation**

The board needs established procedures for doing its work. This strengthens accountability, enhances efficiency, and provides a solid framework for collective action. The best guide for the board's operations is a set of well-written governing documents, which give guidance on issues such as the selection of new members, meeting schedules, and decision-making procedures (see example of governing documents from Child Helpline Corpolatín, Colombia in section 3.1). The board can formulate more detailed procedures through policy statements that cover any number of issues, from the place of board meetings to the format of agendas. All rules of operation for the board, whether in the basic documents or policy statements, should be collected together in a manual and distributed to board members. A good chair will observe the rules of operations closely to help keep the board's work focused and on track.

#### **The board meets on a regular and planned basis**

The basic documents of a child helpline should specify the minimum number of board meetings. While there is no perfect number, once a year is rarely enough for the board to discharge its full range of duties. Some boards find they can do their job in two or three lengthy meetings a year, while others prefer to meet more often. The Boards of LifeLine/ChildLine Namibia and Child Helpline Aruba for example, meet once a month. Ultimately, the number of board meetings each year should be determined by the work that needs to be accomplished.

Irrespective of the number of times the board meets, board members need to be informed of the dates of meetings well in advance and have sufficient opportunity to prepare for them. Board meeting attendance is usually higher if a regular schedule of meetings is set at the start of the year. Meetings run more efficiently with a carefully prepared agenda. Board members are more likely to attend meetings when active participation and real deliberation are expected.

### **All board members attend meetings on a regular basis**

A common problem encountered by organisations that have a board composed of volunteers is the issue of attendance. Although the time commitments that come with being a board member are stated up front upon recruitment, organisations that do not remunerate their board struggle to ensure board members attend all board meetings. To address this issue, some organisations have found it useful to develop a formal policy on board attendance, which clearly identifies the course of action if a certain number of board meetings are missed. Kid's Help Phone (KHP) in Canada for example, stipulate in their By Laws that if a member does not attend three consecutive meetings of KHP, they can be removed by a vote with three quarters of the Members in agreement.

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### **When is board attendance 'officially' a problem?**

A board-attendance problem occurs if any of the following conditions exist in regard to a board member's attendance to board meetings:

- The member has two un-notified absences in a row ("un-notified" means the member did not call ahead to a reasonable contact in the organisation before the upcoming meeting to indicate they would be absent from the upcoming meeting);
- The member has three notified absences in a row;
- The member misses one third of the total number of board meetings in a twelve-month period.

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### **The board keeps minutes of all its meetings and decisions are shared with staff and the general public on a timely fashion**

The record of board meetings is a basic instrument of accountability. Minutes are a form of institutional memory that enable a helpline to work consistently, without being vulnerable to an individual's special agendas or efforts to seize control. The board should appoint a person to keep a record of all formal proceedings, including their time and place, attendance, agenda, and decisions taken. These minutes are approved in draft by voting members of the board before they are distributed in final form. While there might be some information discussed at a board meeting and recorded in the minutes, that a helpline may not want to made publicly available, for example on contractual issues, or staff issues, on the whole board minutes should be made publicly available either upon request or posted on the website.

### **The board has a designated chair**

Like any collaborative decision making body, a board cannot function effectively without a designated leader. The chair is mainly responsible for coordinating the work of the board and

serving as the liaison with staff, particularly the executive director. The chair's duties typically include convening and leading meetings. The chair does not have any special decision-making powers unless they are explicitly delegated by the full board.

Various methods can be used for appointing the chair (for example, an election by the membership of the organisation or the board itself). Among the qualities a chair should have is the ability to lead a discussion fairly yet forcefully and stick to prescribed procedures and the preset agenda. Good time management skills and strategic vision are also essential. To avoid misunderstandings and conflict, the chair's method of appointment and main responsibilities should be described in the basic documents.

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### **The duties of the chair**

The role of the chair is not always self-evident, so it is good practice to have a set of basic expectations in writing. These might include:

- Scheduling board meetings;
- Setting meeting agendas (with the executive director);
- Leading discussions at meetings, especially following agendas and observing all rules of order;
- Coordinating any board activity outside of meetings;
- Overseeing the hiring and performance evaluation of the executive director;
- Ensuring the board performs its job well and evaluates its own performance;
- Representing the helpline in public.

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### **The executive director is not the chair**

As detailed in section 3.5, the division of management and oversight is a key principle of good organisational governance. While the executive director may sit on the board as a non-voting member, it is considered bad practice to have an executive director that is also the chair, as this concentrates power and authority in the hands of a single individual.

### **The board reflects the diversity of the country in which it works**

Diversity is not just about representing different groups on the governing board of helplines it is also about recognising that organisational effectiveness needs diversity. To be effective a helpline board needs to:

- Reflect the community it serves;
- Respond to the needs of beneficiaries;
- Involve people from different cultural and ethnic backgrounds and with diverse skills and experiences.

With a diverse membership the board can draw on a wide range of viewpoints, backgrounds, skills, and experience in its deliberations. This strengthens its chances of making more effective and appropriate strategic and operational decisions.

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## Ten questions to ask yourself when improving the diversity of your child helpline's governing board

1. How well does our board reflect the people who benefit from the helpline's work or who help the helpline to do its work?
2. Do we as a board really understand their needs?
3. Are we confident that the strategy and performance of the helpline, which we are responsible for, matches the organisation's mission and is keeping up with a changing environment?
4. Could our board better reflect more of society, our beneficiaries and stakeholders, and could it better harness everyone's talents, helping us do our job better?
5. What skills and knowledge are missing from our board?
6. What would be the ideal composition of our board? (Picture your dream board).
7. Have we already identified people who could join our board? Are there people already in the helpline who could become involved at board level?
8. For the child helpline, what will be the challenges and the benefits of diversity?
9. Is becoming a board member the best way to involve people in the decision-making process?
  - Are we ready to involve more people on our board?
  - Are there other forms of involvement such as subcommittees, forums and advisory groups that could involve people more effectively?
10. Why are we looking at the diversity of our board? Is it for valid reasons - contributing to your organisation's work and your board's job - or is it because you or someone else thinks it will look good for your organisation?

Adapted from: [www.ncvo-vol.org.uk/askncvo/trustee-governance/?id=569](http://www.ncvo-vol.org.uk/askncvo/trustee-governance/?id=569)

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## 3.4 Decision making at the board level

### The board makes decisions collectively

The board is a collective leadership body. It represents the interests of the helpline and helps it to stay focused on the mission. As an assembly of individuals, the board has a breadth of perspective and depth of experience surpassing the abilities of a single leader. But as a single body, the board can bring together multiple views into a shared vision and goals, thus serving as a force for unity in the helpline.

Collective leadership is not always easy, but the basic documentation should help the board function effectively as a team by setting parameters for group decision-making. They should stipulate that the board makes decisions only in formally constituted meetings at which a majority of members (known as a quorum) is present. The basic documents should specify how many members constitute a quorum, how meetings are called, and the manner in which decisions are taken and recorded. Such guidance helps the board perform its tasks consistently and avoid questions about the validity of its decisions.



Beyond these basic standards, the style of board decision-making can vary greatly. Some boards work best by consensus while others take a vote on every decision. Either method, or a combination of the two, is acceptable as long as it allows every board member to take part in decision-making. How a decision is reached should always be recorded in the meeting minutes (see section 3.3). Boards should only rarely take decisions outside of meetings, usually in times of emergency. When it must make decisions outside of meetings, the board should rely on a policy set in advance and record the decisions for formal approval at the next meeting.

### 3.5 The relationship between the board and management

#### **There is a clear separation of governance and management functions**

A basic principle of good governance is that management and oversight are separate. The underlying assumption is that this separation makes possible the checks and balances that ensure an organisation is well run and decisions are made with the organisation's interest in mind.

A board that is not separate from management (i.e. a board whose membership is the same as, intimately connected to, or dominated by staff) will face difficulties in representing the interests of the helpline fairly. These difficulties arise because the people making decisions and evaluating their appropriateness will be the same as (or close to) the people affected by or actually carrying those decisions out. For example, a staff member on the board may take part in a decision about their own salary based on an assessment of their own performance. Likewise, a staff member serving on the board might approve their own budget, set their own pay or assess their own programs.

A board that is not separate from management functions is in a state of real or perceived conflict of interest, because oversight and management functions are mixed. A board that is independent of management on the other hand, avoids the possibility that its actions are motivated by interests other than those of the helpline.

In a helpline with a clear separation of staff and oversight, management runs the organisation from day to day, while the board sets policy, exercises oversight, and strategically guides the organisation. Evidently this does not mean that the management, staff or volunteers have nothing to do with strategy or that board members never contribute on the day-to-day level. What it does mean however, is that there is a fine but important line between these two areas, which must be recognised and protected by both sides.

For many child helplines this assertion might sound strange, since the staff usually know more about the helpline than the board and thus are in a better position to provide strategic direction or evaluate the organisation's performance and needs. While this may be the case, to avoid the conflict of interests, real or perceived, detailed above and the negative consequences that ensue, it is a necessary and important division to maintain.

One of the challenges faced by many younger helplines is that the board often relies heavily on the executive director. In these circumstances giving the executive director a seat at the board seems only natural. However doing so blurs the distinction between governance and management and concentrates power in the hands of a single individual. A common way around this problem is to include the executive director on the board as a non-voting member. In the case of LifeLine/ ChildLine Namibia for example, the director, operations director and finance manager all sit on the board of directors, but all as non-voting members.

In organisations where the executive director does have a seat on the board, it is good practice that they withdraw from discussions about topics of direct concern to them, such as salary and performance assessment.

The separation of management and governance is important irrespective of the size of the helpline, however it becomes absolutely essential as the resources and size of a helpline increases. When significant funds are at stake and decisions are being made that will impact profoundly on beneficiaries, an independent board is essential for effective and balanced decision making. In addition, an active and independent board reassures donors, beneficiaries, and other stakeholders that the helpline is professionally run and conflict of interests are avoided. Child helplines that aspire to grow, recognize that long-term sustainability demands good governance and that a key step towards this is the separation of oversight from management.

### **The board provides advice and support to the executive director**

A good relationship between the governing board and executive director is key to the success of any helpline. Each needs to play a supportive role to the other. Good communication is critical. The executive director needs to provide the board with accurate and timely information about the helpline, while the board needs to be direct and clear in its instructions and provide feedback to the executive director. Crucial to this relationship is a good relationship between the executive director and the chair (see section 3.5).

### **The board evaluates the executive director regularly**

As part of its feedback to the executive director, the board should review their performance regularly, preferably annually. The review should be based on predetermined criteria, such as the written job description and stated annual goals. The review will help the executive director understand what the board expects and any areas for improvement. The review is important for establishing a basis for compensation and, when necessary, for documenting inadequate performance that may lead to dismissal. (See appendix 2 for sample form for executive director evaluations.)

While the chair should take the lead in conducting the executive director's review, it is important that the board conduct the evaluation as a body. One approach is for board members to discuss the executive director's performance, using the job description and annual goals as a basis. The chair can then communicate the results of their assessment to the executive director, along with recommendations.

## **The executive director has a written job description which outlines clear goals and performance targets**

Having a position description for the executive director is important because it identifies what the board's expectations of the director are. Without this, there may be ambiguity concerning the responsibilities that have been delegated to them by the board, which could lead to unnecessary conflict.

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### **A position description for executive directors**

Duties found in most executive director job descriptions include:

- Hiring, firing, and supervising the staff;
  - Managing and evaluating programs and operations;
  - Identifying, acquiring, and managing resources;
  - Preparing an annual budget;
  - Proposing policies and strategic initiatives to the board;
  - Communicating with stakeholders;
  - Promoting the organisation in the community;
  - Supporting the board in its work.
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## **The executive director and the chair of the board have a good working relationship**

It is often said that one of the most important ingredients to a successful organisation is the quality of the relationship between the board chair and the executive director. Unfortunately, the nature of both these roles means that there are some inherent tensions to this relationship. Notably, the executive director is generally much closer to the day-to-day activities in the organisation and usually knows far more about the organisation's beneficiaries, consequently they may feel they know far much more about the organisation than the board chair. Yet, the chair is responsible for providing leadership to the board, to whom the executive director is accountable, and often leads the evaluation of the executive director's performance. Because of these inherent tensions it is often necessary for the chair and the executive director to make conscious efforts to build and nurture their relationship in the best interests of the organisation.

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## Formal practices and procedures that can minimize conflict between the chair of the board and executive director

One of the most effective means to minimise conflict between both roles is to set up formal practices or procedures that help both people in the roles differentiate between an organisational issue and a personal issue. The following suggestions are provided to help ensure a high-quality relationship between the board chair and executive director by establishing formal practices and procedures.

- Have a written job description for both the executive director and chair which clearly identifies roles and responsibilities;
- Have clearly written and approved procedures for evaluating the executive director and an approach that ensures strong input from the chair;
- Have regular board training sessions that include overviews of the roles of board chair and executive director;
- When a new board chair or chief executive is brought into the organisation, the two of them should meet to discuss how they can work together as a team;
- Agendas for board meetings should be mutually developed by the board chair and executive director;
- Rotate the board chair position every few years to ensure new and fresh perspectives in the role;
- Develop board chairs by having vice chairs for a year before becoming board chairs;
- The executive director and board chair should never conceal information from the rest of the board. Board members may prefer to keep certain information confidential among board members and not tell the executive director, but these occasions should be very rare. The executive director should never conceal information from the board - all board members have a right to any information about the organisation.

Adapted from: [www.managementhelp.org/chf\\_exec/ed\\_chair.htm](http://www.managementhelp.org/chf_exec/ed_chair.htm)

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## The board delegates responsibility to the executive director

The board has the authority to steer and monitor the child helpline. But it meets only occasionally, and its members are often busy individuals, working on a voluntary basis. Facing such practical restraints, one of the most important ways in which the board undertakes its duties is by delegating authority to the executive director.

In doing so the board does not give up any of its own responsibility for setting policy, providing strategic direction, or exercising oversight. It remains the main decision-making authority, and the executive director is answerable to the board for their actions. Within boundaries set by the board however, the executive director is free to run the helpline as they see fit, making important decisions on a day-to-day basis.

The board maintains its authority and protects the executive director by ensuring that the basic documents clearly reflect what powers it delegates to them. As mentioned previously, this delegation can also be presented in a written position description for the executive director. The clarification of the relationship between the board and the executive director helps smooth cooperation between them. It also keeps the board from giving too much responsibility to the executive director or, at the other extreme, from seeking to micro-manage things.

### 3.6 Board integrity

#### **The board practices informed decision-making**

Sound decision-making depends on two factors: accurate information and the ability to use it. Board members need complete and timely information, and just as important, they need to know how to use it to guide and strengthen the organisation. Board members should ask the staff to help them prepare for meetings by providing concise carefully chosen materials well in advance. The staff can help keep board members informed by distributing more general information from time to time. Board members should not shy away from asking the staff for more or differently presented information if they feel it is necessary to form sound judgments. Moreover, boards should not rely on the staff as a sole source of information: they need to seek out other opinions and perspectives to make sure they are getting the full story. Every board member should be expected to come to meetings having read all background materials. This will allow meetings to consist of active discussion and decision-making rather than a boring presentation of information that board members can easily read on their own.

#### **The board is directly informed by the needs of the helpline's primary stakeholders**

As the ultimate beneficiaries of helplines, structures need to be in place to ensure children are able to input into the governance of the organisation. Ensuring participation at this level is important, as it ensures children are influencing decisions that frame and set the parameters for operational level activities.

#### **Involving children in the board of directors: the National Runaway Switchboard, USA**

The board of directors has twenty members. One young person under the age of eighteen is elected to the board each year for a one-year term and teamed with a mentor. This young person is also assigned to one of the standing committees of the board and is trained to work with the media around policy issues. The board of directors benefits from having direct and immediate feedback from children and young people during their full meetings and committee meetings. In addition, the National Runaway Switchboard has a Youth Advisory Committee.

Taken from CHI's practice handbook, *A Guide to Child Participation Practice in Child Helplines*.

## Children's advisory committee/junior advisory board: Childline Ireland/ Irish Society for the Prevention of Cruelty to Children (ISPCC), Ireland

Each region/service within the ISPCC/Childline runs a Children's Advisory Committee. This is a group of young people who meet regularly (usually once every two months) and undertake a number of activities such as campaigning, fundraising, policy approval and decision making. Representatives from each committee are voted by their committee to sit on the junior advisory board, which meets quarterly to advise the ISPCC/Childline board on any decisions and policy. Members are recruited through schools, youth groups, personal contacts, and through having worked with the ISPCC as a client. To protect the anonymity of Childline service users, it is not known if members of the Committee are also service users.

Taken from CHI's practice handbook, *A Guide to Child Participation Practice in Child Helplines*.

### **Individual board members have a clear understanding of their role and responsibilities**

Although board members govern as part of a collective leadership body, they have individual duties as well. Fulfilling these duties means board members are expected to attend meetings regularly, contribute actively to deliberations, and put the helpline's interests above any other personal or professional interests.

A detailed set of written expectations can help individual board members understand their role and how best to fulfil it. Beyond these basic duties, boards may delegate additional, specific duties to individual members. The financial expert who serves on the board, for example, might be authorized to oversee the preparation of the annual budget, or the lawyer on the board may be given broad authority to oversee the helpline's legal affairs (if legally registered). Such delegation must be made clear by the board and should not be automatically assumed according to the professional qualifications of individual board members. It is not sufficient however, for board members to limit their board service to specialized professional services. The first and most important duty of every board member is to contribute to the collective decision-making of the board as a whole.

Despite their good intentions, it is sometimes difficult for board members who are deeply engaged in the organisation to remember they have no personal authority aside from their participation on the board. The board member who volunteers to work on the helpline's activities, for example, should not be entitled to tell staff or volunteers what to do simply because they are a member of the board. The executive director, working with the chair, will want to make sure that board members understand the nature of their authority and do not overstep its bounds by trying to directly manage the helpline.

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### **A position description for board members**

A position description can help board members understand how to behave on the board and prioritise their activities. It is also a good tool for letting new board members know what is expected of them. This can include:

- 1) know and support the mission of the helpline;
  - 2) attend board meetings regularly;
  - 3) prepare for meetings in advance;
  - 4) maintain confidentiality;
  - 5) offer informed and impartial guidance;
  - 6) avoid special agendas and conflicts of interest;
  - 7) participate in committees and special events;
  - 8) support the executive director;
  - 9) take part in resource development;
  - 10) promote the helpline in the community.
- 

### **The board sets annual goals and action plans for itself**

Just as the child helpline develops an operating plan for the year, the board should set annual goals for itself. These goals can relate to the board's own development or can be structured around the larger needs of the helpline, such as those outlined in a strategic plan. Yearly sessions to set board goals focus the board on its strategic objectives and keep it from getting mired in routine. Successful boards find that a regular schedule of recurring activities, including budget approval, program evaluation, and executive director review, help it to structure its work effectively. The chair makes sure these regular activities find a place on meeting agendas and the board periodically reviews its annual goals.

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### **Board activities to schedule annually**

Having a regularly scheduled cycle of activities will make sure that your board does not let any important duties slip. Consider putting these items on a permanent calendar:

- Executive director assessment;
  - Approval of the annual budget;
  - Appointment and orientation of new board members;
  - Formulation of annual board goals;
  - Strategic plan review and update;
  - Board fundraising activities;
  - Board self-assessment.
-

### **Board members have limited terms for serving on the board**

Putting in place term limits is a good way of ensuring that new ideas, enthusiasm and new people will ascend to the board in an orderly fashion. However, there are also challenges that must be addressed when there are term limits, most notably around finding a pool of qualified and willing people for the board. The best way of overcoming this is by having in place an effective recruitment process for new board members (see section 3.7).

### **Board members are not paid for their services**

A board member's willingness to serve on a voluntary basis is proof of their commitment to the child helpline and proves they are not motivated by personal gain. When board members have salaries, and receive other material benefits from being on the board, real and perceived conflict of interests arise, situations where personal gain might outweigh the interest of the child helpline and beneficiaries. The principle of unpaid board membership is a defining characteristic among NGOs, and has contributed greatly to public confidence in the sector. While not all child helplines are NGOs, they are all run in the public interest, thus ensuring board members receive no personal benefit from sitting on the board is an important principle to uphold.

### **The board has put in place and enforces a conflict-of-interest policy**

Rather than leaving matters of ethics up to personal judgment, all child helplines should adopt a conflict-of-interest policy. By establishing a conflict-of-interest policy, the board enhances the reputation of the child helpline for accountability and transparency and can help to attract new resources. It is also a guide for dealing with situations that have the potential to reflect badly on the helpline or individuals associated with it. Conflict of interest exists when an individual faces competing choices that may affect decision-making. A conflict of interest situation does not automatically mean that an individual has done anything wrong. The danger may be the appearance rather than actual wrong-doing. Conflict of interest can involve anyone, but it is particularly common for governing boards whose members are influential people with many ties in the community.

Examples of conflict of interest for a helpline might include:

- When a board member is also the executive director of an organisation that competes against the child helpline for funds;
- When a board member obtains an interest free loan from the child helpline, or the organisation that runs the child helpline;
- When a board member's spouse is hired to provide professional services to the child helpline;
- When a board member is related to a member of the staff.



A conflict-of-interest policy helps the board monitor behaviour within the child helpline and deal impartially with situations in which an individual's multiple interests compete. The policy typically includes a requirement for full disclosure of potential or actual conflicts and abstention from decisions in which an individual has a personal interest. Many boards require their members to sign conflict-of-interest disclosure statements annually. The policy should extend to employees, volunteers, as well as family members, business partners, and other close associates. Of course, it is not enough for the policy merely to exist on paper. To be effective, the board must make sure that the policy is enforced.

### **Declaration of interests policy: Kids Help Phone, Canada**

"Every Director who is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with KHP must declare such interest at the earliest opportunity and shall withdraw from discussion of the matter and shall not vote on the matter. An indirect interest shall include, but not be limited to, the interest of a business partner, a person employed in the same business and another member of the Director's household.

Subject to the provisions of the Act and the provisions hereof, if an arrangement or contract is approved by the Board or the Executive Committee, no Director shall be disqualified by their office from contracting with KHP nor shall any contract or arrangement entered into by or on behalf of KHP with any Director or in which any Director is in any way interested be liable to be avoided nor shall any director so contracting or being so interested be liable to account to KHP or any of its Members or creditors for profit realized from any such contract or arrangement by reason of such Director holding that office or the fiduciary relationship thereby established."

Rules of Procedure, Kids Help Phone

### **The board agreed a code of conduct for members and actions to be taken if these are not fulfilled**

Writing a code of conduct is a good way to think about the values your helpline stands for and the way they are realized in everyday actions. The existence of a code shows your helpline has the courage to set standards of behaviour and stake its reputation on them. Of course this is possible only if the code does more than exist on paper. So distribute it to all staff and volunteers and make it public. Then your board, working with the executive director, must ensure the code of conduct is taken seriously throughout your helpline and is enforced.

A code of conduct should be a board initiative, though its actual writing should be a board-staff or staff effort that involves a range of the helpline's stakeholders. Discussion of the code's content is a good time for the board and key staff and stakeholders to come together and identify the values and goals they hold in common. At a minimum, the code should address:

- The helpline's mission;
- Accountability and transparency;
- Use of resources;
- Board leadership;
- Management practices;
- Avoidance of conflict of interest.

See appendix 2 for detailed steps in developing a code of ethics.

### 3.7 Board review and renewal

#### **The board evaluates its performance on a regular basis**

As the body that ensures the child helpline's resources are effectively used in the service of the mission, the board holds the staff responsible for good management and program implementation. However, in turn they also need to hold themselves accountable for the quality of the helpline's governance. Thus as well as overseeing the evaluation of management, the board also needs to conduct periodic reviews of its own operations and activities.

Annual self-evaluations of board effectiveness have emerged as a key indicator of good organisational performance across the public, private and non-profit sectors. It is considered good practice that the board annually defines its duties, identifies performance in relation to the goals it set for itself, and suggests actions for better fulfilling them.

As well as providing an opportunity to assess how the board is progressing in relation to goals and targets, self-evaluations also provide an opportunity for the board to review its capacity as a collective governance body and identify if there is a need for additional skills or capacity.

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#### **Some of the questions a child helpline board may want to address in the course of a self-evaluation:**

- Are board discussions well-informed and well run? Are they focused on the most relevant issues?
  - Are the subcommittees working as they should and do they have the right relationship with the rest of the board?
  - Do directors feel their skills are used and their contribution is valued?
  - How is the chair performing in his/her role?
  - What is the quality of the relationship between the board and management?
  - What is the state of relationships with funders, beneficiaries and other stakeholders?
  - How well is the strategic plan linked to the work within the organisation?
  - How well have the key indicators and reporting processes helped the board in its monitoring role?
  - Are all the necessary skills, stakeholders and diversity represented on the board?
-

## **A process is in place for recruiting new board members**

The board plays a crucial role in the governance of a child helpline, so when new members are being recruited it is important that an effective process is in place for finding the best person for the job. Without this, child helplines may find that recruitment is driven by who the board knows, rather than a competitive process aimed at finding the most qualified candidate. Important to the process is that the child helpline has criteria in place to guide the selection, that the recruitment is undertaken based on merit and that there is formal application and interview processes in place. There is no reason why a board member should not be recruited in the same way as any other member of staff.

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## **Steps you may want to adopt when recruiting new board members**

**Step 1:** Depending on the number of new board members that are being recruited, you may want to set up a Board Development Committee or a Recruitment Committee to lead the process.

**Step 2:** Develop a set of criteria for selecting board members, this will help guide the selection and also ensure that you know when you've found the right people. Qualities that you may be looking for include:

- Understanding of your stakeholders and their needs;
- Passion for children's rights;
- Willingness to commit time for board meetings, committee meetings, planning sessions, special events;
- Team player - works well in a group;
- Someone who listens well, is thoughtful in considering issues.

In cases where specific talents are needed (finance, legal etc.) those talents should be considered in addition to the qualifications you create for all board members. Having these basic qualities will be essential for them to carry out their role, irrespective of their specialised skills.

**Step 3:** Recruit a pool of candidates for each post. You might be recruiting for three new members. Recruit for them one at a time, seeking a pool of good candidates for each seat - just as you would for a paid position. This requires publicising the fact that you are looking for new board members.

**Step 4:** Set up an application and interview process.

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## **An induction process exists for new board members**

An effective induction process for new board members is crucial to ensure they are adequately prepared for their new role within the child helpline. It is an important opportunity to make them aware of their responsibilities as a board member and inform them of the key activities and plans of the helpline. Induction or orientation is usually led by the chair of the board and the executive director, but should at some point in the process involve all board members and key senior staff.

ChildLine India Foundation and Kid's Help Phone Canada both organise one-on-one meetings for new board members, the senior executive team and any other key personnel. In addition to this Kid's Help Phone also provides new board members with an induction manual and a two and a half hour introductory presentation.

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**Issues that should be covered during induction of new board members:**

- Mission, vision and values of the child helpline;
  - The child helpline's history;
  - Roles and responsibilities of the board and the staff;
  - Board workplan which schedules major activities;
  - Organisational chart, including the list of current and planned committees;
  - Review of financial situation;
  - Overview of strategic plan;
  - Details on how the board conducts meetings.
-



## 4. Good Governance and Accountability Self-Assessment

Each of the statements below can be judged as “yes”, “partly”, “no” or “don’t know”. The assessment does not provide a scale on how accountable or well governed your organisation is. It is meant to be used as a starting point for discussion within your team on: areas where the organisation is performing well and not so well (if yes and partly); the changes needed to increase the accountability of your organisation (if no); and areas where there is a need for better information sharing within the organisation (if don’t know).

In the last column you will find reference to where you can find more information on this particular question in the main body of the guide.

YES	NO	Partly	Don't know	Question	Section reference in guide
<b>Minimum principles of organisation-wide good governance and accountability</b>					
				1. Our child helpline has basic documents that formally identify governance structures	3.1
				2. Our child helpline has a board or other governing structure	3.1
				3. Our child helpline has a mission statement that is known throughout the organisation and shared with the public	3.1
				4. Our child helpline has a strategic plan with clear goals, objectives and targets	3.1
				5. Our child helpline has written an annual report that is widely disseminated	3.4
				6. Our child helpline has annually audited accounts	3.1
				7. Our child helpline has a risk management policy in place	3.1
				8. Our child helpline has a regular planning process that takes place in a participatory way	3.1
				9. Our child helpline undertakes regular evaluations of programs and projects and incorporates learning into the planning process	3.1

YES	NO	Partly	Don't know	Question	Section reference in guide
<b>The roles and responsibilities of the board</b>					
				10. Our board ensures that the child helpline's mission and values are upheld	3.2
				11. Our board focuses on strategy, policy and oversight of the child helpline	3.2
				12. Our board understands the child helpline's finances and ensures that financial controls are agreed and implemented	3.2
<b>The functioning of the board</b>					
				13. Our board has a clear set of rules for its own operation	3.3
				14. Our board meets on a regular and planned basis	3.3
				15. All board members attend meetings on a regular basis	3.3
				16. Our board keep minutes of all its meetings and decisions are shared with staff and the general public on a timely fashion	3.3
				17. Our board has a designated chair and other office bearers	3.3
				18. The executive director is not the chair	3.3
				19. The board reflects the racial and cultural diversity of the country	3.3
<b>Decision making at the board level</b>					
				20. Our board makes decisions collectively	3.4
				21. No member on the board has (permanent) special voting rights	
				22. The executive director and other staff members do not have voting rights on the board	
<b>The relationship between the board and management</b>					
				23. Our helpline has a clear separation of governance and management functions	3.5
				24. Our board provides advice and support to senior management	3.5
				25. Our board supervises, supports and evaluates the work executive director on a regular basis	3.5
				26. Our executive director has a written job description which outlines clear goals and performance targets	3.5
				27. Our executive director and the chair of the board have a good working relationship	3.5
				28. Our board delegates responsibility to the executive director	3.5

YES	NO	Partly	Don't know	Question	Section reference in guide
<b>Board integrity</b>					
				29. Our board performs informed decision-making	3.6
				30. Our board is directly informed by the needs of the child helpline's primary stakeholder group	3.6
				31. Individual board members have a clear understanding of their role and responsibilities	3.6
				32. Our board has clear annual goals and a work plan that it sets for itself	3.6
				33. Board members have limited terms for serving on the board	3.6
				34. Board members show commitment to the aims of the child helpline and its work	3.6
				35. Board members have specific skills and knowledge which they can use to advance the child helpline	3.6
				36. Board members are not paid for their services and derive no gain from their membership	3.6
				37. Our board has put in place and enforces a conflict-of-interest policy	3.6
				38. Our board agreed a code of conduct for members and actions to be taken if these are not fulfilled	3.6
<b>Board review and renewal</b>					
				39. Our board evaluates its performance on a regular basis	3.7
				40. A system is in place for recruiting new members	3.7
				41. An induction process takes place for new board members	3.7
				TOTAL	

# Appendix 1

## Sample Form for Evaluating the Executive Director

	Rating	Weighting	Score
<p><b>Finances, consider:</b></p> <ul style="list-style-type: none"> <li>▪ No loss of operating funds; no prolonged legal difficulties;</li> <li>▪ Develops realistic budgets and stays within them. Maintains needed cash flow. Receives a “clean” financial audit.</li> </ul> <p><b>Comments:</b></p>			
<p><b>Revenue, consider:</b></p> <ul style="list-style-type: none"> <li>▪ Raises enough revenue to accomplish significant program goals;</li> <li>▪ Maintains or builds a financial balance keeping with organisational policy.</li> </ul> <p><b>Comments:</b></p>			
<p><b>Human Resources, consider:</b></p> <ul style="list-style-type: none"> <li>▪ Maintains or increases productivity of staff;</li> <li>▪ Maintains sufficient and effective volunteer corps;</li> <li>▪ No undue staff turnover; no ongoing personnel complaints.</li> </ul> <p><b>Comments:</b></p>			
<p><b>Programs, consider:</b></p> <ul style="list-style-type: none"> <li>▪ Maintains or expands programs per plans;</li> <li>▪ Program evaluations demonstrate effectiveness;</li> <li>▪ Meets yearly program goals and objectives.</li> </ul> <p><b>Comments:</b></p>			
<p><b>Facilities, consider:</b></p> <ul style="list-style-type: none"> <li>▪ Maintains professional surroundings and safe working environment.</li> </ul> <p><b>Comments:</b></p>			
<p><b>Planning and Governance, consider:</b></p> <ul style="list-style-type: none"> <li>▪ Has in place a clear mission statement and strategic plan;</li> <li>▪ Maintains an active board that provide good governance to the organisation.</li> </ul> <p><b>Comments:</b></p>			

(Adapted from: [www.managementhelp.org/boards/edvalfrm.htm](http://www.managementhelp.org/boards/edvalfrm.htm))

In addition to the executive director’s job description, other information that can assist you with the evaluation process includes:

- Your strategic plan and your business plan;
- Executive director’s regular reports to the board;
- Executive director’s annual goals, with progress reports;
- External feedback on the organisation and executive director’s performance;
- Organisational performance indicators.



# Appendix 2

## A Checklist for Developing a Statement of Values and Code of Conduct

**Step 1:** Decide whom you think should be involved in the process. Be sure to include staff and the board. Other important stakeholders include major donors, volunteers and program beneficiaries, each of whom will bring different and valuable perspectives.

**Step 2:** Focus your first efforts on developing a statement of values, which will later serve as the foundation for a code of conduct:

- Convene a group of stakeholders to develop a list of values that might be included in your helpline's statement. Have the group brainstorm by answering these questions:
  1. What values are unique to our helpline's mission?
  2. What values should every organisation such as ours and society in general uphold?
  3. What values should guide the operations of the helpline and the personal conduct of staff, board, and volunteers?
- Draw from examples of values statements from other organisations as models;
- Develop consensus around the values that stakeholders believe are most important for your helpline. Narrow these to the essential core values;
- Organise a small drafting committee to put the ideas into words;
- Reconvene key stakeholders to review and revise the statement as needed;
- Secure approval from the board of directors.

**Step 3:** Using the helpline’s statement of values as a foundation, it is time to turn your attention to developing a code of conduct describing how you put those values into practice. Your resulting document will be a set of broad principles, not a detailed set of operational practices.

- Use model codes from other helplines (or similar organisations) as a reference for the development of your own code;
- Convene a key group of stakeholders to decide on the essential elements that your code should cover, such as:
  1. personal and professional integrity;
  2. mission;
  3. governance;
  4. management practices;
  5. conflict of interest;
  6. legal compliance;
  7. responsible stewardship of resources and financial oversight;
  8. accountability and transparency;
  9. program evaluation;
  10. inclusiveness and diversity;
  11. integrity in fundraising;
  12. other areas of particular importance to your helpline.
- Throughout the process, continually consult your values statement to ensure it is being reflected in the code of conduct;
- Organise a drafting team and have all key stakeholders review the draft to ensure support for it;
- Secure approval of the code by the board of directors;
- Design a system to ensure regular review of adherence to the code. Consider designating a board committee that will have oversight responsibility for compliance with the code.

Adapted from: [www.independentsector.org/issues/ethics/code\\_checklist.html](http://www.independentsector.org/issues/ethics/code_checklist.html)

# Appendix 3

## Examples of potential risk areas for helplines, their potential impact and mitigation strategies (adapted from: [www.charity-commission.gov.uk/investigations/charriskapp.asp](http://www.charity-commission.gov.uk/investigations/charriskapp.asp))

Potential risk	Potential impact	Steps to mitigate risk
<b>Governance and management</b>		
The helpline lacks direction, strategy and forward planning	<ul style="list-style-type: none"> <li>■ The helpline drifts with no clear objectives, priorities or plans.</li> <li>■ Issues are addressed piecemeal with no strategic reference.</li> <li>■ Needs of beneficiaries not fully addressed.</li> <li>■ Financial management difficulties.</li> <li>■ Loss of reputation.</li> </ul>	<ul style="list-style-type: none"> <li>■ Creation of a strategic plan which sets out the key aims, objectives and policies.</li> <li>■ Creation of financial plans and budgets.</li> <li>■ Use of job plans and targets.</li> <li>■ Monitoring of financial and operational performance.</li> <li>■ Feedback from beneficiaries and funders.</li> </ul>
Board lacks relevant skills or commitment	<ul style="list-style-type: none"> <li>■ Helpline fails to achieve its purpose.</li> <li>■ Decisions are made bypassing the board.</li> <li>■ Resentment or apathy amongst staff.</li> <li>■ Poor value for money on service delivery.</li> </ul>	<ul style="list-style-type: none"> <li>■ Skills review.</li> <li>■ Competence framework and job descriptions.</li> <li>■ Board training.</li> <li>■ Recruitment processes.</li> </ul>
Board dominated by one or two individuals, or by connected individuals	<ul style="list-style-type: none"> <li>■ Board cannot operate effectively as strategic body.</li> <li>■ Decisions made outside of board.</li> <li>■ Conflicts of interest.</li> <li>■ Pursuit of personal agenda.</li> <li>■ Culture of secrecy or deference.</li> <li>■ Arbitrary over-riding of control mechanisms.</li> </ul>	<ul style="list-style-type: none"> <li>■ Consider the structure of the board and their independence.</li> <li>■ Mechanisms agreed to deal with potential conflicts of interest.</li> <li>■ Recruitment and appointment processes and constitutional validity.</li> <li>■ Procedural framework for meetings and recording decisions.</li> </ul>
Board members are benefiting from helpline (e.g. remuneration)	<ul style="list-style-type: none"> <li>■ Reputation, moral and ethos.</li> <li>■ Impact on overall control environment.</li> <li>■ Conflicts of interest.</li> <li>■ Regulatory action.</li> </ul>	<ul style="list-style-type: none"> <li>■ Ensure legal authority for payment or benefit.</li> <li>■ Consideration of alternative staffing arrangements.</li> <li>■ Terms and procedures to authorise/ approve expenses and payments.</li> <li>■ Procedures and methods to establish fair remuneration conducted, separately from "interested" board member e.g. remuneration committee.</li> </ul>
Conflicts of interest	<ul style="list-style-type: none"> <li>■ Organisation unable to pursue its own interests and agenda.</li> <li>■ Decisions may not be based on relevant considerations.</li> <li>■ Impact on reputation.</li> </ul>	<ul style="list-style-type: none"> <li>■ Protocol for disclosure of potential conflicts of interest.</li> <li>■ Procedures for standing down on certain decisions.</li> <li>■ Recruitment and selection processes.</li> </ul>
Organisational structure	<ul style="list-style-type: none"> <li>■ Lack of information flow and poor decision making procedures.</li> <li>■ Remoteness from operational activities.</li> <li>■ Uncertainty as to roles and duties.</li> <li>■ Decisions made at inappropriate level or excessive bureaucracy.</li> </ul>	<ul style="list-style-type: none"> <li>■ Organisation chart and clear understanding of roles and duties.</li> <li>■ Delegation and monitoring consistent with good practice and constitutional or legal requirements.</li> <li>■ Review of structure and constitutional change.</li> </ul>
Loss of key staff	<ul style="list-style-type: none"> <li>■ Experience or skills lost.</li> <li>■ Operational impact on key projects and priorities.</li> <li>■ Loss of contact base and corporate knowledge.</li> </ul>	<ul style="list-style-type: none"> <li>■ Succession planning.</li> <li>■ Documentation of systems, plans and projects.</li> <li>■ Training programmes.</li> <li>■ Notice periods and handovers.</li> <li>■ Recruitment processes.</li> </ul>

Potential risk	Potential impact	Steps to mitigate risk
Reporting to board (accuracy, timeliness and relevance)	<ul style="list-style-type: none"> <li>▪ Inadequate information resulting in poor quality decision making.</li> <li>▪ Failure of board to fulfil its control functions.</li> <li>▪ Board becomes remote and ill informed.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Proper strategic planning, objective setting and budgeting processes.</li> <li>▪ Timely and accurate project reporting.</li> <li>▪ Timely and accurate financial reporting.</li> <li>▪ Proper project assessment and authorisation procedures.</li> <li>▪ Regular contact between board and their managers.</li> </ul>
<b>Operational risk</b>		
Contract risk	<ul style="list-style-type: none"> <li>▪ Onerous terms and conditions.</li> <li>▪ Liabilities for non performance.</li> <li>▪ Non- compliance with mission.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Cost/project appraisal procedures.</li> <li>▪ Authorisation procedures.</li> <li>▪ Professional advice on terms and conditions.</li> <li>▪ Performance monitoring arrangements.</li> <li>▪ Insurable risks cover.</li> </ul>
Service provision - beneficiary satisfaction	<ul style="list-style-type: none"> <li>▪ Beneficiary complaints.</li> <li>▪ Loss of fee income.</li> <li>▪ Loss of significant contracts or claims under contract.</li> <li>▪ Negligence claims.</li> <li>▪ Reputational risks.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Quality control procedures.</li> <li>▪ Complaints procedures.</li> <li>▪ Benchmarking of service.</li> </ul>
Competition	<ul style="list-style-type: none"> <li>▪ Loss of contract income.</li> <li>▪ Reduced fund-raising potential</li> <li>▪ Reduced profile.</li> <li>▪ Profitability of trading activities.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Monitoring performance and quality of service.</li> <li>▪ Review of market and methods of service delivery.</li> <li>▪ Fundraising strategy.</li> <li>▪ Regular contact with funders.</li> <li>▪ Public awareness and profile.</li> </ul>
Capacity and use of resources including tangible fixed assets.	<ul style="list-style-type: none"> <li>▪ Under-utilised or lack of building/office space.</li> <li>▪ Plant and equipment obsolescence impacting on operational performance.</li> <li>▪ Mismatch between staff allocations and key objectives.</li> <li>▪ Spare capacity not being utilised or turned to account.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Building and plant inspection programme.</li> <li>▪ Repair and maintenance programme.</li> <li>▪ Capital expenditure budgets.</li> <li>▪ Efficiency review.</li> </ul>
Fundraising	<ul style="list-style-type: none"> <li>▪ Unsatisfactory returns.</li> <li>▪ Reputational risks of campaign or methods used.</li> <li>▪ Actions of agents and commercial fundraisers.</li> <li>▪ Compliance with law and regulation.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Appraisal, budgeting and authorisation procedures.</li> <li>▪ Review of regulatory compliance.</li> <li>▪ Monitoring of the adequacy of financial returns achieved (benchmarking comparisons).</li> <li>▪ Complaints review procedures.</li> <li>▪ Stewardship reporting in annual report.</li> </ul>
Employment issues	<ul style="list-style-type: none"> <li>▪ Employment disputes.</li> <li>▪ Health and Safety issues.</li> <li>▪ Claims for injury, stress, harassment, unfair dismissal.</li> <li>▪ Equal opportunity issues.</li> <li>▪ Adequacy of staff training.</li> <li>▪ Child protection issues.</li> <li>▪ Low morale.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Recruitment processes.</li> <li>▪ Reference and qualification checking procedures, job descriptions, contracts of employment, appraisals and feedback procedures.</li> <li>▪ Job training and development.</li> <li>▪ Health and safety training and monitoring.</li> <li>▪ Staff vetting and legal requirement checks.</li> </ul>
High staff turnover	<ul style="list-style-type: none"> <li>▪ Loss of experience or technical skills.</li> <li>▪ Recruitment costs and lead time.</li> <li>▪ Training costs.</li> <li>▪ Operational impact on staff moral and service delivery.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Interview and assessment processes.</li> <li>▪ Fair and open competition appointment for key posts.</li> <li>▪ Job descriptions, performance appraisal and feedback</li> <li>▪ Conduct "exit" interviews</li> <li>▪ Consider rates of pay, training, working conditions, job satisfaction.</li> </ul>
Volunteers	<ul style="list-style-type: none"> <li>▪ Competences and training.</li> <li>▪ Vetting and reference procedures.</li> <li>▪ Recruitment and dependency.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Assessment of role, competencies.</li> <li>▪ Vetting procedures:</li> <li>▪ Training and supervision procedures.</li> <li>▪ Development and motivation.</li> </ul>

Potential risk	Potential impact	Steps to mitigate risk
Health, safety and environment	<ul style="list-style-type: none"> <li>▪ Staff injury.</li> <li>▪ Product or service liability.</li> <li>▪ Ability to operate (see Compliance risks).</li> </ul>	<ul style="list-style-type: none"> <li>▪ Compliance with law and regulation.</li> <li>▪ Compliance officer and training.</li> <li>▪ Monitoring and reporting procedures.</li> </ul>
<b>Financial risks</b>		
Budgetary control and financial reporting	<ul style="list-style-type: none"> <li>▪ Budget does not match key objectives and priorities.</li> <li>▪ Decisions made on inaccurate financial projections or reporting.</li> <li>▪ Decisions made based on unreliable costing data.</li> <li>▪ Inability to meet commitments or key objectives.</li> <li>▪ Poor credit control.</li> <li>▪ Poor cash flow and treasury management.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Budgets linked to business planning and objectives.</li> <li>▪ Timely and accurate monitoring and reporting.</li> <li>▪ Proper costing procedures for product or service delivery.</li> <li>▪ Adequate skills base to produce and interpret budgetary and financial reporting.</li> <li>▪ Procedures to review and action budget/cash flow variances.</li> </ul>
Reserves policies	<ul style="list-style-type: none"> <li>▪ Lack of liquidity to respond to new needs or requirements.</li> <li>▪ Inability to meet commitments or planned objectives.</li> <li>▪ Reputational risks if policy cannot be justified.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Reserves policy linked to business plans, activities and identified financial and operating risk.</li> <li>▪ Regular review of policy.</li> </ul>
Cash flows sensitivity	<ul style="list-style-type: none"> <li>▪ Inability to meet commitments.</li> <li>▪ Lack of liquidity to cover variance.</li> <li>▪ Impact on operational activities.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Adequate cash flow projections (prudence of assumptions).</li> <li>▪ Identification of major sensitivities.</li> <li>▪ Adequate information flow from operational managers.</li> <li>▪ Monitoring arrangements and reporting.</li> </ul>
Dependency on income sources	<ul style="list-style-type: none"> <li>▪ Cash flow and budget impact of loss of income source.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Identification of major dependencies.</li> <li>▪ Adequate reserves policy.</li> <li>▪ Diversification plans.</li> </ul>
Fraud or error	<ul style="list-style-type: none"> <li>▪ Financial loss.</li> <li>▪ Reputational risk.</li> <li>▪ Regulatory action.</li> <li>▪ Impact on funding.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Financial control procedures.</li> <li>▪ Segregation of duties.</li> <li>▪ Authorisation limits.</li> <li>▪ Security of assets.</li> <li>▪ Insurable risks</li> </ul>
<b>Environmental/external factors</b>		
Public perception	<ul style="list-style-type: none"> <li>▪ Impact on voluntary income.</li> <li>▪ Impact on use of services by beneficiaries.</li> <li>▪ Ability to access grants or contract funding.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Communication with supporters and beneficiaries.</li> <li>▪ Quality financial, annual report and review reporting.</li> <li>▪ PR training/procedures.</li> </ul>
Adverse publicity	<ul style="list-style-type: none"> <li>▪ Loss of donor confidence or funding.</li> <li>▪ Loss of influence.</li> <li>▪ Impact on moral of staff.</li> <li>▪ Loss of beneficiary confidence.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Complaints procedures (both internal and external).</li> <li>▪ Proper review procedures for complaints.</li> <li>▪ Crisis management strategy for handling, consistency of key messages, nominated spokesperson etc.</li> </ul>
<b>Compliance risk (law and regulation)</b>		
Compliance with legislation and regulations	<ul style="list-style-type: none"> <li>▪ Fines, penalties or censure from licensing or activity regulators.</li> <li>▪ Loss of licence to undertake particular activity</li> <li>▪ Employee or consumer action for negligence.</li> <li>▪ Reputational risks.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Identify key legal and regulatory requirements.</li> <li>▪ Allocate responsibility for key compliance procedures.</li> <li>▪ Compliance monitoring and reporting.</li> <li>▪ Preparation for compliance visits.</li> <li>▪ Compliance reports from regulators, auditors and staff considered and action taken at appropriate level.</li> </ul>
Regulatory reporting requirement	<ul style="list-style-type: none"> <li>▪ Regulatory action.</li> <li>▪ Reputational risks.</li> <li>▪ Impact on funding.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Compliance procedures and allocation of staff responsibilities.</li> </ul>

# Colophon

Child Helpline International (CHI) is the global member network of child helplines, working to protect the rights of the child. We work in over 150 countries and were founded on the belief that children and young people not only have rights, but that they alone are the best individuals to identify their problems if they are equipped with the proper tools.

This guide has been developed in collaboration with One World Trust. The One World Trust promotes education, training and research into the changes required within global organisations in order to make them answerable to the people they affect and ensure that international laws are strengthened and applied equally to all.

For more information: [www.oneworldtrust.org](http://www.oneworldtrust.org)

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