

# Governance Policy

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## Document history

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1.0	Governance, Risk & Admin Mgr	Board	15/12/14	April 2015	
1.1	Governance, Risk & Admin Mgr	Executive Director			Added point 7 – transparency and disclosure
1.2	Governance, Risk & Admin Mgr	Board	24/08/2015	30/06/2016	No changes to policy
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## **INTRODUCTION**

Our approach to governance is based on a set of values and behaviours that underpin day-to-day activities, provide transparency and protect the interest of stakeholders. This approach includes a commitment to governance excellence, which Lifeline South Coast sees as fundamental to its sustainability and performance.

This policy has been prepared with reference to

- AS 8000-2003, Good Governance Principles
- ASX Corporate Governance Principles and Recommendation, Third Edition
- ACNC Governance Standards
- Good Governance Principles and Guidance for NFP Organisation, Australian Institute of Company Directors
- Lifeline Australia Governance policies

## **PURPOSE**

The purpose of this policy is to provide a framework for good governance throughout Lifeline South Coast to ensure we are meeting the reasonable expectations of stakeholders, customers, regulatory bodies, and the community at large.

The Board, CEO and management of Lifeline South Coast have a firm commitment to effective governance.

## **POLICY**

### **1. Lay solid foundations for management and oversight**

Lifeline South Coast will establish and disclose the respective roles and responsibilities of its Board and management and how their performance is monitored and evaluated.

Lifeline South Coast will take reasonable steps to ensure that responsible persons are suitable (as defined by ACNC) for their role and that they

- Act with reasonable care and diligence
- Act honestly in the best interest of Lifeline South Coast and its purposes
- Do not misuse their position as a responsible person
- Do not misuse information they gain in their role as a responsible person
- Disclose conflicts of interest
- Ensure the financial affairs of Lifeline South Coast are managed responsibly
- Do not allow the charity to operate while insolvent
- Ensure that the operations of Lifeline South Coast comply with the definition of a Charity under the Charities Act 2013 (Cth)

## Role of Board Chair

The Board Chair has a major role as the head of the Board in providing leadership of the Board and leadership in the strategic direction of Lifeline South Coast, more particularly:

- Leading and facilitating the Board and the contribution of members to the Board's decision-making process;
- Maintaining a professional working relationship with the CEO;
- Acting as spokesperson as appropriate; and
- Setting the agendas for each Board meeting, taking into account suggestions from other Board members and endeavouring to ensure meetings are effectively conducted.

## Role of CEO

Always with the proviso that the CEO's decisions must be consistent with and not defeat the stated intent and the spirit of the Board's policies, he/she is authorised to establish all operational policies, make all operational decisions and design and implement and manage all operational practices and activities.

Acknowledging a Board member's right to have access to information necessary to meet his/her duty of care to the organisation, the CEO may defer instructions or requests from individual Board members or from unofficial groups of Board members if, in his/her opinion, such requests or instructions are:

- Inconsistent with the Board's policies;
- are deemed to make unjustifiable intrusions into the CEO's or other staff member's time; or
- are an unjustifiable cost to the organisation.

The CEO must notify the Chairperson if this occurs.

## Working Relationships

### Board – CEO

The Board delegates to the CEO responsibility for implementation of the Lifeline South Coast strategic direction/strategic plans.

The relationship between the Board and the CEO includes

- Only the Board acting as a whole can instruct the CEO.
- The Board will advise the CEO of its strategic priorities and key performance indicators for the organisation and will apply these when reviewing the organisation's and the CEO's performance.
- The Board will advise the CEO in writing of any limitations it places upon the delegations to the CEO.
- The CEO is responsible for the employment, management and performance evaluation of all staff employed/contracted to the organisation.

- Neither the Board nor individual Board members will 'instruct' staff in any matters relating to their work.
- The expert knowledge and experience of individual Board members is available to the CEO, and to nominated staff where deemed appropriate and requested by the CEO.

### Board Chair – CEO

The position of the Board Chair and the CEO are strictly separated.

The Board Chair shall provide the CEO with regular opportunities to discuss ideas and check directions.

A professional working relationship between the Board Chair and CEO is essential. It is incumbent on both the Board Chair and CEO to raise with each other in a professional and constructive manner any concerns they have about their relationship. Where the CEO feels he/she is unable to do so, they should refer the matter to the Deputy Chair of the Board

Refer to:

- Lifeline South Coast Board Charter
- Director Letter of Appointment
- Instrument of Delegation
- Lifeline South Coast Constitution

## **2. Structure the board to add value**

The Board will have an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.

The Lifeline South Coast Board will consist of not less than 5 and not more than 9 members, consistent with our constitution.

The majority of board members will be

- Members or members-in-association with the Uniting Church (consistent with our constitution), and
- Independent

In addition, the Chairperson must be independent and the CEO may not be a Board member.

The Board may establish committees to assist in the exercise of their duties

Refer to:

- Board Protocol - Nominations
- Board skills matrix

### 3. Act ethically and responsibly

Lifeline South Coast will act ethically and responsibly, including complying with all applicable laws.

Refer to:

- Code of Conduct
- Conflict of Interest Policy
- Diversity Policy

### 4. Safeguard integrity in corporate reporting

Lifeline South Coast will have a system in place to ensure:

- an appropriate flow of information to the Board to aid in decision making,
- there is transparency and accountability to stakeholders, and
- the integrity of financial statements and other key information.

This system will include an annual independent audit of financial statements.

Refer to:

- Board Charter

### 5. Recognise and manage risk

Lifeline South Coast will establish a sound risk management and internal control framework and periodically review the effectiveness of that framework

Refer to:

- Risk Management Policy

### 6. Remunerate fairly and responsibly

Remuneration of the CEO and senior management will balance the needs to attract, retain and motivate qualified staff with the appropriate use of limited resources.

The position of a Board member is a voluntary position.

### 7. Transparency & Disclosure

Lifeline South Coast is committed to reasonable disclosure of matters related to governance and financial performance.

To achieve this:

- a Governance section is included on the Lifeline South Coast website and updated as required with relevant information

- Annual reports for the past 5 years, where they were produced, will be made available on the website
- Audited financial statements for the past 5 years, where they are not included in an annual report, will be made available on the website

## 8. Other considerations

ASX Principle 5 – Make timely and balanced disclosure has not been included in this policy. The principle relates to the disclosure of matters which may have a material effect on the price or value of securities and as such is not applicable to Lifeline South Coast.

ASX Principle 6 - Respect the rights of security holders has not been included in this policy. The principle related to the rights of security holders and as such is not applicable to Lifeline South Coast.

The ASX principles which have been included in this Policy have been modified, as appropriate, based on our operation as a not-for-profit organisation, size and complexity.

ACNC Standard 2 – Accountability to members has not been included in this policy. Lifeline South Coast has only one member, the Uniting Church. The nature and structure of the organisation is such that the Uniting Church is able to exercise its rights effectively.

## 9. Breaches of Policy

The Board will develop and maintain a system for detecting, recording and dealing with governance breaches and complaints including those received from regulatory authorities. All governance breaches will be recorded and fully investigated to determine their cause and to reduce the chance of recurrence.

Refer to:

- Board Policy Breaches Procedure