# Charity self-evaluation: Meeting obligations as a registered charity

**(NOTE: This is for your charity’s own use and records. Do not submit it to the ACNC.)**

This self-evaluation helps you assess whether your charity is meeting its obligations and helps you identify issues that may prevent it from doing so.

It asks a series of simple questions and prompts you to describe the practical steps your charity is taking to meet its obligations.

It provides space for you to note any issues that you identify, encouraging you to create an action plan to address them.

**What the self-evaluation covers**

The self-evaluation comprises 10 short parts that cover each of the [ACNC’s 6 Governance Standards](https://acnc.govcms.gov.au/for-charities/manage-your-charity/governance-hub/governance-standards) and a charity’s other [obligations to the ACNC](https://acnc.govcms.gov.au/for-charities/manage-your-charity/obligations-acnc).

**Governance Standards:**

* **Governance Standard 1:** Purposes and not-for-profit nature
* **Governance Standard 2:** Accountability to members
* **Governance Standard 3:** Compliance with Australian laws
* **Governance Standard 4:** Suitability of Responsible Persons
* **Governance Standard 5:** Duties of Responsible Persons
* **Governance Standard 6:** Maintaining and Enhancing Public Trust and Confidence in the Australian Not-For-Profit Sector

The Governance Standards are principle based and set a minimum level of governance. It is the responsibility of each charity to decide how it will meet the Standards based on its size, complexity and the nature of its operations.

**Other obligations:**

* **Record-keeping**
* **Reporting**
* **Duty to notify**

**Completing the self-evaluation**

Go through each section in the self-evaluation and respond to the questions and statements about your charity in the columns.

Describe what your charity does or has done to ensure it is meeting its obligations.

Make a note of the action it needs to take to improve in specific areas. Create an action plan based on these notes. There is a template action plan to help you with this.

**Do not send this self-evaluation back to the ACNC.**

The self-evaluation is a way of checking your charity’s compliance with its obligations. Once you complete the it, share it with people in your charity – particularly the Responsible People – and keep it as part of your charity’s records. Revisit it regularly as part of reviews of your charity’s compliance.

**Before you begin**

First check that the information the ACNC has about your charity is correct and up to date. Do this by looking at the charity’s record on [the Charity Register](https://www.acnc.gov.au/charity) and in [the Charity Portal](https://charity.acnc.gov.au). If details are missing or incorrect, provide the information or correct the details in the Charity Portal.

When going through the self-evaluation, consider your charity’s unique circumstances and ask yourself:

* **What does the charity do?** Think about its objects, its activities and programs, and where it provides its services.
* **Who is involved?** Think about the people your charity comes into contact with, including beneficiaries, volunteers, employees and contractors.
* **How is it managed?** Think about the mix of skills and experience of the Responsible People, how decisions are made, and how the charity is funded.
* **What are the risks most relevant to the charity’s work?** Think about the risks the charity needs to manage. For example, it might encounter risks associated with operating overseas, working with vulnerable people, or working with partners to deliver services.

It might be useful to have a copy of your charity’s governing document and other documents that outline its activities, programs and operations too.

**Self-evaluation as a guide**

The questions and examples in this self-evaluation are intended as a guide only because each charity’s circumstances are unique. This self-evaluation should not be read as a compulsory or comprehensive list of requirements. And while answering ‘no’ to any one question doesn’t necessarily indicate that your charity is not complying with obligations, it should prompt a look at the charity’s compliance within its wider circumstances.



**Part 1: Governance Standard 1 – Purposes and not-for-profit nature**

[Governance Standard 1](http://www.acnc.gov.au/GovStd1) requires your charity to be a not-for-profit and work towards its [charitable purpose](http://www.acnc.gov.au/charitablepurpose).

All your charity’s funds and assets are charitable funds and must be applied solely to further your charity’s purposes. The use of funds and assets must be permitted by the charity’s [governing document](http://www.acnc.gov.au/governingdocument) (often called a constitution, rules or a trust deed).

This does not preclude your charity from keeping money in reserve, investing funds, undertaking commercial activities or spending funds on administration if these activities further the charity’s purposes.

Your charity must not use its funds or assets to provide a personal gain or private benefit to particular people – for example, members, the people who run the charity, their friends or relatives.

|  |  |  |  |
| --- | --- | --- | --- |
| **Questions for your charity and examples of reasonable steps it can take.** | **Response:*** **Yes**
* **No**
* **N/A**
 | **Describe the steps your charity taken and demonstrate evidence.** | **Is action required? (If yes, update your charity’s Action Plan.)** |
| 1. **Does your charity’s governing document reflect your charity’s current purposes?**

For example:* + *The governing document is reviewed to ensure it remains relevant and reflects the charity’s current purposes and activities.*
	+ *The governing document is reviewed to consider if amendments are required.*
	+ *The charity gets professional advice when it needs clarity.*
 | Yes | The Governing document is the [NAA Constitution. NAA By-laws](https://navalassoc.org.au/links/flip-books-constitution-and-laws) are the subordinate document to the NAA Constitution. [Section Regulations](https://navalassoc.org.au/sections/vic-v00) describe the Section’s processes, procedures, responsibilities. These documents reflect the organisation’s purpose and activities. Reviews are conducted on each document as necessary as improvements are identified. Amendments are progressed in accordance with the Governing documents at all levels. Professional advice, via two appointed law practitioners, is sought for guidance and advice as necessary. | NFA required. |
| 1. **Can the public find and view information about your charity’s purposes?**

For example:* *The current version of the charity’s governing document is uploaded to and publicly available on the ACNC Charity Register.*
 | Yes | The current version of the NAA Constitution, as the governing document has been provided to the ACNC for display. | NFA required. |
| 1. **Does your charity ensure its funds and assets are used solely for its charitable purposes and not for the benefit of particular people?**

For example:* *The charity’s Responsible People plan how the charity pursues its charitable purposes.*
* *The charity has a policy that outlines the use of its funds and assets, and the use is monitored.*
* *When working with partners, the charity verifies that the partner provides genuine services.*
* *The charity has appropriate financial controls in place.*
* *The governing document is checked to ensure it contains appropriate not-for-profit and dissolution clauses.*
* *The charity gets professional advice when required.*
* *The charity is not breaching the not-for-profit clause in practice by providing benefits to particular people.*
 | Yes | The Section’s Responsible People and the Section Council plan how the Section pursues its charitable purposes.The NAA has a policy that outlines the use of funds and assets, and the use is monitored.When working with partners, the NAA verifies that the partner provides genuine services.Appropriate financial controls are in place.The governing documents are checked to ensure they contain appropriate not-for-profit and dissolution clauses.The charity gets professional advice when required.The charity is not breaching the not-for-profit clause in practice by providing benefits to particular people. | NFA required. |
| 1. **Does your charity consider how its activities help it pursue its charitable purposes?**

For example:* *There is a clear link between the charity’s current activities and its charitable purpose.*
* *There is a process in place to monitor and report on the charity’s activities, projects and services.*
* *The charity’s Responsible People plan how the charity pursues its purposes.*
 | Yes | There is a clear link between the Section’s current authorised, planned, and resourced activities and its charitable purpose to support the Victorian currently serving and ex-navy veteran.There is a process, via Section Executive and Council meetings, in place to monitor and report on the Section’s activities, projects, and services. [Meeting minutes as evidence.](https://navalassoc.org.au/sections/vic-v00)The Section’s Responsible People, other Executive members, and Section Council [plan how the Section pursues its purposes.](https://navalassoc.org.au/sections/vic-v00) AGM minutes as evidence. | NFA required. |

**Part 2: Governance Standard 2 – Accountability to members**

[Governance Standard 2](http://www.acnc.gov.au/GovStd2) requires your charity to be accountable to its members and allow adequate opportunity for members to raise concerns about how your charity is run. When your charity is transparent and open to members about its activities and finances, members will be in a position to understand the charity’s operations and raise questions about its governance.

NOTE: Governance Standard 2 only applies to charities with members. A charity’s legal structure (for example, an incorporated association, company limited by guarantee or unincorporated association) and governing document will determine whether it has members. **If your charity does not have any members, please move to the next Governance Standard.**

|  |  |  |  |
| --- | --- | --- | --- |
| **Questions for your charity and examples of reasonable steps it can take.** | **Response:*** **Yes**
* **No**
* **N/A**
 | **Describe the steps your charity taken and demonstrate evidence.** | **Is action required? (If yes, update your charity’s Action Plan.)** |
| 1. **Does your charity comply with the rules in its governing document that deal with accountability to members?**

For example:* *The charity reviews its processes to ensure they comply with rules set out in its governing document.*
 | Yes | The Section reviews its processes to ensure they comply with rules set out in its governing documents. Continues review by the National Council and a Victorian Sub-section member. Proposals for amendment are forwarded to the Section for ratification then to the NC as a motion to emend the rules. | NFA required. |
| 1. **Does your charity tell its members about its activities, financial circumstances and any significant changes that may occur?**

For example:* *The charity has regular communication with its members through email, newsletter, website, social media.*
* *The charity produces an annual report for members which includes financial information and achievements towards the charity’s purposes.*
* *The charity has a process for communicating any significant changes, and seeking input from members.*
 | Yes | The Section has regular communication with its members through email, newsletter, website, and in the future social media.The NAA and the Section produces an annual report for members which includes financial information and achievements towards the Sections’ purposes.The Section has a process consisting of a communication strategy, usually via email to Sub-section Secretaries, for communicating any significant changes, and seeking input from members. Decisions and votes by individual Section Council delegates representing a Sub-section are recorded in the meeting minutes distributed via the Communication plan. | NFA required. |
| 1. **Does your charity allow its members to ask questions, vote on resolutions and raise concerns?**

For example:* *The charity holds an annual general meeting (AGM) and includes a ‘question and answer’ session.*
* *There is a process in place for members to propose resolutions and to vote on them.*
 | Yes | The Section holds an annual general meeting (AGM) that includes a ‘question and answer’ session. Questions are raised in commentary for each agenda item.There is a process in place for Council delegates representing their Sub-section members to propose resolutions, via a formal meeting agenda, and to vote on them. These votes are recorded as part of the meeting minutes distributed to Sub-sections. | NFA required. |
| 1. **Does your charity make it clear to members how they can participate in its governance?**

For example:* *The governing document sets out how Responsible People are nominated and elected and it is available on the Charity Register.*
 | Yes | The [NAA Constitution,](https://navalassoc.org.au/links/flip-books-constitution-and-laws) provided to the ACNC, sets out how office bearers are nominated and elected. Governance issues are represented through the Sub-section delegate to the Section Council. [The Section organisation chart refers.](https://navalassoc.org.au/sections/vic-v00) (Staffing and People) | NFA required. |
| 1. **Does your charity know how it deals with complaints from members?**

For example:* *There is a process in place for receiving, assessing and responding to complaints.*
* *The charity keeps records are kept of members’ complaints and resolutions.*
 | Yes | The NAA Constitution provides a process for lodging, assessing, and responding to complaints. Disciplinary options are also [outlined](https://navalassoc.org.au/links/flip-books-constitution-and-laws).Records of complaints and resolutions are maintained. | NFA required. |

**Part 3: Governance Standard 3 – Compliance with Australian laws**

Like all Australians, your charity must comply with Australian law. [Governance Standard 3](http://www.acnc.gov.au/GovStd3) requires your charity to not act in a way that, under Commonwealth, state or territory law, could be dealt with as:

* an indictable offence (a serious crime generally tried by a judge and jury), or
* a breach of law that has a civil (not criminal) penalty of 60 penalty units (currently $12,600) or more. The value of penalty units are set out in the *Crimes Act 1914* (Cth).

|  |  |  |  |
| --- | --- | --- | --- |
| **Questions for your charity and examples of reasonable steps it can take.** | **Response:*** **Yes**
* **No**
* **N/A**
 | **Describe the steps your charity taken and demonstrate evidence.** | **Is action required? (If yes, update your charity’s Action Plan.)** |
| 1. **Does your charity know and keep up to date with its local, state/territory and federal regulatory obligations?**

*Note: key areas of regulation may include fundraising, employment, work health and safety, and privacy laws.*For example:* *The charity stays up to date with its obligations by subscribing to* [*regulator*](https://www.acnc.gov.au/regulatorlist) *and* [*peak body*](https://www.acnc.gov.au/UsefulLinks) *newsletters and checking regulators’ websites for any changes that may affect the charity.*
* *The charity gets professional advice if it is uncertain about its obligations.*
 | Yes | *The Section stays up to date with its obligations by subscribing to* [*regulator*](https://www.acnc.gov.au/regulatorlist) *and* [*peak body*](https://www.acnc.gov.au/UsefulLinks) *newsletters and checking regulators’ websites for any changes that may affect the charity. Updates are identified and decisions made by the meeting agenda process.*NAA law practitioners provide advice where necessary.The National Secretary is the centre of excellence for advice. | NFA required. |
| 1. **Does your charity know if it is complying with its regulatory obligations?**

For example:* *The charity understands its regulatory obligations.*
* *The charity has a process in place to identify and manage compliance risks, including the risk of misuse from* [*terrorism financing*](http://www.acnc.gov.au/terrorismfinancing) *and other serious criminal activities.*
* *The charity’s staff are trained to identify warning signs that may indicate financial wrongdoing.*
* *The charity has processes allowing staff, volunteers and beneficiaries to report suspected wrongdoing without fear, recrimination or disadvantage.*
 | Yes (refer to the OFI) | The Section understands its regulatory requirements.The Section has a Risk Register to manage risk.The Section Executive are inducted using the ACNC website, and a Section reading pack for new starters.  | **Opportunity for Improvement.**1. Review the Risk Register for identification and management of compliance risk, including misuse from terrorism financing.
2. Arrange training for identification of financial wrongdoing.
3. Create a process to allow members to report suspect-ed wrongdoing without fear, recrimination or disadvantage.
 |

**Part 4: Governance Standard 4 – Suitability of Responsible People**

[Governance Standard 4](http://www.acnc.gov.au/GovStd4) requires your charity to take reasonable steps to be satisfied that its Responsible People have not been [disqualified](http://www.acnc.gov.au/disqualified):

* from managing a corporation under the *Corporations Act 2001* (Cth), or
* from being a Responsible Person in the previous 12 months by the ACNC Commissioner.

If your charity is not satisfied this is the case with a prospective Responsible Person, it must not appoint that person. If they are already serving as a Responsible Person, your charity must take reasonable steps to remove them as a Responsible Person for the charity.

|  |  |  |  |
| --- | --- | --- | --- |
| **Questions for your charity and examples of reasonable steps it can take.** | **Response:*** **Yes**
* **No**
* **N/A**
 | **Describe the steps your charity taken and demonstrate evidence.** | **Is action required? (If yes, update your charity’s Action Plan.)** |
| 1. **Has your charity searched the** [**ASIC Register of banned and disqualified persons**](https://asic.gov.au/online-services/search-asics-registers/banned-and-disqualified) **for each of its Responsible People, and has it kept a record of this search?**

For example:* *The charity has a process in place to check the ASIC Register before a Responsible Person is appointed.*
* *The charity searches the ASIC Register for current Responsible People regularly.*
* *The charity keeps records of the search results.*
 | Yes | The Section has a process in place to check the ASIC Register during its due diligence at the time of accepting nominations to Section office bearer positions. The Section searches the ASIC Register for current Responsible People as often as is necessary. [The Section maintains a record of the search results.](https://navalassoc.org.au/sections/vic-v00) [Evidence](https://navalassoc.org.au/sites/default/files/ASIC%20Banned%20%26%20Disqualified%20Register.xlsx) | NFA required. |
| 1. **Does your charity take other steps to ensure its Responsible People are suitable prior to their appointment?**

For example:* *The charity has a process in place for recruiting, screening and appointing new Responsible People that includes relevant background checks.*
 | Yes | The NAA has a process in place for recruiting, screening, and appointing new Responsible People that includes relevant background checks. [Members of the NAA nominating for membership must demonstrate prior Navy service in the RAN, International Navies, Merchant Navy, ANC, members of the Australian Army and Air Force who have served in a RAN Ship or establishment for at least six months.](https://navalassoc.org.au/links/flip-books-constitution-and-laws)  | NFA required.  |
| 1. **Does your charity take steps to ensure its Responsible Persons remain suitable once appointed?**

For example:* *Each Responsible Person is required to sign a declaration confirming that they:*
	+ *are not disqualified*
	+ *understand what it means to be disqualified, and*
	+ *will advise the charity if their circumstances change.*
* *The charity keeps a record of declarations.*
 | No |  | OFICreate a template named Responsible Person Declaration *confirming that they:** + *are not disqualified*
	+ *understand what it means to be disqualified, and*
	+ *will advise the charity if their circumstances change.*

*Create a record of declarations.*  |
| 1. **Does your charity take steps to remove a Responsible Person when they are found to be not suitable?**

For example:* *The charity has a process in place to remove a Responsible Person if they are found to be disqualified.*
 | No | Disqualifications are conducted prior to election as a Responsible Person.The NAA Constitution outlines the election of office bearers in particular circumstances.[Evidence.](https://navalassoc.org.au/links/flip-books-constitution-and-laws) | NFA required. |

**Part 5: Governance Standard 5 – Duties of Responsible People**

[Governance Standard 5](http://www.acnc.gov.au/GovStd5) requires your charity to take reasonable steps to ensure its Responsible People meet specific duties (listed below), and that they understand the responsibilities of their role. It is crucial that your Responsible People know and thoroughly understand these duties.

The most common compliance risks that we see involve Governance Standard 5. These include concerns with identifying and managing conflicts of interest, failure to address potential harm to beneficiaries, and financial mismanagement.

It is the responsibility of your charity to take reasonable steps to ensure its Responsible People comply with Governance Standard 5. The steps will vary depending on your charity’s particular circumstances.

Your charity must take reasonable steps to ensure that its Responsible People understand and carry out the following duties:

* **Governance Standard 5(a): Act with reasonable care and diligence**

Your charity’s Responsible People are in a position to guide and monitor the management of the charity. This duty requires Responsible People to be informed of the charity’s activities, monitor its policies, understand its financial position, and to make adequately informed independent judgements on matters that come to them for decisions.

* **Governance Standard 5(b): Act in good faith in the best interests of the charity and to further its purposes**

Your charity’s Responsible People must make decisions by honestly considering what would be in the best interests of the charity and further its charitable purposes. Where there is a potential or actual conflict of interest, your charity’s Responsible People should put the charity’s interests above their own interests.

* **Governance Standard 5(c) and (d): Not misuse the position or information they gain as a Responsible Person**

Your charity’s Responsible People must not use their position, or information obtained through their position, to gain an advantage for themselves or someone else or to cause detriment to the charity.

* **Governance Standard 5(e): Disclose any actual or perceived material conflicts of interest**

Your charity’s Responsible People must disclose any situation where they may appear to have a conflict between their duty to act in the best interests of the charity and a personal interest for themselves or someone else. They should not discuss or vote on any matter where there is such a conflict.

* **Governance standard 5(f): Ensure the charity’s financial affairs are managed responsibly**

Your charity should have appropriate financial management systems, processes and procedures in place relative to its size, circumstances, and complexity of its financial affairs.

* **Governance standard 5(g): Not allow a charity to operate while insolvent**

Your charity’s Responsible People must ensure that your charity can pay its debts when they are due. The Responsible People should regularly review the charity’s financial position and ensure there are enough funds to pay for its activities. The charity must not take on new debts if it will not be able to pay its bills when they are due.

|  |  |  |  |
| --- | --- | --- | --- |
| **Questions for your charity and examples of reasonable steps it can take.** | **Response:*** **Yes**
* **No**
* **N/A**
 | **Describe the steps your charity taken and demonstrate evidence.** | **Is action required? (If yes, update your charity’s Action Plan.)** |
| 1. **Do your charity’s Responsible People understand their obligations to the charity?**

For example:* *The roles and responsibilities are set out in a* [*letter of appointment*](http://www.acnc.gov.au/letterrp) *and during induction processes.*
* *The charity has a code of conduct that sets out expected standards.*
* *The Responsible People have a copy of the ACNC* [Governance for Good](https://www.acnc.gov.au/governanceforgood) *guide and attend ACNC* [*webinars*](http://www.acnc.gov.au/webinars) *or other relevant training.*
 | Yes | The roles and responsibilities are set out in a [letter of appointment](http://www.acnc.gov.au/letterrp) and during induction processes. Letters of Appointment are filed and held by the Section Secretary.The Section has a code of conduct that sets out expected standards.The Responsible People have a copy of the ACNC [Governance for Good](https://www.acnc.gov.au/governanceforgood) guide and attend ACNC [webinars](http://www.acnc.gov.au/webinars) or other relevant training. The Letter of Appointment provides the URL for Governance for Good. | No |
| 1. **Do your charity’s Responsible People understand the charity’s charitable purposes?**

For example:* *The induction for Responsible People includes information about the charity’s purposes and its governing document.*
* *The Responsible People have a copy of the charity’s governing document.*
 | Yes | The induction for Responsible People includes information about the Section purposes and its governing document.The Responsible People have a copy of the Section governing document – the NAA Constitution and By-laws and finally, Section Regulations.[Evidence.](https://navalassoc.org.au/links/flip-books-constitution-and-laws)[Section Regulations.](https://navalassoc.org.au/sites/default/files/Regulations_Naval%20Association%20of%20Australia%20Victorian%20Section%20V1.00%20dated%2006%20Jun%202023.docx)  | No |
| 1. **Do your charity’s Responsible People have the right skills and knowledge for their role?**

For example:* *The Responsible People’s skills are reviewed, and performance is evaluated.*
* *The charity provides relevant training for the Responsible People.*
 | Yes | The Responsible People’s skills are reviewed, and performance is evaluated by observation.The Section provides relevant training for the Responsible People. The Section maintains an education register. [Evidence](https://navalassoc.org.au/sites/default/files/Section%20Education%20Register%202023.xlsx). | No |
| 1. **Are your charity’s Responsible People familiar with the charity’s activities and financial position?**

For example:* *The Responsible People receive regular, timely reporting on activities and finances.*
* *The Responsible People regularly review the charity’s financial position.*
* *The Responsible People ask questions about finances and obtain more information or advice when required.*
 | Yes | The Responsible People receive regular, timely reporting on activities and finances. These reports are tabled at every Executive and Section Council meeting conducted every two months are form part of the meeting minutes.The Responsible People regularly review the Section financial position. Section finances are updated weekly and posted on the Section webpage. Councillors ask questions as required. Motions are forwarded by the CFO as necessary.The Responsible People ask questions about finances and obtain more information or advice when required. An Auditor is appointed at each AGM and a statement is made by the Auditor, regarding the transactions. [Evidence](https://navalassoc.org.au/sites/default/files/NAA%20Section%20Budget%20as%20at%2025May23%20V1.04.xlsx). | No |
| 1. **Do your Responsible People monitor the charity’s governance arrangements, including policies and procedures, to ensure they remain fit for purpose?**

For example:* *The Responsible People have access to governance documents, including the policies and processes the charity uses.*
* *The charity has the necessary policies and procedures for the activities it undertakes:*
	+ *a policy for safeguarding when working with vulnerable people;*
	+ *a policy to mitigate risks when working overseas or sending funds overseas;*
	+ *a policy for working with partners who provide fundraising services.*
* *The charity employs people suitable for their designated roles, carries out appropriate screening procedures and provides adequate supervision.*
 | Yes | The Responsible People have access to governance documents, including the policies and processes the Section uses.The Section has the necessary policies and procedures for the activities it undertakes: * + a policy to mitigate risks when working overseas or sending funds overseas. [Evidence](https://navalassoc.org.au/sites/default/files/Regulations_Naval%20Association%20of%20Australia%20Victorian%20Section%20V1.00%20dated%2006%20Jun%202023.docx).
	+ Does not have a policy for working with partners who provide fundraising services.

Evidence: [The Section employs people suitable for their designated roles, carries out appropriate screening procedures and provides adequate supervision.](https://navalassoc.org.au/sites/default/files/Regulations_Naval%20Association%20of%20Australia%20Victorian%20Section%20V1.00%20dated%2006%20Jun%202023.docx) | NoYes |
| 1. **Does your charity take steps to ensure responsible decision-making?**

For example:* *The Responsible People meet regularly and are expected to attend, prepare for and participate in meetings.*
* *The Responsible People receive timely, accurate and sufficient information for matters that come to them for decisions.*
* *The charity’s decision-making follows rules set out in the charity’s governing document.*
* *The charity has enough Responsible People that are independent from each other to allow for independent decision-making.*
* *Decisions are justified, transparent and documented in either meeting minutes, emails or handwritten notes.*
* *Delegations for decisions are clearly documented.*
* *The charity seeks independent, professional advice when appropriate.*
 | Yes | The Responsible People meet regularly and are expected to attend, prepare for, and participate in meetings conducted every two months. The Executive meetings are conducted by Zoom and every second Council meeting is face to face.The Responsible People receive timely, accurate and sufficient information for matters that come to them for decisions. This is achieved by publishing a meeting agenda. In other circumstances out of sessions email meeting s may be necessary.The Section decision-making follows rules set out in the NAA governing document.The Section has enough Responsible People that are independent from each other to allow for independent decision-making. Decisions are justified, transparent and documented in either meeting minutes, emails. [Evidence](https://navalassoc.org.au/sections/vic-v00). ESSENTIAL READING - Documentation Section Council Meeting 2023. | No |
| 1. **Does your charity have a process for disclosing and managing** [**conflicts of interest**](http://www.acnc.gov.au/conflictsofinterest)**?**

For example:* *Responsible People are required to disclose potential conflicts of interest on appointment.*
* *Conflicts of interest is a standing agenda item at board or committee meetings.*
* *There is a policy in place for* [*managing conflicts of interest*](http://www.acnc.gov.au/conflictsofinterest)*, which includes a clear definition of a conflict of interest.*
* *The charity has a register for recording conflicts of interest.*
 | Yes | Responsible People are required to disclose potential conflicts of interest on appointment in accordance with the Section’s Conflict of Interest Policy provided in the Section’s Regulations.Conflicts of interest is a standing agenda item at board or committee meetings. Meeting minutes provide the evidence.There is a policy in place for [managing conflicts of interest](http://www.acnc.gov.au/conflictsofinterest), which includes a clear definition of a conflict of interest.The Section does not have a register for recording conflicts of interest. Evidence. | NoYes. create a register for CoI. Add to the Section webpage. |
| 1. **Does your charity have a process for identifying and managing** [**related party transactions**](http://www.acnc.gov.au/relatedpartytransactions)**?**

For example:* *The charity has a policy in place for dealing with related party transactions, including clear definitions of ‘related party’ and ‘related party transactions’.*
* *The charity has written agreements in place with any related parties.*
* *The charity has a register for recording related party transactions.*
 | No | The Section does not have a policy in place for dealing with related party transactions, including clear definitions of ‘related party’ and ‘related party transactions’.The Section does not have written agreements in place with any related parties.The Section does not have a register for recording related party transactions. | Yes. Create a policy.Yes. Create a register. |
| 1. **Does your charity take measures to ensure its funds and assets are managed responsibly?**

For example:* *The charity has a system in place for keeping track of the charity’s funds.*
* *The charity’s financial delegations are appropriate and are reviewed regularly.*
* *Other* [*financial controls*](http://www.acnc.gov.au/financialcontrolstips) *are in place to protect against risks such as* [*fraud*](http://www.acnc.gov.au/fraudguide)*,* [*terrorism financing*](http://www.acnc.gov.au/terrorismfinancing) *and misuse of funds. These include the need for multiple signatories for payments, proper retention of receipts, acquittal process for expenses, securely storing online banking passwords and appropriate records of transactions.*
* *The Responsible People approve and monitor a budget.*
* *The charity has appropriate insurance.*
* *The Responsible People regularly review the charity’s financials to ensure it has adequate* [*reserves*](http://www.acnc.gov.au/charityreserves) *and is not at risk of insolvency.*
 | Yes | The Section has a system in place for keeping track of the Section’s funds.The Section financial delegations are appropriate and are reviewed regularly. Other [financial controls](http://www.acnc.gov.au/financialcontrolstips) are in place to protect against risks such as [fraud](http://www.acnc.gov.au/fraudguide), [terrorism financing](http://www.acnc.gov.au/terrorismfinancing) and misuse of funds. These include the need for two signatories for payments, proper retention of receipts, acquittal process for expenses, securely storing online banking passwords and appropriate records of transactions maintained by the CFO.The Responsible People approve and monitor a budget. The Operating and Annual budgets are an agenda item at the AGM.The Section has appropriate insurance such as PLI and volunteer insurance. [Evidence](https://navalassoc.org.au/links/constitution-laws-pli).The Responsible People regularly review the Section financials to ensure it has adequate [reserves](http://www.acnc.gov.au/charityreserves) and is not at risk of insolvency. Motions to transfer money between accounts is ratified by the Section Executive and Council. | NoYes |
| 1. **Does your charity manage its risks?**

For example:* *The Responsible People regularly conduct reviews of the charity’s risks and its risk management.*
* *There are processes in place for identifying and managing the charity’s risks, including compliance, financial, operational and reputational risks.*
* *The charity’s risks are recorded in a Risk Register.*
* *The charity has ways for volunteers and employees to raise concerns, and there are whistleblower protections.*
 | No | The Responsible People regularly conduct reviews of the Section’s risks and its risk management. The identification and mitigation of risk is a new concept to the NAA overall. The Section has access to a Risk assessment tool and risk register. There remains work to be done in this space.There are processes in place for identifying and managing the Section risks, including compliance, financial, operational, and reputational risks along with relevant WHS risks and mitigations. [Evidence](https://navalassoc.org.au/sites/default/files/NAA%20Risk%20Assessmnet%20and%20Hazard-Risk-Assessment%20Register%20V1.03%20as%20at%2016%20June%202023_0.xlsx). The Section risks are recorded in a Risk Register.The Section has ways for members and councillors to raise concerns. This is achieved by an agenda item at Section Council meetings. No whistle blower protections. | YesNo. Create if considered necessary. |

# Part 6: Governance Standard 6 – Maintaining and enhancing public trust and confidence in the Australian Not-for-profit sector

[Governance Standard 6](https://www.acnc.gov.au/for-charities/manage-your-charity/governance-hub/governance-standards/governance-standard-6) requires your charity to take reasonable steps to become a participating non-government institution if the charity is, or is likely to be, identified as being involved in the abuse of a person:

* in an application for redress made under section 19 of the *National Redress Scheme for Institutional Child Sexual Abuse Act 2018* (Cth) (Redress Act) or
* in information given in response to a request from the National Redress Scheme Operator (the Secretary of the Department of Social Services) under section 24 or 25 of the Redress Act.

This could include a registered charity named in the Royal Commission into Institutional Responses to Child Sexual Abuse, but which may not have been identified so far in a redress application.

|  |  |  |  |
| --- | --- | --- | --- |
| **Questions for your charity and examples of reasonable steps it can take.** | **Response:*** **Yes**
* **No**
* **N/A**
 | **Describe the steps your charity taken and demonstrate evidence.** | **Is action required? (If yes, update your charity’s Action Plan.)** |
| 1. **Has your charity been, or is your charity likely to be, identified as being involved in the abuse of a person by being subject to a redress application, or been identified in a response to a request for information under the Redress Act?**
 | No |  |  |
| 1. **Is your charity a participating member of the Redress Scheme, or taking reasonable steps to join the Redress Scheme?**
 | No |  |  |

**Part 7: Record-keeping obligations**

[Your charity must keep two types of records](http://www.acnc.gov.au/recordkeeping):

* financial records
* operational records.

A record is an account in permanent form of facts, events or transactions that shows your charity has:

* operated or acted in a particular way, or
* spent or received money or other assets.

These records are usually in written or printed form. They must be kept easily accessible for seven years and must be in English or easily convertible into English.

|  |  |  |  |
| --- | --- | --- | --- |
| **Questions for your charity and examples of reasonable steps it can take.** | **Response:*** **Yes**
* **No**
* **N/A**
 | **Describe the steps your charity taken and demonstrate evidence.** | **Is action required? (If yes, update your charity’s Action Plan.)** |
| 1. **Does your charity keep records that show its income, expenses, assets, liabilities and financial transactions for seven years?**

For example:* + *The charity has a policy for the retention and storage of* [*financial records*](http://www.acnc.gov.au/recordexamples)*.*
 | Yes | The Section has a policy for the retention and storage of [financial records](http://www.acnc.gov.au/recordexamples). Evidence. [Guidance is provided in the NAA Constitution and Section Regulations.](https://navalassoc.org.au/links/flip-books-constitution-and-laws)  | No |
| 1. **Does your charity keep records that show its activities and operations for seven years?**

For example:* *The charity has a policy for the retention and storage of* [*operational records*](http://www.acnc.gov.au/recordexamples)*.*
 | Yes | The Section has a policy for the retention and storage of [operational records](http://www.acnc.gov.au/recordexamples) as provided in the [NAA Constitution, its By-laws and Section Regulations](https://navalassoc.org.au/links/flip-books-constitution-and-laws) | No |
| 1. **Does your charity keep a record of its assets?**

For example:* *The charity keeps an asset list or register.*
* *The charity keeps a record of who uses assets and for what purpose, including vehicle log books.*
 | Yes | The Section keeps an asset register contained on the Section Secretary’s laptop. The Section keeps a record of who uses assets and for what purpose. [The NAA Constitution prescribes the management of NAA assets.](https://navalassoc.org.au/links/flip-books-constitution-and-laws) | No |
| 1. **Does your charity have a system or process to ensure that it meets its record-keeping obligations?**

For example:* *The charity has completed the* [*ACNC record-keeping checklist*](http://www.acnc.gov.au/recordkeepingchecklist)*.*
* *The charity has policies and processes for record-keeping that cover:*
	+ *what records are kept, how they are secured and who is responsible;*
	+ *how sensitive records are secured and who has authorised access; and*
	+ *requirement for records to be kept for seven years.*
* *The charity regularly backs up electronic records and stores them securely.*
* *The charity stores paper records securely.*
 | Yes | The charity has completed the [ACNC record-keeping checklist](http://www.acnc.gov.au/recordkeepingchecklist).[The Section has policies and processes](https://navalassoc.org.au/links/flip-books-constitution-and-laws) for record-keeping that cover:what records are kept, how they are secured and who is responsible;how sensitive records are secured and who has authorised access; andrequirement for records to be kept for seven years. The Section regularly backs up electronic records and stores them securely.The Section has a process in place to notify the ACNC of any errors in its AIS or financial report. Has a process in place to notify the ACNC of any errors in its AIS or financial report. This is the responsibility fo the Section Chair. Stores paper records securely. |  NoEvidence needed! Maybe a register of correspondence? |

**Part 8: Reporting obligations**

Your charity must [report annually to the ACNC](http://www.acnc.gov.au/report) by submitting an [Annual Information Statement](http://www.acnc.gov.au/aboutais) (AIS). This is due within six months of the end of your charity’s [reporting period](http://www.acnc.gov.au/reportingduedates). If your charity is [medium or large](http://www.acnc.gov.au/charitysize), it needs to submit a [financial report](http://www.acnc.gov.au/sizeandreporting) with its AIS.

|  |  |  |  |
| --- | --- | --- | --- |
| **Questions for your charity and examples of reasonable steps it can take.** | **Response:*** **Yes**
* **No**
* **N/A**
 | **Describe the steps your charity taken and demonstrate evidence.** | **Is action required? (If yes, update your charity’s Action Plan.)** |
| 1. **Did your charity submit its AIS on time for the last reporting period?**

For example:* *The charity checked its records in the ACNC Charity Portal.*
* *The charity has documented its due date for the AIS.*
* *The responsibilities for completing and submitting the AIS are clear and understood.*
 | Yes | Sectionsubmitted its AIS on time for the last reporting period.The  *Section* checked its records in the [ACNC Charity Portal.](https://charity.acnc.gov.au/)The Sectionhas documented its due date for the AIS.The responsibilities for completing and submitting the AIS are clear and understood. | No |
| 1. **Does your charity need to submit a reviewed or audited financial report?**

For example:* *The charity considers its revenue at the end of each financial year to determine whether it needs to submit a financial report.*
 | Yes | The Section considers its revenue at the end of each financial year to determine whether it needs to submit a financial report. | No |
| 1. **Does your charity ensure there are no errors in its AIS or financial report?**

For example:* *The charity has a process in place to notify the ACNC of any errors in its AIS or financial report.*
 | Yes | The Section has a process in place to notify the ACNC of any errors in its AIS or financial report. | No |

**Part 9: Duty to notify the ACNC**

Your charity must [notify the ACNC](http://www.acnc.gov.au/notify) if any of the following details change:

* your charity’s legal name
* your charity’s [Address For Service](http://www.acnc.gov.au/afs)
* your charity’s [Responsible People](http://www.acnc.gov.au/responsiblepersons)
* your charity’s [governing document](http://www.acnc.gov.au/governingdocument)

Once aware of the change, your charity must notify us within 60 days if it is a [small charity](http://www.acnc.gov.au/sizeandreporting) or 28 days if it is a [medium or large charity](http://www.acnc.gov.au/sizeandreporting). Notify us by filling out the relevant form in [the Charity Portal](https://charity.acnc.gov.au).

Your charity **must** **also** tell us if it has breached its obligations to the ACNC, including the Governance Standards, in a significant way. Notify us of a significant breach as soon as possible, but no later than 28 days after becoming aware of the breach. For this notification, submit [Form 3C: Notification of contravention or non-compliance](http://www.acnc.gov.au/forms).

|  |  |  |  |
| --- | --- | --- | --- |
| **Questions for your charity and examples of reasonable steps it can take.** | **Response:*** **Yes**
* **No**
* **N/A**
 | **Describe the steps your charity taken and demonstrate evidence.** | **Is action required? (If yes, update your charity’s Action Plan.)** |
| 1. **Are your charity’s Responsible People and other details with the ACNC up to date?**

For example:* *The charity checked the Charity Portal to confirm that all the current Responsible People are listed and other charity details are correct.*
* *Someone in the charity has responsibility for updating details in the Charity Portal within the required timeframes.*
 | Yes | The Section’s checked the [Charity Portal](https://charity.acnc.gov.au/) to confirm that all the current Responsible People are listed, and other Section’s details are correct.Someone in the charity has responsibility for updating details in the Charity Portal within the required timeframes. Section Chair’s responsibility. | No |
| 1. **Are your charity’s Responsible People aware of the charity’s obligations to notify the ACNC?**

For example:* *The charity’s induction process for Responsible People includes an overview of important legal obligations and notifications.*
 | Yes | The Section’s induction process for Responsible People includes an overview of important legal obligations and notifications.Evidence. <https://content.nfplaw.org.au/wp-content/uploads/2022/03/Duties-Guide.pdf> | NoWill need a register of induction. |
| 1. **Does your charity report all significant breaches of its obligations to the ACNC?**

For example:* + *The Responsible People regularly review the charity’s compliance with ACNC obligations.*
* *There is a process in place to determine whether a significant breach has occurred and if it should be reported.*
 | Yes | The Responsible People regularly review the Section’s compliance with ACNC obligations. There is a process in place to determine whether a significant breach has occurred and if it should be reported.Annual self-assessment against ACNC requirements. | No |

**Part 10: Action plan**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Action Item** | **Issue** | **Action required** | **Timeframe** | **Assigned to** |
| *1* | *Example: Our process on managing conflicts of interest is not documented.* | *Create and implement a conflicts of interest policy* | *1 June 20XX* | *CEO* |
| 1 | The Section has no policy in place for dealing with related party *transactions, including clear definitions of ‘related party’ and ‘related party transactions’* | *Create a policy for dealing with related party transactions, including clear definitions of ‘related party’ and ‘related party transactions’.* |  |  |
| 2 | *The Section has no written agreements in place with any related parties.* | *Develop a written agreements template and implement for use with any related parties.* |  |  |
| 3 | *The Section does not have a register for recording related party transactions.* | *Create a Section register to record related party transactions.* |  |  |
| 4 | The Responsible People do not meet regularly conduct reviews of the charity’s risks and its risk management. | Establish a monthly meeting to review the Section’s risks and risk management. |  |  |
| 5 | There is no process in place for identifying and managing the Sections risks, including compliance, financial, operational, and reputational risks. | Establish a monthly meeting to review the Section’s risks and risk management. |  |  |
| 6 | The Section's risks are recorded in a Risk Register. | Not yet completed. |  |  |
| 7 | The Section has a policy for the retention and storage of financial records, but it is loose. The Section has a policy for the retention and storage of operational records. | Review the NAA Constitution and By-laws. |  |  |
| 8 | The Section's induction process for Responsible People includes an overview of important legal obligations and notifications but this is a loose process. | Formalise this requirement. |  |  |
| 9 | The Responsible Persons review the Section's compliance with ACNC obligations. There is a process in place to determine if a breach has occurred and the reporting requirement. | Establish a process such as a handy billy for both issues. |  |  |
| 10 | Induction of new office bearers is not recorded. | Create an Induction Register for new office bearers |  |  |
| 11 | The process for recording Conflict of Interest needs to be formally recorded and maintained over time. | Create a register for CoI. Add to the Section webpage. |  |  |

**More information**

* Read [*My Charity and the ACNC: Guide to your charity’s obligations to the ACNC*](http://www.acnc.gov.au/MyCharity).
* Read [*Governance for Good – the ACNC’s guide for charity board members*](http://www.acnc.gov.au/governanceforgood).
* Learn more about the [ACNC tools and resources](http://www.acnc.gov.au/tools) for governing and managing your charity.

**Signing off**

**Self-evaluation completed by:**

**Full name:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Position:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Signature:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Date:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

|  |  |  |
| --- | --- | --- |
| **Charity’s Responsible People:****Full name:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**Signature:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Date:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Full name:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**Signature:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Date:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  | **Full name:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**Signature:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Date:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Full name:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**Signature:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Date:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  | **Full name:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**Signature:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Date:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Full name:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**Signature:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Date:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  |