What is governance?

Governance is the formal process of how an organisation does things – how it is controlled and how it operates.

Why is governance important?

Good governance helps the organisation lay a solid foundation on how it is run so that it can effectively communicate its vision (goals) and mission (why it exists) to its members and the community. Effective governance is also important to demonstrate accountability and to ensure that the organisation acts responsibly. Charities are encouraged to check with the Australian Charities and Not-for-profits Commission as they have particular governance standards and requirements.

Use this checklist as a guide to understand what documents, process and practice can promote good governance.

| No. | Activity | Yes/No | Actions |
| --- | --- | --- | --- |
| 1 | Does the organisation have a constitution? | Yes  No |  |
| 2 | Has the constitution been reviewed in the past 2 years to ensure it is relevant? | Yes  No |  |
| 3 | Are committee members aware of the organisation’s constitution and/or by-laws? | Yes  No |  |
| 4 | Do the committee members understand their legal obligations? | Yes  No |  |
| 5 | Does the organisation have a strategic plan? | Yes  No |  |
| 6 | Has the strategic plan been reviewed in the past 2 years? | Yes  No |  |
| 7 | Does the organisation have a succession plan? | Yes  No |  |
| 8 | Has the succession plan been reviewed in the past 2 years? | Yes  No |  |
| 9 | Does the organisation have a code of conduct policy? | Yes  No |  |
| **10** | Does the organisation have a conflict of interest policy? | Yes  No |  |
| **11** | Does the organisation have a conflict of interest register? | Yes  No |  |
| **12** | Is the conflict of interest register updated as required? | Yes  No |  |
| **13** | Is the conflict of interest register made available to members upon request? | Yes  No |  |
| **14** | Has the organisation completed a SWOT analysis to identify significant business risk? | Yes  No |  |
| **15** | Does the organisation have a member protection policy? | Yes  No |  |
| **16** | Does the organisation’s committee: | Yes  No |  |
| * Set objectives, define policy and develop strategy? | Yes  No |  |
| * Develop and regulate a strategic plan? | Yes  No |  |
| * Interpret and integrate culture, ethical standards and peoples reasoning into everyday acts? | Yes  No |  |
| * Monitor the performance of senior staff and volunteers? | Yes  No |  |
| * Monitor the organisation against agreed goals? | Yes  No |  |
| * Ensure present plans and actions are relevant to the organisation? | Yes  No |  |
| * Manage communications with stakeholders? | Yes  No |  |
| * Manage the organisation’s risks? | Yes  No |  |
| * Emphasise and concentrate on long-term goals? | Yes  No |  |
| * Undertake a regular review of the organisation’s finances (budget and financial reports)? | Yes  No |  |
| * Ensure finances are only used responsibly for approved purposes? | Yes  No |  |
| * Ensure integrity and effective control cannot be compromised? | Yes  No |  |
| * Retain and store records safely? | Yes  No |  |
| **17** | Are there position descriptions for committee roles? | Yes  No |  |
| **18** | Is the committee of sufficient size and does it comprise of people with an appropriate range of skills to ensure that its responsibilities can be completed effectively? | Yes  No |  |
| **19** | Does the committee regularly check to ensure that responsible persons are not disqualified, and takes action to remove these members if needed? | Yes  No |  |
| **20** | Does the committee: |  |  |
| * Have commitment to provide quality service? | Yes  No |  |
| * Have a performance assessment process in place? | Yes  No |  |
| * Consider its collective performance? | Yes  No |  |
| * Consider individual committee member performance? | Yes  No |  |
| * Establish measurement against agreed goals? | Yes  No |  |
| * Take a lead on conflicts of interest? | Yes  No |  |
| * Identify areas on underperformance? | Yes  No |  |
| * Develop remedies for underperformance? | Yes  No |  |
| * Regularly communicate with members, including providing information on major changes, financial situation and activities? | Yes  No |  |
| * Have clear communication to members on how they can participate in the organisation and/or committee? | Yes  No |  |
| * Advise members how they can make complaints? | Yes  No |  |
| * Have clear decision-making processes? |  |  |
| **21** | Is the committee: | Yes  No |  |
| * Sensitive to the environment in which it operates? | Yes  No |  |
| * Alert to commercial, political, technological and legal emerging trends? | Yes  No |  |
| * Cohesive with a strong sense of unity? | Yes  No |  |
| **22** | Does the committee build constructive relationships with other entities? | Yes  No |  |
| **23** | Are committee meetings efficient and effective? | Yes  No |  |