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## **GOVERNANCE POLICY**

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Adopted by the Board: July 2007

## **ANZSLA GOVERNANCE POLICY**

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### **1 GENERAL PRINCIPLES**

- 1.1 The Board, as reflected in the ANZSLA constitution, represents the members and exercises its functions and duties for the sole benefit of the Association and its members.
- 1.2 The Board is responsible for:
- i. defining and implementing the ethical framework of the Association;
  - ii. defining and nurturing the Association's fundamental values;
  - iii. ensuring the Association achieves its mission, vision and strategic objectives;
  - iv. ensuring the Association observes all laws and other lawful obligations on the Association;  
and
  - v. ensuring the financial viability and security of the Association.
- 1.3 The Board will govern with an emphasis on:
- i. ends rather than means;
  - ii. external view rather than internal preoccupation;
  - iii. encouraging excellence through a diversity of inputs with collective rather than individual decisions;
  - iv. strategic leadership rather than administrative detail; and
  - v. acceptance and implementation of the distinction between the roles of the Board and the Executive Manager.

### **2 GOVERNANCE PROCESS**

- 2.1 Consistent with the acknowledgement that sound Board systems provide better leadership and protection for the Association and its members, Board and officers against poor management and unlawful practices, the Board will develop, implement and regularly review policies and procedures , the chief of which is a Strategic Plan.
- 2.2 This governance policy provides for:
- i. Governance Process: describing the way the Board organises its own work and carries out its governing role.
  - ii. Board/Executive Manager Linkage: defining the nature of the interrelationship between the Board and the Executive Manager and any limitations placed on that person.
  - iii. Strategic Plan: describing the principal outcomes the Board intends the organisation should achieve. Will include the Association's mission and vision, a set of strategic objectives and more specific key result/outcome statements.
- 2.3 The Executive Manager will develop operational policies, including a management plan, defining day-to-day operational frameworks and guidelines. All operational policies shall be consistent with the principles, boundaries and definitions espoused in the Board-level policies.

- 2.4 Any Board Member or the Executive Manager may propose to the Board a policy be added, altered or deleted. Before the Board determines its position in respect to any policy proposal it must be satisfied the:
- Purpose of the policy proposal is explicit and clear;
  - Proposed policy is consistent with existing governance policy;
  - Board has had sufficient time to consider the proposal and to understand the rationale for its adoption.
- 2.5 The Board will only approve governance policies at a formally constituted Board meeting.
- 2.6 To fulfil its governance responsibilities, the Board will follow an annual agenda that:
- Regularly reviews policies and relevant strategic issues;
  - Provides assurance that all relevant compliance requirements are addressed; and
  - Improves Board performance through education and a continuous focus on its governance effectiveness.

### 3 **CODE OF ETHICS**

- 3.1 The Board is committed to the adoption of ethical conduct in all areas of its responsibilities and authority. Without limiting this commitment in any way, all Directors must:
- i. act honestly and in good faith at all times;
  - ii. act in accordance with their fiduciary duties, complying with the spirit as well as the letter of the law, recognising both the legal and the moral duties of the role;
  - iii. ensure scrupulous avoidance of deception, unethical practice or any other behaviour that is, or might be construed as, less than honourable in the pursuit of the Association's business;
  - iv. be diligent, attend Board meetings and devote sufficient time to preparation for Board meetings to allow for full and appropriate participation in the Board's decision making;
  - v. observe all Board policies and abide by Board decisions once reached notwithstanding a Director's right to properly pursue a review or reversal of a Board decision;
  - vi. not to do anything that in any way denigrates the Association or harms its public image;
  - vii. make every reasonable effort to ensure that the Association does not raise member, community or other expectations that cannot be fulfilled;
  - viii. meet its responsibility to ensure that all staff employed by the Association are treated with due respect and are provided with a working environment and working conditions that meet all reasonable standards of employment as defined in relevant workplace legislation;
  - ix. regularly review its own performance as the basis for its own development and quality assurance; and
  - x. ensure that the Association's assets are protected through a suitable risk management strategy

#### 4 **DIRECTOR POSITIONS**

4.1 The Board comprises the President, Secretary, Director of Finance and 4 other elected Directors and up to 2 co-opted Directors.

#### 4.2 The **PRESIDENT:**

- i. assures the integrity and fulfilment of the Board's process and is the primary representative and spokesman of the Association and the Board;
- ii. is a first among equals, fulfilling the role of servant leader to the Board and the Association;
- iii. must ensure the observance of the Constitution, the proper implementation of this Governance Policy and the Board's policies;
- iv. at all Board meetings must ensure that:
  - discussion is on issues that, according to Board policy, is the responsibility of the Board to determine and not the Executive Manager; and
  - deliberation is fair, open and thorough, timely, orderly and to the point.
- v. in effecting his or her role is entitled to reasonably interpret the Constitution, this Governance Policy and the Board's policies;
- vi. has no authority to alter this Governance Policy and the Board's policies or decisions;
- vii. must treat all Directors fairly and even-handedly; and
- viii. may delegate authority but always remains accountable for its use.

#### 4.3 The **SECRETARY:**

- i. is the public officer of the Association with all the attendant duties and responsibilities under the Associations Incorporations Act 1981 (Vic).
- ii. is responsible to the members at general meetings, the Board between general meetings and the President between meetings of the Board;
- iii. convenes all general meetings of the Association and all meetings of the Board;
- iv. in consultation with the President, prepares the agenda for all general meetings of the Association and all meetings of the Board;
- v. ensures that the minutes of all general meetings and all meetings of the Board are taken, with the assistance of the Executive Manager; and
- vi. effects all insurances for the benefit of the Association, the Directors and officers of the Association, following approval from the board of such undertakings.

#### 4.4 The **DIRECTOR OF FINANCE:**

- i. is responsible for the financial affairs of the Association and, as such, for preparing financial reports and statements for the Board and the Association in accordance with legal requirements, generally accepted accounting principles and all applicable policies of the Board.

- ii. is responsible for all other financial aspects of the Association as written in the ANZSLA Financial Procedures Manual.

4.5 All **DIRECTORS** must:

- i. commit to ethical, businesslike and lawful conduct, including proper use of authority and appropriate decorum at all times;
- ii. observe all legal, fiduciary and ethical duties on Directors and all policies of the Board;
- iii. provide input to the Board's policies and decisions;
- iv. adhere to, support and actively promote all decisions ratified by the board;
- v. not do anything that in any way denigrates the Association or harms its public image;
- vi. make their knowledge and experience available to the Executive Manager to assist in the administration of the Association and its operations; and
- vii. assist in the promotion of the Association, its profile and membership, particularly within the State or Territory of Australia or region of New Zealand in which the Director resides.

## 5 **PORTFOLIO RESPONSIBILITIES**

- 5.1 In accordance with the Association's strategic plan, Directors will be allocated portfolio responsibilities at the direction of the President in addition to specific duties outlined in sections 4.2 to 4.5.
- 5.2 In meeting the responsibilities of an allocated portfolio, Directors play an overseeing role in ensuring the Association is implementing identified strategies in the relevant area of the Association's strategic plan.
- 5.3 The Director will liaise directly with the Executive Manager in fulfilling their portfolio role.
- 5.4 Portfolio responsibilities will be reported against at regular board meetings.

## 6 **BOARD MEMBER INDUCTION**

- 6.1 In association with the Executive Manager, the Secretary is responsible for introducing all new members of the Board to the affairs of the Board and the Association and, to assist in this, in preparing and maintaining a Directors' Kit which will include copies of the Constitution, all Board policies and any other documents relevant to the performance of the Board.
- 6.2 All new Directors will be provided with a Directors' Kit prior to attending their first Board Meeting.

## 7 **CONFLICTS OF INTEREST**

- 7.1 A Director must not make improper use of:

- his or her position in the Association; or
- information acquired by virtue of his or her position in the Association;

so as to gain, directly or indirectly, any pecuniary benefit or material advantage for himself or herself or any other person, or so as to cause a detriment to the Association.

7.2 A Director who has any direct or indirect pecuniary or other interest in a contract, or proposed contract, with the Association must:

- as soon as he or she becomes aware of his or her interest, disclose the nature and extent of his or her interest to the Board;
- must not take part in any decision of the Board with respect to that contract but may, with the prior approval of the Board and subject to paragraph 7.4, take part in any deliberations with respect to that contract; and
- disclose the nature and extent of any pecuniary interest in the contract to the members of the Association at the next annual general meeting.

7.3 The Secretary will cause all disclosures of potential or actual conflicts of interest to be registered, presented to the Board and minuted at the first Board Meeting following the disclosure.

7.4 The Board will determine whether or not the potential or actual conflict is of a material nature and, if it determines it is of material benefit to the individual or material significance to the Association, the Director concerned must not take part in any deliberations with respect to that contract.

## 8 **BOARD / EXECUTIVE MANAGER LINK**

8.1 The relationship between the Board and the Executive Manager is one of partnership that is approached in that spirit with mutual respect and support for the interdependent but separate roles.

8.2 The Executive Manager is the Board's sole direct employee in whom is vested responsibility and accountability for the administration of the Association and its operations. Any other staff or volunteers of the Association are to be responsible to the Executive Manager.

8.3 The Board should direct, not manage, the Executive Manager by providing policies, defined and unambiguous parameters of action and outcomes to be achieved. Subject to these, the Executive Manager will establish and implement all operational policies, decisions, practices and activities.

8.4 The Executive Manager will:

- i. observe all limits on his or her authority imposed by the Board;
- ii. ensure that the Board remains informed about issues and concerns essential to the meeting of its duties, the carrying out of its responsibilities and the meeting of its accountabilities to the Association and its members;
- iii. attend all meetings of the Board as an observer and is responsible for taking the minutes of each meeting of the Board;
- iv. take all prudent and reasonable actions to ensure that the Association's assets, physical and intellectual, are protected against all foreseeable damaging circumstances;
- v. observe and ensure the observance of all requirements under the finance procedures manual and report to and liaise with the Director of Finance in respect of all financial matters;
- vi. inform the Board of any breach of any externally imposed compliance requirement;

- vii. inform the Board of significant external environmental trends, achievement of, or progress towards, the achievement of the Board's policies, and of changes in the basic assumptions upon which the Board's policies are based;
  - viii. inform the Board when for any reason there is actual or anticipated non-compliance with a Board policy or legal requirement;
  - ix. inform the Board of any serious legal conflict or dispute or potentially serious legal conflict or dispute that has arisen or might arise in relation to matters affecting the Association;
- 8.5 The Executive Manager must not take, or approve any action in the name of the Association that is in breach of the law, is imprudent or which contravenes any organisation specific or commonly held business or professional ethic.
- 8.6 The Executive Manager may defer instructions or requests from individual Directors if, in the Executive Manager's opinion, such requests or instructions are:
- i. inconsistent with the Board's policies;
  - ii. an unjustifiable cost to the Association;
  - iii. an unjustifiable intrusion into the Executive Manager's time.

The Executive Manager must notify the President and Secretary of any such instruction or request.

## 9 CONFIDENTIALITY

All Directors and the Executive Manager must keep confidential all information that is confidential to the Association other than as agreed by the Board or as required under law.

## 10 SUCCESSION

- 10.1 The Board has a responsibility to ensure that it has in place a succession plan for its own members and for the Executive Manager.
- 10.2 The Executive Manager must ensure that proper records are kept of his or her activities and the affairs of the Association and also that the President and Secretary are fully aware of his or her activities so that the Association can continue to operate in the event of an unexpected loss of his or her services with at least one person capable of responding to Board concerns and requirements at a level necessary for effective governance.

## 11 COMMITTEES

- 11.1 The Board may establish committees only to support it in its own work, never to conflict with the Executive Manager's responsibilities. Any committees established by the Board must be established and operate in accordance with Rule 20.2 of the Constitution.
- 11.2 Committees will have terms of reference clearly defining their roles, life span, procedures and functions and the boundaries of their authority, reviewed annually.
- 11.3 Unless specifically empowered by the Board, committees cannot make decisions binding on the Board or speak for the Board. However, a decision of a committee exercising Board delegated authority is a decision of the Board and will be treated by the Executive Manager accordingly.
- 11.4 Committees may co-opt outside members from time to time in order to bring additional skills, experience or networks.

11.5 Committees cannot exercise authority over staff nor may they delegate tasks to any staff unless the Executive Manager has specifically agreed to such delegation.

12 **BOARD REVIEW**

12.1 The Board will undertake an annual performance evaluation that:

- a) Reviews the performance of the Board against the requirements of this policy;
- b) Reviews the performance of the Board Committees against the requirements of their respective terms of reference; and
- c) Review the individual performances of the Directors and Executive Manager.

12.2 The Board will determine the scope of the performance evaluation and how it is carried out, in order to achieve the objectives in 12.1.