

APPENDIX B

Part 3. The Audit with Questions Only

This section has been included for those organizations that would prefer to use the ethics audit without footnotes. Feel free to make copies of these pages for everyone involved in the audit process.

Board

- * Has the board developed a clear mission statement?
- * Does the board use the mission statement as a basis for decision-making? If you are a foundation, do your grants fall clearly within your mission and funding guidelines?
- * Do all board members know what the mission statement says?
- * Is the board clear about its responsibilities?
- * Is there adequate financial oversight?
- * If board members have financial interests in the organization, how is this handled?
- * If there are significant family, personal or business relationships between people in the organization, are there clear policies for addressing problems that may occur?
- * Does the board have clear policies for dealing with conflicts of interest of all types?
- * Is there a clear values statement and/or code of ethics? Is it known to everyone in the organization?
- * Does the board meet regularly?
- * Do all board members take an active role? Are there clear policies in place to dismiss members who repeatedly miss meetings or who otherwise fail to carry out their responsibilities?
- * Is the board the right size to carry out its responsibilities? Has its size been discussed?
- * Is free expression of ideas encouraged?
- * Does the board assess its own performance regularly?

Source: Reprinted with permission from Rigg, M. & Allen, M. (1994). The ethics audit checklist. *In Conducting an ethics audit: A checklist for nonprofits* (pp. 53–59). Colorado Association for Nonprofit Organizations (CANPO).

- * Does the board use a clearly-defined process to evaluate the executive director?
- * Does the board reflect the diversity of the population served?
- * Are board meetings open to other people beside the directors?

Staff

- * Do hiring policies strive to reflect the diversity of the population served?
- * Is there a formal anti-discrimination policy?
- * Do any staff members have financial interests in the organization?
- * If there are significant family, personal or business relationships between people in the organization, are there clear policies for addressing problems that may occur?
- * If employees work outside the organization or receive remuneration for speaking engagements, consulting, etc., how is this handled?
- * Are policies in place to ensure accountability to the CEO and board?
- * Do the personnel policies ensure fairness to all staff?
- * Beyond fairness, do personnel policies provide adequate health care, sick leave, leave to care for sick relatives, etc.?
- * Are there clear policies in place for evaluating staff?
- * Are there clear policies in place for developing a salary structure and awarding pay increases?
- * Are employees provided with adequate training and development opportunities needed for their jobs?
- * How do staff voice disagreements? Are there clear and reasonable grievance procedures?
- * How are staff represented on or to the board?
- * Is the work place as safe, clean and comfortable as possible?

Donors and Fund Raisers

- * Are all fund raising statements true and balanced?
- * Does fund raising material provide a clear picture of actual programs?
- * Are people who raise funds on your behalf fully informed about the organization?
- * Might any of your solicitation methods be considered as unwarranted pressure to give?
- * Is full information on your organization easily available to anyone who asks? (e.g., annual report, IRS Form 990 or 990 PF, financial statements, and clear funding guidelines for prospective grantees.)
- * Do you educate your donors on the availability of this information? If you are a foundation, are staff or trustees available to answer questions and provide guidance?
- * If you are a foundation, do you provide equal access to groups you know as well as to those who are newcomers? Does your giving include grass roots organiza-

- tions and a healthy diversity of beneficiary agencies within your funding guidelines?
- * What is the ratio of fund raising/administrative costs to program costs?
 - * How are fund raising and administrative costs allocated?
 - * Are you up-front with donors about how their contribution will be used? Do budgets submitted to donors reflect true figures and realistic projections?
 - * If priorities/needs change, do you request donor permission to use their contribution/grant in a different way from the original stated purpose? If you are a donor, how flexible are you when nonprofits encounter changes in needs/priorities or difficulties in meeting grant agreements?
 - * How are your organization's development staff compensated?
 - * Are there clear policies on how donors may be recognized for their contributions?
 - * Is there a formal fund raising policy defining how and from whom funds are to be solicited?
 - * Do you honor donor requests for anonymity (including exchange of lists)?

Clients/Customers

- * Are policies in place to ensure confidentiality for clients?
- * When information on clients is exchanged with other agencies, are clients asked for permission? How is this handled?
- * Are clients given access to their records so that they may challenge or correct information on file?
- * What policies are in place regarding social/sexual relationships between clients and staff?
- * Are clients treated with dignity and respect?
- * Are clients provided with adequate information to evaluate and choose appropriate services?
- * Are clients fully and fairly informed of alternative services?
- * Are there adequate grievance procedures for clients who may be dissatisfied with services provided?
- * Are program services available without discrimination? (*Obviously, certain programs are targeted to specific groups; within those target groups, are services distributed fairly?*)
- * Are programs accessible to clients (location, hours of operation, physical access to the building)?
- * Is information available in other languages, Braille or a recording, when necessary?
- * How do you balance the rights of clients with the rights of staff/volunteers?

Volunteers

- * Are policies in place to ensure adequate, appropriate screening of volunteers?
- * Are all volunteers screened in the same way, including board members?

- * Are all volunteers provided with training and appropriate supervision?
- * Are your organization's expectations made clear to the volunteer?
- * Are the volunteer's expectations clearly understood by the organization?
- * Are volunteers assigned meaningful work?
- * Are volunteers treated with dignity and respect?
- * Is there a clear grievance procedure for volunteers?
- * How are volunteers held accountable to the organization?
- * Are policies in place for warning, dismissing, or reassigning volunteers who break agency rules or do not perform assignments as agreed?
- * Are clear policies in place regarding volunteer recognition and reward?
- * Are policies in place regarding reimbursement for expenses incurred in volunteer duties?
- * Has the organization determined the type of volunteers necessary for its operation and made plans to recruit them?

Society

- * Does your organization take adequate steps to educate the public about its programs and services?
- * Does your organization provide full information about itself to any member of the public, not just to organizational donors and members?
- * Is your organization sensitive and responsive to the needs and concerns of the neighborhood and community?
- * Within allowable guidelines, does your organization do all it can to advocate for legislation and social change consistent with its mission?
- * Does your organization employ ecologically beneficial practices, such as recycling, minimal use of electricity, etc.?
- * Does your organization act with respect toward other organizations in the nonprofit sector?
- * Does your organization conduct itself in ways that enhance the reputation of the nonprofit sector?
- * Does your organization assume some share of responsibility for the well-being of the entire nonprofit sector?
- * How does your organization handle competition with other nonprofit organizations?