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  |  |