

BOARD INDUCTION & GOVERNANCE MANUAL

Governance is separate from the management of staff and programmes
Even where they are carried out by much the same group of people

In the following pages of this Governance Manual are set out the primary role, responsibilities and functions undertaken by a Board in discharging its accountability to key stakeholders. This document forms the official policies and position of the fictional and should be used as a guide

Table of Contents

BOARD INDUCTION & GOVERNANCE MANUAL	1
PRINCIPLES OF GOVERNANCE.....	3
Governance and 'the association's' Constitution	3
Board's Responsibility to deliver the respective associations objects.....	3
Mission & Vision	3
Strategic Direction	3
BOARD: ROLE AND FUNCTIONS.....	4
Board Role.....	4
Meeting Protocols.....	4
BOARD: CHARTER.....	5
Accountability	5
Strategy	5
Monitoring and supervising	5
Policy	6
CEO.....	6
BOARD: DIRECTOR CODE OF CONDUCT	7
BOARD: OFFICE BEARER ROLES.....	8
Chair of the Board.....	8
Secretary	8
Treasurer	9
BOARD: NEW DIRECTOR INDUCTION	10
Introduction.....	10
New Director Induction Process	10
BOARD FUNCTIONS.....	11
FUNCTION: ACCOUNTABILITY.....	11
Accountability Functions.....	11
Communication with Stakeholders Protocol.....	11

Board Performance Effectiveness Evaluation Policy	11
Format of Board KPIs	11
FUNCTION: MONITORING & SUPERVISING	12
Monitoring and Supervising Functions	12
Subcommittee Formation and Terms of Reference	12
Risk Management	12
FUNCTION: STRATEGY	13
Strategy Functions	13
Strategic Plan	13
Managing the Board’s Role in Planning and Monitoring Strategy	13
FUNCTION: POLICY	14
Policy Functions	14
Governance Policy: Investment in Governance	14
Governance Policy: Board Recruitment	14
Conflict of Interest Management Policy	15
Board Confidentiality	15
FUNCTION: WORKING WITH AND THROUGH THE CEO	16
CEO Functions	16
CEO Performance Evaluation Policy	16
Format for CEO KPIs	16
Board and CEO Role, Authorities, Responsibilities and Delegations	17
POTENTIAL BOARD COMMITTEES:	19
AUDIT & RISK	19
COMMITTEE: NOMINATIONS	19

PRINCIPLES OF GOVERNANCE

Governance and 'the association's' Constitution

The said 'association' is a not-for-profit public company limited by guarantee. The Objects and Purposes of the association as set out in the constitution are to:

These are examples

- educate and inform
- serve the community by promoting
- advance the purpose and effectiveness of sector
- support and mentor
- provide opportunities through discussion, study, publications, meetings and conventions at a national and international level
- anything ancillary to the objects of the association outlined in the constitution.

Board's Responsibility to deliver the respective associations objects

The Board, like any other such governing body, is empowered to exercise every right, power or capacity of the association. The Board recognises and embraces the fact that being conferred with these extensive powers, the Board has significant accountability for the responsible exercise of those powers in the interests of 'the association' as a whole. The Board regards this accountability as meaning that the Board is responsible primarily to the members (as a whole) of 'the association', but also to the broader key stakeholders in the association, to deliver the constitutional objects set out in the Constitution.

This sense of accountability and responsibility underpins the philosophy of governance at 'the association', and demands a constant awareness on the part of the Board to appropriately balance the discharge of these accountabilities.

In the following pages of this Governance Manual are set out the primary role, responsibilities and functions undertaken by the Board in discharging its accountability to key stakeholders.

Mission & Vision

Each association has different Mission/Vision statements.

Strategic Direction

Form the Mission/Vision statements comes 'the association's' strategic plan.

BOARD: ROLE AND FUNCTIONS

Board Role

The Board's agreed role in the governance of 'the association' is to ensure that the organisation strives for excellent performance, in accordance with Board-approved performance standards, whilst appropriately balancing performance with responsible legal and other conformance obligations.

The principal activity of the Board is to make effective decisions for the organisation. This is done through the main mechanism of meetings of the Board. In order to carry out this activity at its meetings, the overarching principles applying to the conduct of meetings of the Board are:

- a) Meetings are convened and conducted in such a manner as to be conducive to effective decision- making;
- b) Information provided to the Board in advance of Board meetings is provided in a form and with a content designed to fully inform the Board of the information it requires to make relevant decisions, and is provided in a timely fashion to enable the Board members to prepare for meetings; and
- c) Board members are expected to read all material in advance of meetings so as to provide the optimum chance to discuss relevant information, give advance notice to management of other information which may be required, and reach relevant decisions.

Meeting Protocols

The Board is responsible to agree, from time to time the protocols applicable to the conduct of meetings. As at the date of publication of this Manual, the protocols agreed by the Board are set out in this section of the Manual.

1. Adequate notice of all meetings of the Board is to be given to all Directors, in accordance with the Constitution of 'the association'.
2. All Directors shall be given the opportunity to be heard on all matters discussed by the Board.
3. All Directors and the CEO (and any members of management in attendance at meetings) shall treat one another with the utmost respect.
4. Meetings shall be under the primary control of the Chair of the Board (or the chair of the meeting as per the Constitution) and Directors shall comply with all lawful directions of the chair of the meeting in question.
5. Accurate minutes of all meetings shall be kept.
6. Minutes shall be taken by a person determined by the Board (whether being a member of the Board or an employee of 'the association' or any other person) and approved by the Board at the next meeting.
7. Decisions shall be taken by resolution by show of hands unless the Chair of the meeting determines that some other process is demanded in the circumstances.
8. Resolutions shall be effected by one present Director moving and one seconding the relevant resolution, with the chair of the meeting then inviting discussion and the resolution ultimately being taken by requesting show of hands of those in favour of or against a motion.
9. Provided that it is an accurate reflection of the business of the particular meeting, any Director may require that the minutes of a particular meeting record the Director's vote against a resolution, or an abstention and any relevant detail associated.

BOARD: CHARTER

Accountability

The Board provides accountability by ensuring:

1. clear written statement of role and responsibilities for Board;
2. expenditure of money and use of resources consistent with appropriately balanced competing interests of stakeholders;
3. appropriate transparent management reporting systems exist;
4. regular effective communication with key stakeholders; e) adequate avenues exist for people seeking bona fide communication with the organisation;
5. active monitoring of viability and activities of the organisation;
6. statutory and formal accountabilities (e.g. regulators, funding bodies etc.) are met;
7. meaningful evaluations are conducted on the effectiveness of: (i) the board (including individual directors); (ii) committees of the Board; (iii) the CEO
8. relevant and meaningful professional development provided for Board and senior management.

Strategy

The Board is responsible to ensure that the organisation pursues appropriate strategy by ensuring:

1. delegation of responsibility to the CEO for driving development of strategy;
2. an annual cycle for strategic planning is determined with the CEO;
3. whole Board is engaged in the strategic planning and review processes;
4. inclusion in strategic planning of proper consideration of risks, opportunities and stakeholder views;
5. inclusion of clear measurable financial and other objectives in all strategic plans;
6. preparation of business plans and budgets consistent with and to support agreed strategic plans;
7. regular monitoring and reviewing of the performance of the organisation against approved strategic plans and goals.

Monitoring and supervising

The Board is responsible for monitoring and supervising the governance and management of the organisation by ensuring:

1. it actively monitors implementation of agreed strategies and policies (including budgets);
2. the receipt and review of regular management reporting;
3. the Board has a direct relationship with the external auditors to ensure integrity and financial reporting;
4. development of an appropriate documented risk management framework which is regularly monitored, reviewed and updated;
5. appropriate use of Board committees for more detailed attention as necessary.

Policy

The Board is responsible for the development of appropriate policy by ensuring:

1. development of key governance policies by the Board in keeping with appropriate practices in governance and legal accountability;
2. the CEO is accountable and responsible to the Board to develop appropriate operational policies;
3. organisational and operational policies are approved by the Board where appropriate and otherwise the Board is aware of them;
4. there is clear delineation between Board policy and policy which is the responsibility of the CEO to develop and monitor;
5. active monitoring of all Board approved policies.

CEO

The Board is responsible for forging a strong and productive mutually trusting working relationship with the CEO for the benefit of the organisation, by ensuring:

1. openness and honesty in all matters is encouraged between Board and CEO;
2. this relationship is fostered between meetings through encouraging a close working relationship between Chair and CEO;
3. clear written terms of appointment, position, description and delegations for the CEO are in place;
4. agreeing annual KPIs for CEO performance;
5. annual CEO performance reviews are conducted by the Board against position description and agreed KPIs;
6. regular ongoing reporting by CEO to Board in a form which is meaningful and relevant; and
7. a CEO succession plan is in place.

BOARD: DIRECTOR CODE OF CONDUCT

Members of our Board are expected to fulfil the following requirements:

1. You are individually responsible to:
 - i. actively contribute to all aspects of the Board's role and functions as outlined in this document;
 - ii. act consistently with the organisation's values; and
 - iii. not cause any harm or detriment to the public image of the organisation.
2. As a minimum, you are to become familiar with and strive to fulfil the following legal and fiduciary duties of directors including:
 - i. the duty of care and diligence;
 - ii. the duty to exercise powers in good faith in the interest of the company as a whole and for a proper purpose; and
 - iii. the duty not to misuse information or position.
3. You must avoid all conflicts of interest (including Conflicts of Interest and Duty and Conflicts of Duty and Duty) according to the Board's Conflict of Interest Management Policy.
4. You are to be mindful of protecting the interests of the organisation as a whole through respecting the confidentiality of all board discussions, except only if expressly permitted or requested by the Board to discuss the matter externally and then only strictly in accordance with the Board's directions.
5. Board members strive to ensure that Board meeting time is spent only on matters which are either clearly within the scope of matters which are reserved for the Board or are material within the organisation's context.
6. Each Board member is expected to comply with the Board's minimum director contribution expectations, namely:
 - i. attendance at a minimum of 75% of Board meetings (including specially scheduled meetings for strategy and business planning);
 - ii. active involvement in at least 1 committee of the Board or project of the association (except in extenuating circumstances only);
 - iii. completion of all scheduled Board skills training or professional development (except in extenuating circumstances only); and
 - iv. active and ethical participation in and contribution to discussions at Board meetings.
7. Board members strive to help build a strong culture within the Board and between Board and Management based on the importance of openness, honesty, fostering trust and mutual respect and taking individual responsibility for the role and functions of board members.
8. You will relate to and communicate with the administration through the Chief Executive Officer, who may however, as a matter of mutual convenience, delegate another staff member to deal with or assist the Board, its Committees or individual Board members, either generally or on particular matters.
9. The Board acts as a corporate body only. No Committee of the Board or Board member may give directions to the Chief Executive Officer or any staff member, except to the extent that the Board has expressly delegated its power in a specified area to that Committee or Board member.
10. Any Board or Board member complaint regarding any staff member must be directed via the Chair to the Chief Executive Officer for appropriate action to be determined by mutual consensus.

BOARD: OFFICE BEARER ROLES

Chair of the Board

The Chair of the Board assures the integrity of the Board's process and, secondarily, as appropriate, represents the Board to outside parties. Accordingly:

1. the role of the Chair is to ensure that the Board operates consistently within its own processes and those legitimately imposed upon it from outside the organisation;
2. the Chair of the Board is to assure the implementation of the procedural aspects of the governance process and Board-CEO linkage policies, except where the Board specifically delegates components of this to others;
3. the Chair is authorised to use any reasonable interpretations of the provisions in these policies;
4. the Chair is empowered to chair Board meetings, with all the commonly accepted power of that position (for example, ruling, recognising) whilst ensuring that Board Members have the opportunity to participate and be heard at Board meetings;
5. the Chair has no authority greater than delegated to him or her by the Board as a whole and so has no added authority to supervise or direct the CEO or other members of management;
6. the Chair may represent the Board to outside parties in announcing Board-stated positions and in stating the Chair decisions and interpretations within the area delegated to her or him;
7. the Chair may delegate this authority but remains accountable for its use; and
8. the Chair shall lead the CEO performance evaluation process.

Secretary

The Secretary is legally accountable for the fulfilment of these responsibilities under the Associations Incorporation Act and should ensure that they are completed. The Secretary may be supported by staff in the completion of these tasks:

1. notify any change of the registered office of the association within 1 month,
2. make the rules available to members if asked,
3. ensure that the rules are in printed legible form,
4. provide a certified copy of the audited financial statements to the Department of Fair Trading within one month of the adoption of the statements by the annual general meeting,
5. notify the Department of any change of president, secretary or treasurer within 1 month,
6. notify the Department of any change in the address of the secretary within 1 month,
7. provide the "return" required by the Department with the audited financial statements,
8. be one of the signatories for negotiable instruments (for example, cheques).

The Secretary may also:

1. assist in managing the agenda for Board meetings and distribute papers to the Board as requested and required by the Board; and
2. distribute minutes to Board members as requested.

Treasurer

The Board is accountable for the fulfilment of the following responsibilities. The Treasurer is charged with ensuring the following matters are brought to the Board's attention. The Treasurer may be assisted by staff in the completion of these tasks:

1. serve as the Public Officer for the purposes of tax reporting.
2. assist the CEO and Board with compliance with the additional accounting requirements through:
 - i. the Treasurer or other authorised officer being the designated person for receiving and receipting all amounts
 - ii. the Treasurer or other authorised officer deposit such amounts in the association's bank account and enter particulars into the cash book;
 - iii. payments of \$100 or more must be made by cheque or electronic funds transfer;
 - iv. petty cash payments recorded in petty cash book;
 - v. Board approval or ratification of all expenditure with related documented minute;
 - vi. expenditure being adequately documented, filed in chronological order in a place decided by the committee;
 - vii. cheques and other negotiable instrument signed consistently with the Board's financial delegations schedule;
3. the Treasurer regularly balancing the cash book and bank statement, and
4. 'the association' keeping its financial records in New Zealand for at least 7 years.
5. taking all reasonable steps to ensure 'the association' complies with the Regulations and working with the Executive Director on:
 - i. the adequacy of financial systems and controls
 - ii. preparing an annual budget
 - iii. ensuring financial reporting to the Board on a regular basis, including profit and loss statements with budget comparison, balance sheet and (if needed) cash forecasts;
 - iv. making recommendations regarding the engagement and role of the auditor, and interacting with the auditor during the audit process.
6. Be a member of the Finance subcommittee.

BOARD: NEW DIRECTOR INDUCTION

Introduction

Boards, as governing bodies, need to ensure that all new Board members are provided with support and information to assist them in discharging their governance responsibilities.

It is inefficient and unproductive for a Board to leave new members of the Board to find their feet simply through their own experiences. Generally, all new Board members should receive an introduction to the working of 'the association'; their role and responsibilities; and 'the association's' administrative arrangements. A systematic program of induction will facilitate this process.

New Director Induction Process

All Board members are expected to contribute to Board meetings to the best of their ability. To facilitate this, the Board will provide each new Board member with a thorough induction into the affairs of both the Board and 'the association' including details of its issues, current concerns, staff, its financial position and its liabilities and assets each new Board members will receive a "New Board Member Pack", including a copy of the following documents:

1. The Governance Manual (including the Board Code of Conduct);
2. The Constitution;
3. The organisational chart;
4. The current strategic plan;
5. The most recent annual report;
6. The last two sets of Board minutes;
7. The names, addresses and contact details of all Board members;
8. The list of committees and their members;
9. Copies of insurance cover relating to their position (Professional Indemnity, Directors and Officers Liability etc.); and
10. Details of upcoming meetings and other Board events.

New Board members will meet with the Chair after being given the "New Board Member Pack" and preferably before their first Board meeting. Its purpose is to answer any questions the new Board member/s may have and to help familiarise them with the Board's governance role.

New Board members will also meet with the CEO. The purpose of this meeting is to familiarise the new member/s with the staff's operational role, to tour the facility and to meet staff.

New Board members should be supported throughout the first six months of their appointment by members of the Board and the Chair.

New Board members will be required to sign a letter of agreement indicating that they are fully aware of their role and its implications and accept this position.

Whilst the induction process is designed to assist new Board members with their understanding of 'the association', it should be anticipated that further training may need to be provided to assist the Board member to understand the financial and operational aspects of 'the association'. These could include some financial skills training or other appropriate training.

BOARD FUNCTIONS

FUNCTION: ACCOUNTABILITY

Accountability Functions

The Board's functions relating to provision of accountability to key stakeholders are as follows:

1. clear written statement of role and responsibilities for Board;
2. expenditure of money and use of resources consistent with appropriately balanced competing interests of stakeholders;
3. appropriate transparent management reporting systems exist;
4. regular effective communication with key stakeholders;
5. adequate avenues exist for people seeking bona fide communication with the organisation;
6. active monitoring of viability and activities of the organisation;
7. statutory and formal accountabilities (e.g. regulators, funding bodies etc.) are met;
8. meaningful evaluations are conducted of the effectiveness of: (i) the Board (including individual directors), (ii) committees of the Board (iii) the CEO
9. relevant and meaningful professional development provided for Board and senior management.

Communication with Stakeholders Protocol

Communications with stakeholders are primarily the delegated responsibility of the CEO. Consequently, individual Directors do not provide communication back to stakeholders about matters discussed or agreed by the Board, including, for clarity, to those stakeholders from which Directors are nominated or by which they are employed, except only strictly as expressly agreed by the Board.

Board Performance Effectiveness Evaluation Policy

As a part of its sense of accountability to key stakeholders, and in particular to the Members of 'the association' who elect the Board, the Directors commit to an annual process for the evaluation of the Board's effectiveness. This is undertaken with a view to continuous improvement, rather than with a sense of identifying failures or short-comings of the Board or its Members. A policy in regards to this is to be developed.

Format of Board KPIs

It is an integral part of the evaluation of the Board's performance effectiveness that the Board adopts a set of annual key performance indicators by which it evaluates its effectiveness each year. A policy in regards to this is to be developed.

FUNCTION: MONITORING & SUPERVISING

Monitoring and Supervising Functions

The Board is responsible for monitoring and supervising the governance and management of the organisation by ensuring:

1. it actively monitors implementation of agreed strategies and policies (including budgets);
2. the receipt and review of regular management reporting;
3. the Board has a direct relationship with the external auditors to ensure integrity and financial reporting;
4. development of an appropriate documented risk management framework which is regularly monitored, reviewed and updated;
5. appropriate use of Board committees for more detailed attention as necessary.

Subcommittee Formation and Terms of Reference

Subcommittees are an important part of the monitoring role of the Board as much of the detailed discussion on key monitoring issues (such as financial management) occurs within subcommittees of the Board

Subcommittees operate as advisory bodies only, providing advice, recommendations and assistance to the Board and only making decisions on behalf of the Board if expressly delegated and directed by the Board to do so in relation to specified matters.

Terms of Reference will be drawn and implemented for each Committee of the Board.

Risk Management

As a key element of its monitoring and supervising functions, the Board has recognised the importance of understanding the material risks to the organisation and how they are being managed. Risk management is never a finite task, and cannot be considered complete at any point in time. The Board therefore regards the building of a risk-aware culture within the organisation broadly to be critical to the successful discharge of its responsibilities in this arena.

FUNCTION: STRATEGY

Strategy Functions

The Board is responsible to ensure that the organisation pursues appropriate strategy by ensuring:

1. delegation of responsibility to the CEO for driving development of strategy;
2. an annual cycle for strategic planning is determined with the CEO;
3. the whole Board is engaged in the strategic planning and review processes;
4. inclusion in strategic planning of proper consideration of risks, opportunities and stakeholder views;
5. inclusion of clear measurable financial and other objectives in all strategic plans;
6. preparation of business plans and budgets consistent with and to support agreed strategic plans;
7. regular monitoring and reviewing of the performance of the organisation against approved strategic plans and goals.

Strategic Plan

The current Strategic Plan for 'the association', once completed, will be available from the CEO upon request.

Managing the Board's Role in Planning and Monitoring Strategy

The Board's role in the development of the Strategic Plan and ongoing monitoring of it is primarily managed by:

the Board setting the annual calendar in advance for the Board's meeting schedule to include adequate opportunity for the Board to be engaged in discussions surrounding the continual monitoring and revision of the Strategic Plan;

1. specifically, scheduling an annual strategy planning meeting in January each year;
2. scheduling 'strategy and policy implications' as a standing item at the end of each agenda to give Directors the opportunity to raise, for later scheduled discussion, strategic or policy issues which may have arisen but which have not otherwise been capable of being raised or addressed during the ordinary business of a meeting;
3. requiring reporting from the CEO on an ongoing basis to be framed against the strategic goals of the organisation under Board Retreat Strategic Directions;
4. requiring the CEO to provide for information, copies of all business or operational plans developed by the CEO based on Board-approved Strategic Plans;
5. ensuring that KPIs for the Board which are developed as a result of the Board's annual performance effectiveness evaluation take into account and reflect, where appropriate, Board- approved strategic goals or priorities;
6. ensuring that KPIs for the CEO which are developed as a result of the annual CEO performance evaluation take in to account and reflect Board-approved strategic goals or priorities, and include a requirement that staff performance evaluation processes (which are under the authority of the CEO) do the same.

FUNCTION: POLICY

Policy Functions

The Board is responsible for the development of appropriate policy by ensuring:

1. development of key governance policies by the Board in keeping with appropriate practices in governance and legal accountability;
2. the CEO is accountable and responsible to the Board to develop appropriate operational policies such as the Operational Manual;
3. organisational and operational policies are approved by the Board where appropriate and otherwise the Board is aware of them;
4. there is clear delineation between Board policy and policy which is the responsibility of the CEO to develop and monitor;
5. active monitoring of all Board approved policies.

Governance Policy: Investment in Governance

It is recognised that effective governance is desirable to ensure that the Board is able to discharge its fundamental role of ensuring performance of 'the association'. This can be regarded in some ways as an aspect of effective risk-management for 'the association', since the effectiveness of the Board contributes to the strong guidance and monitoring of the organisation generally.

It is also recognised that there is a literal cost in financial terms in 'the association' supporting the Board adequately to do its job. 'The association' budget-development therefore includes allowance for costs associated with the operation of the Board, and its continual improvement, since this is regarded as a valuable investment for the secure governance and stewardship of the assets and resources of 'the association'. Some of those costs include:

1. cost of reasonable travel and accommodation arrangements for attendance of Directors at Board meetings; and
2. cost of annual professional development activities for Directors, strictly subject to prior Board approval. The Board Travel Policy is set out in the Policies section of this document.

Governance Policy: Board Recruitment

In all instances of Board appointments, the Board proactively seeks to influence the selection of Directors to provide relevant and diverse skills, backgrounds, perspectives, expertise and networks that will assist the Board to carry out its role.

Accordingly Director recruitment and Board development is a shared responsibility and, where possible, will be undertaken with due consideration of options, need and existing competencies.

Assistance is sought from outgoing Directors to help in the proactive selection of 'replacement' Directors and in their pre- and post-appointment induction where reasonable.

Conflict of Interest Management Policy

Effective identification and management of conflicts of interest in the Boardroom is essential for two reasons, namely:

1. In order to build a strong Boardroom culture of mutual trust, respect and openness, which assists with rigorous and consistent decision-making; and
2. To ensure absolute confidence amongst Members, other stakeholders and the Board itself, that Board decisions are made only in the interests of 'the association', and are not undermined by other allegiances or interests of Directors.

Board Confidentiality

A strong awareness of, and respect for, the importance of Boardroom confidentiality is also essential in order to build a strong Boardroom culture of mutual trust, respect and openness. Moreover, the fiduciary and statutory duties of Directors demand that Directors remain loyal to the properly-taken decisions of the Board, irrespective of any individual Director's personal views on the matter, since speaking against a properly-taken decision of the Board outside the Boardroom can damage the organisation and so may even amount to a breach of the duty of Directors to act in good faith in the interests of the company.

Accordingly, the following protocols apply in respect of Boardroom confidentiality:

1. all matters discussed within the Boardroom are to be considered confidential and therefore not to be discussed outside the Boardroom, subject only to the following paragraphs;
2. a Director may, outside the Boardroom, discuss reasons for any decision of the Board which has already been published by 'the association' (through the CEO or the Chair as appropriate) provided that the Director may not discuss individual views of Directors (including their own views) or matters discussed by the Board in relation to those decisions which have not also been published by 'the association';
3. Directors (including the Chair) may discuss other decisions of the Board, or other matters which come before it, outside the Boardroom only with the prior express consent of the Board;
4. subject to the next paragraph, the CEO has general authority and discretion to publish all decisions of the Board (i.e. decisions passed by proper resolution of the Board) outside the Boardroom, unless directed otherwise by the Board;
5. the CEO does not have authority to publish or discuss individual views of Directors (or their own views) or ancillary or other matters discussed by the Board in relation to Board decisions except with the prior express consent of the Board;
6. if a Director is approached and asked to comment or provide information to any person regarding decisions of the Board, the Director ought to refer the individual making the enquiry to the CEO and/or Chair of 'the association' as the case demands;
7. if a Director is placed in a compromising position in respect of matters discussed in the Boardroom and is thus forced to make comments outside the Boardroom on matters which this Policy states ought not to be discussed outside the Boardroom, the Director is expected to contact the Chair immediately after the relevant event and liaise with the Chair, and through him/her with the CEO and the Board as the case may require, to determine the best way to handle any issues arising out of the matters discussed by the Director outside the Boardroom;
8. for the avoidance of doubt, the provisions of this Policy on Boardroom confidentiality apply equally to prohibit Directors discussing matters with their own employers or other related stakeholders in the organisation as to any other unrelated person.

FUNCTION: WORKING WITH AND THROUGH THE CEO

CEO Functions

The Board is responsible to forge a strong and productive mutually trusting working relationship with the CEO for the benefit of the organisation, by ensuring:

1. openness and honesty in all matters is encouraged between Board and CEO
2. this relationship is fostered between meeting through encouraging a close working relationship between Chair and CEO
3. clear written terms of appointment, position, description and delegations for the CEO are in place;
4. agreeing annual KPIs for CEO performance;
5. annual CEO performance reviews are conducted by the Board against position description and agreed KPIs;
6. regular ongoing reporting by CEO to Board in a form which is meaningful and relevant; and
7. A CEO succession plan is in place.

CEO Performance Evaluation Policy

As a part of its sense of accountability, the Directors commit to an annual process for the evaluation of the Board's effectiveness with a view to continuous improvement of the Board and its governance arrangements. Much the same philosophy underpins the Board's approach to the conduct of CEO performance evaluations. Hence they are conducted annually as part of the accountability of the CEO to the Board (and the Board to the Members), with a view to the Board supporting the continual professional development and performance of the CEO.

Format for CEO KPIs

It is an integral part of the evaluation of the CEO's performance that the Board adopts a set of annual key performance indicators by which it evaluates the CEO's performance each year. The current set of KPIs for the CEO, which will be used to evaluate the CEO's effectiveness at the next CEO performance evaluation, are yet to be determined.

Board and CEO Role, Authorities, Responsibilities and Delegations

The Board recognises that the most important relationship it has for the good governance and operation of 'the association' is the relationship with the CEO as the executive head of 'the association'. The CEO has the delegated authority from the Board to lead and run the operations of 'the association' on a day to day basis as detailed in the CEO's role description. The delegations and limits of authority of the CEO are reviewed annually by the Board and are set out as follows.

	Board	CEO
Financial Accountability		
• Develop budget in accordance with established policy for Board approval		Responsible
• Expend funds within budget	>\$10,000	Up to \$10,000
• Raise debt repayable within 60 days		Responsible
• Utilise long term reserves	Responsible	
• Ensure payroll and debts are settled in a timely manner		Responsible
• Ensure accurate and timely submission of taxation/govt requirements		Responsible
• Approve reallocation between budget categories i.e. operating, staffing, capital line items	Above \$10,000	Below \$10,000
• Employ staff at rates in accordance with approved budget		Responsible
• Ensure debt recovery after a reasonable grace period		Responsible
• Comply with audit standards and controls	Responsible	Responsible
Capital Expenditure		
• Acquire, encumber or dispose of real property	Responsible	
• Obtain quotes and consider conflict of interest when making purchases		Up to \$5,000
• Ensure stringent method of assuring the balance of long term value with cost outlay		Up to \$10,000
Asset Protection		
• Insure against fire theft and loss		Responsible
• Maintain vehicles and equipment		Responsible
• Protect intellectual property and files		Responsible
• Invest in govt guaranteed investments or interest bearing accounts		Responsible
• Maintain an asset register		Responsible
Legal Matters		
• Ensure the organisation is not unnecessarily exposed to liability claims	Responsible	Responsible
• Ensure the Board is fully informed and supported in its fiduciary duty		Responsible
• Ensure a risk management system is in place	Responsible	Responsible
• Monitor policies which instruct the CEO	Responsible	
• Ensure strict controls in relation to collecting, storing, reviewing and transmitting confidential information		Responsible
• Ensure operational procedures are documented to ensure the Board is protected from sudden loss of staff members		Responsible
Employment		
• Ensure pre-employment checks are conducted		Responsible
• Maintain written personnel policies for effective handling of grievances to ensure transparency		Responsible
• Comply with all legislation and internal policies in relation to employment practices		Responsible
Systemic Advocacy		
• Make all reasonable attempts to ensure accuracy of claims		Responsible
• Sign letters to Minister; D-G or Deputy D-G in relation to advocacy	Responsible	
• Meet with Minister; D-G or Deputy D-G	Responsible	Responsible
Lobbying & Influencing		
• Ensure the organisations reputation is maintained to allow it to achieve its mission	Responsible	Responsible

	Board	CEO
• Seek advice to avoid defamation; seek local member relevant input;	Responsible	Responsible
• Statements directly criticising a Minister, Dept or Public Servant	Responsible	
• Inform Chair of significant media queries		Responsible
Operational planning and policy		
• Overall operational planning for organisation		Responsible
• Operational policies		Responsible
• Evaluation of organisation		Responsible
• Planning member events and programmes		Responsible
• Day to day activities		Responsible
• Fund reporting		Responsible
• Liaison with other agencies		Responsible
Volunteers		
• Recruitment, Co-ordination, Support and Training.		Responsible
• Co-ordination		Responsible
• Support and training		Responsible
• Induction/job descriptions		Responsible
Promotion		
• Organisation publicity	Responsible	Responsible
• Programme publicity	Responsible	Responsible
• Networking	Responsible	Responsible
Other		
• Demonstrate appropriate respect for members and member's interests	Responsible	Responsible
• Engage members in the work of AuSAE	Responsible	Responsible
• Conduct census annually		Responsible

POTENTIAL BOARD COMMITTEES:

AUDIT & RISK

Purpose: The Audit and Risk Committee is an operating committee of 'the association' Board of Directors charged with oversight of financial reporting and disclosure. The purpose of the Audit and Risk Committee ('the Committee') is:

- 1.1 To oversight financial reporting and accounting;
- 1.2 To oversight the external auditor;
- 1.3 To oversight regulatory compliance;
- 1.4 To oversight risk management;
- 1.5 To oversight internal and external control procedures; and
- 1.6 To provide a forum for effective decision making between the Board and Management.

COMMITTEE: NOMINATIONS

Purpose: The purpose of the Nominations Committee ('the Committee') is:

- 1.1 To ensure that the Board has the right mix of skills, experience and representation to effectively manage its affairs;
- 1.2 To work with the secretariat/association management company to maintain an up to date register of directors;
- 1.3 To annually identify the skills and attributes needed on the board to conduct ongoing work and to accomplish any special projects;
- 1.4 To work closely with Division Committees to assist them in identifying and appointing representatives to the board;
- 1.5 To ensure there is sufficient continuity/renewal among the office holders of the association.