SIBENCO GOVERNANCE

# MODULE 1

## Legal Foundations and Regulatory Oversight

*Director Essentials for Not-for-Profits*

## RESOURCE PACK

*Charity law, regulators, governance frameworks and compliance essentials*

This resource pack accompanies Module 1 of the Director Essentials for Not-for-Profits course. It provides authoritative ACNC and regulator resources together with practical tools for director induction, annual governance review and compliance oversight.

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# Module 1 Resources

## Director Essentials for Not-for-Profits

Part A sets out the core ACNC and regulator resources, and the resources in Part B are practical tools that can be completed during or after the module and adapted for use in board induction, annual governance review and compliance oversight. The Glossary appears first because it is designed to help new directors understand the terminology used throughout Module 1.

| PART A | RESOURCE | PURPOSE |
|---|---|---|
| **ACNC and regulator resources** | | Provides guidance on charity registration, the ACNC Charity Register, Governance Standards, External Conduct Standards, reporting obligations, charity tax concessions and board-level regulatory oversight. |
| **State and Territory incorporated associations and regulator guidance** | | Provides relevant legislation and regulations for each State and Territory, together with regulator guidance |
| **PART B** | **RESOURCE** | **PURPOSE** |
| 1 | Glossary of Module 1 terms | Provides plain English definitions of key governance, legal and regulatory terms. |
| 2 | One-page NFP legal form and regulator summary | Helps directors identify the organisation's legal form, primary regulator and key reporting implications. |
| 3 | New director document request checklist | Gives new directors a practical list of documents to request before or soon after appointment. |
| 4 | ACNC Charity Register review checklist | Supports annual review of public ACNC Register information. |
| 5 | Governance Standards self-assessment worksheet | Helps the board evidence reasonable steps to understand and monitor the ACNC Governance Standards. |
| 6 | Annual compliance calendar template | Provides a month-by-month framework for reporting and compliance obligations. |
| 7 | Board guide to DGR and tax concessions | Explains what directors should understand and ask about tax concessions and DGR endorsement. |
| 8 | Board guide to fundraising oversight | Summarises board-level oversight questions for fundraising law, ethics and donor representations. |
| 9 | Constitution health check template | Supports periodic review of the constitution or rules. |
| 10 | Board skills matrix template | Helps boards assess current skills and future recruitment needs. |

# Core ACNC resources

The resources below support Module 1 by providing authoritative guidance on charity registration, the ACNC Charity Register, Governance Standards, External Conduct Standards, reporting obligations, charity tax concessions and board-level regulatory oversight. Directors are not expected to read every resource before joining a board, but the chair, company secretary or governance lead should know where to find them and should use them when reviewing the organisation's charity status, governing documents, reporting calendar and ACNC compliance obligations.

| RESOURCE | USE IN MODULE 1 | WHY IT IS USEFUL |
|---|---|---|
| ACNC Governance for Good: A guide for Responsible People | General charity governance, duties and board culture | A foundational ACNC guide for Responsible People covering governance, duties, meetings, roles, conflicts and accountability. The ACNC describes it as helping Responsible People understand good governance, responsibilities, duties and obligations to the ACNC. Open here Governance for good: A guide for Responsible People \| ACNC |
| ACNC Governance Standards | Governance Standards overview | Core source for the six Governance Standards that registered charities must meet, including Standard 5 duties of Responsible People. Open here ACNC Governance Standards \| ACNC |
| ACNC Governance Standard 5: Duties of Responsible People | Director and committee member duties | Useful for explaining the ACNC duty framework, including care and diligence, acting honestly and fairly, conflicts, responsible financial management and insolvency oversight. Open here Governance Standard 5: Duties of Responsible People \| ACNC |
| ACNC Charity Register | Register review and public accountability | Supports the Module 1 ACNC Charity Register review checklist and annual governance review. Open here Charity Register \| ACNC |
| ACNC External Conduct Standards | Overseas activities and overseas partners | Core source for charities that operate overseas or send resources overseas. The ACNC states that the standards apply even where overseas activities are a minor part of the charity's work or are conducted through a third party. Open here Charities operating overseas \| ACNC |
| ACNC Charity governance tools | Board self-assessment and governance review | Useful for boards wanting to self-assess governance obligations and identify improvement areas. Open here Self-evaluation for charities \| ACNC |
| ACNC Financial management tool | Financial governance foundation | Useful for Module 1 as a signpost to board-level financial governance, and later reinforced in Module 3. The ACNC describes the tool as a self-assessment to help charities manage finances and identify improvement areas. Open here Financial management tool \| ACNC |
| ACNC Safeguarding tool | Basic safeguarding governance awareness | Useful as a Module 1 signpost only; detailed safeguarding governance should remain in Module 4. Open here Safeguarding tool \| ACNC |
| ACNC Charity fundraising and people in vulnerable circumstances | Fundraising and public trust | Useful for introducing fundraising oversight and ethical risk in Module 1, with deeper treatment in Module 4. The ACNC describes fundraising oversight as a core governance |

| RESOURCE | USE IN MODULE 1 | WHY IT IS USEFUL |
| --- | --- | --- |
| | | responsibility for charities. Open here Charity fundraising and people in vulnerable circumstances \| ACNC |
| ACNC Compliance and enforcement materials | Regulator powers and compliance context | Supports Module 1 content on ACNC powers, investigations, enforcement action and revocation risk. Open here Your charity and ACNC compliance \| ACNC |
| ATO NFP and charity tax concession guidance | DGR, tax concessions and self-review | Supports Module 1 tools on DGR, income tax exemption, charity tax concessions and annual compliance calendars. Open here Tax concessions \| ACNC and Tax concessions for not-for-profits \| Australian Taxation Office |
| ACNC and ASIC guidance for companies limited by guarantee | Non-charity companies and corporate form | Useful for directors of companies limited by guarantee, especially where the organisation is not a registered charity. Open here Companies limited by guarantee \| ACNC and Obligations of companies limited by guarantee \| ASIC |
| ORIC guidance | Aboriginal and Torres Strait Islander corporations | Useful where the organisation is registered under the CATSI Act. Open here Corporate governance \| Office of the Registrar of Indigenous Corporations |

# State and Territory incorporated associations and regulator guidance

| STATE/ TERRITORY | PRINCIPAL LEGISLATION | REGULATIONS | REGULATOR | REGULATOR GUIDANCE |
|---|---|---|---|---|
| **NSW** | *Associations Incorporation Act 2009* (NSW) | *Associations Incorporation Regulation 2022* (NSW) | NSW Fair Trading | Fair Trading: incorporated associations |
| **VIC** | *Associations Incorporation Reform Act 2012* (Vic) | *Associations Incorporation Reform Regulations 2012* (Vic) | Consumer Affairs Victoria | CAV: incorporated associations |
| **QLD** | *Associations Incorporation Act 1981* (Qld) | *Associations Incorporation Regulation 1999* (Qld) (as amended by *Associations Incorporation and Other Legislation Amendment Regulation 2023)* | Office of Fair Trading (Qld) | OFT: associations and non-profits |
| **WA** | *Associations Incorporation Act 2015* (WA) | *Associations Incorporation Regulations 2016* (WA) | Department of Mines, Industry Regulation and Safety (Consumer Protection) | Consumer Protection: incorporated associations |
| **SA** | *Associations Incorporation Act 1985* (SA) | *Associations Incorporation Regulations 2023* (SA) | Consumer and Business Services (CBS) / Corporate Affairs Commission | CBS: associations resources |
| **TAS** | *Associations Incorporation Act 1964* (Tas) | *Associations Incorporation Regulations 2017* (Tas); *Associations Incorporation (Model Rules) Regulations 2017* (Tas) | Consumer, Building and Occupational Services (CBOS) | CBOS: incorporated associations |
| **ACT** | *Associations Incorporation Act 1991* (ACT) | *Associations Incorporation Regulation 2023* (ACT) (new model rules effective 1 February 2024) | Access Canberra (Registrar-General) | Access Canberra: incorporated associations |
| **NT** | *Associations Act 2003* (NT) | *Associations Regulations 2004* (NT) | Licensing NT | NT.GOV.AU: incorporated associations |

# Resource 1. Glossary of Terms

| TERM | PLAIN ENGLISH MEANING |
|---|---|
| ABN | Australian Business Number. A public identifier used for tax and business purposes. |
| ACNC | Australian Charities and Not-for-profits Commission, the national regulator of registered charities established by the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) |
| Annual Information Statement | The annual return lodged by registered charities with the ACNC. |
| Basic Religious Charity | A registered charity subtype with a purpose of advancing religion that meets specific ACNC criteria and has modified reporting and governance obligations. |
| Charity | An organisation that is not-for-profit, has exclusively charitable purposes for the public benefit, has no disqualifying purpose, and is not excluded by law. |
| Charitable purpose | A purpose recognised as charitable under the *Charities Act 2013* (Cth), such as advancing health, education, religion, social welfare, culture or the natural environment. |
| Charity subtype | A category recorded by the ACNC that describes the charity's purposes or status, such as Public Benevolent Institution, Health Promotion Charity, advancing education or advancing religion. |
| Company limited by guarantee | A company with members rather than shareholders, commonly used by national NFPs and larger charities. |
| Constitution | The primary governing document for a company limited by guarantee or some incorporated associations. |
| DGR | Deductible Gift Recipient. An organisation or fund endorsed to receive tax-deductible gifts. |
| External Conduct Standards | ACNC standards that apply to charities operating overseas or working with overseas partners. |
| Governing document | The document that sets out the organisation's purposes, powers, governance structure and decision-making rules. It may be called a constitution, rules, rule book or trust deed. |
| Governance Standards | Six minimum standards registered charities must meet to remain registered with the ACNC. |
| Incorporated association | An NFP legal structure created under State or Territory law, commonly used by local and community organisations. |
| Legal form | The legal structure or entity type of the organisation, such as a company limited by guarantee, an incorporated association, a trust or a cooperative. |
| Mission drift | The gradual movement of an organisation away from its stated purposes or mission. |
| NFP | Not-for-profit. An organisation that does not distribute profits or assets for private benefit. |

| TERM | PLAIN ENGLISH MEANING |
|---|---|
| ORIC | Office of the Registrar of Indigenous Corporations, which regulates Aboriginal and Torres Strait Islander corporations. |
| PBI | Public Benevolent Institution. A charity subtype focused on relieving poverty, sickness, suffering, distress, misfortune, disability or helplessness. |
| Responsible Person | A person responsible for governing a registered charity, such as a director, committee member or trustee. |
| Rules | The governing document for many incorporated associations. |
| Trust deed | The governing document for a trust. |
| Unincorporated association | A group formed for a common purpose without separate legal personality, which can create personal liability risks. |

# 2. NFP legal form and regulator summary

Purpose: to help directors understand the organisation's legal identity, primary regulator, charity status and key reporting obligations. This should be completed for every organisation and kept with board induction materials.

| Question | Organisation-specific answer |
|---|---|
| 1. What is the organisation's legal name? | |
| 2. What is the organisation's ABN or registration number? | |
| 3. What is the legal form? | Company limited by guarantee / incorporated association / Aboriginal and Torres Strait Islander corporation / cooperative / trust / unincorporated association / other |
| 4. What is the governing document? | Constitution / rules / rule book / trust deed / other |
| 5. Who are the governing body members called? | Directors / committee members / trustees / responsible persons / other |
| 6. Is the organisation registered with the ACNC? | Yes / No |
| 7. If yes, what charity subtype is recorded? | For example, Public Benevolent Institution, Health Promotion Charity, advancing education, advancing religion |
| 8. Does the organisation have DGR endorsement? | Yes / No / Part of organisation only |
| 9. Who regulates the organisation's legal form? | Australian Securities and Investments Commission (ASIC) / State or Territory regulator / Office of the Registrar of Indigenous Corporations (ORIC) / other |
| 10. If the organisation is a registered charity, who regulates its charity status and ACNC reporting? | Australian Charities and Not-for-profits Commission (ACNC) / not applicable |
| 11. What other regulators are relevant to the organisation's activities? | Australian Taxation Office (ATO), fundraising regulators, Office of the Australian Information Commissioner (OAIC), work health and safety regulator, aged care regulator, NDIS Quality and Safeguards Commission, education regulator, other. |

**Responsible officer for maintaining this summary:**
**Date last checked against ACNC / ASIC / ORIC / State register / ABN Lookup**:

## Board use

- ☐ Include this summary in every new director induction pack.
- ☐ Review and update it annually, preferably before the Annual Information Statement or annual return is lodged.
- ☐ Confirm that the summary is consistent with the constitution, ACNC Charity Register, ASIC or State register, ABN record and website.
- ☐ Minute the board's review if any material changes are identified.

# 3. New director document request checklist

Purpose: to help a new director or committee member obtain the documents needed to understand the organisation before participating in board decisions.

### Core governance documents

- ☐ Current constitution, rules, rule book or trust deed.
- ☐ Board charter and committee charters.
- ☐ Delegations of authority, including financial delegations.
- ☐ Conflicts of interest policy and current conflicts register.
- ☐ Code of conduct for directors, committee members, staff and volunteers.
- ☐ Most recent board calendar and meeting schedule.

### Recent board records

- ☐ Board papers and minutes for the last three to six board meetings.
- ☐ Minutes of the most recent AGM and any extraordinary general meeting.
- ☐ Current action register or matters arising list.
- ☐ Current board and committee membership list, including terms of appointment.

### Strategy, risk and compliance

- ☐ Strategic plan and current business or operational plan.
- ☐ Current risk register and risk appetite statement, if any.
- ☐ Annual compliance calendar.
- ☐ Most recent ACNC Annual Information Statement or other annual return.
- ☐ ACNC Charity Register extract, if registered as a charity.
- ☐ Regulator contact matrix and list of key reporting obligations.

### Financial and assurance materials

- ☐ Most recent audited or reviewed financial statements.
- ☐ Most recent management accounts and budget.
- ☐ Current reserves policy or financial sustainability framework.
- ☐ External audit management letter and management responses.
- ☐ Insurance summary, including directors and officers insurance.

### Practical note for new directors

Do not wait until the first board meeting to ask for these documents. A director is expected to be properly informed before participating in decisions. If the organisation cannot provide core documents promptly, that is itself a governance signal that should be raised with the chair.

# 4. ACNC Charity Register review checklist

Purpose: to support an annual board review of the public information recorded on the ACNC Charity Register. The register is often the first source used by donors, members, journalists, regulators and prospective directors.

| Register item | Review question | Action required |
|---|---|---|
| Registered name | Is the name correct and consistent with the constitution, ABN record and website? | |
| ABN | Is the ABN correct and active? | |
| Legal form | Is the legal form correctly recorded? | |
| Charity subtype | Does the subtype accurately reflect the organisation's purposes and activities? | |
| DGR Status | Has DGR status been checked through the **ABN Lookup link from the ACNC Charity Register**? If the organisation has DGR endorsement, does it apply to the whole organisation or only to a specific fund, authority or institution? | |
| Charity tax concessions | Have charity tax concessions been checked through **ABN Lookup**, where available? Are the concessions consistent with the organisation's charity subtype and current activities? | |
| Responsible Persons | Are all current Responsible Persons listed and former Responsible Persons removed? When were the listed Responsible Persons last checked against the board's own records? | |
| Charitable purposes | Do the purposes align with the constitution and current activities? | |
| Annual Information Statement | Has the most recent AIS been lodged on time? | |
| Financial report | If required, has the financial report been lodged and is it the correct version? | |
| Operating locations | Are operating locations and overseas activities correctly recorded? | |
| Public contact details | Are website, email and postal details current? | |

## Board process

- ☐ Ask management or the company secretary to prepare the Register review before the AIS is lodged.
- ☐ Compare the Register entry with the constitution, website, annual report and financial statements.
- ☐ Record any required corrections in the board action register.
- ☐ Minute that the board has reviewed the Register entry and noted required updates.

# 5. Governance Standards self-assessment worksheet

Purpose: to help registered charities evidence reasonable steps to understand and monitor the ACNC Governance Standards. This may be used as an annual exercise for the board or governance committee.

| ACNC Governance Standard | Board self-assessment questions | Evidence / action | Evidence retained / document location |
|---|---|---|---|
| Standard 1: Purposes and not-for-profit nature | Can a member of the public understand our purposes? Are our constitution, website, annual report and ACNC Register entry aligned? | | |
| Standard 2: Accountability to members | Have members had a genuine opportunity to question the board? Are AGM processes accessible and transparent? | | |
| Standard 3: Compliance with Australian laws | What are our highest compliance risks? Who owns each risk? Has the board reviewed compliance reporting in the last 12 months? | | |
| Standard 4: Suitability of Responsible Persons | Have suitability checks and declarations been completed for all Responsible Persons? Are annual confirmations obtained? | | |
| Standard 5: Duties of Responsible Persons | Have directors and committee members received induction or refresher training on their duties? Are conflicts and financial oversight processes operating? | | |
| Standard 6: Public trust and confidence | What actions have we taken to maintain or enhance trust in our organisation and the wider NFP sector? | | |

## Rating scale

| Rating | Meaning |
|---|---|
| Green | Operating effectively. Evidence is current and readily available. |
| Amber | Partially operating. Some evidence exists but improvement is required. |
| Red | Weak or unclear. Board attention and corrective action are required. |

## Suggested minute wording

The board reviewed the ACNC Governance Standards self-assessment worksheet. The board noted the evidence provided, agreed the actions recorded in the worksheet, and requested that progress be reported at the next governance review meeting.

# 6. Annual compliance calendar template

Purpose: to give boards a practical calendar for recurring reporting, regulatory, governance and assurance obligations. Dates should be adapted to the organisation's financial year, constitution, legal form and sector obligations.

| Month / timing | Obligation or task | Internal owner | Board approval or noting required | Evidence retained / document location |
|---|---|---|---|---|
| Month 1 after year end | Prepare year-end close timetable, audit or review timetable, and AIS preparation plan. | | | |
| Month 2 | Draft financial statements and management review of annual compliance obligations. | | | |
| Month 3 | Audit or review fieldwork, draft annual report, confirm insurance renewals. | | | |
| Month 4 | Board review of financial statements, auditor or reviewer findings, and management letter. | | | |
| Month 5 | AGM preparation, member notices, director elections, annual report finalisation. | | | |
| Month 6 | AGM held if required. ACNC AIS and financial report lodged within six months of reporting period end. | | | |
| Quarterly | Review management accounts, risk register, compliance exceptions, WHS, privacy and safeguarding reporting. | | | |
| Annually | Review constitution summary, conflicts register, Responsible Person declarations, regulator matrix and tax concessions summary. | | | |
| Annually, generally due 31 October where applicable | **ATO returns and confirmations.** BAS, FBT return where applicable, and NFP self-review return where applicable. For non-charitable NFPs with an active ABN that self-assess as income tax exempt, include the ordinary annual NFP self-review return due date of **31 October**, subject to any ATO extensions or transitional arrangements. | | Board noting recommended. Board approval may be required if the return raises eligibility, tax concession or governance issues. | |
| Annually | Review board skills matrix, director induction records and continuing development plan. | | | |

| Month / timing | Obligation or task | Internal owner | Board approval or noting required | Evidence retained / document location |
|---|---|---|---|---|
| As required | Regulator notifications, data breach notifications, fundraising authority renewals, sector-specific reports. | | | |

## Board oversight questions

- ☐ Are all recurring obligations recorded with due dates?
- ☐ Is there an internal owner for each obligation?
- ☐ Which obligations require board approval rather than management action only?
- ☐ What is the escalation process if a deadline is likely to be missed?
- ☐ Has the calendar been reviewed against changes in law, regulator guidance and the organisation's activities?
- ☐ If the organisation is a non-charitable NFP with an active ABN, has management confirmed whether the NFP self-review return is required and, if so, that the 31 October due date is included in the compliance calendar?

# 7. Board guide to DGR and tax concessions

Purpose: to help directors understand the tax and endorsement statuses the organisation relies on, and the board-level questions that should be asked annually. This guide is not tax advice.

## Core distinctions

| Status or concession | What it means | Board-level question | Evidence retained / document location |
|---|---|---|---|
| ABN registration | Identifies the entity for tax and business purposes. | Is the ABN active and recorded consistently across registers and public materials? | |
| ACNC charity registration | Confirms charity status for Commonwealth purposes and brings the entity within ACNC regulation. | Does the organisation continue to pursue its registered charitable purposes? | |
| Income tax exemption | Exempts eligible charities and certain NFPs from income tax. | What is the basis for the exemption, and has it been reviewed? | |
| DGR endorsement | Allows donors to claim tax deductions for eligible gifts. | Is the whole organisation endorsed, or only a fund, authority or institution? | |
| GST concessions | May provide GST concessions or special treatment for eligible supplies. | Has GST treatment been reviewed against current activities? | |
| FBT rebate or exemption | Can materially affect employment costs and remuneration structures. | Are caps, eligibility and reporting requirements being monitored? | |
| State and Territory concessions | May include payroll tax, land tax or duty concessions. | Do concessions apply in every jurisdiction where the organisation operates? | |

## Annual board questions

- ☐ What tax concessions and endorsements does the organisation currently rely on?
- ☐ Who has confirmed ongoing eligibility?
- ☐ Have any activities changed in a way that could affect eligibility?
- ☐ Are fundraising materials accurately describing DGR status?
- ☐ Are restricted funds, DGR funds and ancillary fund obligations separately tracked where required?
- ☐ Has the board received advice or confirmation where eligibility is uncertain?

WATCH OUT

**Watch out: whole organisation or fund only?**

Some organisations are endorsed as DGRs in full. Others operate a DGR-endorsed fund, authority or institution only. If only part of the organisation is endorsed, only gifts to that endorsed part are tax deductible. Fundraising materials must make this clear.

# 8. Board guide to fundraising oversight

Purpose: to help boards oversee fundraising law, donor communications, third-party fundraisers, restricted gifts and public trust. This guide is designed for board oversight, not operational fundraising management.

## Board-level responsibilities

- ☐ Understand where the organisation fundraises and which State or Territory requirements may apply.
- ☐ Ensure fundraising claims are accurate, substantiated and consistent with how funds will be used.
- ☐ Monitor whether third-party platforms or commercial fundraisers comply with disclosure and licensing requirements.
- ☐ Ensure restricted or tied donations are separately recorded and used consistently with donor restrictions.
- ☐ Review fundraising complaints, donor disputes and refund requests.
- ☐ Oversee reputational risk, including social-impact claims, environmental claims and vulnerable donor issues.

| Fundraising area | Board oversight question | Evidence to request | Evidence retained / document location |
|---|---|---|---|
| Licensing and authority | Do we hold the authorities required in the jurisdictions where we actively fundraise? | Fundraising licence summary and renewal dates. | |
| Appeal claims | Can we substantiate what we say donations will achieve? | Approved campaign materials and evidence base. | |
| Use of funds | Are donations used consistently with donor representations and restrictions? | Restricted funds report and campaign reconciliation. | |
| Third-party fundraisers | Are fees, commissions and donor disclosures transparent? | Contracts, due diligence and performance reports. | |
| Digital fundraising | Are online platforms, social media appeals and payment processors governed? | Platform terms, privacy review and cyber controls. | |
| Privacy notices and consent | Are donor privacy notices and consent practices consistent with the organisation's privacy obligations and fundraising platforms? | | |
| Vulnerable donors and donors consent | Are fundraising practices appropriate for vulnerable donors, elderly donors, beneficiaries, service users and people experiencing distress, and are consent and withdrawal preferences respected? | Donor care policy, complaints register, call scripts, opt-out records and fundraiser training materials. | |
| Complaints | What complaints have been received and what themes are emerging? | Complaints register and management responses. | |

## Suggested board reporting

At least annually, the board should receive a fundraising compliance and ethics report covering authorities, major campaigns, donor complaints, third-party fundraisers, restricted gifts and any material fundraising risks.

# 9. Constitution health check template

Purpose: to support a periodic board review of the constitution, rules, rule book or trust deed. A full legal review may still be needed, particularly where amendments are proposed.

| Area for review | Questions for the board | Action required | Evidence retained / document location |
|---|---|---|---|
| Objects or purposes | Do they still accurately describe what the organisation does and is permitted to do? | | |
| Not-for-profit clause | Does it clearly prohibit private distribution of income and assets? | | |
| Winding-up clause | Does it require surplus assets to go to an eligible NFP or charity with compatible purposes? | | |
| Membership | Do membership categories, rights, admission and termination processes reflect current practice? | | |
| Board composition | Do appointment, election, term and vacancy rules support the skills and diversity the board needs? | | |
| Meetings | Do notice, quorum, voting, circular resolution and virtual meeting provisions work in practice? | | |
| Conflicts | Are conflicts provisions consistent with law, ACNC expectations and the conflicts policy? | | |
| Delegations | Are board and management powers clear? | | |
| Indemnity and insurance | Are protections for directors and officers appropriate and lawful? | | |
| Amendment process | Is the process clear, including member approval and regulator notification where required? | | |

## When to conduct a review

- ☐ Every three to five years.
- ☐ Before a merger, restructure, change of legal form or major strategic shift.
- ☐ When there is confusion about member rights or board powers.
- ☐ When the organisation’s activities have changed materially.
- ☐ When regulator guidance or legislation changes in a way that affects governance.

# 10. Board skills matrix template

Purpose: to help the board assess whether it has the mix of skills, experience and perspectives needed to govern the organisation's mission, strategy and risk profile.

## Suggested rating scale

| Rating | Meaning |
|---|---|
| 0 | No material experience or confidence in this area. |
| 1 | Familiar with the area, but not able to lead board discussion. |
| 2 | Competent. Able to contribute meaningfully and ask informed questions. |
| 3 | Strong expertise. Able to lead board discussion or chair a relevant committee. |

## Matrix template

| Skill or experience area | Director A | Director B | Director C | Director D | Gap / action |
|---|---|---|---|---|---|
| Mission or sector expertise | | | | | |
| Financial literacy and audit | | | | | |
| Legal, governance and regulatory | | | | | |
| Risk management and assurance | | | | | |
| People, culture and WHS | | | | | |
| Privacy, cyber, data and technology | | | | | |
| Fundraising, philanthropy and stakeholder engagement | | | | | |
| Lived experience or beneficiary perspective | | | | | |
| Strategy, mergers or organisational transformation | | | | | |
| Community, cultural or geographic connection | | | | | |
| Safeguarding, vulnerable persons and child safety | | | | | |

## Independence and conflicts check

The board should also consider whether each director has any actual, potential or perceived conflicts that may affect their independence of judgement. This should be reviewed separately from skills and recorded through the conflicts register.

## Board use

- ☐ Complete the matrix annually and before director recruitment.
- ☐ Use the matrix to identify the next board appointment priorities.
- ☐ Do not treat the matrix as a substitute for diversity, judgement, independence or commitment.
- ☐ Consider whether committee membership should be adjusted based on identified strengths and gaps.