



STEWARDSHIP & RISK

The Finance, Audit and Risk Committee vs the Honorary Treasurer

The trigger for moving beyond a single treasurer is more precise than most boards realise

The final quarter of this series turns to how a board actually stewards the organisation it governs, and no responsibility sits more squarely at the centre of stewardship than financial oversight. Most associations start with a single honorary treasurer. Many should, at some point, move beyond that model entirely, and the trigger for that change is more precise than most boards realise.

Which rules apply to your association?

The law depends on how your association is set up. A **company limited by guarantee** follows the Corporations Act 2001 (Cth) and its constitution. An **incorporated association** follows its state or territory associations Act and its rules. A **registered charity** also follows the ACNC Act and the ACNC Governance Standards, and some Corporations Act rules are replaced for charities that are companies. Check your own governing documents, and get advice before decisions with legal consequences.

In this resource

1. [What Actually Drives The Decision: Your ACNC Size Tier](#)
2. [Why A Single Treasurer Becomes A Real Risk, Not Just A Bottleneck](#)
3. [Building The Committee Properly](#)

What Actually Drives The Decision: Your ACNC Size Tier

For a registered charity, the ACNC classifies organisations into three tiers based on annual revenue, and the classification carries real reporting consequences. Small charities, with annual revenue under \$500,000, face no ACNC requirement for their financial report to be reviewed or audited. Medium charities, with revenue between \$500,000 and \$3 million, must have their financial report either reviewed or audited, with a choice between the two. Large charities, at \$3 million or more, must have their financial report audited in full. These thresholds apply to all registered charities whatever their legal structure, although your state or territory Act, the ACNC, your constitution or a funding agreement may require more, so even a small charity may need a review or audit.

The honorary treasurer model, one volunteer director carrying financial oversight personally, suits a small charity facing no external audit or review requirement. It usually becomes harder to sustain once an organisation reaches medium size or takes on more complex grants, investments or staff, when a reviewer or auditor will be asking substantive questions the whole board is expected to have engaged with, not just the one director who happens to hold the treasurer title.

Why A Single Treasurer Becomes A Real Risk, Not Just A Bottleneck

This connects directly to two principles established earlier in this series. Under the AICD's own guidance discussed in the previous quarter, a board can delegate authority but never delegate responsibility, and every director remains responsible for exercising care and diligence over the organisation's finances, under the Corporations Act, ACNC Governance Standard 5 or the relevant state or territory Act, whoever holds the treasurer title. A board that quietly treats financial oversight as the treasurer's job alone, rather than a responsibility the whole board shares and actively engages with, is exposed on precisely this point. If the financial position deteriorates and the rest of the board did not understand what was

happening, 'the treasurer handled that' is not a defence the law is likely to accept. A Finance, Audit and Risk committee does not remove this accountability from the board. It distributes the engagement that accountability requires across several directors with complementary skills, rather than concentrating it in one person the rest of the board has quietly outsourced their judgement to.

Building The Committee Properly

A Finance, Audit and Risk committee is not simply the treasurer with company. It should be built using the same nominations discipline discussed in the second quarter of this series, identifying the specific financial, audit and risk skills the committee actually needs against the board's current skills matrix, rather than filling seats with whoever is available. The committee's mandate should extend beyond reviewing financial statements to oversight of risk appetite, internal controls, and the auditor or reviewer relationship itself, a topic the next article in this series addresses directly.

- Confirm your reporting tier: the ACNC size tier if you are a registered charity, the Corporations Act requirements if you are a non-charitable company limited by guarantee, or your state or territory Act if you are a non-charitable incorporated association, and check it against your existing financial oversight structure honestly.
- Treat crossing into medium charity territory as a trigger event for reviewing whether a single treasurer model remains appropriate, not something to address only once an audit is already underway.
- Build committee membership deliberately against financial, audit and risk skills, connecting to the skills matrix and nominations committee discussed earlier in this series.
- Keep full board reporting and substantive, not a rubber-stamped summary, since the whole board remains responsible for financial oversight even when a committee does the detailed work.

The honorary treasurer model is not obsolete. It remains appropriate for many smaller associations. What matters is recognising the specific point, tied to your actual size and reporting obligations rather than an arbitrary feeling that the organisation has grown, at which it stops matching the scale of the responsibility it is meant to discharge.

This is one of the practical governance topics built into our Board Director course, alongside the papers, tools and frameworks that turn the principle into your board's actual practice. [Explore the course](#)

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BOARDROOM ACTION WORKSHEET

The Finance, Audit and Risk Committee vs the Honorary Treasurer

Turn the resource into evidence, a decision and an accountable next step. Keep the completed record in your association's approved board records system.

1 What is the issue or decision?

State the governance question in one clear sentence.

2 What evidence do we already have?

Record the facts, source documents and stakeholder evidence available now.

3 What evidence is still needed?

Identify the legal, regulatory, financial, member or operational information still required.

4 What is the agreed next action?

Capture the owner, timeframe and how the matter will return to the board.

Action owner	Review date	Board decision or resolution

General education, not legal, financial, tax, clinical or governance advice. Confirm specifics at the relevant primary source or with your own qualified adviser. Nexus Leadership is operated by Lipstick Consulting Pty Ltd · ABN 15 619 120 482.

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