



Governance Requirements Checklist

ACFID Code of Conduct

June 2009

What is the Governance Requirements Checklist?

This easy-to-use Checklist is a tool for Signatories to assess their compliance with the ACFID Code of Conduct governance requirements. This Checklist will assist Board Members of ACFID Code of Conduct Signatories to understand their responsibilities relating to the ACFID Code of Conduct.

To complete this Checklist it is essential to have a copy of the latest ACFID Code of Conduct and its Guidance Document, available at www.acfid.asn.au. The Guidance Document provides practical suggestions for Signatories to implement the Code in their guidelines, policies and practices.

Code Clause	Compliance Indicator	Compliant
1.3	State and Federal Legal Obligations	
<i>NGDOs are required to meet a range of state and federal legal obligations which are presumed in this Code. These obligations may include corporations laws, rules of incorporation of associations, fundraising and charitable institutions legislations, privacy legislation, equal employment opportunity principles, occupational health and safety standards, anti discrimination legislation, intellectual property and copyright legislation and other codes of ethics.</i>		
As an ACFID Code of Conduct Signatory, we are aware of our state and federal legal obligations.		<input type="checkbox"/>
2.2	Voluntary and not-for-profit	
<i>The organisation will be formed voluntarily and be not-for-profit</i>		
The organisation was formed voluntarily which means it:		
• Was formed by a group of interested people for a common purpose		<input type="checkbox"/>
• Serves a public benefit		<input type="checkbox"/>
• Relies on volunteers (at least for governance)		<input type="checkbox"/>
• Relies on some financial and in-kind support from the community		<input type="checkbox"/>
• Has limited direct influence by government other than in relation to legislative and tax requirements.		<input type="checkbox"/>
The organisation is not-for-profit which means:		
• it is not carried on for the profit or gain of its individual members		<input type="checkbox"/>
• the governing instrument prevents your organisation from distributing profits or assets for the benefit of particular person, both while the organisation is operating or on winding up;		<input type="checkbox"/>
• the governing instrument indicates your organisations not-for-profit character.		<input type="checkbox"/>
2.4	Confidentiality in reporting misconduct	
<i>The organisation will have a policy to enable staff confidentially to bring to the attention of the governing body evidence of misconduct on the part of anyone associated with the organisation. All reports must be channeled through the chief executive officer unless it is an issue concerning the chief executive officer which should be taken directly to a member of the governing body.</i>		
A clear statement of professional conduct requirements for governing body, paid staff, contractors, volunteers and partner organisations.		<input type="checkbox"/>

A clear and reasonable procedure in place to deal with issues of misconduct. The procedure must:		<input type="checkbox"/>
<ul style="list-style-type: none"> enable issues to be raised confidentially, 		<input type="checkbox"/>
<ul style="list-style-type: none"> Clearly identify who within the organisation complaints are to be reported to, including one member of the governing body 		<input type="checkbox"/>
Clear articulation of this procedure to all governing body, paid staff, contractors, volunteers and partner organisations.		<input type="checkbox"/>
2.7	No String Attached	
<i>Funds and other resources designated for the purpose of aid and development will be used only for those purposes and will not be used to promote a particular religious adherence or to support a political party, or to promote a candidate or organisation affiliated to a political party.</i>		
The agency has a policy or guidelines approved by the Governing Body, that indicates how its aid and development program is separate from its other organisational activities.		<input type="checkbox"/>
3.1	Governing Instrument	
<i>An organisation's governing instrument (constitution, articles of association, rules, by-laws or similar documents) will be consistent with legislative requirements and set forth the organisation's basic goals and purposes, define membership, governance structure of the organisation including the frequency of meetings (at least two a year) and the size of a quorum.</i>		
An organisation's governing instrument (constitution, articles of association, rules, by-laws or similar documents) will:		
<ul style="list-style-type: none"> be consistent with legislative requirements 		<input type="checkbox"/>
<ul style="list-style-type: none"> set forth the organisation's basic goals and purposes 		<input type="checkbox"/>
<ul style="list-style-type: none"> define membership <ul style="list-style-type: none"> who members of the organisation are membership rights and obligations 		<input type="checkbox"/>
<ul style="list-style-type: none"> governance structure of the organisation including the frequency of meetings: <ul style="list-style-type: none"> how the governing body of the organisation is appointed/elected how often the governing body meets (this must be a minimum of twice a year) 		<input type="checkbox"/>
<ul style="list-style-type: none"> the size of a quorum 		<input type="checkbox"/>
3.2	Governing body	
<i>Each organisation will have a governing body elected/appointed by members from within the membership/supporters. The governing body will approve the annual budget and may delegate authority to staff or others but must accept ultimate responsibility for governance over all aspects of the organisation. There should be clearly defined lines of authority between the governing body and management.</i>		
The governing instrument defines the process for appointing/electing the governing body from the membership/supporter base.		<input type="checkbox"/>
The powers and responsibilities of the governing body are clearly outlined within the governing instrument, terms of reference or operational guidelines and statutes.		<input type="checkbox"/>
The powers and responsibilities include:		<input type="checkbox"/>
<ul style="list-style-type: none"> the power to delegate authority to offices, staff and others 		<input type="checkbox"/>
<ul style="list-style-type: none"> a statement of the responsibility of the governing body for governance over all aspects of the organisation 		<input type="checkbox"/>
<ul style="list-style-type: none"> approval of the annual budget 		<input type="checkbox"/>
<ul style="list-style-type: none"> appointment of the organisations auditor 		<input type="checkbox"/>
<ul style="list-style-type: none"> receiving and reviewing the annual financial report 		<input type="checkbox"/>
The roles and responsibilities of the governing body, management and staff are documented and clearly articulated to staff, management and the governing body.		<input type="checkbox"/>
3.3	Appointment and termination of governing body members	
<i>There will be written policies covering appointment, termination and, where applicable, remuneration of members of the governing body. The organisation will have policies restricting the number of paid staff who are voting members of the governing body.</i>		
The organisation will have written policies covering:		
<ul style="list-style-type: none"> appointment, 		<input type="checkbox"/>
<ul style="list-style-type: none"> termination, 		<input type="checkbox"/>
<ul style="list-style-type: none"> (where applicable) remuneration of members of the governing body. 		<input type="checkbox"/>

The organisation (if applicable) has written policies restricting the number of paid staff who are voting members of the governing body.	<input type="checkbox"/>
3.4 Conflict of interest	
<i>Members of the governing body, paid staff, and volunteers will make known to the governing body any conflict of interest or any affiliation they might have with an actual or potential supplier of goods and services, recipient of grant funds or organisation with competing or conflicting objectives. Members of the governing body and paid staff will absent themselves from discussion and abstain from voting or otherwise participating in the decision on any issue in which there is a conflict of interest. Large or otherwise inappropriate gifts to member of the governing body or staff for personal use shall be forbidden.</i>	
The organisation has a clearly articulated process for notification of conflicts of interest by any governing body member, paid staff and volunteers	<input type="checkbox"/>
Conflict of interest processes ensure that:	<input type="checkbox"/>
<ul style="list-style-type: none"> real or perceived conflicts of interest are clearly recorded 	<input type="checkbox"/>
<ul style="list-style-type: none"> the capacity to influence a decision in which there is a conflict of interest is eliminated 	<input type="checkbox"/>
Conflict of interest processes ensure that assessment of gifts and favours is undertaken to distinguish those that represent goodwill and friendship from those, which are designed to create indebtedness.	<input type="checkbox"/>
3.5 Open and accurate disclosure of information	
<i>The governing body will commit the organisation to open and accurate disclosure of information concerning its goals, programs, finances and governance. Due regard will be given to the human rights and personal safety of staff, partners and aid recipients, legal requirements regarding privacy and confidentiality, proprietary information and personnel matters.</i>	
A minimum requirement for open and accurate disclosure is demonstrated through the production and distribution of an annual report (as defined in the ACFID Code of Conduct Clause 4.1), newsletters and websites.	<input type="checkbox"/>
Policies, procedures and processes relating to staff, partners and aid recipients that should (where relevant) be informed by:	<input type="checkbox"/>
<ul style="list-style-type: none"> rights and obligations as outlined in the Universal Declaration of Human Rights and expressed in relevant employment legislation 	<input type="checkbox"/>
<ul style="list-style-type: none"> personal safety issues 	<input type="checkbox"/>
<ul style="list-style-type: none"> privacy legislation and any other confidentiality issues 	<input type="checkbox"/>
<ul style="list-style-type: none"> proprietary information – commercial information (apart from annual financial statements) about the internal operations of the organisation should be protected and confidentially respected 	<input type="checkbox"/>
<ul style="list-style-type: none"> personnel matters – see Section 6 of the Guidance Document for further information on personnel matters 	<input type="checkbox"/>
3.6 Annual General Meeting	
<i>The organisation will hold an annual general meeting of its members as defined in its governing instrument and which meets the requirements of the legislation under which the organisation is incorporated. The AGM will receive the annual audited financial statements and appoint an independent auditor for the subsequent year/s.</i>	
Annual general meetings are convened as defined in the signatory's governing instrument.	<input type="checkbox"/>
The annual general meeting meets the requirements set out in the signatory agency's governing instrument and at a minimum:	
<ul style="list-style-type: none"> receive the audited financial statements, and 	<input type="checkbox"/>
<ul style="list-style-type: none"> appoint and independent auditor for the following year/s. 	<input type="checkbox"/>
6.4 Gender Equity	
<i>The organisation will have policies and strategies to promote gender equity especially in senior positions in the management and governance of the organisation.</i>	
Policies and procedures (including leave options, training and promotion policies) are aimed at achieving fairness and justice in the distribution of benefits and responsibilities between men and women.	<input type="checkbox"/>
Policies and procedures relating to representation on delegations, boards and other decision-making bodies clearly state a commitment to achieving gender balance.	<input type="checkbox"/>
The use of gender equity as a guiding principle for nomination, selection and/or secondment of staff to senior management positions.	<input type="checkbox"/>
Gender equity policies and strategies are clearly communicated to governing body members, paid staff, contractors, volunteers and partner organisations.	<input type="checkbox"/>

Associated Clauses

2.3	Not be a willing party to wrongdoing, corruption, bribery, or other financial impropriety
<i>The organisation will oppose and not be a willing party to wrongdoing, corruption, bribery, or other financial impropriety in any of its activities. It shall take prompt and firm corrective action whenever and wherever wrongdoing is found among its governing body, paid staff, contractors, volunteers and partner organisations.</i>	
2.6	Child Protection
<i>The organisation will have policies and procedures to promote the safety and well being of all children accessing their services and programs, particularly to minimize the risk of abuse of children</i>	
5.1	Financial reporting
<i>The organisation will have internal control procedures, which minimize the risk of misuse of funds. Reporting mechanisms, which facilitate accountability to members, donors and the general public will be used. The organisation will have adequate procedures for the review and monitoring of income and expenditure. Loans to and transactions with governing body members shall be publicly disclosed. Loans to staff shall be disclosed to the governing body.</i>	
Please note – Section 5: Finances has been reviewed. New financial reporting requirements will be introduced from 1 January 2010. Please contact the Code Management Team for more information.	
7.1	ACFID NGO Effectiveness Framework
<i>Organisations that are signatories to the ACFID Code of Conduct are guided by the strategies and standards of engagement for program management in the ACFID NGO Effectiveness Framework. (Appendix 6)</i>	
Please note – The ACFID NGO Effectiveness Framework is currently under review. For more information, please contact Neva Wendt, ACFID Senior Policy Advisor, on 02 6281 9232.	
7.2	Associated Codes
<i>Organisations that are signatories to this Code will also be informed by the following codes and standards where they are relevant to the work of the Organisation:</i>	
<ul style="list-style-type: none"><i>The Code of Conduct for the International Red Cross and Red Crescent Movement and NGOS Disaster Relief (Appendix 4); and</i><i>Sphere Humanitarian Charter and Minimum Standards in Disaster Response (Appendix 5).</i>	

Guidance Document

The most recent version of the Guidance Document can be accessed from the ACFID Website, www.acfid.asn.au.

Code Management Team

If you have any further questions regarding ACFID Code of Conduct governance requirements, please contact the Code Management Team at code@acfid.asn.au or on 02 6281 9222.