

## Corporate Governance Statement

[insert organisation name] is committed to implementing the highest standards of Corporate Governance, reflecting its belief that any shortcomings in governance could jeopardise [insert organisation name]'s reputation and its ability to fulfill its obligations to a wide range of parties with whom it interacts. These principally include our clients, their families, our employees, State government funding bodies and the community at large.

This statement is structured to provide an outline of the application of sound corporate principles for [insert organisation name] and will be reviewed regularly.

### 1. Role of the Board and Management

[insert organisation name] has adopted a formal Board Charter that sets out the functions reserved to the Board and those delegated to the Chief Executive Officer (CEO).

#### a. The Board

The fundamental role of the Board is to develop and approve the governance and strategic framework to guide, monitor and evaluate the organisation's direction and management.

Specifically, the Board will be responsible for:

1. Setting the strategic direction of [insert organisation name] and monitoring management's performance within that framework.
2. Ensuring that there are adequate resources available to meet agreed objectives.
3. Appointing and removing, if necessary, the CEO, overseeing succession plans of CEO and the Board.
4. Reviewing and endorsing the remuneration of the CEO and senior management.
5. Ratifying the appointment of senior management reporting to the CEO.
6. Approving and monitoring financial reporting and capital management including budgeting.
7. Approving and monitoring the progress of operational objectives.
8. Ensuring that risk is adequately managed.
9. Ensuring that [insert organisation name] has appropriate corporate governance structures, including standards of ethical behaviour and a culture of compliance with legal and ethical requirements.

10. Ensuring that the Board is and remains appropriately skilled to meet the changing needs of **[insert organisation name]**.

## **b. Directors**

The duty of Directors is primarily to act honestly, in good faith, and in the best interest of **[insert organisation name]**. This requires that Directors disclose any potential conflicts of interest as soon as they arise. Where there is a conflict of interest Directors are to remove themselves from particular discussions, decisions or votes.

No Directors receive remuneration from **[insert organisation name]**. Out of pocket expenses relating to their Director activities may be reimbursed by **[insert organisation name]**.

## **c. Role of the Chairman**

The Board elects the Chairman of the Board. The key internal roles of the organisation's Chairman are to:

- Conduct effective Board meetings and processes, seeing that the Board considers appropriate matters in a timely and transparent manner.
- Be the Board's formal point of contact with the CEO.
- Ensure the Board provides guidance and vision to the organisation.
- Guide the ongoing effectiveness and development of the Board and individual Directors

The main external role of the Chairman is to represent the Board and the organisation as appropriate, to its various stakeholders and to chair its legally required annual and other meetings.

## **d. Role of the Chief Executive Officer**

The Board delegates responsibility for day-to-day management of the organisation's activities to the CEO. The CEO is responsible for the implementation of strategies approved by the Board. The Board approves, and regularly reviews policies reflecting broad statements of the commitment of the Organisation in specific areas. It is the responsibility of the CEO to implement Board-approved policies. The CEO is appointed by the Board, and works within delegations and responsibilities as delegated by the Board from time to time.

## **2. Board Structure**

**[insert organisation name]**'s Board comprises up to **[insert number]** members, all of whom are ***[Non-Executive Directors (if appropriate)]***. All Directors are required to act in the interests of the organisation, in accordance with its mission and values.

Board members are to have an appropriate mix of professional and life experience to deliver value to **[insert organisation name]**. The Board is to renew its membership in a progressive and orderly manner as outlined in the Constitution and Directors are to be elected or appointed for **[insert number]** year terms. No staff member of **[insert organisation name]** can be a Board Member.

### 3. Review of Board Performance

The Board has processes in place to regularly review its composition and annually evaluates its collective and individual Directors' performance and development needs. The reviews cover a range of issues including the Board's role, Directors' specific expertise and experience, processes, interaction with management and contribution to the ongoing performance and strategic direction of the organisation. External advisors and systems are used where appropriate.

### 4. Board Committees

**[insert organisation name]** will have the necessary number of committees as seen fit by the Board, all of which make recommendations for the full Board's approval. Committees will have Terms of Reference, clearly defining the Committee's role, procedures and functions, which are ratified by the full Board. Whilst staff may be involved in Board level committees, their role is to advise and assist the committee to do its work. Committees may co-opt outside members from time to time in order to bring additional skills, experience or networks to their deliberations.

***[sample committee follows]***

#### a. Finance & Audit Committee

This Finance and Audit Committee comprises the Treasurer (Chair), Chairman and one other Director, as well as management representatives. The Committee is responsible for overseeing the efficient management of the financial resources of **[insert organisation name]**. The Committee is appointed by the Board and reports to the Board through the Treasurer. The duties of the Committee are set out in the Committee's Terms of Reference, which are reviewed annually. As part of its allocated duties, the Finance and Audit Committee reviews management forecasts, oversees the external audit, reviews internal controls and oversees the risk management process.

### 5. Respect the Rights of Members

**[insert organisation name]** respects the rights of members. Every year **[insert organisation name]** holds an Annual General Meeting, which provides an opportunity for members and other stakeholders to meet with and question the Board and management of **[insert organisation name]**. We also provide Annual Reports to members outlining the financial viability of the organisation and its achievements during the previous financial year. Our website is another source of information for members, and provides details on the support services **[insert organisation name]** provides to people experiencing mental illness.

### 6. Recognise and Manage Risk

**[insert organisation name]** has a system of risk oversight and management suitable to the organisation's operations. The organisation has implemented a risk management framework that identifies potential risks and processes to manage those risks.

The Finance and Audit Committee has oversight of the risk management.

## Reference

This has been adapted from The Richmond Fellowship, "Statement of Corporate Governance"

[http://www.rfnsw.org.au/index.php?option=com\\_content&view=article&id=93&Itemid=68](http://www.rfnsw.org.au/index.php?option=com_content&view=article&id=93&Itemid=68)