



THE INSTITUTE
OF CERTIFIED
BOOKKEEPERS

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BOARD CHARTER EXTRACT

Director Roles and Responsibilities

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1 Overview

The purpose of the Charter is to define the rights and responsibilities of the Directors of the association to assist them in fulfilling their duties and obligations. The Board is bound by the Constitution and the law. It also works to the policies of the organisation that are largely reflected in this Charter, which the Board can change as and when it needs. The Directors must bear in mind that other documents as referred to in this Charter may need to be read in conjunction with this Charter in order to gain a full understanding of how the Board may operate and of Directors' responsibilities.

2 Role of the Board

The Directors jointly as the Board provide leadership, set strategic and policy direction; and oversee the business and affairs of the association for the purpose for which the association is established. The Board is accountable to the members of the association for the overall performance of the association.

The Board does not manage the day-to-day operations of the association. This is delegated to the Chief Executive Officer.

3 Responsibilities and functions

The Board in performing its role has a range of responsibilities that generally include:

3.1 Strategic Direction

- Overseeing the development, approval and periodic review of the vision, purpose, policy, philosophy and the by-laws of the association and ensuring consistency with the purpose of the Board of Directors – rule 59 of the Constitution.
- Overseeing the development and approval of the strategic plan.
- Ensuring that the association has appropriate processes for regular (at least annual) review of the strategic plan, alternative strategies,
- Monitoring and assessing achievements and performance against strategic and business plans.
- Identifying and acting on any impediments, structural or otherwise, that are impeding achievement of the strategic plan.
- Provide input and representation to ICB Global

3.2 Policy setting

- To facilitate the efficient working of the association the Board considers and approves broad policies developed by management (as for example on training for safe work).
- Such policies should follow a standard format, be as short as reasonable, be clear as to meaning and be readily available.

3.3 Finance and Accounting

- Assessing the Board's capability and financial knowledge and whether it has the necessary capacity to oversee the business and affairs of the association.
- Taking steps needed to ensure the Board addresses any shortfall in its financial knowledge and capacity to oversee the business and affairs of the association.
- Providing direction to management on financial matters.
- Reviewing routine management financial reports.
- Approving the association's annual budget.
- Approving annual accounts and reports in accordance with the Corporations Act.
- Ensuring appropriate financial policies and procedures are in place to safeguard the cash and finances of the association.

3.4 Risk Management

- Ensuring relevant and suitable risk assessment and management strategies are in place and reviewing risk management at least annually.
- Ensuring relevant insurance cover is in place and reviewing the adequacy of that cover annually.
- Considering the social, ethical and environmental impact of the association's activities and modifying policies as appropriate.
- Ensuring there is continuing education and information provided to Directors regarding:
 - the business of the association.
 - the role of the Board and its functions and obligations; and
 - other relevant corporate governance issues.

3.5 Reporting and Monitoring

- Overseeing the association's financial position including approving financial statements and monitoring financial performance at each Board meeting.
- Monitoring the application of the association's financial control procedures to ensure internal compliance with established policies.

3.6 Compliance

- The Board is responsible for meeting specific statutory obligations:
 - Review of tax status – completed annually with the financial statements
 - Meeting the reporting requirements of s285A of the Corporations Act by approving and signing those requirements at the next Board meeting following the end of the financial year.
 - In accordance with s250N of the Corporations Act authorising the calling and holding of the AGM within 5 months of the end of the financial year.
- Each Director is responsible for advising the company secretary within 1 week of any changes occurring in their name, address or other details on the Director's Consent and Declaration form (the company secretary is then responsible under s188 (1) of the Corporations Act for advising ASIC of changes in required information within 28 days of the change).

- The Board is responsible for ensuring the Association meets the requirements of the Constitution.

3.7 Corporate Governance

- The Board plays a pivotal role in the corporate governance of the association, predominantly overseeing, reviewing and updating corporate governance practices and procedures as necessary to support the association to good practice corporate governance.
- The Board is responsible for ensuring the Association is in compliance with all applicable laws, regulations, standards and best practice guidelines including, but not limited to:
 - Employment Related laws, regulations and awards.
 - Workplace Health & Safety laws
 - Australian Taxation Laws & regulations
- Annually reviewing the appropriateness and effectiveness of compliance frameworks and controls to ensure compliance with relevant laws, regulations and industry codes.
- Approving and annually reviewing the Board's delegations of authority, in accordance with rule 72 of the Constitution.

3.8 Appointments

- Appointing and removing the CEO and the Executive Director and determining his/her remuneration and conditions of service.
- Overseeing the performance of the CEO by annual review each year.
- Overseeing the performance of the Executive Director (if so appointed) by annual review each year
- Reviewing management succession and development plans and progress against the plans.
- In accordance with rule 82 of the Constitution and Part 2D.4 of the Corporations Act appointing and removing the Company Secretary/ies and determining their terms of engagement.

3.9 Accountability

- Having a system of governance accountability to members
- Developing and implementing a system of accountability to other appropriate stakeholders such as staff, strategic and approved partners, service users, related organisations etc.
- Improving the credibility and objectivity of established accountability processes, including financial reporting.
- Gathering information from members and stakeholders about their concerns, needs, suggestions and aspirations, via the use of such subsidiary groups as the ICB Advisory Board.
- Assessing effectiveness of, and compliance with:
 - the Board code of conduct
 - any applicable members' code of professional conduct/ethics
 - compliance with internal plans, policies and procedures
- Providing specific delegations to management.
- Identifying and managing, and minuting, conflicts of interest.
- Confirming annually that all these responsibilities have been carried out.

3.10 Decision making

- Directors essentially do 1 of 3 things with matters that come before the Board:
 - **Note** matters the Board needs to be aware of
 - **Ratify** decisions made by others – committees or delegated individuals
 - **Decide** on matters before the Board – either where a matter is put before the Board for a decision, or a matter before the Board raises issues and the Board decides it wants action to clarify the matter.
- No individual Director has decision making power other than as may be specified in the Constitution or delegated by the Board.
- Decisions are made by the Board collectively. In coming to a decision each Director must:
 - Manage any conflicts they may have in accordance with rule 81 of the Constitution and Part 2D.1 Div 2 of the Corporations Act
 - Come to their own objective decision that is in the best interest of the Association
 - Consider relevant briefing advice, matters raised by their fellow Directors and their own experience
 - Raise matters which in their view are of significance to the decision
 - Ask questions if they are unsure
 - Come to a decision for or against when a decision is taken, unless they are not in a position to make a decision and should abstain (eg they are attending a meeting via telephone and the matter is a visual presentation before the Board that they are not able to see)
 - Support the decision once it is taken whether the vote for or against – a Director who feels they cannot support a decision should resign.

3.11 Communication

The Board:

- provides information to members to on the basis of various forms of communication as is appropriate for the information being provided.
- provides information to the key stakeholders via the CEO
- communicates relevant decisions clearly to management via written confirmation of such decisions to the CEO, who is then required to disseminate the information as is required
- reviews at least annually the scope, style, form and frequency of routine management reporting to the Board.

3.12 Networking, conferences and events

- Directors annually are expected to volunteer their time to participate in various education and external networking events in order to project the reputation of the Association provided that such networking opportunities are discussed with the Chair and/or the CEO as to the appropriateness of such events and for the delivery of consistent messaging and representation.

4 Board selection and renewal

Directors are required to submit themselves for re-election at intervals in accordance with rule 57 of the Constitution.

Board renewal is important to enhance the overall performance of the Board and the association. Re-election is not automatic (subject to what the Constitution says).

Managed Director rotation is important to minimise the risk of losing too much corporate memory in any one year.

Rule 57 of the Constitution requires that any Director coming up for their 3rd AGM as a Director must stand down, but they are eligible to stand again (subject to whether there is a term limit in the Constitution).

As part of the strategic planning process the Board at least every third year shall complete a matrix analysis that assesses desirable skills and perspectives the Board needs to in line with the strategic plan, reviews the skills and perspectives available on the Board and identifies the desirable skills and perspectives not available on the Board. In the interest of good governance, the Board shall then consider ways in which those shortages of skills and perspectives might be addressed

When assessing the nominations, the Board must consider the requirements for desired skills and perspectives and consider how best to communicate concerns about shortfalls to members.

The election process in accordance with rule 54 of the Constitution.

5 Role of Chair, Director, CEO and Secretary

5.1 Chair

The Chair is elected to the position in accordance with rule 76 of the Constitution that says:

- (1) The Directors shall elect one of their number as Chair and another of their number as Deputy Chair of its meetings and determine the period for which such Chair or Deputy Chair is to hold office.*

The Chair is the official representative and spokesperson for the Board (subject to what the Constitution may say, or what internal policies relating to representation may say). The Chair's responsibilities include:

- Providing leadership to the Board.
- Ensuring the efficient organisation and conduct of the Board.
- Chairing Board meetings; leading Directors to resolution by consensus, ensuring all Directors are heard, ensuring agenda items are given the attention they warrant, maintaining the focus on the discussion on the issue before the Board, ensuring decisions of the meeting are clearly enunciated, ensuring all procedural matters are addressed (quorum, conflicts etc) and ensuring all matters on the agenda are dealt with;
- If it is Board policy, ensuring procedures for the continuous monitoring of the performance of individual Directors, the Board and relevant committees.

- Promoting an environment of trust, respect and openness to ensure consultative and constructive relationships among the Directors and between the Board and the association's CEO and operating team.
- Ensuring adherence to accepted principals of good governance as this relates to the separation of policy and management accountability.
- Additional responsibilities can be added e.g. Being the spokesperson for the association

5.2 Individual Directors

Individual Directors are required to:

- Attend Board meetings unless they are indisposed.
- Consider adequately prior to the Board meeting briefing material provided – including clarifying with the Chair or CEO basic queries related to the briefing material they may have – generally around 2 hours preparation would be required prior to each meeting.
- Prepare for Board meetings by considering issues they wish to raise on the matters on the agenda.
- Participate openly and respectfully with their fellow Directors in the meetings.
- Consider whether they may have business conflicts or material personal conflicts with any matters on the agenda – where a matter arises, as a first step, Directors are expected to inform the Chair prior to the meeting and with a material interest explain the conflict to the meeting then, if the Board so decides, absent themselves from the Board until the Board advises otherwise;
- Become familiar with the Constitution, with the regular reports, policies and operations of the Association and with the environment in which the Association operates and the laws applicable to the Association.
- Draw to the attention of the Board matters of concern in relation to the Association of which they become aware.
- Inform the company secretary with 1 week of any changes to their circumstances and complete a renewed Consent/Declaration/Interests form for the first Board meeting after each AGM.
- Inform the company secretary of dates when they will be absent and unavailable for Board meetings.

5.3 CEO

The CEO's responsibilities include:

- Being the primary source of advice to the Board on matters affecting the Association.
- Implementing and being accountable for the strategic plan.
- Managing and administering the day-to-day operations of the association.
- Supervising staff and representing them to the Board;
- Informing the Board of any matters of which the Board should be made aware; and
- Exercising such specific and express powers as are delegated to the CEO by the Board from time to time.

5.4 Company Secretary

The Company Secretary supports the effectiveness of the Board and as an officer under the Corporations Act has a role as chief governance officer to:

- Monitor Board actions to ensure that policy and procedures are followed and to draw the attention of the Chair for failures to follow requirements; and
- Monitor legal obligations and to draw the attention of the Chair when legal responsibilities of the association are at risk of not being met.

The Company Secretary has specific obligations in accordance with s188 (1) of the Corporations Act regarding regulatory obligations.

All Directors have direct and confidential access to the Company Secretary for advice or assistance on governance matters.

6 Committees

Rule 72 of the Constitution deals with Committees of the Board

Subject to the Constitution, the Board may from time to time establish committees to assist the Board to consider particular matters in detail.

Subject to the Constitution all Committees operate under terms of reference that detail their purpose, composition, meeting and reporting requirements, review date and whether or not they have delegated decision making power, and if so any limitations.

Current committees and their purpose are:

- Remuneration Committee
 - To review and approve the remuneration of the employed personnel of the organisation
- Complaints Committee
 - The oversight of, and making recommendations to, the Board on any breach or alleged breach by Members of the Constitution, Code of Conduct or relevant governance requirements
 - Review of any appeals in relation to Admissions to membership
 - To investigate, mediate and facilitate outcomes in relation to complaints received about ICB members as referred by the CEO;
 - To investigate, mediate and facilitate outcomes in relation to complaints received about ICB Directors and Executives
- Governance & Ethics Committee
 - Reviews and makes recommendations to the Board in relation to governance processes, Board and Committee renewal and Code of Ethics frameworks and practices. Its objectives include:
 - oversight of human resource and governance strategies
 - setting the criteria of nominees for election to the Board
 - oversight of compliance with applicable laws and regulations

- Finance, Audit & Risk Committee
 - Oversees the Association’s risk management framework and processes, considers adequacy of risk mitigation strategies and levels of residual risk
 - Periodically reviews and advises the Board on the financial management and financial sustainability of the association
 - Review and evaluate internal control policies and procedures
 - Receive documented assurance from management and auditors as to the adequacy and quality of internal controls as they relate to the finance functions of the organisation
 - Commissions specific investigations relating to financial matters, records, accounts and reports which it considers appropriate

7 Board processes

7.1 Board Induction

It is expected that all new Board Directors or Associate Directors will undergo an induction process. The process will include an initial meeting which can be conducted by any current Director and/or the CEO. It is preferable for the induction to be completed by the current Chair of the Board.

The purpose of the induction process is to ensure that new Directors have a broad understanding of the role, culture and operations of the Board. Effective induction for new Directors is crucial to ensure they can feel informed and able to carry out their obligations as a Director of the organisation.

The meeting should be undertaken prior to the new Director’s first Board meeting.

7.2 Ongoing training

The Association’s policy in regard to ongoing training for Directors is that Directors are expected to maintain and develop the skills required to discharge their obligations to the Association. For this purpose, Directors may attend relevant technical or professional development courses to assist them to develop their skills.

7.3 Board records

Directors have rights of access to books and records of the Association to allow them to fulfil their statutory obligations as Directors. Directors, as a right, do not have access carte blanche to all records of the Association.

Privacy, conflict of interest, commercial-in-confidence, contractual and service obligation issues all impinge on the rights of a Director to access to the books and records of the Association.

Rules 88 & 89 of the Constitution grants access to Directors and Members of the Association to inspect such records in accordance with the Corporations Act.

Directors do have some statutory rights under the Corporations Act. Section 198F gives a Director access to books other than financial records for the purposes of legal proceedings against them

while they are a Director and for 7 years after they cease to be a Director. Section 290 gives a Director a right of access to the financial records at all reasonable times.

All Board members have access to Board documents and reports via the use of a dedicated online access portal. All documents and reports will be retained in (preferably) PDF format; however it is accepted that working finance documents may be retained in the form of a spreadsheet format for preparation and/or collaboration purposes. It should be noted that individual notes taken during Board meetings may also be required to be presented if requested by other Board members.

7.4 Access to association employees

Except in unusual circumstances Directors do not manage the Association so it is vital that in any communications with staff a Director is not seen to be 'issuing instructions,' that is the role of the CEO. When dealing with staff:

- Access must always be through the CEO or with the CEO's agreement.
- Directors must always respect the CEO's role and not bypass or undermine the CEO in any way.
- Directors have direct and unfettered access to the Company Secretary in the role of secretary. Where the secretary has a dual role such as Chief Financial Officer then for matters related to that staff role, the Director needs to follow the protocols via the CEO.

7.5 Access to independent advisers

A board member is entitled to seek independent professional advice (including but not limited to legal, accounting and financial advice) at the Company's expense on any matter connected with the discharge of his or her responsibilities, in accordance with the procedures and subject to the conditions set out below:

1. The board member must seek the prior approval of the chair (or deputy chair/senior independent director as appropriate having regard to the relevant circumstances);
2. In seeking such prior approval, the board member must provide details of:
 - the nature of and reasons for the independent professional advice to be sought;
 - the likely cost of obtaining the independent professional advice; and
 - details of the independent adviser the board member proposes to instruct.
3. The approval of the chair (or deputy chair/senior independent director as appropriate) must not be unreasonably withheld.

8 Director behaviour

To effectively perform their role, Directors are expected to:

8.1 Understand a Director's role and duties by:

- Gaining a clear understanding of the role or purpose of the Board as well as the statutory and regulatory requirements of a Director carrying out their duties.
- Developing an understanding of the environment in which the Board operates.

- Staying informed about all relevant activities affecting the Board.
- Complying with legal obligations and implement the decisions taken by the Board.
- Acting in good faith.
- Acting in the best interests of the Association as a whole.
- Acting with care and diligence.
- Acting for a proper purpose as determined by the Constitution.
- Maintaining confidentiality of Board decisions, materials and discussion
- Publicly acting in solidarity with decisions made by the Board.
- Acting in accordance with statutory and common law duties.
- Being independent in judgement and action
- Disclosing and appropriately managing conflicts of interest as set out in the Conflicts of Interest Policy
- Respecting accountability and commit to delivering results and meeting deadlines
- Be willing to undertake Company Director training if deemed required
- Identifying and appropriately managing related party transactions
- Providing support to staff in areas of expertise as requested and where available
- Promoting the Association, its services and membership through community networking etc.
- Disclosing any matters that may impact on insurance policies or other undertakings of the Association in relation to Directors, including change of personal details.

8.2 Directors will at all times not:

- Make improper use of information acquired as a Director
- Engage in conduct likely to bring discredit upon the Association
- Personally benefit at the expense of the Association or give the appearance of doing so
- Take inappropriate advantage of their fiduciary positions
- Make improper use of information acquired in their role
- Exercise powers of the Board individually without the approval of (delegation by) the Board.

8.3 Be active by:

- Attending all Board meetings. Where attendance is not possible, the Director must submit an apology
- Making available adequate time to fulfil their duties
- Preparing and participating in the discussion and the deliberations of the Board
- Bringing to the Board table, and share with the group, their individual skills, experience, competencies and knowledge
- Making a time commitment which includes attending Board meetings plus other association activities as appropriate
- Attending the Annual General Meeting and any Special General Meetings.

8.4 Respect each other by:

- Treating each other with respect, courtesy and professionalism
- Listening to all Directors contributions and point of view
- Fostering a positive working relationship with other Board members and staff

- Not improperly influencing other Board members, including not caucusing
- Acting loyally and in good faith.
- Giving full attention to all participants and not engaging in other activities via electronic access available during dedicated meeting times.

8.5 Consult

- Consult with stakeholders and associated parties with issues under consideration but in consultation with the Board.

8.6 Raise concerns by:

- Expressing concerns to the Chair prior to meetings about issues or decisions that run contrary to the Board's duty
- Expressing concerns during the meeting about issues or decisions that run contrary to the Board's or the Directors' duties
- Being prepared to resign if you feel the Board is refusing to deal with an important matter in an appropriate way.

9 Association obligation to Directors

9.1 General commitments

In support of their role as Directors, the Association will ensure that all information required by the Directors in order for them to full fill their obligations as a Director will be provided within a reasonable time frame.

9.2 Protections

Apart from as indicated elsewhere, in support of their role as Directors the Association will:

- Indemnify Directors to the full extent permitted by law. The Association cannot provide indemnity for a:
 - liability owed to the Association.
 - liability for a pecuniary penalty order.
 - liability arising out of conduct that is not in good faith
 - legal costs in defending criminal proceedings or actions if liability is established.
- Provide Directors' and Officers' Liability Insurance.
- Offer induction and exit interviews.
- Provide a right of access to Board documents as specified in the Constitution after they leave the Board and remain members of the Association.
- Provide a deed of access to Board documents once they cease to be members of the Association until 7 years after they left the Board.

9.3 Reimbursement and remuneration

- In accordance with rule 67 of the Constitution and in accordance with Chapter 2E of the Corporations Act, the Association may remunerate Directors as Directors in accordance with the following requirements:
 - The rate of remuneration is fair and reasonable and is on commercial terms to be determined by the Board from time to time
 - Such remuneration shall accrue on a daily basis, the rate of which is to be determined by the Board from time to time
 - Additional meetings or work conducted and authorised by the Chair shall accrue on an hourly basis, the rate of which is to be determined by the Board from time to time
 - Directors travelling from interstate to attend Board meetings are entitled to an additional sitting day fee to cover down time associated with the travel requirements.
- In accordance with rule 68 (1) of the Constitution in support of their role as Directors the Association will pay all reasonable and agreed travel, accommodation and other expenses related to their duties.
- In accordance with rule 68 (2) of the Constitution the Association may remunerate Directors for any service rendered to the Association in a professional or technical capacity where that service has the prior approval of the Board.
- In accordance with rule 68 (3) of the Constitution the Association may remunerate Directors for any service rendered to the Association as an employee where the terms of employment have been approved by resolution of the Board.

10 Board meetings

10.1 Overview

The CEO is a Director in their own right. In addition to their attendance at Board meetings in the capacity as a Director, the CEO is the principal adviser in the consideration of items of business before the Board. The Board may need to require the CEO to leave for some items (usually in relation to the CEO's evaluation and remuneration). The Board should minimise such occasions as they deprive themselves of their primary source of advice. The Board may invite other persons to its meetings at it deems necessary or appropriate.

If the Company Secretary is not the CEO then they also would always normally attend all Board meetings and be present. The Secretary has governance duties to ensure the Directors are proceeding in accordance with requirements.

Regular attendees at Board meetings are, as officers, as defined by s 9 of the Corporations Act, and/or fiduciaries, have a duty to keep all information presented to (whether written or oral) or discussed at Board meetings confidential, or as otherwise agreed by the Board.

10.2 Annual Schedule

The Board's year begins with the first meeting following the AGM. At that meeting the Board will agree an annual Schedule for meetings that:

- Ensures sufficient frequency and time to fulfil responsibilities.
- Provides time and opportunity for annual events such as strategic and risk planning, the statutory audit, consideration of the annual accounts, annual report and AGM, strategic review of services, conferences and events schedules.
- Allow time for internal and external presentations on strategic aspects of the Association and the environment
- Allocates time for professional development activities for the whole Board
- Programs the review of Board Performance including progress against any Board Plan
- Provide for 3 x 2-day meetings for the year generally held in February, May, June, September & December with additional meetings as required.

10.3 Director's contribution to Board meetings

Directors agree to contribute constructively to Board meetings by:

- Respecting other people's ideas and opinions by being open and flexible – even if they differ from my own. This means accepting that there may sometimes be more than one “right” solution or answer to an issue or problem
- Actively listening to what the other person is saying
- Letting the other person finish what they are saying before making any comments
- Being succinct when making any comments
- Ensuring that when wanting to contribute to a discussion, that recognition is received by the Chair prior to speaking
- Publicly supporting all Board decisions.
- Being properly informed having reviewed any relevant Board papers and/or documents pertinent to the meeting so as to minimise background discussions where such information has already been provided.