

Monday, 2 November 2020

Dear Members

Enclosed is your members pack for the 2020 Annual General Meeting, scheduled for 11am-12:30pm on Tuesday 17 November 2020. In these unusual times, this year's AGM will be held electronically via Zoom (details next page), and voting will take place securely via Survey Monkey which will allow instant results and therefore reduce the time needed for elections to be finalised.

Primary Members who participate in the AGM will receive a \$20 gift card to cover their internet/ phone charges. To be eligible for a gift card, a member must be present from 11am-12pm. Members who join but leave before 12pm will not be eligible for a gift card as the first hour is when all of the decisions and voting will be completed therefore participation is important. Gift cards will be mailed or emailed to eligible members in the week following the AGM.

Inside your pack you will find:

1. Notice of Annual General Meeting
2. Agenda
3. Minutes of the 2019 Annual General Meeting (draft)
4. The role and responsibilities of the Network's Board
5. ACTCOSS Board Basics information
6. 2020-21 projected meeting dates
7. Board nomination and proxy forms, including instructions for lodging on page xx

We welcome nominations from any member who would like to share and expand upon their skills. In particular, we encourage new members to nominate as an excellent way to learn more about the Network and engage with consumers. A reminder to Associate Members that under the current Constitution we are able to accept nominations from Associate Members.

If you are considering nominating for a role and would like more information about what it means to be a Board member at the Network or you are perhaps having trouble finding a member to second your form, please feel free to get in touch by phone: 02 6230 5796, email: [actmhcn@actmhcn.org.au](mailto:actmhcn@actmhcn.org.au) or text: 0449 127 940 and we will be pleased to assist as much as we can.

Topic: 2020 Annual General Meeting

Time: Nov 17, 2020 11:00AM-12:30PM Canberra, Melbourne, Sydney

Join Zoom Meeting

<https://us02web.zoom.us/j/86862498896?>

[pwd=Y25hL3VXWVN5dEdzVG5vY3oyZXN5UT09](https://us02web.zoom.us/j/86862498896?pwd=Y25hL3VXWVN5dEdzVG5vY3oyZXN5UT09)

Dial by your location

+61 2 8015 6011 Australia

Meeting ID: 868 6249 8896

Passcode: 413330

Find your local number: <https://us02web.zoom.us/j/86862498896?pwd=Y25hL3VXWVN5dEdzVG5vY3oyZXN5UT09>

# Using Zoom to attend Annual General Meetings FAQs

## What is Zoom?

Zoom is a video conferencing service that is commonly used by organisations for holding meetings, training and other events where all or some participants can be located remotely from each other—even from all over the world!

You can download Zoom Client for Meetings at [https://zoom.us/download#client\\_4meeting](https://zoom.us/download#client_4meeting), or join the AGM using the JOIN A MEETING link at the top of this website: <https://zoom.us/>

## Do I have to pay to attend Zoom meetings?

No. The Network pays for a Zoom subscription to hold its events; there is no cost to you to attend other than your own phone charges or internet connection for which you will receive a gift card to help cover your costs.

## How do I attend meetings with Zoom?

You will have received the Zoom meeting details on the second page of the letter accompanying your AGM pack. Use these details to dial in or join on your computer or other suitable device. If you do not use email, we will text you the meeting details so that you can use them to dial in. Please ensure all other apps/programs on your device are closed.

If you would like to receive the Zoom details in an email for ease of access, please contact Val at [actmhcn@actmhcn.org.au](mailto:actmhcn@actmhcn.org.au) no later than 12pm on Monday 16 November and he will provide this for you.

There are three main ways to attend that you can choose from to best suit your needs:

1. Using the Zoom app on your mobile phone through a quick free download;
2. Using your computer through a quick free download; and
3. Calling in using your phone (cost of a local phone call) by dialling in or using the handy one-tap link in your email if you requested one.

Please note, if you are dialling in please allow a few extra minutes before the meeting starts as you will need to follow instructions to enter the meeting code and password which can take longer than expected. Someone will be available in the Zoom meeting 15 minutes prior to the AGM start time.

If you've never used Zoom before, several handy links are provided at the end of this document to help you prepare.

## I'm worried about Acknowledgement of Country if I am attending the meeting outside Canberra, what should I do?

If you know the name of the Aboriginal or Torres Strait Islander land you are in, you can let Val or Deigh know and they will ask the Chair to include their name if necessary when completing the meeting Acknowledgement of Country. If not, don't worry as the Network's Acknowledgement of Country specifically acknowledges the Traditional Owners of all other Aboriginal and Torres Strait Islander lands where meeting participants may be located.

## What about quorum?

In the Constitution it says that members need to be present in person, but recent changes to the *Associations Incorporations Act 2009 (ACT)* allow AGMs to be held electronically due to the pandemic. The quorum remains the same for Zoom meetings as it is for face to face meeting—15 Primary members must be present for any business to be conducted.

## Do I have to have my video camera on?

No. Having your camera on is entirely optional, but you must stay in the meeting for the purpose of quorum and meeting minutes. If you need to step away from the meeting, even if you remain connected, please let the host or the Chair know first.

The default setting on all Network events is that all participants' cameras are turned on upon entry. If you would prefer to not have your video on you can simply select the button to turn it off. Some people choose to have their camera off for most of the meeting then turn it when they need to speak.

Please note that the camera option is **not** available for people participating via phone call. This is important to know because it can be hard for you to tell when others may have their hands raised waiting to speak, and others won't be able to tell when you are waiting for a turn to speak either.

Most people who attend the AGM have non-speaking roles, but there are times when questions can be called for so this information may be important to you at those times or if you are nominating for a Board position.

## Why am I on mute?

The default setting on all Network events is that all participants are muted upon entry. This is to prevent background noise which can cause disruption and echoing/static in the meeting audio.

When you need to speak, you can press the relevant button to unmute yourself. If you are having trouble unmuting yourself the host will help you to unmute. If your camera is turned off please send a message in the chat box so that the host knows you are having trouble.

If you are using your phone to dial in and can't take yourself off mute, please contact the host on 0408 274 053 or [actmhcn@actmhcn.org.au](mailto:actmhcn@actmhcn.org.au) to alert them to your

problem. If you are called on to speak but you don't respond, we will know you are having a technical problem and will work with you to resolve it.

### Why are the meetings recorded?

AGMs and some other Network events are recorded to assist with the accurate recording of minutes and to confirm quorum was present when any business was conducted. No part of the recording will be used without your consent.

### What about voting? How will we do that?

We will provide everyone with Survey Monkey links where you can vote for the candidate/s of your choice at voting time.

If you are dialing in and do not have internet access to use Survey Monkey, you will be able to text your vote to 0408 274 053 instead to ensure it is counted.

### What if I'm having trouble?

We recommend that you download the Zoom app or program well ahead of your first Zoom meeting, or dial in early, so that you have time to test it to make sure it is working properly for you.

The meeting host (usually a Network staff member) will enter the meeting 15 minutes early to help with any technical issues you may have. If you start having trouble during the meeting, you may be moved into a break out room—a private meeting from within the larger meeting—with someone who can assist you. If your camera is on, please wave to get the attention of the host so that they know you are having trouble. If your camera is turned off please send a message in the chat box instead.

### Wait, I've never used Zoom before! What do I actually need to do?!

If you prefer to receive your information in audio visual format, we recommend the following tutorial on YouTube which is about seven (7) minutes long (requires internet connection). All tutorials on YouTube are free to watch, but you may see some ads along the way.

- **Beginner's Guide to Zoom:** <https://www.youtube.com/watch?v=fMUxzrgZvZQ>

If you prefer to receive your information in written format with pictures to use as a guide, we recommend reading the information available on the Zoom website at:

- **Getting Started on Windows and Mac:** <https://support.zoom.us/hc/en-us/articles/201362033-Getting-Started-on-Windows-and-Mac>
- **Getting Started with Android [phone app]:** <https://support.zoom.us/hc/en-us/articles/200942759-Getting-Started-with-Android>
- **Getting Started with iOS [iPhone app]:** <https://support.zoom.us/hc/en-us/articles/201362993-Getting-Started-with-iOS>
- **Joining a meeting by phone:** <https://support.zoom.us/hc/en-us/articles/201362663-Joining-a-meeting-by-phone>

There are many other websites and YouTube clips that offer similar guides so feel free to search for others if none of the above sites suit your needs.

If you do not have internet access we can post you some easy to follow written instructions for dialling in. Please let us know as soon as possible if you need this assistance.

# Notice of Annual General Meeting 2020

## *Dear Members*

We are pleased to invite you to the Annual General Meeting of  
ACT Mental Health Consumer Network Inc

**Tuesday 17 November 2020**  
**11:00am-12:30pm**

**Via Zoom**

If you wish to nominate for a Board vacancy, or to appoint a Proxy to vote on your behalf, please ensure you return your completed forms at the end of this set of AGM papers as early as possible to ensure they are not missed.

Primary Members who participate in the AGM will receive a \$20 gift card to cover their internet/phone charges. To be eligible for a gift card, a member must be present from 11am-12pm. Members who join but leave before 12pm will not be eligible for a gift card as the first hour is when all of the decisions and voting will be completed therefore participation is important. Gift cards will be mailed or emailed to eligible members in the week following the AGM.

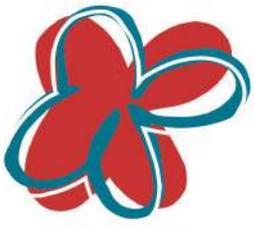
RSVP before **16 November 2020** by contacting  
(02) 6230 5796; 0408 274 053; or [actmhcn@actmhcn.org.au](mailto:actmhcn@actmhcn.org.au)



## **Annual General Meeting 2020**

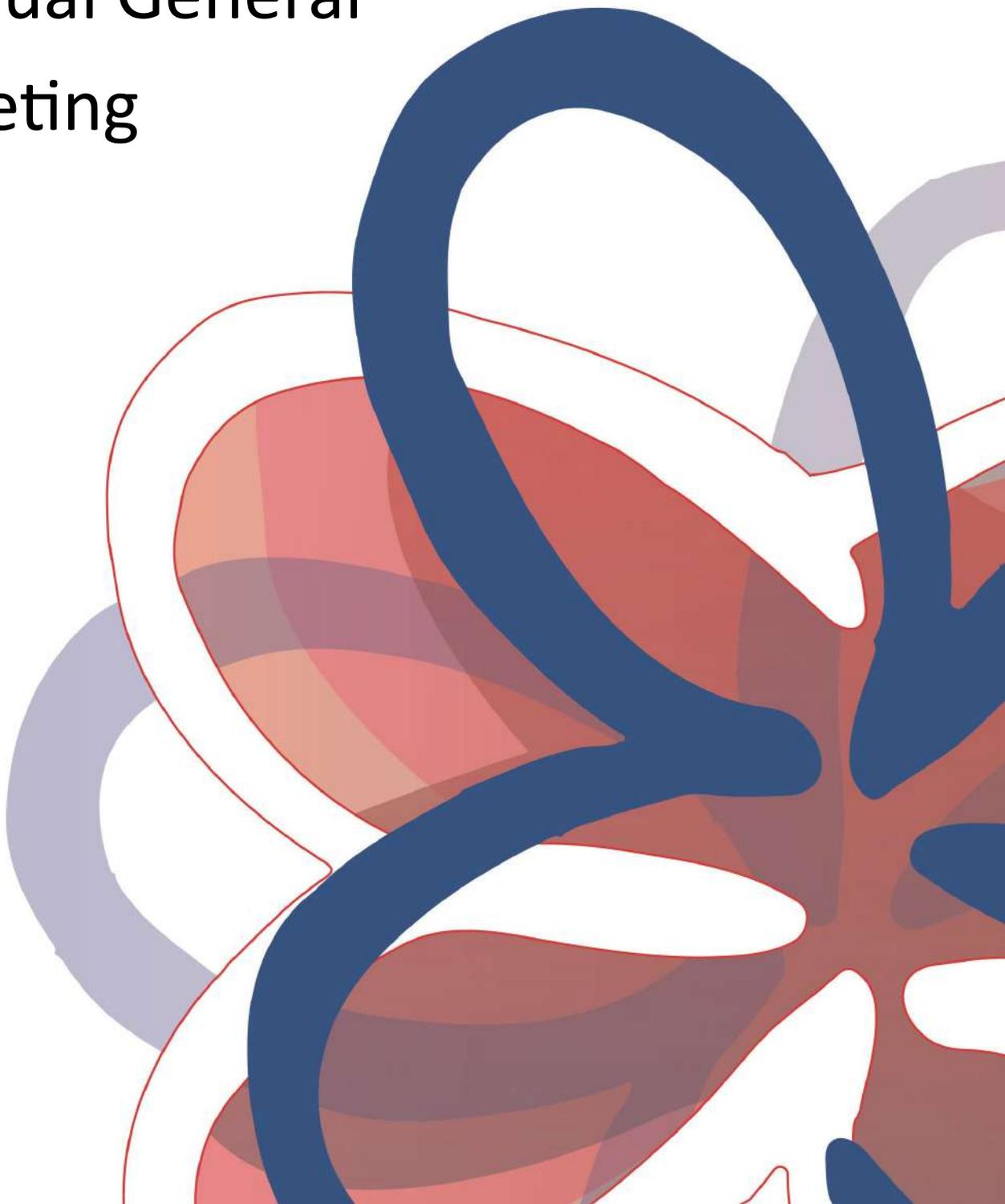
### **A G E N D A**

- 11:00am Welcome and Apologies**
- 11:05am Acceptance of Minutes of Previous AGM (2019) (for endorsement)**
- 11:10am Chair's Report (for endorsement)**
- 11:15am Finance Report (for endorsement)**
- 11:20am Appointment of Auditor (for endorsement)**
- 11:25am Appointment of Public Officer (for endorsement)**
- 11:30am Appointment of Returning Officer (for endorsement)**
- 12:30am Board Elections**
- 12:00pm Executive Officer's Report (for noting)**
- 12:05pm Question Time**
- 12:25pm Vote of Thanks**
- 12:30pm Meeting Closed**



ACT  
Mental Health  
Consumer Network

# 2019 Minutes Annual General Meeting



# ACT MENTAL HEALTH CONSUMER NETWORK ANNUAL GENERAL MEETING

20 November 2018

Level 2 Room 8 Griffin Centre  
20 Genge Street, Canberra City

## **Present:**

*Members:* Michael Acitizen, Jessica Burne, Maree Pavloudis, Tracey Skinner, Thi-Nha Tran, Chris Corcoran, Bianca Rossetti, Matthew Martin, Terri Warner (Chair), Peter Dwyer, David Lovegrove, Evalyn Smith, Paul Thompson, Chris van Reyk, Aine Tierney, Evalyn Smith, Isobel Shearman and Deahne McIntyre.

*Non-members:* Valan Phoenix, Kathryn Dwan (Minutes), Carisse Flanagan, Cheryl Clarkson, Stuart Anderson, Matthew Jeffrey, Allegra Senior, and Gloria Nkomo.

## **Apologies:**

Rose Beard, Dianna Smith, Dalane Drexler, Vincent McCormick, Prue Gleeson, Tony Fitzgerald, Maureen McInerney, Kerry Fry, Jennifer Hodgson, Dianna Smith, Ariel Kaufman, Felicity Maher, John Brookes, Bryan Kilgallin, Jennifer Nixon and Petra Kallay.

## **Welcome**

Terri Warner opened the AGM at 11.25am with an Acknowledgement of Country and of people with lived experience of mental illness.

## **Minutes of previous AGM**

**Motion:** To accept the minutes from the 2018 AGM, with no amendments.

**Move:** Bianca R      **Seconded:** Peter D      **Motion passed**

## **Chair's report**

As per 2018-19 Annual Report. Forgot to call for motion.

The Chair thanked the outgoing Board members — Tony Fitzgerald, Kerry Fry, Jennifer Hodgson, Evalyn Smith, Chris van Reyk, Dianna Smith and Terri Warner.

The Chair thanked the continuing and returning Board members and members nominating for the first time.

## **Appointment of Public Officer**

**Motion:** That Dalane Drexler, Executive Officer, be appointed as Public Officer for the 2019-20 financial year.

**Moved:** Peter D      **Seconded:** Chris C      **Motion passed**

## **Appointment of Returning Officer**

**Motion:** That Carisse Flanagan be accepted as Returning Officer

**Moved:** Jessica B      **Seconded:** Peter D      **Motion passed**

## **Board Elections**

All Board positions due for election were declared vacant and new members were elected onto 2019-20 Board

## **2019-20 Board Elections**

**Chair:** Bianca Rossetti (returning)



**Deputy Chair:** Christopher Corcoran (continuing)  
**Secretary:** Vacant  
**Treasurer:** Paul Thompson (continuing)

**Ordinary Members:**

Peter Dwyer (returning)  
John Brookes (new)  
Tony Fitzgerald (returning)  
Jennifer Hodgson (returning)  
Thi-Nha Tran  
2x vacancies

No further nominations from the floor. The Secretary and remaining two Ordinary member positions will be treated as casual vacancies under the Constitution.

**Ballot Destruction**

**Motion:** That all ballots be destroyed, in accordance with the Constitution.

**Moved:** AK     **Seconded:** PD     **Motion passed**

**Treasurer's Report**

As per 2018-19 Annual Report. Quorum not present for motion, although no concerns raised by members present.

**Presentation – Matthew Martin, ACT National Consumer Representative**

An update on the work of the National Mental Health Consumer Carer Forum.

**Keynote Presentation – Stuart Anderson and Matt Jeffrey**

Information and perspectives on the ACT Mental Health Consumer Scholarship Scheme

**Executive Officer's Report**

Per 2018-19 Annual Report.

**Appointment of Auditor**

Quorum not present so existing Auditor carried over from previous year with no objections raised by members present.

Meeting closed at 2:10pm.



## 2020-21 PROJECTED BOARD MEETING DATES

Thank you for considering a position on the ACT Mental Health Consumer Network Board. For your ease of reference the following are the projected 2020-21 Board meeting dates so that you may consider them prior to nominating.

Tuesday **17** November 2020, **12:30-1:30pm—immediately after Annual General Meeting**

Tuesday **08** December 2020, **10am-1pm**

Tuesday **16** February 2021, 11am-1pm

Tuesday **20** April 2021, 11am-1pm

Tuesday **15** June 2021, 11am-1pm

Tuesday **17** August 2021, 11am-1pm

Tuesday **19** October 2021, 11am-1pm

Tuesday **16** November 2021, **11am-12:30pm Annual General Meeting**

Ideally, Board members should be available for each meeting, however, we understand that there may be occasions when someone is not able to attend. Board members are able to be present either in person or electronically, such as by teleconference or using Skype.

Individuals nominating for an office bearing position with a two-year term can expect that the same schedule - third Tuesday of the above months - will repeat. This is with the exception of the December meeting which may be held on the second Tuesday in 2021, as will occur in 2020 as shown above.

Board members are encouraged to sit for a photograph and provide a brief profile for our website and newsletter, however, this is not a requirement of Board membership.

## Responsibilities of the Board

A community sector board should be mindful of its responsibilities. These include:

- Showing leadership by:
  - Providing organisational vision above all else
  - Understanding their role within the organisation
  - Being a trustee/owner not a volunteer/helper
  - Being results focussed: consumer result, cost result, vision outcomes
- Having the discipline to:
  - Focus on their governance role
  - Be responsible for working as a group
  - Determine what information is needed for accountability
  - Give clear and consistent instruction to the staff
  - Speak with one voice
- Fulfilling obligations to membership under the *Associations Incorporation Act 1991*, including to:
  - Maintain the register of members
  - Manage the funds
  - Appoint the auditor and commission the annual audits
  - Appoint a Public Officer
  - Convene the Annual General Meeting
  - Ensure elections are conducted as required
  - Provide reports to the Annual General Meeting
  - Lodge documentation with the Registrar General

## Fiduciary and Other Duties of Board Members

There are five key duties that board members have in carrying out their responsibilities under the *Corporations Act 2001*. These are also applicable to associations incorporated under the *Associations Incorporation Act 1991*, although they are not all specified in the legislation. The common law fiduciary duty applies to all incorporated entities.

- **Fiduciary duty:** the duty to act in the best interest of the organisation.
  - Within fiduciary duty is the expectation that board members will act with a duty of care, loyalty and obedience to purpose, in keeping with the philosophy and objectives of the organisation.
  - Even if the staff and/or volunteers run the day to day affairs of the organisation, the committee or board are ultimately responsible for maintaining financial and legal responsibilities.
- **Duty to act honestly:** to apply reasonable skills, act in good faith and in the best interests of the organisation.
  - Speaks for itself - just be honest and check if unsure.

- **Duty of care and diligence:** the duty to abide by the constitution of the organisation and to know and comply with all legal requirements.
  - This includes taking all reasonable steps to minimise risk for the organisation.
  - It also includes working on a positive public perception of the organisation.
  - It also means making sure you have enough information to make decisions.
  
- **Duty of confidentiality:** the duty to keep confidential all organisational and Board information.
  - This includes not expressing dissent about a board decision with which you disagree - remember the board speaks as one voice. If you cannot live with a decision you need to leave the board. Once a decision is made it is a decision of the board as an entity.
  
- **Duty to declare any conflict of interest:** the duty to inform the governing body of any personal interest in any matter before it and to absent yourself from issues where there is the possibility of a perceived or real personal or financial interest.
  - A financial conflict of interest may be, for example, where an organisation hires a contracting firm run by a board member's partner. There is the possibility of direct financial gain to the board member. Another common cause of conflict of interest arises when board members undertake paid work for the organisation.
  - An ethical conflict of interest may be, for example, a board member's partner is applying for the Executive Officer position. There may be no issue of direct financial gain but bias, real or perceived, may be an issue.

### **Conflicts of Interest**

As members of the board or committee of an association, each board member needs to be aware that they are acting as a "fiduciary" of the association. A "fiduciary" is a person appointed to act at all times in the best interests of the association.

As such, board members should avoid situations in which there is a real and sensible possibility of conflict arising between the board members' personal interests and the interests of the association.

Such a conflict of interest might arise when negotiating a contractual arrangement between the association and another organisation owned or managed by a board member. Under the contract the board member may be deriving income and personal profit. Hence, the board member could not be taken to be acting in the best interests of both the association and the organisation at the same time when negotiating and performing the contract as he or she would have competing loyalties to both.

In these circumstances, the board member must declare the nature of the interest to the association so that the members of the association can consider whether or not to approve the arrangement. This requirement is also supported by the *Associations*

## *Incorporation Act 1991.*

If a board member fails to declare any such conflicts of interest, he or she will be liable to compensate the association for any profit the board member makes from the contract or for any other loss or damage caused to the association by reason of the conflict.

Following on from the rule against conflict of interest is the rule against board members misusing their position or special knowledge of the association's affairs for their own advantage without the association's fully informed consent. Failing to inform the association of the board member's action in such circumstances would require the board member to account to the association for any personal profit made, or loss or damage caused to the association, by the board member.

### **Making Good Decisions**

Successful decision-making by a board (or management committee) is the responsibility of the President (or Chair). This doesn't mean the President has the authority to make decisions for the board, but it does mean they have to facilitate the best decisions possible. In meetings, this means:

- deciding how much discussion to devote to decisions;
- ensuring all items on the agenda are dealt with;
- ensuring all viewpoints are heard, including the minority viewpoints;
- ensuring the board has the information it needs to make timely responsible resolutions; and,
- ensuring that the Board is clear about the decisions they have to make (e.g. to approve, or not to approve, the purchase of paper clips).

To make the President's role easier, and meetings less stressful, the board needs to agree on its preferred decision-making method. Many NGOs seek 'consensus' decisions without fully understanding what consensus means. A textbook definition would be 'an ultimate position that represents a unified viewpoint after differences have been resolved'. A board that makes a decision without dissent has not necessarily made a consensus decision - quieter board members may secretly disagree with a decision. For this reason, the President must take pains to ensure that the decision is indeed unanimous. This might require him or her to directly ask each board member whether they agree or disagree on each decision, or ask out loud 'does anyone disagree?' and wait for a response, before the decision is minuted.

If you adopt consensus decision-making, you will still need a back-up system if the board becomes locked on an issue. In this case the President could put the resolution to a vote. To be true to the spirit of consensus, if the decision is found to be split 50/50, you can put it in your constitution, rules of association or board policy that the President does not have a casting vote and the proposal is deemed to be lost.

Some constitutions or rules of association may provide for certain important decisions of the board or management committee to be passed by special majority - i.e. by three quarters of the board/committee members present and entitled to vote at the meeting. Such decisions could relate to matters such as creating a charge over

the association's property, issuing proceedings in court against another party, entering into contracts to purchase real estate, or any other matter considered important.

If the board would prefer a basic voting system, board members need to understand that if they 'lose' a vote, it does not help the organisation's interests to attempt to undermine the decision's implementation. Nor is it helpful to criticise the decision publicly or to staff - this is a symptom of a weak or divided board.

If a board member strongly disagrees with a decision, there are a number of options they can take, for example:

- ask that the reasons for their dissent from the decision be minuted;
- ask to bring a further proposal to the board suggesting another approach; or,
- insist the board monitor the effects of the decision closely and review it by a certain date.

If a board member finds that they have constant problems with the kinds of decisions the board is making, it may be time for them to consider whether they are the right 'fit' for the board. A separate interview, outside board meetings, with the President may also help in clarifying the directions the board is taking.

In the case of a company incorporated under the *Corporations Act 2001*, if members feel decisions of a corrupt or fraudulent nature are being made, they may have rights to apply to the court to have the fraudulent or corrupt behaviour stopped and also to obtain orders for compensation to be paid if they have suffered any loss or damage due to such fraud.

The member, along with others, could also seek to hold an extraordinary general meeting with the whole company membership to question the board further about certain decisions. Further advice can be sought from the [Australian Securities & Investments Commission](#), or the [Australian Institute of Company Directors](#).

### **How a Good Board Functions**

The following article gives you some ideas on the proper and smooth operations of a Board.

### **Structure of Boards**

Under the *Associations Incorporation Act 1991* the board or management committee of an incorporated association must have at least three members. The model rules for associations in the ACT provide for three ordinary members and four office-bearers. The office bearers are the President (or Chair), the Deputy President, the Treasurer and the Secretary.

However, this make-up is not necessary if it is not considered appropriate for your organisation. The only mandatory office bearer position for an association is the appointment of public officer. The public officer does not necessarily have to be a governing committee member.

The Rules of Association (or Constitution) must specify the name, composition, powers and functions of the committee or board. The rules should also specify the method of election of committee members, the length of their terms of office, how

vacancies on the committee should be filled and the various procedures to be followed at committee meetings such as whom is entitled to make decisions, and how they are made.

### **Skilled Board Members**

A skilled, communicative, functioning board is essential to an organisation's success.

A board should not be a collection of people who are friends of the staff and other board members. It should never be a bunch of "yes" people. It needs to be made up of people who have the right experience and skills, and management and financial background, to set and monitor the strategic direction of the organisation.

Staff can sometimes regard the board as simply a requirement for the organisation to satisfy its legal obligations. This is not a recipe for long-term success. As much as it may seem that because staff run day to day operations they are in the best position to make decisions, the history of failed NGOs shows that this is not always the best way to go.

Rather it is precisely because staff are involved in daily operations that they need a group of interested and dedicated people to ensure that the organisation's legal, policy and strategic requirements safely underpin operations. A good board does not constantly interfere in the staff's work; they monitor progress and offer advice when needed. Without board input, staff will find themselves increasingly making decisions without the information and strategic direction they need. Board members also need to have the courage to ask questions and sometimes challenge management.

### **Succession Planning**

Often when a community organisation is created, it has a Board of committed, skilled and dedicated people to oversee the development of the organisation. However, some time on, these people slowly leave the organisation, and are not replaced with people with the same passion or skills, and the organisation slowly begins to atrophy and lose direction.

**Succession Planning** is the term used to describe the recruitment of new Board members and preparing them to take on more senior roles on the Board. This will help ensure that an organisation is continuously re-energised and secure its long-term viability.

Recruiting and developing new Board members is properly the responsibility of the Board, not staff or the CEO. Leaving Board member recruitment to staff leaves an organisation open to "staff capture": where the staff or CEO effectively appoint the Board and are no longer sufficiently accountable for their actions.

Put effort into recruiting the very best people you can find to your board. This may take some effort, but it helps to recruit the assistance of the whole Board. If potential Board members decline, ask if they can suggest someone they think will be suitable.

Make a list of the relevant skills that your Board needs in order to have the proper expertise and be representative of the membership. It is always handy to have a lawyer and an accountant on a Board. If you serve a particular community or

population group, ensure your board has representatives of those groups. Think about factors like age, ethnicity, job background, gender and geography.

Ensure that while the person is committed to the organisation's ethos, the board's processes and its code of conduct, you are not recruiting someone who is exactly like the rest of the board. Aim for diversity not only in professional and personal backgrounds but also in personality. A good board needs people willing to question, disagree, and challenge. The board doesn't have to be best friends - but they do need to respect each other's viewpoints.

### **Governance and Management: Knowing the Difference**

The following article gives you some information on the division of governance and management roles in an organisation.

#### **Governance vs Management**

A major obstacle in the governance of community organisations is ensuring the Governing Body and Managers are able to delineate their different responsibilities. "**Governance**" is the strategic task of setting the organisation's goals, direction, limitations and accountability frameworks. "**Management**" is the allocation of resources and overseeing the day-to-day operations of the organisation.

One way to think about this is that Governance determines the "What?" - what the organisation does and what it should become in the future. Management determines the "How?" - how the organisation will reach those goals and aspirations.

#### **The Governing Body's Role**

The Board or Committee of an organisation is the group of members elected by the membership to take responsibility for the governance and strategic direction of the organisation. It is usually also responsible for employing the Managing Director or Executive Officer.

They are responsible for all aspects of the continued or ongoing operation of the organisation. This means it has to find a way it can delegate the day-to-day business, functions and activities of the organisation to Management, and still account for its responsibilities back to the membership.

The single most important feature of good governance is a clear segregation of the responsibilities and accountabilities of the board from those of the management. The board's job is to oversee management, not to manage.

It can be difficult to separate what is and isn't the board's business. A useful rule is to always consider matters before the board in terms of the strategic direction of the organisation. Set up board meetings to ensure the board is constantly monitoring whether the goals of the strategic plan are being met, or will be met. While the board should be aware of all the organisation's operations, it needs to keep its eye on the overall strategy and big picture for the organisation.

Some useful strategies for ensuring the delineation of roles is clear include:

- Including a Duty Statement for the Board in the organisation's Governance Policy

- Implementing a Director/CEO limitations policy, articulating the limits of Management's authority
- Ensuring that Board members undergo basic training in governance to help them understand the role of the governing body

In some small organisations, some of the management duties of the organisation will remain with the Board, or an Executive or Management Committee of the Board comprising Office Bearers of the organisation. It is still important in these circumstances to clearly articulate the different roles of the Board, Management Committee and Staff, although the allocation of roles may not necessarily be along a strict division of governance and management responsibilities.

### Allocating Responsibilities

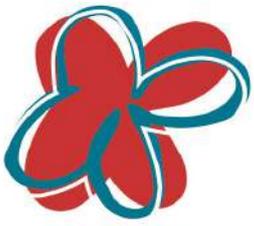
Here is a list of the kinds of things you may wish to formally 'segregate' between the board and management. Areas where there may be some overlap are also shown.

<b>Board/Management Committee</b>	<b>Possible overlap</b>	<b>Executive Officer</b>
Setting strategic plan and monitoring it	Meeting strategic plan objectives	Implementation and driving strategic plan
Approving purchasing over an agreed limit	Purchasing limit	Purchasing below a certain agreed limit within board approved budget
Overseeing finances through financial reports to board	Keeping projects within budget	Detailed understanding of financial position and project-by-project status
Risk management	Constant assessment of risk, financial and otherwise	Reporting to board on risk, actual and potential, developing risk management plan
Making contacts for potential funding, passing on grant information	Ideas about the number and mix of grant proposals	Applying for funding, securing sufficient grant monies to run organisation
General framework for staffing matters	Staff performance issues; grievances	Staff matters such as leave, performance appraisals, conditions and detail of supervision

### Board Member Code of Conduct

- Maintain and understand the ethos, values and objectives of the company or association
- Act in good faith toward the company, its members and creditors

- Be familiar with the organisation's constitution, policies and procedures, and the duties of directors as defined in the *Corporations Act 2001* or *Associations Incorporation Act 1991*(ACT)
- Make decisions in a timely, fair and efficient manner
- Prepare for, attend, and participate actively in board meetings
- Ensure decisions of the board are based on the best evidence and information available
- Develop contacts and good relations with other agencies
- Keep up to date on the environment in which the organisation is working
- Immediately report any personal conflicts of interest or serious breaches of the law to the board
- Make a minimum commitment of 12 months to your first board term
- Be available to undertake appropriate training
- Publicly represent the organisation in a positive manner
- Agree to resign from the board after 5 years' continuous service



ACT  
Mental Health  
Consumer Network

# Board Roles and Responsibilities



# THE ROLES AND RESPONSIBILITIES OF ACT MENTAL HEALTH CONSUMER NETWORK'S BOARD

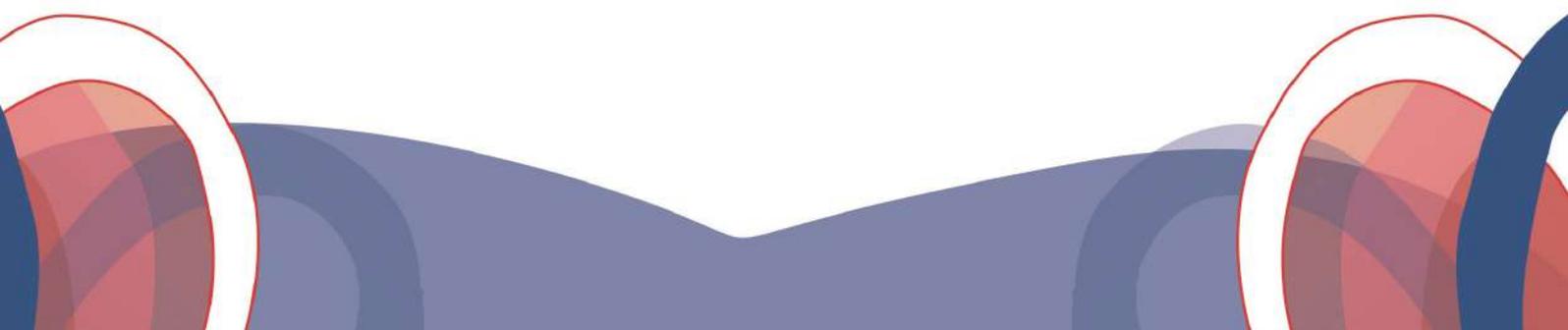
This document outlines some of the responsibilities members agree to take on when joining the Network's Board. In particular the document outlines the roles of the office bearers: Chair, Deputy Chair, Secretary and Treasurer.

The first part of the document contains the sections on roles of the Board and its office bearers in the Network's Constitution. The duties specified in this part of the document are specific to the Network. The second part of the document holds more general comments on the role of board members and office bearers taken from ACTCOSS' Organisations Information Kit ([www.actcoss.org.au/oik/index.html](http://www.actcoss.org.au/oik/index.html)), which is a useful resource for aspiring and current Committee/ Board members.

The information contained in this document is only a brief guideline and not a full description of the practical duties of Board members. Current and aspiring are also always welcome to make an appointment to speak to the executive officer about the roles, responsibilities and expectations, which are associated with being a member of the Network's Board.

What the Network's constitution says about the Board:

- 14.1 The Board consists of:
  - 14.1.1 the office bearers of the Network; and
  - 14.1.2 up to seven ordinary Board members who are elected at an annual general meeting of the Network or appointed to the Board according to this constitution.
- 14.2 Only an individual who is a member of the Network is eligible for election or appointment to the Board. [*see membership qualifications below*]
- 14.3 At least six of the Board members must be primary members of the Network.
- 14.4 Subject to this constitution:
  - 14.4.1 the chair and the secretary hold office for a two year term commencing in odd calendar years;
  - 14.4.2 the deputy chair and the treasurer hold office for a two year term commencing in even calendar years;
  - 14.4.3 each ordinary Board member holds office for a one year term; and
  - 14.4.4 each Board member is eligible for re-election, unless they have served the maximum number of consecutive years.
- 14.5 Subject to clause 14.6, the maximum number of consecutive years a person may serve as a Board member is five consecutive years.
- 14.6 The maximum number of consecutive years a person may serve as a Board member is six consecutive years only:
  - 14.6.1 if they are an immediate past office bearer of the Network; and
  - 14.6.2 as an ordinary Board member.
- 14.7 A person who has been on the Board for the maximum number of consecutive years may be appointed or elected to the Board again only after a gap of one full year in which they are not a Board member.



- 14.8 Subject to clause 14.7, if there is a vacancy in the membership of the Board, the Board may appoint a member of the Network to hold office for the remainder of the relevant election period, with that member's agreement.
- 15.1 Subject to the Act, the regulations, this constitution and to any resolution passed by the Network in general meeting; the Board manages the affairs of the Network.
- 15.2 The Board delegates the day to day management of the Network to the executive officer, subject to any conditions or limitations decided by the Board.
- 15.3 The Board is responsible for effective staff recruitment, management and supervision.

What the Network's constitution says about membership:

- 5.1 An individual is qualified to be a primary member if the individual:
  - 5.1.1 identifies as having lived experience of mental illness or psychiatric disorder, or has personally used a mental health service for their own mental health needs;
  - 5.1.2 is resident in the ACT or uses services and programs in the ACT;
  - 5.1.3 accepts the objectives of the Network; and
  - 5.1.4 has lodged an application for membership.
- 5.2 An individual, group or organisation is qualified to be an associate member if they:
  - 5.2.1 empathise with consumers;
  - 5.2.2 accept the objectives of the Network; and
  - 5.2.3 have been accepted for membership by the Board.

What the Network's constitution says about office bearers:

1. Chair
  - 17.1 The chair shall:
    - 17.1.1 be responsible for the direction and supervision of the Network, with the Board's agreement;
    - 17.1.2 preside at all general meetings and meetings of the Board;
    - 17.1.3 be the public spokesperson for the Network to fellow consumers, government, media and other relevant bodies, including local, state and national interests of the Network; and
    - 17.1.4 ensure appropriate communication with the Board, Network members and the executive officer.
2. Deputy Chair
  - 18.1 The deputy chair shall:
    - 18.1.1 replace the chair as required or when requested to do so by the chair;
    - 18.1.2 act as advisor and support to the chair; and
    - 18.1.3 assist the chair in their duties.
3. Secretary
  - 19.1 The secretary must keep minutes of:
    - 19.1.1 all elections and appointments of office bearers and other Board members;
    - 19.1.2 the names of Board members present at a Board meeting or a general meeting; and
    - 19.1.3 all proceedings at general meetings and Board meetings.
  - 19.2 The secretary must ensure the minutes of proceedings at a meeting are signed by the person presiding at that meeting, or by the person who presides at the following meeting of that type.
  - 19.3 The secretary must:
    - 19.3.1 give notice of all general meetings;
    - 19.3.2 oversee preparation of the agenda for meetings of the Board or the Network; and
    - 19.3.3 oversee the preparation of the Network's annual report.
4. Treasurer
  - 20.1 The treasurer must oversee all financial management of the Network including:

- 20.1.1 ensuring that all moneys due to the Network are collected and received and that all payments authorised by the Network are made;
- 20.1.2 ensuring that accurate books and accounts are kept showing the financial affairs of the Network;
- 20.1.3 ensuring that financial statements and reports are presented at such times as required by the Board, for the annual report, and at the annual general meeting; and
- 20.1.4 ensuring that the Network's financial affairs are audited and that the Network is informed of any anomalies.

## **WHAT ACTCOSS' ORGANISATIONS INFORMATION KIT SAYS ABOUT BOARD MEMBERSHIP:**

### **1. *Duties of Management Committee/Board Members***

#### **Showing leadership by:**

- Providing organisational vision above all else
- Understanding their role within the organisation
- Being a trustee/owner not a volunteer/helper
- Being results focussed: consumer result, cost result, vision outcomes

#### **The governing body has obligations to membership including to:**

- Maintain the register of members
- Manage the funds
- Appoint the auditor and commission the annual audits
- Appoint a Public Officer
- Convene the Annual General Meeting
- Ensure elections are conducted as required
- Provide reports to the Annual General Meeting
- Lodge documentation with the Registrar General

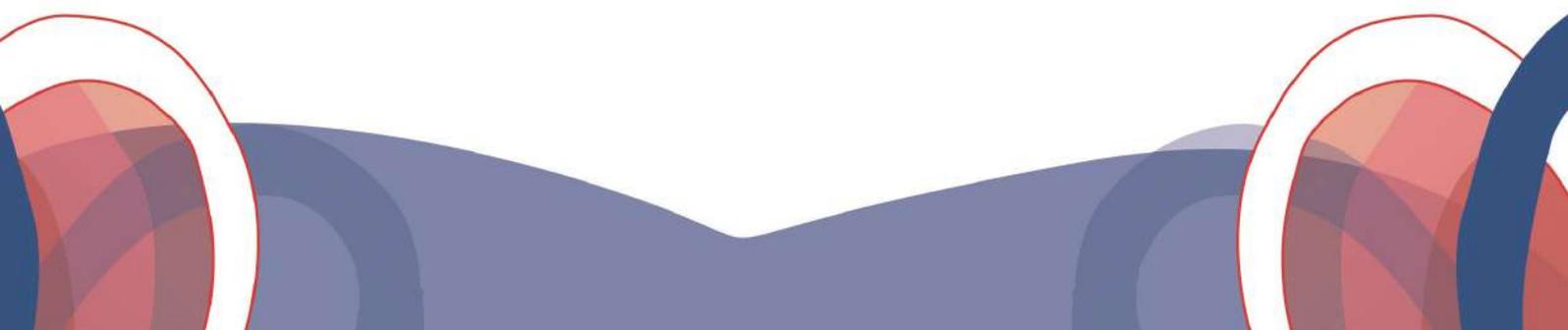
#### **Governing body members must have the discipline to:**

- Focus on their governance role
- Be responsible for working as a group
- Determine what information is needed for accountability
- Give clear and consistent instruction to the staff
- Speak with one voice

#### **Office Bearers**

Chair: responsible for the integrity of the process.

Secretary: responsible for the integrity of the records.



Treasurer: responsible for the integrity of financial management

**Coordinator** (in the case of the Network, the Executive Officer)

- Work within agreed policies
- Work within delegations
- Manage external relationships
- Represent the organisation on a day-to-day basis
- Fulfil compliance obligations
- Ensure appropriate records are kept
- Brief the board

## **2. Responsibilities of the Chair - new legal requirements**

Both the Board/Committee and the Chair have certain general obligations and responsibilities that they owe to the organisation for which they are responsible. These include:

- taking reasonable steps to ensure compliance with relevant laws;
- not improperly using their position;
- acting in good faith; and
- acting with a degree of care that a reasonable person sitting on the board would act with in the circumstances.

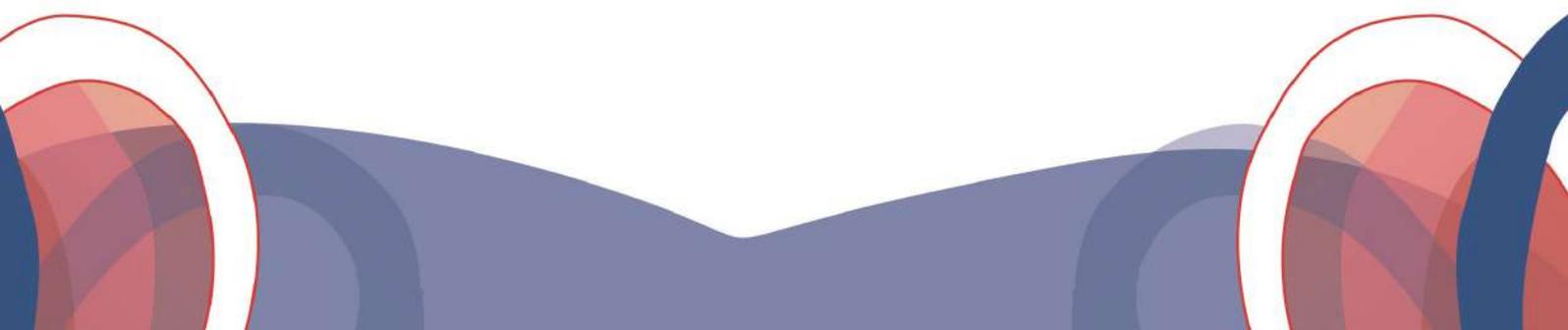
In February 2003 the Supreme Court of NSW agreed with the case put by the Australian Securities and Investments Commission (ASIC) that certain Chairs have responsibilities beyond those of other board directors, in certain circumstances. These involve overseeing adequate processes to enable the Board 'to properly and effectively discharge its supervisory role'.

In the case, the Court held that the Chair of the company under consideration had certain special responsibilities beyond those of non-executive directors.

These special responsibilities include:

- being more active and vigilant with respect to the organisation's financial circumstances, particularly in times of financial difficulty;
- ensuring that the board (or management committee) are properly informed about all relevant matters, in particular, financial matters and issues concerning the organisation's debtors and creditors and other information relevant to potential financial difficulties;
- ensuring that the board adequately, properly and promptly understand and address serious financial concerns of the organisation, if they arise; and
- personally assessing the quality, reliability and timeliness of information provided to the board, particularly where it concerns the organisation's deteriorating financial position.

Hence, the decision may generally suggest that current community standards now expect a Chair to have wider responsibilities when sitting on a board than merely the additional ceremonial or procedural functions involved in chairing meetings of the organisation. As a general proposition,



such responsibilities might be summarised as a primary responsibility to oversee the proper functioning of a properly informed board or management committee.

In order to fulfil such special responsibilities, it may be useful for your organisation to develop a Chair Accountability Statement.

### **3. Role of the Secretary**

A board or management committee will sometimes appoint a Secretary to take general responsibility for certain administrative tasks which the board or management committee is required to carry out.

As well as bearing all the general responsibilities of being a member of a management committee or board there are several tasks for which the Secretary of an organisation has responsibility. Many of these are the regular practical administrative duties that will be done by staff where the organisation employs paid members of staff.

The tasks of the Secretary for committee or board meetings can include:

- convening meetings
- booking rooms
- dealing with correspondence
- preparing agendas for meetings (in consultation with the Chair)
- taking the minutes of meetings (although some committees may wish to appoint a minute secretary for this purpose)
- ensuring back-up information is available at meetings where the topics to be discussed require it
- care of the common seal

Note that, in respect of incorporated associations, the position of Secretary is not expressly referred to in the *Associations Incorporations Act 1991 (ACT)*. Hence, all members of the management committee may be liable for any action taken or breach of its responsibilities under the Act.

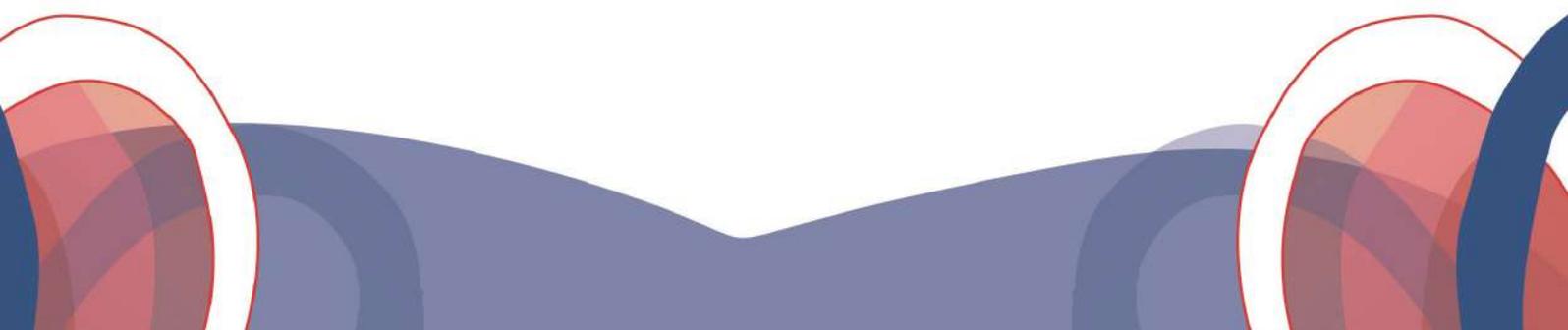
### **4. Role of the Treasurer**

As well as bearing all the general responsibilities of being a member of a committee or board, there are several tasks for which the Treasurer of an organisation has responsibility. Many of these are the regular practical administrative duties that will be done by staff where the organisation employs paid members of staff.

The Treasurer is responsible for providing financial transparency and accountability to the board/committee, and ensuring that processes and reporting requirements are met openly and accountably. A Treasurer also provides an assurance of the ongoing financial viability of the organisation to the board/committee.

The tasks of the Treasurer for committee or board meetings may include:

- Ensuring that the finances of the organisation are managed appropriately
- Making recommendations to the board about income and expenditure, investments and debts



- Keeping records of all incoming and outgoing payments
- Reviewing the annual profit and loss, and balance sheets
- Ensuring that the annual audit process is undertaken in a timely fashion according to legislative requirements
- Providing regular financial statements to the management committee/board with a capacity to explain any details
- Drawing up the annual budget in consultation with staff and the other executive members
- Ensuring that sufficient funds are available at all times to support the organisation's liabilities

Many of these tasks would be undertaken by staff in organisations where administration is carried out by staff, but the Treasurer is still responsible for ensuring that the necessary processes for reporting are in place and that sufficient funds are available. The Treasurer is also responsible for explaining any details in those reports that the committee/board might ask questions about.

