

ACNC Governance and Compliance Health Checklist

To help ensure your ACNC-registered organisation or not-for-profit organisation collectively called (“charity”) for the purpose of the checklist is meeting the required governance standards and complying with ACNC regulations, here’s a **Governance and Compliance Health Checklist**.

This checklist covers key aspects of governance, financial management, legal obligations, and transparency. This is the key elements only and specific advice should be sought from your Moore Australia Governance and Risk Professional.

1. GOVERNANCE STRUCTURE

Board Composition and Responsibilities:

- Does the organisation have a clearly defined Board with an appropriate number of members (typically 3 or more)?
- Are board members appropriately skilled and experienced to provide governance and oversight?
- Does the board meet regularly (at least quarterly)?
- Are the roles and responsibilities of board members clearly defined in a governance charter or similar document?

Board Leadership:

- Does the organisation have a clearly defined leadership structure, including a Chairperson and Treasurer?
- Is there an appropriate succession plan for key leadership positions?

Committees:

- Are there any committees in place (e.g., audit, risk, fundraising) to support effective decision-making?
- Are the committees’ roles and responsibilities clear?

2. COMPLIANCE WITH ACNC GOVERNANCE STANDARDS

a) Purpose and Not-for-Profit Nature (Standard 1)

- Mission Statement: Ensure a clear and concise mission statement that reflects the charitable purpose.
- Public Information: Regularly provide accessible information about the organisation's purposes and activities to the public (e.g., website, reports).
- Not-for-Profit Status: Verify that all income is used solely to further the charitable purposes and not for personal gain.

b) Accountability to Members (Standard 2)

- Member Communication: Develop and implement a communication strategy for informing members about governance and operational matters.
- Member Engagement: Provide opportunities for members to raise concerns (e.g., meetings, surveys).
- Feedback Mechanisms: Establish formal processes for members to submit feedback or complaints about governance.

c) Compliance with Australian Laws (Standard 3)

- Legal Compliance Review: Conduct regular reviews to ensure compliance with all relevant Australian laws (e.g., tax, employment, fundraising).
- Risk Management: Implement a risk management framework that identifies and mitigates risks related to legal compliance.
- Staff Training: Provide training for staff and Responsible People on relevant laws and compliance requirements.

d) Suitability of Responsible People (Standard 4)

- Background Checks: Conduct thorough background checks on all Responsible People to ensure they are not disqualified under the Corporations Act or by the ACNC Commissioner.
- Ongoing Monitoring: Establish a process for ongoing monitoring of the suitability of Responsible People.
- Removal Protocols: Have clear protocols in place for the removal of Responsible Persons who no longer meet the requirements.

e) Duties of Responsible People (Standard 5)

- Duty Awareness Training: Provide training for Responsible People on their duties, including legal and ethical responsibilities.
- Conflict of Interest Policy: Implement a policy to disclose and manage conflicts of interest.
- Financial Oversight: Ensure Responsible People are actively involved in financial oversight and management.
- Insolvency Monitoring: Establish procedures for monitoring the organisation's financial status to avoid insolvency.

f) Maintaining Public Trust and Confidence (Standard 6)

- Transparency Practices: Regularly publish financial statements, reports, and other relevant documents to foster transparency.
- Participation in National Redress Scheme: If applicable, take steps to participate in the National Redress Scheme.
- Community Engagement: Engage with the community and stakeholders to build trust and demonstrate the organisation's impact.

3. RISK MANAGEMENT

Risk Management Framework:

- Does the organisation have a documented Risk Management Policy and Risk Management Framework in place to identify, assess, and manage risks that could affect governance or compliance?
- Are risks (e.g., financial, reputational, operational, legal) identified, assessed, and regularly reviewed by the board?
- Are there procedures in place for addressing and mitigating identified risks?

Insurance:

- Does the organisation maintain appropriate insurance coverage (e.g., public liability, professional indemnity, volunteer insurance)?

4. FINANCIAL MANAGEMENT AND ACCOUNTABILITY

Budgeting and Financial Planning:

- Does the organisation have a clear, realistic budget and financial plan for the current year?
- Is the budget reviewed and approved by the Board?

Use of Funds:

- Does the organisation ensure that all funds are used exclusively for its charitable purposes, as stated in its governing documents (e.g., Constitution, Rules)?
- Is there a process for monitoring and evaluating program expenditures and ensuring funds are allocated appropriately?

Financial Reporting:

- Does the organisation prepare and present annual financial statements that comply with Australian Accounting Standards?
- Are financial statements reviewed and approved by the Board before submission to the ACNC?
- Has a financial audit been performed, if required?

5. TRANSPARENCY AND REPORTING

Public Reporting:

- Are the organisation's Annual Information Statement and Financial Report publicly available via the ACNC Organisation Register?
- Does the organisation regularly update its website or other public-facing platforms with relevant reports, news, and financial information?

Communication with Stakeholders:

- Does the organisation have a communication strategy that keeps stakeholders (e.g., donors, members, volunteers) informed of activities, funding, and outcomes?
- Are stakeholders given an opportunity to provide feedback or raise concerns?

6. HUMAN RESOURCES AND VOLUNTEER MANAGEMENT

Board and Staff Training:

- Do Board members receive induction training upon appointment?
- Are there ongoing professional development and training opportunities for Board members and key staff?
- Are there ongoing training for Responsible People to ensure they are aware of their duties and governance expectations?

Volunteer Management:

- Does the organisation have clear policies and procedures in place to recruit, manage, and support volunteers?
- Are volunteers treated ethically and fairly, with appropriate support and training?

Workplace Health and Safety:

- Does the organisation comply with workplace health and safety regulations for both staff and volunteers?
- Are workplace safety policies reviewed and updated regularly?

7. FUNDRAISING AND GRANT COMPLIANCE

Fundraising Compliance:

- Does the organisation comply with all state and federal fundraising regulations (e.g., fundraising licenses, public collection laws)?
- Are all fundraising activities transparent and ethically conducted, with clear reporting of how funds are raised and used?

Grant Management:

- Does the organisation have policies in place for managing grants and donations, including tracking funds and reporting back to funders?
- Are grants used in accordance with their stated purpose, and is accountability maintained?

8. STRATEGIC PLANNING AND EVALUATION

Strategic Plan:

- Does the organisation have a clear, documented strategic plan that guides its activities and growth?
- Is the strategic plan regularly reviewed and updated by the board?

Impact Measurement and Evaluation:

- Does the organisation have mechanisms in place to measure the effectiveness of its programs and services?
- Are outcomes evaluated regularly, and is feedback used to improve operations?

9. RECORD-KEEPING AND DOCUMENTATION

Document Retention:

- Does the organisation maintain up-to-date records for all key activities, including financial records, minutes of board meetings, and governance documents?
- Are records stored securely and retained for the required period?

10. REGULAR REVIEW OF GOVERNANCE HEALTH

Annual Governance Review:

- Does the organisation conduct an annual self-assessment of its governance and compliance including a policy review on a regular basis?
- Does the Board review its effectiveness regularly, and make adjustments as necessary? This may include a self-assessment of processes for the Board and Responsible People to evaluate effectiveness and compliance.
- Does the Board perform an annual review of governance practices and documents to ensure ongoing compliance with ACNC standards

External Reviews:

- Does the organisation implement regular internal or external audits to assess compliance with the ACNC Governance Standards and identify areas for improvement?

Whilst this checklist provides a comprehensive framework for assisting your organisation or not-for-profit organisation to meet ACNC governance standards, your organisation may have other or specific needs. If your organisation needs guidance on governance best practices or compliance, reach out to Moore Australia's Governance and Risk Advisory team. Together, we'll help you thrive in a changing world.



Contact Us

Moore Australia has offices across Australia with experts in all major capital cities. Find your nearests advisor on our website.

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