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# What is Governance?

- The processes, activities and relationships of your organisation to ensure it is effectively and properly run
- Good governance is when practices and procedures in place help your organisation to do their work openly and effectively, and when the roles and responsibilities of those working within the organisation are clearly understood. These roles include the Committee, Staff, Volunteers and Members.



# Why is Governance Important?

Good governance helps to ensure that the day to day work of an organisation is aligned with its purpose and contributes to achieving that purpose

A key document is the constitution, approved by the Department of Fair Trading



# What is the Constitution?

- The constitution of an incorporated association is a contract between the association and its members, who agree to adhere to the provisions outlined in the constitution
- Every incorporated association must have a constitution



# What must be included in the Constitution?

- Membership qualifications
- Register of members
- Fees, subscriptions etc.
- Members liabilities
- Disciplining of members
- Internal disputes
- Committee including composition, functions and processes.
- Calling, notice and procedure of general meetings
- Postal or electronic ballots and proxy votes
- Sources and management of fund
- Custody and inspection of books etc.
- Financial year
- Winding up

# How to amend the Constitution?

- The constitution can be amended by special resolution
- A special resolution requires at least 21 days notice
- The notice must include the date, time and place of the meeting, intention to propose the special resolution and the proposed resolution in full
- Notify the Department of Fair Trading (Form A6) within 28 days of the resolution being passed



# What is a Code of Conduct?

- An agreement on rules of behaviour for the members of that group
- The ASC has a sample document

# Examples of Disputes

- Where a person monopolises the meeting
- Where a chairperson does not allow proper meeting process and discussion
- Where a person defames someone else



# Dealing with Internal Disputes

- Refer to your governing documents or policies, for example your constitution
- Discuss the issue
- Ignoring the issue can harm the organisation
- If required see an impartial advisor or mediator to assist to resolve the dispute

# Meeting Procedures

- Refer to your governing documents or policies, for example your constitution
- Fact Sheets on Department of Fair Trading website
- Ensure adequate notice of the meeting is given
- Quorum
- Voting
- Different types of meetings – AGM, General Meeting



# How can the ASC help?

- Model constitution for incorporated associations modified to show societies
  - Revised in 2017
  - Associations Incorporated Act 2009 and Associations Incorporated Regulations 2016
  - Available on the ASC website or contact with the ASC office
- Code of conduct
- Telephone support

# Who else can help?

- Department of Fair Trading
- Australian Charities and Not for Profit Commission (ACNC)



# Common Responsibilities of Committees

- Accountability – meet obligations, manages its finances and operates transparently
- Strategy – setting the long term goals and pursuing its purposes
- Resourcing – sourcing the resources to operate
- Advocacy – representing your organisation to the community, members and stakeholders
- Monitoring – making sure it is run as required by its governing documents and the law



# Your Duties and Responsibilities

- To act with reasonable care and diligence
- To act in the best interest of your organisation and for proper purpose
- Not to improperly use information or your position
- To manage financial affairs responsibly
- To disclose and manage conflicts of interest
- Not allow the organisation to operate while insolvent



# ACNC Governance Standards

## **Standard 1: Purposes and not-for-profit nature**

Charities must be not-for-profit and work towards their charitable purpose. They must be able to demonstrate this and provide information about their purposes to the public.

## **Standard 2: Accountability to members**

Charities that have members must take reasonable steps to be accountable to their members and provide them with adequate opportunity to raise concerns about how the charity is governed.

## **Standard 3: Compliance with Australian laws**

Charities must not commit a serious offence (such as fraud) under any Australian law or breach a law that may result in a penalty of 60 penalty units (currently \$10 200) or more.



# ACNC Governance Standards continued

## **Standard 4: Suitability of Responsible Persons**

Charities must take reasonable steps to:

be satisfied that its Responsible Persons (such as board or committee members or trustees) are not disqualified from managing a corporation under the *Corporations Act 2001 (Cth)* or disqualified from being a Responsible Person of a registered charity by the ACNC Commissioner, and  
remove any Responsible Person who does not meet these requirements.

## **Standard 5: Duties of Responsible Persons**

Charities must take reasonable steps to make sure that Responsible Persons are subject to, understand and carry out the [duties](#) set out in this Standard.





Questions?