

GOVERNANCE RESOURCE

NGO Board Governance Toolkit

A Comprehensive Guide to Effective Board Governance for Not-for-Profit Organisations in Aotearoa New Zealand and Australia

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| AmplifyData.org.nz

Board Roles

Risk Management

Compliance

Strategic Planning

Templates

NZ & AU

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Introduction to NGO Governance

Understanding why governance matters and the foundations of effective board leadership

What is Governance?

Governance is the system by which organisations are directed and controlled. For not-for-profits, good governance ensures accountability, transparency, and effective stewardship of resources to achieve the organisation's mission.

Why Governance Matters

- Ensures accountability to stakeholders
- Protects the organisation's reputation
- Manages risk effectively
- Guides strategic direction
- Ensures legal and regulatory compliance
- Builds trust with funders, donors, and communities

Consequences of Poor Governance

- Regulatory sanctions and deregistration
- Funding loss and reputational damage
- Mission drift and ineffective programmes
- Legal liability for board members
- Staff turnover and low morale
- Community disengagement

Governance vs Management

Understanding the distinction between governance and management is critical for board effectiveness.

ASPECT	GOVERNANCE (BOARD)	MANAGEMENT (CEO/STAFF)
Focus	Strategic direction & oversight	Operational delivery
Timeframe	Long-term (3-5 years)	Short to medium-term
Decisions	Policy and strategy	Implementation and operations
Accountability	To stakeholders & regulators	To the board
Risk	Risk appetite & framework	Risk mitigation & controls
Resources	Approve budgets & major investments	Manage day-to-day resources

The Regulatory Environment

New Zealand Requirements

- Charities Act 2005 — Registration and annual returns
- Incorporated Societies Act 2022 — New compliance requirements
- Financial Reporting Act 2013 — Tier-based reporting
- Health & Safety at Work Act 2015 — PCBU duties
- Employment Relations Act 2000
- Privacy Act 2020

Australian Requirements

- ACNC Act 2012 — Registration and governance standards
- State-specific incorporation legislation
- Corporations Act 2001 (for companies limited by guarantee)
- Work Health and Safety Act 2011
- Fair Work Act 2009
- Privacy Act 1988

Board Roles & Responsibilities

Understanding the duties and expectations of board members in not-for-profit organisations

Legal Duties of Board Members

Board members (whether called trustees, directors, or committee members) carry significant legal responsibilities.



Duty of Good Faith

Act honestly and in good faith in the best interests of the organisation. Put the organisation's mission ahead of personal interests.



Duty of Care

Exercise reasonable care, diligence, and skill. Make informed decisions based on adequate information and proper consideration.



Duty to Avoid Conflicts

Declare and manage conflicts of interest. Do not use position for personal benefit or advantage.



Duty of Compliance

Ensure the organisation complies with its constitution, relevant legislation, and regulatory obligations.

Key Board Roles

ROLE	PRIMARY RESPONSIBILITIES	KEY SKILLS
Chairperson	Lead board meetings, set agendas, manage board dynamics, liaise with CEO, spokesperson	Leadership, facilitation, strategic thinking
Deputy Chair	Support Chair, step in when needed, may chair committees	Versatility, leadership potential
Treasurer	Oversee finances, present financial reports, ensure proper controls, liaise with auditors	Financial literacy, attention to detail
Secretary	Manage governance records, ensure compliance, handle correspondence	Organisation, administration, governance knowledge
Board Member	Contribute expertise, participate in committees, support organisational mission	Varies based on board needs

Board Member Expectations

- Attend at least 75% of board meetings

- Read board papers before meetings and come prepared

- Participate constructively in discussions and decision-making

- Declare any conflicts of interest promptly

- Maintain confidentiality of board discussions

- Serve on at least one committee or working group

- Act as an ambassador for the organisation

- Complete required training and induction

- Participate in annual board evaluation

Board Structure & Composition

Building a diverse and skilled board that effectively governs your organisation

Optimal Board Size



Skills Matrix Framework

A skills matrix helps identify gaps and plan board recruitment effectively.

SKILL AREA	ESSENTIAL	DESIRABLE	CURRENT GAPS
Governance	Board experience, understanding of duties	Governance qualifications	
Financial	Financial literacy, budget oversight	Accounting/audit qualifications	
Legal	Understanding of compliance	Legal qualifications	
Sector Knowledge	Understanding of the sector	Direct programme experience	
Strategy	Strategic thinking	Strategic planning experience	
HR/People	Understanding of HR requirements	HR management experience	
Digital/Technology	Basic digital literacy	IT/digital expertise	
Fundraising	Understanding funding landscape	Fundraising experience	

Diversity Considerations

Building a Diverse Board

Boards that reflect the communities they serve make better decisions and build greater trust. Consider diversity across:

- **Cultural & ethnic background** — Including Māori and Pasifika representation (NZ) and First Nations representation (AU)
- **Gender** — Aim for at least 40% representation of any gender
- **Age** — Include perspectives from different generations
- **Lived experience** — Include people with direct experience of the issues you address
- **Geographic spread** — Consider regional representation
- **Professional background** — Mix of corporate, government, and community sector experience

Committee Structure

Finance & Audit Committee

- Financial oversight
- Audit management
- Risk monitoring
- Budget review

Governance & Nominations

- Board recruitment
- Board evaluation
- Policy review
- Succession planning

HR & Remuneration

- CEO performance
- Remuneration review
- HR policies
- H&S oversight

Board Meetings & Decision-Making

g effective board meetings and making sound governance decisions

Meeting Frequency

Minimum

6 times per year — Bi-monthly meetings are the minimum for effective governance

Recommended

8-10 times per year — Monthly (excluding December and January) is ideal for most NGOs

Plus

1-2 strategy sessions — Annual or bi-annual dedicated strategic planning sessions

Effective Meeting Practices

1

Before the Meeting

Distribute board papers at least 5 working days in advance. Include clear agenda, financial reports, CEO report, and any papers requiring decisions. Use a consent agenda for routine items.

2

Opening the Meeting

Confirm quorum, call for conflicts of interest declarations, approve previous minutes, and review actions from last meeting. Keep administrative items brief.

3

During the Meeting

Focus 70% of time on strategic discussion and governance matters, 20% on monitoring, and 10% on administrative items. Encourage all members to contribute.

4

Decision-Making

Use clear decision-making protocols. Record all resolutions with mover and seconder. Ensure sufficient information before voting. Allow dissenting views to be recorded.

5

After the Meeting

Distribute draft minutes within 5 working days. Follow up on action items. Ensure CEO has clarity on board decisions and expectations.

Board Papers & Agenda Templates

Templates and guidance for preparing effective board documentation

Standard Board Agenda Template

ITEM	TYPE	TIME	LEAD
Welcome & Apologies	Administrative	5 min	Chair
Conflicts of Interest	Governance	5 min	Chair
Previous Minutes & Actions	Administrative	10 min	Chair
Consent Agenda Items	Administrative	5 min	Chair
CEO Report	Monitoring	15 min	CEO
Financial Report	Monitoring	15 min	Treasurer
Strategic Discussion Item 1	Strategic	30 min	Varies
Strategic Discussion Item 2	Strategic	20 min	Varies
Committee Reports	Monitoring	15 min	Committee Chairs
General Business & Wrap-up	Administrative	10 min	Chair

Board Paper Format

Recommended Paper Structure

- **Title:** Clear description of the topic
- **Purpose:** For decision / For discussion / For information
- **Background:** Context and history (1-2 paragraphs)
- **Key Issues:** What the board needs to consider
- **Options:** Alternatives with pros and cons (for decision papers)
- **Recommendation:** Clear recommended course of action
- **Resolution:** Draft resolution for the board to adopt
- **Appendices:** Supporting documentation

Risk Management Framework

Identifying, assessing, and managing risks in your not-for-profit organisation

Risk Categories for NGOs



Financial Risk

- Funding dependency
- Cash flow management
- Fraud and misuse
- Investment risk



Compliance Risk

- Regulatory breaches
- Tax compliance
- Health & safety
- Privacy obligations



People Risk

- Key person dependency
- Volunteer management
- Staff wellbeing
- Safeguarding



Reputational Risk

- Media coverage
- Social media
- Partner conduct
- Stakeholder relations

Risk Assessment Matrix

LIKELIHOOD / IMPACT	NEGLIGIBLE	MINOR	MODERATE	MAJOR	CATASTROPHIC
Almost Certain	Medium	High	Very High	Extreme	Extreme
Likely	Low	Medium	High	Very High	Extreme
Possible	Low	Medium	High	Very High	Very High
Unlikely	Low	Low	Medium	High	Very High
Rare	Low	Low	Medium	Medium	High

Risk Treatment Options

Avoid

Eliminate the risk by not undertaking the activity. Appropriate for risks that exceed organisational risk appetite.

Reduce

Implement controls to reduce likelihood or impact. Most common approach for manageable risks.

Transfer

Share the risk through insurance, partnerships, or contracts. Suitable for insurable risks.

Accept

Acknowledge and monitor the risk. Appropriate for low-level risks within tolerance levels.

Compliance Calendar & Monitoring

governance calendar and compliance obligations tracking

Annual Governance Calendar (New Zealand)

QUARTER	KEY ACTIVITIES	COMPLIANCE DUE
Q1 (Jul-Sep)	Annual plan approval, budget sign-off, board recruitment, AGM preparation	Annual return (Charities Services), Financial statements
Q2 (Oct-Dec)	AGM, strategic review, board evaluation, risk register review	AGM (within 6 months of FYE), IRD returns
Q3 (Jan-Mar)	Mid-year review, CEO performance review, strategic planning session	Incorporated Societies register updates
Q4 (Apr-Jun)	Year-end preparation, audit planning, succession review, policy reviews	Year-end financial preparations, H&S review

Compliance Monitoring Checklist

- Charities Services annual return** — Due within 6 months of balance date
- Financial statements** — Prepared in accordance with appropriate tier
- AGM** — Held within 6 months of financial year-end
- Officer changes** — Notified within required timeframes
- Constitution review** — Updated for Incorporated Societies Act 2022
- Privacy compliance** — Privacy policy current and breach procedures in place
- Health & Safety** — Worker engagement practices, hazard identification current
- Insurance** — Reviewed and adequate cover in place

Strategic Planning for NGOs

Setting your organisation's direction through effective strategic planning

Strategic Planning Process

1

Environmental Scan

Assess external environment (PESTLE analysis), sector trends, community needs, funder priorities, and competitor landscape.

2

Internal Assessment

Review organisational strengths, weaknesses, capabilities, financial position, and programme effectiveness. Conduct SWOT analysis.

3

Stakeholder Engagement

Consult beneficiaries, staff, volunteers, funders, partners, and community. Incorporate diverse perspectives into planning.

4

Strategic Framework Development

Define or reaffirm vision, mission, values. Set strategic goals (3-5) with measurable objectives and key performance indicators.

5

Implementation Planning

Develop action plans with responsibilities, timelines, and resources. Align budget to strategy. Create monitoring and reporting framework.

Strategy Document Structure

Recommended Components

- **Vision:** The future you aspire to create
- **Mission:** What you do and for whom
- **Values:** How you work and what guides your decisions
- **Strategic Goals:** 3-5 high-level goals for 3-5 year period
- **Objectives:** SMART objectives under each goal
- **KPIs:** Measurable indicators of progress
- **Action Plans:** Annual operational plans

Board Evaluation & Performance

ing and improving board effectiveness through regular evaluation

Evaluation Framework

Annual board evaluation improves governance effectiveness and should cover both collective board performance and individual contributions.

Board-Level Assessment

- Strategic focus and direction-setting
- Quality of decision-making
- Oversight and monitoring effectiveness
- Board culture and dynamics
- Relationship with management
- Stakeholder engagement

Individual Assessment

- Meeting attendance and preparation
- Quality of contribution
- Committee participation
- Skills and knowledge currency
- Ambassador role effectiveness
- Development needs

Board Performance Survey

Sample Rating Scale Questions (1-5)

- The board has a clear understanding of the organisation's strategic direction
- Board meetings are well-run and make effective use of time
- Board papers provide sufficient information for informed decision-making
- The board maintains an appropriate level of oversight without micromanaging
- Board members feel comfortable raising concerns and challenging assumptions
- The relationship between the board and CEO/management is healthy and productive
- The board regularly considers risk and compliance matters
- The board composition reflects appropriate diversity and skills

Succession Planning

Ensuring continuity of leadership and governance through proactive planning

Board Succession Principles

Key Principles for Board Renewal

- **Staggered terms** — Ensure not all board members retire at the same time (aim for 1/3 rotation annually)
- **Term limits** — Maximum of 2-3 terms (6-9 years) to bring fresh perspectives
- **Skills-based recruitment** — Use the skills matrix to identify gaps and recruit accordingly
- **Pipeline development** — Identify and develop potential board members through committees and advisory roles
- **Knowledge transfer** — Ensure departing members share institutional knowledge
- **Induction programme** — Comprehensive onboarding for new board members

CEO Succession Planning

SCENARIO	TIMEFRAME	ACTIONS
Emergency	Immediate	Identify acting CEO, notify stakeholders, implement interim plan
Planned departure	3-6 months	Recruitment process, transition planning, handover period
Long-term development	1-3 years	Internal talent development, leadership programme, mentoring

Templates & Worksheets

to-use templates for implementing effective governance practices

Available Templates

Board Charter

Defines the board's role, responsibilities, delegations, and operating procedures.

Conflict of Interest Register

Template for recording and managing board member conflicts of interest.

Board Skills Matrix

Spreadsheet template for mapping current skills and identifying gaps.

Meeting Minutes Template

Structured template for recording board decisions and actions.

Risk Register

Template for documenting and tracking organisational risks.

Board Evaluation Survey

Annual survey template for assessing board performance.

Conflict of Interest Declaration Form

Required Information

- **Board member name** and date of declaration
- **Nature of the interest** — financial, personal, or professional
- **Relationship** to the matter under consideration
- **Proposed management** — withdraw from discussion, abstain from vote, or other
- **Board resolution** on managing the conflict
- **Signatures** of declaring member and Chair

Sources & Further Reading

Organisations, publications, and training opportunities for NGO governance

Key Organisations

New Zealand

- Charities Services (Department of Internal Affairs)
- Institute of Directors (IoD)
- Community Governance NZ
- Hui E! Community Aotearoa
- Philanthropy New Zealand
- Volunteering New Zealand

Australia

- Australian Charities and Not-for-profits Commission (ACNC)
- Australian Institute of Company Directors (AICD)
- Governance Institute of Australia
- Justice Connect (Not-for-Profit Law)
- Philanthropy Australia
- Volunteering Australia

Recommended Reading

Good Governance Guide — ACNC Governance Standards series

Four Pillars of Governance Best Practice — Institute of Directors NZ

Not-for-Profit Governance Principles — AICD

The Governance Coach by Steven Bowman

Governance as Leadership by Chait, Ryan, and Taylor

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This toolkit is provided as general guidance only and does not constitute legal advice. Organisations should seek professional advice for specific governance matters.