

GOVERNANCE STANDARDS

for Wesleyan Methodist Churches and ministries

The ACNC Governance Standards below are a useful guide for our church management and the meeting of expectations. The word “charity” from the Standard has been replaced by “church” in the description below.

Most of our churches, and support organisations hold the status and privileges of being in the category called ‘[Basic Religious Charities](#)’. These privileges include income tax exemption, goods and services tax (GST) concessions and the capacity to provide a proportion of salary support for pastors as exempt benefits. One task to maintain eligibility is the submission of the Annual Information Statement (AIS) which is due by the end of each year. Another expectation is to meet the Standards. Build an understanding and commitment of the LBA/LAC to the compliance requirements of the Standards.

Standard 1: Purposes and not-for-profit nature

A church must be not-for-profit and work towards its “advancement of religion” purpose. It must be able to demonstrate this and provide information about its purposes to the public.

- Make our Constitution, The Handbook 2016, available for church leaders
- Use Policies and Procedures of the Wesleyan Methodist Church to inform activity.
- Provide access to church policy documents.
- Provide informative reports that describe how the church meets its purpose.

Standard 2: Accountability to members

A church that has members must take reasonable steps to be accountable to its members and provide them with adequate opportunity to raise concerns about how the church is governed.

- Provide formative and summative information to members regarding the church’s activities and finances.
- Have a clear process for appointing board/committee members ([Responsible Persons](#)).

Standard 3: Compliance with Australian laws

A church must not commit a serious offence (such as fraud) under any Australian law or breach a law that may result in a penalty of 60 penalty units (equivalent to \$12,600 as at December 2018) or more.

- Be familiar with Compliance requirements.
- Maintain a process to protect finances and assets.

Standard 4: Suitability of Responsible Persons

A church must take reasonable steps to:

- be satisfied that its Responsible Persons (such as board or committee members) are not disqualified from managing a corporation under the Corporations Act 2001 (Cth) or disqualified from being a Responsible Person of a registered charity by the ACNC Commissioner, and
- remove any Responsible Person who does not meet these requirements.
 - Checking this may include searching the [ASIC Register of Banned or Disqualified Persons](#) or obtaining a disclosure statement from each Responsible Person.

Standard 5: Duties of Responsible Persons



A church must take reasonable steps to make sure that its Responsible Persons are subject to, understand, and carry out the duties summarised as:

- to act with reasonable care and diligence
- to act honestly and fairly in the best interests of the charity and for its charitable purposes
- not to misuse their position or information they gain as a Responsible Person
- to disclose conflicts of interest
- to ensure that the financial affairs of the church are managed responsibly, and
- not to allow the church to operate while it is insolvent.

The church must be able to demonstrate:

- how its Responsible Persons promote and enforce safe work practices and protect children and vulnerable adults in Australia.
- a policy for its Responsible Persons to disclose perceived or actual conflicts of interests
- that conflicts of interest in its Australian operations are managed
- that its Responsible Persons manage the financial affairs of the organisation in Australia in a responsible manner.

Standard 6: Maintaining and enhancing public trust and confidence in the Australian not-for-profit sector

The Wesleyan Methodist Church in Australia and its individual churches have not been identified as being involved in the sexual abuse of a person and therefore are not required to participate in the Redress Scheme. The Royal Commission of 15 December 2017 addressed [Institutional Response to Child Sexual Abuse](#). The [National Redress Scheme](#) is for people who have experienced institutional child sexual abuse prior to 1 July 2018.

- building public trust and confidence in the ministries of the church and its people is a priority.

Wesleyan Methodist Church Policies and Guidelines that should be implemented in conjunction with these Governance Standards include:

- External Conduct Standards for sending funds out of Australia
- The Handbook of the Wesleyan Methodist Church of Australia 2016
- Policies and Procedures of the Wesleyan Methodist Church (new version released each year in June)
- People Protection and Risk Management
- Code of Conduct Declaration
- Privacy Policy
- Confidentiality Policy
- Complaint Handling Policy
- Conflict of Interest Policy
- Human Rights Protections
- Governance and Accountability

- LBA – Election Process
- LBA - Role Description
- LBA – Leadership Covenant
- LBA – Duties
- LAC – Duties
- Role Descriptions – District Boards

- Pastor’s Report to Conference Guidelines
- Workplace Health and Safety Guidelines
- Safety Audit Checklist
- Local Church Audit Guidelines
- Compliance Audit 2021 (distributed in June)



These are available from the National Website or from the National Compliance Manager.

