

ACNC External Conduct Standards Risk Management for Churches

External Conduct Standards (ECS)

The ACNC External Conduct Standards (ECS) will impact on how your church manages its overseas missions program. ACCI Missions & Relief has had to comply with external standards of good practice in overseas missions for many years and we have in place existing policies and procedures that will ensure our compliance with these standards. Based on our experience and our understanding of ACC Churches and their missions programs, we have tried to provide you with a pathway through this challenging new area of compliance.

The ACNC Governance Standards deal with how your charity is run (including processes, activities and relationships) and these have applied to all ACNC registered charities since July 2013. The Governance Standards are principle-based, and it is the responsibility of the charity to decide how it will meet these standards based on its size, complexity and the nature of its operations.

For a typical ACNC registered, Australian church, there has never been any additional regulations, standards or restrictions around how they approach operating their overseas activities. Those churches with a tax-deductible charitable arm may have faced some additional requirements. The introduction of the external conduct standards in July 2019 has meant that for the first time, churches are now faced with reviewing their overseas missions program in the light of a set of external standards.

These standards apply to every registered charity that is operating outside Australia, or working with a third party operating outside Australia, no matter how small. These operations could include:

- sending money or other resources overseas;
- sending staff, volunteers, members or beneficiaries overseas;
- conducting activities or working overseas;
- buying goods and services from overseas suppliers (including online purchases); or
- working with individuals or organisations located overseas.

So, if your church is ACNC registered and has an overseas missions program, then you will almost certainly be required to comply with the new External Conduct Standards.

If a church missions program fails to comply with the External Conduct Standards, it could result in the revocation of your church's ACNC charitable status, meaning your church will lose access to all Commonwealth charity tax concessions, exemptions or benefits to which your church was previously entitled.

Church Overseas Missions Program

The ACNC understand that charities operate for a specific charitable purpose. For a church missions' program, we are often driven to see positive, holistic, sustainable change take place in the lives of individuals and communities overseas. We have a desired change goal, which we want to see occur in people's lives. Often this is a combination of spiritual change, social change as well as changes to their physical circumstances.

The ACNC does not prescribe what a charity must do to meet these External Conduct Standards. Each church will need to decide what is appropriate based on the circumstances of their own overseas missions' program.

The ACNC guidance materials advocate for charities to take a risk-based approach in regard to their overseas activities. This means you need to first identify and understand those risks, before you can evaluate and document an appropriate response.

Church ECS Compliance

ACCI have developed a template ***Overseas Operations Policy*** for an ACC Church Board to modify and adopt as part of their strategy for managing their ECS risk and compliance.

There is one particular way that you can significantly reduce for ECS risk and compliance; by only partnering with Overseas Activities when they are carried out through another ACNC registered charity. This is because it will be the other ACNC registered charity, that will have their own obligation to comply with the ECS.

For example, if your church supports an overseas missionary through ACCI Missions, then your church does not need to comply with the External Conduct Standards in regard to this particular overseas activity. ACCI Missions, as an ACNC registered charity, is already responsible for complying with the External Conduct Standards in relation to our missionaries and our project partners.

This risk management approach is framed within this template policy, along with guidance on how to assess the missions organisations that you are partnering with. With have even gone a step further, by including at schedule 1 of the policy, how ACCI Missions and ACCI Relief already meet the requirements under this template policy. In essence, ACCI is a pre-approved partner.

If you are not working through ACCI Mission & Relief or another ACNC Registered Charity, then we have included within the policy guidance on the suggested steps that you should be working through as part of your risk assessment and management approach.

Next Steps

1. **Review the template Overseas Operations Policy** – Review, modify and adopt as part of your churches policies (alongside your ACC Child Protection Policy).
2. **Review your existing Overseas Missions Program partners** – Use this policy to review and assess their existing level of compliance and filter any new missions partners through this same policy process.
3. **Conduct risk assessments** – Identify those partners with high risk concerns, conduct appropriate risk assessments and explore your risk management and mitigation options. ***Note that any non-ACNC registered overseas missions partner will be high risk.***
4. **Renew or conclude your overseas missions partners** - As ECS non-compliance can have a direct, negative impact on your entire churches charitable status; your churches governing board should be part of this risk review and decision making process.

If you need any further guidance as you move through these steps, contact ACCI Missions & Relief.