Little Athletics Queensland

Conference Workshop 5 June 2021

How to be a high performing Centre Committee

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Disclaimer

This is practical information based on our work with associations, clubs and charities.

The contents of this presentation:

- do not constitute legal advice,
- are not intended to be a substitute for legal advice and
- should not be relied upon as such.

You should seek specialist advice in relation to any particular matters you or your organisation may have.

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About your facilitator: Adrian Hart

- Formal studies in journalism, government, management, industrial relations, associations and governance
- 30 years' experience leading peak industry associations, including
  - CEO at Master Plumbers' Association of Queensland
  - CEO Swimming Pool and Spa Association of Queensland
- State Chair and National Director of Australasian Society of Association Executives
- Industry Superannuation Fund Board Chair
- Consulting - external reviews, committee training, governance advice, change management, member acquisition, media relations, advocacy, and member benefit programs.

Little Athletics Queensland

- State body to which all LAC are affiliated
- LAQ is affiliated with LAA
- Centres, State and National are incorporated associations
- All groups are voluntary community organisations
- LAQ provides significant support and assistance to individual centres – see https://laq.org.au/resources/
- LAA Mission: To develop children of all abilities by promoting positive attitudes and a healthy lifestyle through family and community involvement in athletic activities.

About LACs

Approved model constitution for Little Athletics Centres:

The Centre Management Committee shall comprise:

1. Centre Manager (President for the purposes of the Act)
2. Centre Secretary
3. Treasurer
4. Not less than 3 Committee members (Committee elects an Assistant Manager)

- Model Constitution (QLAA Model)
- Committee Roles and Responsibilities (Detailed descriptions)
- QLAA Policies and Plans (Access to excellent QLAA documents)

Agenda

1. Key Documents
2. Committee Composition and Role
3. Strategic Plans Simplified
4. Board Performance and Problems

Format

- Approximately 1.5 hours duration
- Introductions – why volunteer on committee
- Presentation
- Discussion
- Q & A (throughout)

Key Documents

Association's key documents

1. **Legislation** – plus explanation of what it means to your association
2. **Constitution** – voted upon and changed by Members at General Meeting
3. **By-Laws/Regulations** (optional) – can be changed by the Board
4. **Governance Charter** – can be changed by the Board
5. **Statements of Purpose** – Mission cascades into Pillars then Activities
6. **Plan** – stating what/who/when and presented in grid format
7. **Budget** – linked to Plan; drafted by CEO; approved by Board not members
8. **List of Board members and Office Bearers** – how long on Board & 'day job'
9. **Staff org chart** – changed by CEO; will staff structure achieve Plan?
10. **Minutes** – Board meetings, committee meetings and General Meetings
11. **Annual Report** – records achievements, challenges; acknowledges efforts
12. **Audited financial report** – last 5-10 years equity history

About Constitutions

1. Legislation and common law overrides Constitution
2. Constitution is your mini-law
3. Clear and relevant, not ambiguous and operational – e.g. don't include membership rates
4. Include required tax rules to be eligible for tax benefits
5. Constitutions should be reviewed every few years
6. The law specifies the constitution is changed by members, usually by special resolution and passed by 75% majority of votes cast in person or by proxy at a general meeting, once quorum reached
7. Constitutions should enable a Board to do things, not restrict them

Content of Constitutions

1. Objects/Purpose
2. Members
3. General Meetings
4. Board of Directors
5. Procedural including no-distribution and winding up
   - *No operational and financial matters eg membership fees or services offered*
   - *Constitution is like a contract between the member and the association*
   - *Constitutions cover the mechanics of membership, general meetings and Boards*

Associations need to advance their Objects

1. Directors need to work towards achievement of the ‘Objects’ as stated in the constitution.
2. Objects may say ‘help members’, but this may or may not be the case.
3. Directors are not delegates of regions or special interest groups.
4. They have common law and legislative requirements to act in the best interests of the organisation.

Membership in Constitutions

1. Who can be a member?
2. Be clear who gets a vote
3. Disciplinary procedures – how to discipline or expel a member
4. A register of members is required

Remember that members ultimately control who is on the Board, so beware of branch stacking

People or organisations cannot be deemed to be members.

General Meetings in Constitutions

1. Who has the right to propose a motion?
2. Use of technology
3. Direct voting
4. Proxies
5. Whether chair has a casting vote (suggest not)
   - *Don't confuse a general meeting of members and a meeting of the board*
   - *Board meetings don't need to be mentioned in the constitution*

Committee Composition and Role

Directors in Constitutions

1. Board size, terms of office and term limits
   - Stagger terms of office
   - Alternate Directors not recommended
   - Suggest max of 10 years on the Board
   - Keep finer details in by-laws
   - No Board nominations from floor of AGM
   - Potential to pay directors
2. Office bearer size, terms of office and term limits
3. Board Meetings and voting rights
   - No proxy voting at Board meetings
   - All Directors should have a vote
   - Number of meetings should not be stated
4. Authority to delegate powers and make by-laws

By-laws/Regulations

By-laws (optional) – Commonly made and changed by the Board and may cover:

1. Matters that law does not require to be in Constitution
2. Mechanics of the organisation that change and evolve e.g. membership fees
3. Levels of authority
4. Election processes including nominations, voting
5. How committees are appointed and operate
6. Policy and budget process
7. Protection e.g. insurance, logos, intellectual property

Governance Charter (a By-law)

1. Each year, the Board should reaffirm in writing how it will operate
2. Charter covers Terms of Reference, role of the Chair, minutes policy, code of conduct and ethics, director behaviour
3. Directors communicate with staff via the CEO
4. Conflict of interest and maintain confidentiality
5. Board induction, development, assessment and succession planning
6. Governance Charter may set financial limitations for CEO expenditure, so all the Board are aware

Desirable skills on a Board

1. Governance understanding
2. Strategic and innovative thinking skills
3. Business acumen
4. Expertise in work of the members
5. Financial abilities
6. Knowledge and experience with relevant legislation
7. Risk management expertise
8. Political acumen
9. Public relations, media and crisis management
10. Influential links with members

Directors are not ‘delegates’

1. Directors are not delegates or representatives of another body including employer or business or the people who elected them
2. Constitution should not use the term ‘delegate’ or ‘representative’
3. It is understandable Directors who wear more than one hat may feel some responsibility to advance interests of nominating body
4. However, Directors must act in the interests of the organisation

Good Governance Principles

1. Confirm the mission and pillars of the association
2. Consider organisational and membership structures
3. Establish roles, responsibilities and boundaries of committees & staff
4. Guard financial integrity, be confidential and consider risk and appetite
5. Give input then endorse the plan and budget
6. Review resources and workload and seek expert advice
7. Comply to laws and constitution, be ethical and monitor culture
8. Monitor board composition, knowledge, size, phasing, tenure and behaviour
9. Hire, support and empower the head of staff
10. Inform candidates and induct; train, skill and assess directors

Board decisions

1. Decisions need a majority of at least greater than 50% of votes cast once quorum is reached
2. Decisions must be minuted
3. Formal motions, proposing and seconding are not obligatory, however they add clarity to the decision
4. Once the Board makes a decisions, all Directors obliged to support the decision and maintain confidentiality: “cabinet solidarity”
5. If a Director strongly disagrees with a decision and is concerned about future implications they can require concerns be recorded in minutes
6. In some circumstances, Directors may decide to resign

About Board minutes

1. Minutes show attendance, date and decisions
2. Minutes record decisions and context and logic, but do not attribute individual comments unless requested
3. No need to record mover and seconder
4. Minutes are not verbatim transcript or Hansard
5. Use impartial, objective and unemotional language
6. If contentious, do minutes live rather than audio record
7. Minutes are private but communiqué OK depending on constitution
8. The company has to be able to demonstrate the minutes are a correct record

(Sub-) Committees

1. Effective committees bring together a cross section of knowledge and experience to generate consensus.
2. For staff, it provides guidance for programme planning or action.
3. The most essential committee is Finance, Audit and Risk
4. Should have clear terms of reference set by Board
5. Assist with succession planning
6. Differentiate between operation (through CEO) and governance committees (through Board)
7. Consider ‘task forces’ with a limited time period

Strategic Plans Simplified

Boards should ensure Plans

1. Boards should focus on the Mission and 5-9 Pathways
2. When an association employs management, Boards should allow management to achieve the Plan
3. When you know your Plan and Balance Sheet, a Budget can be developed
4. Association plans can be strategic plus operational
5. Refer to plans at every Board meeting – Board monitors
6. Plans need ownership by Board and CEO - other volunteers and staff must see where they fit in to the Plan and Budget
7. Major discussions should be by Board, not sub-committee
8. Plan should be specific and not general; not broad enough to do "anything and everything" and yet nothing useful

Statements of Purpose

1. Objects as in the constitution must form the basis for plans
2. VISION is the ultimate destination for the cause (optional)
3. MISSION is the purpose for the association (crucial)
4. PATHWAYS or Goals are longer term and are there to achieve the Mission
5. ACTIVITIES are specific, current actions and are there to achieve the Pathways

Example of Statements of Purpose

Mission:

The Mission of XYZ association is to advance the XYZ profession and to represent the interests of members.

Pathways:

In order to achieve our Mission, we will:

1. Educate
2. Inform
3. Advocate
4. Expand professional opportunities
5. Have good governance

Once Mission and Pillars are decided, move to details in grid format

PILLAR	ACTIVITY	RESPONSIBLE	TIMING	KPI	PRIORITY
1 Educate	1.1 Conference	Event Mgr	Nov 2021	1,000	B1
	1.2 On-line learning	External	Feb 2021		A3
2 Inform	2.1 Newsletter	Comms Mgr	Qtrly	24pp	
	2.2 Website	Comms Mgr	Ongoing		B2
3 Advocate	3.1 Develop policies	Board	Dec 2020		
	3.2 Meet Minister	President	Oct 2020		A2
4 Expansion	4.1 Trade mission	CEO	Aug 2024	25pax	
	4.2 Economic analysis	External	Aug 2020		B3
5 Governance	5.1 New database	CEO	Jul 2022		
	5.2 Review Constit'n	Sub C'tee	Mar 2021		A1
	5.3 Govern training	CEO	Nov 2020		

Better Plans - Summary

- Planning Days with facilitators
- Good plans are simple and structured
- Less jargon and more actions
  - Mission / Purpose — Board lead
  - Pillars — Board lead
  - Actions / Who / When/ How much / KPIs — Board approved
- Plans form the basis of annual budgets
- Plans form the basis of board meeting agendas

Board Performance and Problems

Issues affecting committee performance

1. Time spent on operational issues, short-term or immediate past
2. Redoing work that has been (or should have been) performed by staff
3. Inefficient Board priorities e.g. work overload
4. Bad Board meeting processes and behaviour
5. Lack of appreciation of knowledge limitations
6. Cumbersome committee structure
7. Volunteer portfolios used rather than staff or committees

Directors and Social Media

1. There are some benefits in posting on social media, yet also risks
2. Blurring of personal opinions and association position
3. Reputational risks e.g. ABC journalists posting personal opinions
4. Legal risks e.g. consumer law, defamation, AHPRA (for health profs)
5. Confidentiality considerations
6. Need internal process for approval, monitoring and responding
7. Messaging must be consistent and follow policy positions
8. If in doubt, do not post.

Boards should not be overworked

1. Minimal Board work required between meetings
2. If there are no staff, need more volunteers and sub-committees plus culture of delegation
3. If there is paid management / CEO-level staff, consider CEO as the spokesperson
4. If too many issue-specific Board emails or calls, add the issue to next meeting agenda
5. Distinguish between Director's governance role and their role as a regular volunteer

Board induction, training and reviews

1. Prospective Directors need training to make them aware of what's coming
2. New Directors Induction requires history, constitution, finances, plans, policies and governance training
3. Training starts with the written documents
4. Chair requires specific training on leadership or chairing meetings, and perhaps coaching
5. Senior and former leaders can be mentors
6. Mature Boards may consider Board Processes Evaluation review

Directors behaving badly

1. Talking over the top of others
2. Using a laptop or mobile inappropriately during a meeting
3. Going off on irrelevant tangents
4. Incessant emails between meetings
5. Not adhering to meeting resolutions
6. Bullying, intimidation and abuse
7. Micromanaging

Succession Planning

1. Associations are people-dependent, so is your association prepared for the inevitable situation of people moving on?
2. People sometimes move on unexpectedly: through physical transfer. Illness or dismissal
3. A chain of authority exists in the Board, with a departing President being able to be replaced by a Vice President, at least initially
4. Sudden departure of a CEO is a more significant issue:
   - *Have a staffer who can become Acting CEO*
   - *Ensure a clear Plan is in place and business can continue seamlessly*
   - *Set in place timetable for recruitment of replacement CEO*

Preventable problems

1. Scandal or fraud – often by a person you trusted
2. Going broke
3. Confusion as to purpose
4. Internal factions and politics
5. No regular transition to new Directors
6. Poor governance by the Board
7. Micromanagement by the Board
8. Wrong person as CEO
9. Not seeking professional advice when required

RSL NSW: alleged fraud

1. A 2018 inquiry into the NSW RSL branch and its aged care arm RSL LifeCare, headed by former Supreme Court judge Patricia Bergin, uncovered numerous instances of misconduct and misuse of funds.
2. The inquiry heard that directors of LifeCare, including former NSW RSL president Don Rowe and national president Rod White, received a share in $2.3 million of consultancy fees over 10 years.
3. Mr Rowe was found to have spent $475,000 on his RSL corporate credit card over six years, including cash withdrawals totalling $213,000, mortgage payments and payments for five mobile phone accounts of family members
4. Mr Rowe was also found to have stayed in the “presidential suite” of a Sydney hotel and allowed his son to use it occasionally over seven years even though the room was being paid for by the organisation
5. Rowe was found guilty and fined

Culture and governance at heart of misconduct

Charity World Vision in allegations of corruption and nepotism

'Fed up' government launches formal RSL investigation

David Wroe

-dollar corruption

Former Keep Australia Beautiful NSW CEO David Imrie convicted of defrauding charity

Former Surf Life Saving NSW boss charged over 'brazen' $2.7m charity fraud

Board anger as Bulldogs director fails to mention pub ownership

'Too much spin': icare board papers reveal business is a 'shambles'

Adele Ferguson

Investigative journalist and columnist

CPA Australia's calamitous 2017

1. Former President Alex Malley became CEO in approx 2011
2. CEO's strategy of promotion via self-promotion: self-help book, Channel 9 TV show; funded & promoted by CPA Australia
3. Very high pay for Board and senior management
4. Constitution changed to Board self-selection: appointees were connected to the CEO
5. All this was criticised by members and AFR, ABC, The Australian
6. ASIC as Regulator investigated and Senate commented
7. Self-declared 'Disruptive CEO' dismissed with $4.9M payout
8. All 12 Directors eventually resign

Thank you!

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