



**Australian Council for International  
Development Incorporated**

# **Governance Charter**

**Approved: 27 July 2016**

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## 1. The Purpose of the Governance Charter

The ACFID Board (the Board) is responsible for the corporate governance of ACFID and for guiding and monitoring the business and affairs of ACFID on behalf of the members. The Board is dedicated to fulfilling these duties in a lawful and professional manner, with the utmost integrity. As such, the Board is committed to pursuing excellence in the governance of ACFID.

The purpose of this Charter is to document the policies on which the Board has decided to meet its legal and other responsibilities and specifically to:

- Define the respective roles, responsibilities and accountabilities of the Board, both individually and collectively;
- Define the roles, responsibilities and accountabilities of the Chief Executive Officer in implementing the Board's vision for the organisation and in setting the direction, management and control of the organisation;
- Define the roles, responsibilities and accountabilities of ACFID Committees, Working Groups and Communities of Practice and their relationship to the Board and the Chief Executive Officer; and
- Establish guidelines within which ACFID Board Members, the Chief Executive Officer and management team are to operate as they carry out their respective roles.
- This Charter is a supportive document for ACFID Board members, staff and members, and should be read in the light of the Constitution and identified ACFID policies. The Constitution which in all matters take precedence over the Charter.

## 2. Membership of Board

The membership and President of the Board will be appointed in accordance with the Constitution of ACFID, as amended from time to time to reflect changing requirements for Board membership. Under the Constitution, Board is comprised of:

- a) the President;
- b) two (2) Vice Presidents;
- c) one (1) Vice President (Finance);
- d) eight (8) additional members of the Board, not including the Chief Executive Officer.

The Chief Executive Officer is a non-voting member of Board.

In considering the suitability of candidates to become Board members, the following skills and experience are relevant:

- Commitment to the work of ACFID
- Individual professionalism and integrity
- Experience in working at an executive level in government, not-for-profit or commercial organisations
- Knowledge and understanding of international relief and development, development assistance, development education and/or related services in Australia
- Ability to engage and build relationships with governments, businesses and philanthropic organisations
- An appropriate balance of gender

- Any other skills as deemed desirable for the effective governance of ACFID.

### 3. The Role of Board

The Board has two roles:

- to provide leadership** to ACFID members and, on their behalf, to other players and agencies involved in international development through developing, promoting, advocating and pursuing the strategies and policies most likely to achieve the organisation's mission; and
- to act in the best interests of ACFID as a whole and be accountable to the members** for the effective functioning and sustainability of ACFID as an organisation, the protection of its good name and reputation and the management and corporate governance of ACFID to achieve the objects of ACFID taking account of and managing risk, including ensuring that there are appropriate management, policies, procedures, processes and systems in place.

### 4. The Powers and Responsibilities of Board

Under the Constitution, the management and conduct of the financial and general affairs of ACFID is vested in the Board. The Board may exercise all such powers and do all such things that ACFID is authorised to exercise and do, other than powers or things which are required by these Rules or by statute to be exercised or done by the Council in general meeting, and which may not be exercised or done by the Board.

### 5. The Functions of Board

For a full list of powers and responsibilities, please refer to the Constitution.

As the effective governing body of ACFID when Council is not meeting, and over and above the specific roles and responsibilities outlined in the Constitution, the Board has a number of key governance functions. These are:

#### 5.1 *ACFID Member's Interests*

- Ensure that there is regular two-way communication with members through measures such as regular Member Information and Forums, electronic updates, distribution of all ACFID media releases, position papers or reports, inclusion of key member events/messages in the ACFID e-bulletins;
- Consult with members on key issues – either on its own initiative or on behalf of government;
- Cultivate a climate among members that nurtures a common sense of direction and commitment to achieving ACFID's objects and strategy;
- Monitor member's views and satisfaction with ACFID and the Board's performance, and
- Invite members to have input to Board meeting agendas.

#### 5.2 *Stakeholder Interests*

- Serve the interests of all other stakeholders including funding bodies, creditors, donors and the broader community;
- Build trust with stakeholders through consistent behaviour and decision making, transparency and accountability, and
- Cultivate a climate among stakeholders that nurtures a common sense of direction and commitment to achieving ACFID's objects and strategy.

### **5.3 Strategy**

- (a) Oversee the development of, and approving, ACFID's Strategic Plan, including the mission, vision, purpose and values, strategic objectives and key result areas for ACFID;
- (b) Oversee the development of, and approving and monitoring implementation of the ACFID Annual Operational Plan;
- (c) Annually monitor and work with the Chief Executive Officer to update the strategic directions, goals and plans of ACFID;
- (d) Review the progress and performance of ACFID in meeting its plans and goals, and
- (e) Review, approve and monitor investments and strategic commitments.

### **5.4 Policy and Management**

- (a) Approve and regularly monitor and review the operating and cash flow budgets of ACFID;
- (b) Approve the financial and administrative governance framework for ACFID, including an effective budgeting and financial control framework;
- (c) Ensure management develops appropriate organisational policies and operating procedures for the efficient, effective, ethical and legal management of the organisation;
- (d) Ensure that management delivers programs and services in a manner consistent with relevant legislative and service standards and requirements, and
- (e) Ensure that ACFID is accountable to its members, stakeholders and funders through an effective communication and reporting strategy, encouraging effective participation at annual general meetings and through strategic and active engagement by the President, Board and the management of ACFID with its stakeholders and funders.

### **5.5 Identification and Management of Risks**

- (a) Ensure that ACFID has in place an appropriate framework for the identification, management and monitoring of its business risks at a strategic and operational level;
- (b) Monitor and review the strategic risks on a regular basis;
- (c) Ensure that management has appropriate arrangements in place for the management of insurable risks, including in relation to property and assets, workplace health and safety, workers' compensation, Public and Directors liability, and
- (d) Ensure that management has appropriate arrangements in place to manage risks associated with workplace health and safety, disaster recovery and business continuity and IT security.

### **5.6 Accountability and Compliance**

- (a) Oversee the control and accountability systems that ensure ACFID is progressing towards ACFID's Strategic Plan in a manner consistent with its purpose, vision, values, legislative requirements, compliance framework and program;
- (b) Require and monitor regulatory compliance by ACFID;
- (c) ACFID is committed to adhering to the relevant aspects of the Code of Conduct;
- (d) Ensure that ACFID is meeting all relevant requirements of its funders, and
- (e) Ensure that satisfactory arrangements are in place for auditing ACFID's financial affairs.

## **5.7 Board Performance and Effectiveness**

On a regular basis, the Board will conduct a review of its performance and effectiveness against agreed Key Performance Indicators. The Key Performance Indicators should relate to key elements of Board's activities, including Board decision making processes, Board Member involvement and effectiveness, President effectiveness, oversight of compliance, satisfaction with the conduct of meetings, satisfaction with meeting papers, implementation of improvements to Board operations.

The object of this review is to ensure that the governance of ACFID remains at the level of good practice. The President will facilitate the regular review and assessment process, noting that the President's effectiveness will be a component of the assessment process.

The findings of the review should be tabled at a scheduled meeting of the Board. The Board will consider the outcome of the review and will develop strategies and goals to improve its performance. Any changes to Board policies and processes arising from the annual review should be integrated into the Board Charter.

## **6. Board Members**

### **6.1 Responsibilities and Duties of Board Members**

The responsibility of each Board Member is to individually contribute in a professional, informed and timely manner to Board meetings and other activities undertaken as a Board Member so as to ensure that the Board collectively fulfills its role and functions.

Board Members must comply with their legal duties, including to:

- (a) Act in good faith in the best interests of ACFID;
- (b) Act with care and diligence;
- (c) Act for fit and proper purposes;
- (d) Declare a conflict of interest or duty;
- (e) Refrain from taking improper advantage of the position of Board Member;
- (f) Refrain from making improper use of information gained through the position of Board Member, and
- (g) Prevent ACFID from trading insolvently.

Board Members owe a fiduciary duty to ACFID.

### **6.2 Conduct as a Board Member**

In undertaking their duties as a Board Member, it is expected that Board Members will:

- (a) Exercise independent judgment at all times;
- (b) Obtain enough information to be satisfied that the Board is reaching appropriate conclusions on the matters put before the Board;
- (c) Remain aware of current issues and developments that could affect the performance of their duties and the business of ACFID;
- (d) Make reasonable inquiries to ensure that ACFID is operating efficiently, effectively and legally towards achieving its goals;
- (e) Keep confidential any information obtained as a result of their position as a Board Member;

- (f) Observe “collective responsibility” once a decision is reached by the Board by supporting the letter and spirit of all Board decisions with joint venture partners, stakeholders, staff, clients, suppliers and other parties;
- (g) Not engage in conduct likely to bring discredit on ACFID;
- (h) Act in a professional and ethical manner, with the level of skill, care and diligence expected of a Board Member of an incorporated association;
- (i) Adhere to all codes of ethics, codes of conduct, professional standards and standards of behaviour that have been adopted by the Board;
- (j) Act in accordance with the Constitution, Board policies and the principles of this Charter;
- (k) Actively participate in the activities of ACFID outside of attending Board meetings;
- (l) Provide additional links for ACFID to external organisations by employing their individual government, business and community contacts and relationships to the benefit of ACFID, and
- (m) Engage in ongoing professional development in order to improve their current skills as a Board Member.

### **6.3 Expectations of Board Members in Board Processes**

The Board needs to work together as a group and Board Members need to ensure that they behave in a professional manner during meetings to enable the Board to operate effectively. To facilitate this, Board Members are expected to:

- (a) Attend and participate in Board meetings and meetings of Sub-committees on which they serve;
- (b) Spend the time needed and meet as often as necessary to properly discharge their responsibilities including meetings outside of scheduled Board meetings;
- (c) Review meeting papers and materials before Board meetings and meetings of Sub-committees on which they serve;
- (d) Ask questions of, request information from, and raise any issue of concern with management. Board Members are to ask any questions or raise issues of concern through the Chief Executive Officer before a meeting of the Board so that management is prepared to address them;
- (e) Ensure that other Board Members and attendees are given a reasonable opportunity to put forward their views;
- (f) Refrain from interruption and interjection when someone else is speaking;
- (g) Minimize irrelevant remarks and conversation, and
- (h) Respect any request from the President that aims to ensure the orderly and good-spirited conduct of a meeting of the Board.

### **6.4 Statutory and Legal Compliance**

Board Members have a responsibility to ensure that they and ACFID comply with all Commonwealth and Territory regulatory, legislative and legal requirements, including, but not limited to:

- (a) Human rights laws
- (b) Associations or Corporations Law
- (c) Tax and revenue laws
- (d) Competition, consumer and fair trading laws

- (e) Environmental laws
- (f) Criminal law
- (g) Employment laws, including those that relate to workplace health and safety
- (h) Equal opportunity and disability discrimination laws
- (i) Relevant industry codes of practice.

#### **6.5 Business Judgement**

As a Board Member, business judgement is to be utilized in making decisions in relation to the business operations of ACFID. Business judgement requires Board Members to:

- (a) Make decisions in good faith for a proper purpose;
- (b) Declare where they have a material personal or business interest in the subject matter of decision;
- (c) Take steps to inform themselves on the subject matter of the decision to the extent they reasonably believe to be appropriate, and
- (d) Reasonably believe the decision is in the best interests of ACFID.

#### **6.6 Board Member Induction**

On election or appointment as a Board Member of ACFID, the Chief Executive Officer will provide the Board Member with copies of the following documentation:

- (a) Constitution
- (b) Governance Charter
- (c) Strategic Plan
- (d) The current Operational Plan
- (e) Risk Management documents eg Delegations' policy and schedules, Complaints policy etc
- (f) Director and Office Bearer Liability Insurance Policy Schedule
- (g) Most recent Annual Report
- (h) ACFID Code of Conduct
- (i) Contact details of the other Board Members
- (j) Board Member Declaration of Personal, Material and Business Interest Proforma (for completion and return)
- (k) Other key policies affecting the activities of Board Members not otherwise covered in this Governance Charter
- (l) Forward meeting schedule of the Board and any Board Committees.

New Board Members will also receive a briefing from the President and Chief Executive Officer to ensure the Board Member is fully briefed on the strategies and objectives of ACFID and Board and on their governance and legal responsibilities as a member of Board.

The Chief Executive Officer will ensure that all relevant documentation related to the appointment of a new Board Member is completed in accordance with statutory requirements.

Where appropriate, ACFID will consider sponsoring relevant governance training for members of the Board to enable them to fulfil their governance responsibilities effectively as a member of Board. The President, in consultation with Board members, will determine the type of governance training to be provided.

## **7. The Role of the President**

The President is considered the lead Board Member and utilizes their experience, skills and leadership abilities to facilitate the governance processes of ACFID.

In exercising their roles and responsibilities, the President should act as a facilitator of Board processes to enable the Board's collective decisions and objectives to be achieved. Nothing in this Charter authorises the President to act independently of the Board.

The President has the following specific roles:

- (a) Ensure that the Board provides leadership and vision to ACFID;
- (b) Promote the efficient organisation and conduct of the Board's functions;
- (c) Encourage the Board to consider strategies designed to meet present and future needs of ACFID;
- (d) Facilitate regular review and assessment of the Board's effectiveness;
- (e) Preside over Board meetings and facilitate Board discussion of issues to ensure that there is an effective use of time and that the Board discusses the key issues;
- (f) Establish the agenda for Board meetings in consultation with the Chief Executive Officer;
- (g) Facilitate the effective contribution and ongoing development of all Board Members (see section 5.7, 6.2 (m) and 6.6);
- (h) Promote constructive and respectful relations between Board members and between the Board and ACFID management;
- (i) Be the major point of contact between the Board and the Chief Executive Officer;
- (j) Be kept fully informed of major events by the Chief Executive Officer on all matters which may be of interest to Board Members and progress on all important initiatives and significant issues facing ACFID;
- (k) Provide support and counsel to the Chief Executive Officer;
- (m) Lead the Chief Executive Officer's performance review process, and
- (n) Promote the interests of ACFID.

## **8. The Role of Office Bearers**

The Office Bearers of ACFID are the President the three Vice-Presidents. The duties of the Office Bearers are not specified in the Constitution beyond the role of the Treasurer.

The Board's philosophy is to avoid delegating unnecessary authority to the Office Bearers in order not to undermine both its right and its responsibility to "act as a whole" to the greatest extent possible. From this starting-point, the main function of the Office Bearers acting as a group is to help ensure the smooth and effective functioning of ACFID between scheduled Board meetings.

The Office Bearers are delegated, between Board meetings, to:

- Take urgent and/or necessary decisions in instances where delaying such decision-making to the next scheduled Board meeting would be detrimental to the pursuit of ACFID's interests; and
- Provide advice and guidance to the Chief Executive Officer, either on their own initiative or at his or her request.

In accordance with Clause 10.4 below, the Office Bearers are charged with conducting an annual CEO performance review and determining the CEO remuneration.

The President is responsible for convening meetings of the Office Bearers, and will do so in consultation with the Chief Executive Officer. Such meetings may be face-to-face or by teleconference with the proviso that, in order to contain costs, no more than one face-to-face meeting shall be held between the quarterly Board meetings.

A brief record of decisions taken by the Office Bearers at these meetings will be made and reported to the Board at its next scheduled meeting.

## **9. The Role of the Vice President Finance**

The Vice President Finance is elected in accordance with the Constitution of ACFID. The Vice President Finance is responsible for:

- (a) Analysing and evaluating financial plans and statements and advise the Board on the organisation's financial position at each Board meeting;
- (b) Chairing the Finance and Audit Committee (refer to Terms of Reference for the Finance and Audit Committee);
- (c) Ensuring the integrity of internal and external financial reporting and compliance with relevant Accounting Standards, relevant ACFID Code of Conduct financial reporting, annual financial audit, regulatory reporting and donor reporting requirements, and
- (d) Ensuring that ACFID management has established appropriate arrangements for the control and management of the organisation, the management of risk, including workplace health and safety, insurance and compliance with all legislative and regulatory requirements to which ACFID is subject.

## **10. The Chief Executive Officer**

### ***10.1 The Board and the Chief Executive Officer***

The Chief Executive Officer is appointed and can be removed by the Board. The Board:

1. Provides advice and counsel to the Chief Executive Officer.

On advice from the Office Bearers:

2. Sets performance goals and targets for the Chief Executive Officer.
3. Reviews the performance of the Chief Executive Officer against agreed performance goals and targets.
4. Oversees the development, discipline or removal of the Chief Executive Officer, where necessary.

The Board has delegated to the Chief Executive Officer responsibility for the ongoing management of ACFID in accordance with the strategies, policies and plans approved by the Board. The Chief Executive Officer is required to manage ACFID in a manner which enables achievement of the strategies, policies and plans agreed and endorsed by the Board.

Only decisions of the whole Board are binding on the Chief Executive Officer, and therefore:

- (a) Decisions or instructions of individual Board members are not binding on the Chief Executive Officer unless the Board has specifically delegated such authority.
- (b) Recognising the right of Board Members to access information relevant to their governance responsibilities, the Chief Executive Officer has the right to defer requests that, in the Chief Executive Officer's opinion, require a material amount of staff time or funds, or that are disruptive, and to refer this matter to the President.
- (c) Where Board Members are required to respond to organisational issues which may arise from time to time, the Chief Executive Officer will provide all members of the Board with the relevant information in a timely fashion.

### **10.2 The Responsibilities of the Chief Executive Officer**

Within the authority delegated by the Board, the Chief Executive Officer's responsibilities include:

- (a) Work with the Board to develop the Strategic Plan for ACFID;
- (b) Develop and implement a Board approved annual Operational Plan and budget to give effect to the Strategic Plan;
- (c) Manage resources within the budgets approved by Board;
- (d) Establish with the management team, programs to implement the annual Operational Plan and budget;
- (e) Provide frank and forthright advice to the Board about the operating environment of ACFID and to facilitate Board decision making;
- (f) Develop and manage resources, policies and systems to ensure the effective operation of ACFID, including policies on risk management, internal control, program and service delivery and human resources;
- (g) Develop a strong and open relationship with the Board and the President in particular and acting as the link between the Board and management;
- (h) Facilitate the Board's role and functions and ensuring full, adequate and timely information disclosure to the Board;
- (i) Ensure ACFID culture facilitates integrity and ethical behaviour and compliance with all applicable laws and regulations;
- (j) Negotiate the terms and conditions of appointment of the senior management team and appointing them to specific management roles within ACFID;
- (k) Endorse the terms and conditions of appointment of all other staff members within the framework of the applicable award;
- (l) Provide strong leadership and effective management of ACFID to:
  - 1. Encourage cooperation and teamwork
  - 2. Build and maintain staff morale at a high level
  - 3. Build and maintain a strong sense of staff identity and staff loyalty

- (m) The welfare and safety of all staff;
- (n) The employment, management and performance evaluation of all staff employed or contracted by ACFID;
- (o) Act as the first interface for all industrial relations issues;
- (p) Ensure the effective management and supervision of all ACFID programs and services;
- (q) In consultation with the Board, develop and maintain positive relationships with Governments and their officials, ACFID stakeholders and Members;
- (r) Represent ACFID to national and international bodies, including making public statements on behalf of ACFID;
- (s) Develop and submit applications for funding of programs and services, consistent with the policies and objectives of ACFID;
- (t) Represent the Board in matters relating to strategic alliances;
- (u) Ensure effective engagement and communication with and reporting to stakeholders of ACFID, and
- (v) Report to the Board on the activities of the working groups of ACFID, such as the Development Practice Committee and Humanitarian Reference Group.

### **10.3 The Delegation of Authority to the Chief Executive Officer**

To facilitate the day-to-day operations of ACFID, the Board has delegated its authority to the Chief Executive Officer, as specified in the Delegations Policy. Any changes or amendments to these delegations must be approved by Board.

The Board should review these delegations annually at the first ordinary meeting of the Board after the Annual General Meeting.

The Chief Executive Officer is required to report to the Board on any or all of the following:

- (a) The financial position of ACFID against the agreed budget, including income and expenses, cash flow and balance sheet;
- (b) Bad debts exceeding 90 days;
- (c) Any potential legal action against ACFID;
- (d) All insurance matters;
- (e) Any non-routine financial claim against ACFID;
- (f) The proposed purchase of assets exceeding above a threshold set out in the Finance and Audit Committee approved Financial Delegations table;
- (g) All recognizable risks and other significant matters;
- (h) Any matters relating to Workplace Health and Safety (WHS), and
- (i) The execution of documents within the delegation of management.

In relation to the Chief Executive Officer's remuneration and expenses:

- a) All Chief Executive Officer compensation outside the salary must be approved by the President; and
- b) All business expenses paid to the Chief Executive Officer must be approved or ratified by the President.

#### **10.4 Monitoring and Assessment of the Performance of the Chief Executive Officer**

The President of the Board, in consultation with the Board will develop measurable performance goals against which to evaluate the performance of the Chief Executive Officer. The performance goals should then be discussed and agreed with the Chief Executive Officer. Without limiting the range of performance goals which might be developed, they could include:

- (a) Achievement of agreed Board strategic and business plans
- (b) Achievement of Board agreed financial goals and targets by management and the financial health of ACFID
- (c) Compliance with regulatory and funder requirements
- (d) Relationships with key stakeholders of ACFID
- (e) The morale and effectiveness of the management team and staff in general
- (f) Implementation of Board directions and policies
- (g) Delivery of programs and services.

The President and a Vice President appointed by the Board should meet with the Chief Executive Officer each year to monitor progress with the achievement of the agreed performance goals and to raise any issues of concern or areas for improvement. The outcomes of these meetings should be documented and formally agreed between the President and the Chief Executive Officer and remain confidential.

In July of each year, the Office Bearers should formally review and evaluate the performance of the Chief Executive Officer against the achievement of the agreed performance goals. The outcome of this review should be reported to and discussed by the Board at its next meeting.

In undertaking the annual review the Office Bearers should consult with the Board and also use quantitative and qualitative data related to the achievement of the agreed performance criteria. Data can include internal reports and the views of Board members and other key stakeholders of ACFID.

## **11. Meetings of Board**

The following arrangements should apply to meetings of Board:

### **11.1 Frequency and Cycle of Meetings**

The Board will meet at least three times a year.

The Board may also meet to discuss issues without the Chief Executive Officer being present when this is appropriate. These discussions should be minuted.

The President will settle the agenda for each meeting with the Chief Executive Officer and there will be consultation with members as to items they may wish to include.

### **11.2 Meeting Papers**

Board papers should be concise, stand-alone documents that present the information the Board will require to fully understand the issues being raised and, where required, to make an appropriately informed decision.

Where the Board is required to make a decision, the paper should contain a recommendation framed in terms of the decision required of the Board.

Papers should be circulated to Board Members no later than seven days before the meeting.

The purpose of each Board paper should be clearly stated. This is particularly important in assisting Board Members to understand management's requirements and to be appropriately prepared for Board meetings.

Responsibility for coordinating meeting papers rests with the Chief Executive Officer.

### **11.3 Board Decision Making**

Wherever possible decisions of the Board will be on the basis of a consensus of Board Members present at the Board meeting. If it is not possible to reach a consensus decision, decisions will be on the basis of a simple majority of Board Members present at the Board meeting, with each member present having a single value vote. Where there is an equality of votes, the Chair of the meeting has a casting vote.

The Board should ensure that all of its decisions are lawful.

Board Members with a declared conflict of interest are not to be present during discussion or voting on matters unless the other members of the Board decide otherwise.

### **11.4 Chief Executive Officer's Report**

The Chief Executive Officer's written report is a key component of Board meeting and is designed to inform Board Members about the operations and activities of ACFID.

The Chief Executive Officer's report should cover, as a minimum, current non-financial performance of programs including any performance statistics, progress against the strategic and business plans, emerging issues and any compliance and regulatory issues as well as relevant management activities (communications, marketing etc.).

### **11.5 Minutes**

Minutes are to be clear, concise, well-structured and unambiguous and must clearly set out the decisions the Board make during the course of the meeting and reflect the consensus nature of Board decisions. They should also clearly evidence the process the Board has worked through in reaching its decisions, including any additional information requested or on which the Board relied which is not included in the Board papers.

Following clearance by the President, draft minutes will be circulated to Members of the Board within twenty-one days after the conduct of a meeting.

Minutes will be certified at the next meeting together with any amendments agreed by the Board.

### **11.6 Meeting Action Items**

An action items list, in a form approved by the Board, will be maintained by the Executive Coordinator and distributed along with the minutes.

### **11.7 Meetings Not Involving the Chief Executive Officer**

The Members of the Board should be able to meet to discuss issues without the Chief Executive Officer being present when this is appropriate. This would include meetings to discuss the performance of the Chief Executive Officer.

During such discussions, the President will delegate a Board Member to minute the discussion and any decisions reached for inclusion in the meeting minutes by the President.

### **11.8 Board Papers and Minutes Retention**

All papers of Board will be retained by the Chief Executive Officer at the premises of ACFID for a period of not less than seven years from the date of the meeting or as might otherwise be required by law.

## **12. Board Member Conflict of Interest**

In addition to the clauses set out in Section 12 of the ACFID Constitution, the Board Members must exercise their power and discharge their duties in good faith in the best interests of ACFID and for a proper purpose. Board Members are expected to be sensitive to conflicts of interest or duty that may arise and be mindful of their fiduciary duties.

Board Members are expected to disclose and to take reasonable action to resolve or avoid any actual or potential conflict of interest or duty.

Board Members must comply with the *Associations Incorporation Act 1991*, requirements of the Australian Charities and Not-for-profit Commission and ACFID's Constitution in relation to disclosing material, personal or business interests.

Board Members must not use their positions to obtain employment for themselves, family members or close associates. Should a Board Member desire employment with ACFID she or he must first resign from the ACFID Board.

### **12.1 Disclosure of Interests**

A Board Member who has a material, personal or business interest in a matter, which relates to ACFID, must disclose to Board that interest as soon as the situation arises. This includes any actual, potential or perceived conflict.

Each Board meeting agenda will have a standing item on the disclosure of interests.

### **12.2 Annual Declaration of Interests**

A Board Member, on appointment to the Board and annually thereafter, will provide to the President a declaration of personal, business and pecuniary interests. The President will table the declarations at the next Board meeting and will ensure that the extent of the disclosures is included in the minutes of the Board meeting.

The Chief Executive Officer will arrange for an annual questionnaire to be circulated to all Board Members to ensure that all general disclosures are kept up to date.

### **12.3 Changes in Personal or Business Interests**

Where a Board Member's personal, business and pecuniary interests or the nature and extent of interest change, the Board Member is to provide a written notice to the President before the next Board meeting. The President will ensure that the written details of the disclosure are distributed immediately to Board Members and then tabled at the next Board meeting, and ensure that the nature and extent of the disclosure is recorded in the minutes of the Board meeting.

Where the Board Member concerned is the President, the President will provide a written notice to a Vice President before the next Board meeting. That Vice President will ensure that the written details of the disclosure are distributed immediately to Board Members and then tabled at the next Board meeting, and ensure that the nature and extent of the disclosure is recorded in the minutes of the Board meeting.

#### **12.4 Voting where there is a Personal or Business Interest**

If a Board Member has a material personal or business interest in a matter the Board Member must not be present whilst the matter is being considered at the meeting or vote in relation to that matter unless the Board Members who do not have a material personal or business interest in the matter have discussed the matter and passed a resolution that the disclosed interest should not disqualify the Board Member from either the voting or being present. The Board Member with the interest is not to be present during such discussion and vote.

The Board Member must leave the meeting prior to any discussion in relation to the subject. The Secretariat, where possible, must ensure that the Board Member has not received Board papers pertaining to that matter.

The Board Member may present a proposal, such as an investment proposal, to the Board, but must not be present at the meeting when any discussion or vote in relation to the proposal takes place.

#### **12.5 Access to Board Papers where there is a Personal or Business Interest**

Where a Board Member is aware that a matter has arisen in which they may have a material personal or business interest they must advise the President of that possibility and the President must then advise the Secretariat that Board papers which relate to the material personal or business interest are not released to the Board Member until the Board resolves otherwise.

#### **12.6 Guidance on what is meant by a Personal or Business Interest**

A personal or business interest arises when a Board Member is in a position to be influenced or appear to be influenced by their personal or business interests when fulfilling their role as a Board Member. A conflict of interest can involve avoiding personal or business disadvantage as well as gaining personal or business advantage. Personal interests can include social and professional activities and interests with individuals or groups, including families and friends, as well as financial interests.

Conflicts of interest can be:

- **Actual** – a Board Member is in a position to be influenced by their private or business interests when fulfilling their role as a Board Member
- **Perceived** – a Board Member is in a position to appear to be influenced by their private or business interests when fulfilling their role as a Board Member
- **Potential** – a Board Member is in a position where they may be influenced in the future by their private or business interests when fulfilling their role as a Board Member

A conflict of interest could involve a *pecuniary interest* or a *non-pecuniary interest*:

- **Pecuniary interest** – involves a situation where there is potential for a Board Member or their organisation to gain or lose financially from their position as a Board Member
- **Non-pecuniary interest** – involves personal or family relationships or involvements that could influence the judgement or decisions of a Board Member, even though there is no financial benefit to the Board Member or their organisation

The circumstances which might give rise to a conflict of interest are varied and widespread and it is impossible to provide an exhaustive list. A few examples provide an indication of the types of circumstances that might generate a conflict of interest for a Board Member:

- A Board Member seeks to have contracts awarded to the organisation which employs them or in which they or family members or friends have a financial interest or other association
- A Board Member seeks to influence the organisation to employ a family member without the position being advertised or otherwise being awarded on merit
- A Board Member seeks to have the assets of the organisation sold to relatives, close friends or a business or organisation in which they have an interest, financial or otherwise
- A Board Member makes use of confidential information gained from their membership of the Board to advance their interests or the interests of their family, their friends or a business or organisation in which they have an interest, financial or otherwise
- A Board Member seeks to influence the direction of programs, services or other activities in a way which favours themselves, their family, their friends or a business or organisation in which they have an interest, financial or otherwise.

### **13. Meeting Attendance**

All Board Members are expected to attend all meetings of the Board in person. Where a Board Member is unable to attend the meeting in person, they may attend, with prior approval of the President, via means of an alternate mechanism, including via telephone or other telecommunication media.

If a Board Member is unable to attend a Board meeting, they should advise the Chief Executive Officer by no later than an hour before the scheduled commencement of the meeting.

### **14. Board Confidentiality**

Unless advised in writing prior to a meeting by the President, or resolved by the Board at a meeting, all discussions and papers of the Board will be deemed “Board-in-Confidence” and all papers of the Board will be marked appropriately.

This does not preclude Members of the Board discussing or sharing a particular Board paper(s) on matters with non-Board Members to assist them in determining a position on a particular matter. Board papers are not to be distributed to others (including consultants and advisers). Board Members may provide a high-level non-specific verbal report-back to his or her staff on the outcomes, agreements or decisions of the Board meeting.

Minutes of the Board, except for matters marked as “Board in Confidence” will not be covered by this confidentiality.

Board papers should be disposed of through the Chief Executive Officer.

### **15. ACFID Committees and Official Groups**

As defined in Section 9 of the Constitution, the Council, Board and the Chief Executive Officer has the right to establish standing committees, ad hoc committees or other groups to assist it fulfil its responsibilities. In deciding when to exercise this right, the Board starts from the position that standing committees, ad hoc committees or other groups should be used sparingly so as not to undermine the responsibility of the Board to act as a whole. Unless the matter is central to the core standing business of ACFID and the Board, the preference is to establish time-limited ad hoc committees or other groups reporting to the Chief Executive Officer rather than standing committees.

No committees are established without the Board first agreeing Terms of Reference which cover matters such as:

- Scope and process for appointing conveners, chairs and members;
- committee type and, if *ad hoc*, the length of time they will operate;
- function and purpose;
- linkages to ACFID's Strategic Plan;
- scope and limits of authority;
- obligations (such as reporting requirements and budgetary limitations);
- staffing and (if deemed necessary) financial allocations to support and service the committee.

There are currently 2 standing governance committees which report directly to Board:

- the Code of Conduct Committee (CCC);
- the Finance and Audit Committee (FAC) – reports to the Board.

The current standing committee, ad hoc committee or official groups are:

- Humanitarian Reference Group (HRG) – reports to the Chief Executive Officer
- Development Practice Committee (DPC) – reports to the Chief Executive Officer
- Membership Admissions Committee (MAC) – reports to the Board and CCC

These standing committees, ad hoc committees or official groups:

- are charged with progressing ACFID's interests, strategies and policies in their areas of expertise in consultation with the Chief Executive Officer or his/her delegate;
- in collaboration with the Chief Executive Officer, develop a proposed annual operational plan and (if necessary) budget which is directly linked to the Strategic Plan and incorporated in the full proposed annual ACFID budget presented to Board by the Chief Executive Officer each year;
- report quarterly to the Board on their progress against this plan and budget allocation and on any other activities undertaken and emerging issues;
- provide advice to the Board in their areas of expertise but do not make decisions for the Board or speak on the Board's behalf unless specifically delegated or requested to do so; and
- provide advice and assistance to the Chief Executive Officer (or his/her designated delegate) but cannot give any directions to him/her because executive management remains the prerogative of the Chief Executive Officer, just as delegations or directives to the Chief Executive Officer remain the prerogative of the Board.

In terms of logistics and practical operation:

- The Chief Executive Officer or his/her delegate has the right to attend all Committee meetings and to participate fully in their deliberations.
- Agendas and meeting schedules are determined collaboratively by the Committee Convener(s)/Chair and the Chief Executive Officer/delegate.

- The Secretariat services these Committees in terms of minutes and assisting in the implementation of Committee decisions or Board directions.
- Where there is a disagreement on a substantive matter between the Convenor/Chair and the Chief Executive Officer/delegate which cannot be resolved at the Committee level, the matter is referred to either the Office Bearers or the Board for mediation and/or decision.

## **16.Representation of ACFID**

The Chief Executive Officer, in consultation with the President, will make all media and public statements representing ACFID and represent ACFID to external stakeholders, unless the Board decides that the President or another Board Member should represent ACFID.

A Board Member, other than the President, may not make any statement to the media or public as a representative of ACFID without the prior approval of the President. No member of the management of ACFID may make any statement to the media or public, as a representative of ACFID without the prior approval of the Chief Executive Officer.

All ACFID documents or publications which are to be made available to the public and/or which represent the views of ACFID are required to be cleared by the Chief Executive Officer in consultation with the President.

## **17.Developing the Strategic Plan for ACFID**

ACFID requires a strategic plan which informs the development of annual operational plans and performance targets for ACFID and which is reviewed and revised annually. A more thorough review of the relevance of the strategic plan is conducted after two and a half years.

## **18. Access to Information and Independent Advice by Board Members**

Board Members may seek any information they consider necessary to fulfill their responsibilities and to exercise independent judgement when making decisions.

Board Members have access to management through the Chief Executive Officer to seek explanations and information from management.

Board Members may seek independent professional advice they consider necessary to fulfill their responsibilities and to exercise independent judgement when making decisions.

If the President consents, ACFID will pay a Board Member's costs of seeking independent professional advice. That consent may not be unreasonably withheld or delayed. If appropriate, any advice so received will be made available to all Board Members and form part of Board official records.

Board Members are expected to be conscious of maintaining costs at a reasonable level. Unless otherwise appropriate, engagement of experts will be on a combined basis on behalf of Board Members (or some of them) rather than each Board Member engaging experts separately.

Expenses will be submitted to the ACFID Secretariat in accordance with the prior approval arrangements by the President.

## **19.Development of Policies for ACFID**

The ACFID Secretariat will maintain a register of approved policies and financial delegation of authority with oversight by the Finance and Audit Committee.

## **20. Whistleblower Protection**

### **21.1 Commitment to Ethical and Lawful Conduct**

ACFID is committed to ensuring that its Members, managers and employees, in conducting the business of ACFID, act at all times in a manner which is ethical, lawful, honest, proper, safe and does not cause ACFID to incur a financial or non-financial loss.

### **21.2 Reporting of Corrupt and Illegal Practices and Conduct**

ACFID encourages its Members, employees, contractors and stakeholders to report any conduct that is suspected to be dishonest, fraudulent, corrupt, illegal, endangers health and safety, unethical, improper, or to breach the Code of Conduct or any of the policies of ACFID.

Mechanisms for reporting corrupt and illegal practices and conduct include, but are not limited to:

- The ACFID Code of Conduct Complaints Policy and Procedure
- The ACFID Complaints Policy and Procedure
- The ACFID Grievance Policy
- The Australian Charities and Not-for-profits Commission: *Commissioners Policy Statement – Complaints about Charities*

