



the peak body and leading voice  
for sonographers

## **Governance Charter – Board of Directors**

Adapted from: Kiel, G, & Nicholson, G. (2003); Boards that work – a new guide for directors.

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# 1. The role of the Board of Directors

The *Corporations Act* clearly establishes that the Board of Directors ('Board') is ultimately responsible for all matters relating to the running of the Australasian Sonographers Association Ltd ('ASA' or 'Company').

The Board's role is to govern the Company rather than manage it. It is the purpose of the Chief Executive Officer ('CEO') to manage the Company in accordance with the direction of the Board.

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the ASA. It is required to do all things that may be necessary to be done in order to carry out the objectives of the Company. The Board has the final responsibility for the successful operations of the Company. Without intending to limit this general role of the Board, the specific or principal functions and responsibilities will include:

- acting as an interface between the ASA and members and other stakeholders;
- setting the goals of the ASA, including short-term, medium-term and long-term objectives;
- providing the overall strategic direction of the ASA;
- approving all policies governing the strategic direction of the ASA;
- appointing and approving the terms and conditions of the appointment of the CEO;
- reviewing and providing feedback on the performance of the CEO, including salary review;
- establishing and determining the powers and functions of the Board committees and all other committees and working parties;
- approving major operating plans, including a periodic strategic plan;
- approving the annual budget and long-term budgets;
- monitoring the solvency of the organisation and ensuring expenditure and revenue targets are in line with the approved budget;
- approving all expenditure outside of delegated authorities (see *Section 11.6*);
- approving all mergers and acquisitions, and property acquisitions and disposals;
- reviewing the annual progress and performance of the ASA in meeting the objectives of the Company, including reporting the outcome of such reviews.

## **2. Board structure**

### **2.1 Size**

The Board of the ASA consists of up to ten members, as detailed in the Company's Constitution.

### **2.2 Office bearers, Board committees and representatives**

In accordance with the Constitution and following confirmation at the Annual General Meeting of the composition of the incoming Board, the Board will convene to elect one director to the position of President and one director to the position of Vice President. Appointments will also be made to Board Committees as deemed appropriate, as well as ASA representatives on external committees as required.

### **2.3 Board skills**

The principal focus of all Board members should be to represent sonographers and raise the profile of the sonography profession. Additional skills useful to the Company may include:

- legal, accounting, risk management and finance
- an understanding of the health system
- political lobbying and negotiating
- education delivery
- marketing, PR/media
- research – conduct and interpretation
- ethics, standards and planning.

## **2.4 Selection and appointment of Directors**

### **2.4.1 General Directors**

General Directors are nominated and appointed as per the processes defined in the Constitution. Subject to the number of general directors allowed under the Constitution, a 'casual' general director may be appointed by an ordinary resolution of the Company in general meeting. In the situation of a vacancy occurring between such AGMs, the Board may appoint a casual director. As stated in the Constitution, such a director will only hold office until the next AGM of the Company.

### **2.4.2 External Directors**

The Governance Committee selects and recommends suitable persons to take on the role of External Director. Subject to the number of external

directors allowed under the Constitution and at the Board's discretion, the appointment of an external director shall be approved by the Board. In the situation of a vacancy occurring between such elections, the Board may appoint a replacement. External directors will hold office for up to two years. Subject to the terms of the Constitution, external directors may be eligible for re-appointment.

## **2.5 Rotation of Directors**

As detailed in the Company's Constitution, the length of appointment for a director is two years unless it is a casual appointment of a general director in which case the appointment ceases at the next Annual General Meeting. As per the Constitution, directors serve a maximum of eight years (four consecutive terms) excluding any terms served as an office bearer. All directors must resign at the end of each of their two year terms, but are eligible for re-election within these regulations.

## **2.6 Vacation of office**

It is envisaged that directors shall remain on the Board until required to vacate the office, as detailed in the Constitution. The terms and conditions for directors are contained in their letter of appointment.

If it is necessary to appoint a director for shorter periods of time to reflect necessary expertise or skills on the Board, it is anticipated that this situation will be clearly identified in the relevant director's letter of appointment.

## 3. The role of individual directors

### 3.1 Directors' general roles

ASA directors have a fundamental fiduciary duty to the Company. In line with other companies, their duties relate to:

- Duty to act in good faith.
- Duty not to gain advantage by improper use of position.
- Duty not to misuse information.
- Duty to act with due care and diligence.
- Duty not to trade while insolvent.

In particular, s. 181(1) of the *Corporations Act* states that directors must act in the "best interests of the corporation". As such, action that favours some members or stakeholders above others will generally breach this duty, even if the disadvantaged are a minority.

### 3.2 Directors' Code of Conduct

In accordance with legal requirements and agreed ethical standards, ASA directors will:

- owe a fiduciary duty to the Company as a whole;
- use the powers of the office for a proper purpose;
- discharge their duties in good faith and honesty;
- act with the level of skill, care and diligence expected of a director of a registered company;
- demonstrate commercial reasonableness in their decisions;
- act for the benefit of the Company;
- not make improper use of information gained through their position as a director;
- not speak on behalf of the Company unless authorised in writing by the President or CEO to do so;
- not take improper advantage of the position of director;
- not allow personal interests, or the interest of any associated person or group, to conflict with the interests of the Company;
- make reasonable inquiries to ensure that the Company is operating efficiently, effectively and legally towards achieving its goals;
- undertake diligent analysis of all proposals placed before the Board;
- not engage in conduct likely to bring discredit upon the Company;

- make the President or CEO aware immediately of any circumstances which may impact on their ability to discharge their duties;
- give of their specific expertise generously to the Company; and
- comply with the spirit, as well as the letter, of the law and with the principles of this charter.

### **3.3 Expectations of directors in Board process**

A director shall, in good faith, behave in a manner that is consistent with generally accepted procedures for the conduct of meetings at all meetings of the Board. This will include, but not be limited to:

- ensuring they are well prepared by examining the agenda and Board papers prior to the meeting;
- acting in a business-like manner;
- acting in accordance with the Constitution;
- addressing issues in a confident and firm, yet friendly manner;
- using judgment, common sense and tact when discussing issues;
- minimising chatter, irrelevant remarks and disruption;
- ensuring that others are given a reasonable opportunity to put forward their views (i.e. refraining from interruption or interjection when another director or person is speaking);
- providing feedback about Board meetings and Board processes willingly to assist with continuous improvement of business processes; and
- being particularly sensitive in interpreting any request or indication from the President that aims to ensure the orderly and good-spirited conduct of the meeting.

Directors are expected to be forthright in Board meetings and have a duty to question, request information, raise any issue, fully canvass all aspects of any issue confronting the Company and cast their vote on any resolution according to their own decision.

Outside the Boardroom, however, directors will support the letter and spirit of Board decisions in discussions with members, joint venture partners, suppliers, customers, staff and other stakeholders.



### 3.4 Confidentiality

All Directors are required to sign a confidentiality agreement on commencement of their directorship.

Directors must keep confidential all Board documentation (paper-based and electronic), discussions and deliberations. Similarly, all information received by a director in the course of the exercise of the director's duties must be treated as confidential and remains the property of ASA. It is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by the person from whom the information is provided, or is required by law.

### 3.5 Conflict of interest and related party transactions

The key conflicts of interest may arise when:

- the company is dealing with another party which the director has either a formal or informal relationship with, including an employment or service contract;
- the company is dealing with another party, including another professional organisation, which the director has a formal relationship with;
- the Board is considering items submitted from ASA committees or working parties which a director also participates on.

However a conflict does not arise for a director simply because the Board is considering a paper recommended by a Committee which the director is a member of.

Directors must:

- disclose to the Board actual or potential conflicts of interest which may exist or might reasonably be thought to exist between the interests of the director or the director's seconded personnel and the interests of any other parties in carrying out the activities of the Company; and
- at the request of the Board within seven days or such further period as may be allowed, take such steps as are necessary and reasonable to remove any conflict of interest referred to above.

If a director cannot, or is unwilling to, remove a conflict of interest then the director will be required to absent themselves from the room when discussing matters to which the conflict relates. This entry and exit will be minuted.

Directors will indicate to the President or CEO any potential conflicts of interest situation as soon as it arises. At the beginning of each Board Meeting all directors will be required to declare conflicts of interest to the Chair.

Further, under s. 192(1) of the *Corporations Act*, "A Director of a company who has an interest in a matter may give the other Directors standing notice of

the nature and extent of the interest in the matter” and that such notice “may be given at any time and whether or not the matter relates to the affairs of the company at the time the notice is given”. Such notice shall be recorded in a Register of Ongoing Conflicts of Interest.

The same requirement will exist for related party transactions. Related party transactions include any financial transaction between a director, or an entity in which a Director has an interest, and ASA and will be reported in writing to each Board meeting.

These requirements will also apply to all senior officers of the Company.

The company secretary or in his/her absence, the CEO will maintain a Register of Related Party Transactions, and a Register of Ongoing Conflicts of Interest.

### **3.6 Emergency contact procedures**

As there is the occasional need for urgent decisions, directors should ensure they check their electronic mail at least every 48 hours. It is understood that directors of the company are volunteers. Therefore if, due to holidays or other exceptional circumstances, they are unable to comply with this requirement they must advise the CEO. They may leave with the CEO any contact details, either for themselves or for a person who knows their location, so that as many directors as possible can be contacted within forty-eight hours in cases of a “resolution by circular” or other business.

## **4. The role of the Company's Office bearers**

### **4.1 President**

The President's role is a key one within ASA. The President is considered the "lead" director and utilises experience, skills and leadership abilities to facilitate the governance processes.

#### **4.1.1 Election of President**

In accordance with general business practice and the Constitution, the directors, as a Board, elect the President at the first meeting following the Annual General Meeting annually.

The President will normally be selected on the basis of the person's ability to lead the company. Whilst a one year term is documented in the Constitution, it is envisaged that each President will serve for a period of at least two years, subject to their satisfactory performance. The President must not hold office for a period greater than three consecutive years.

#### **4.1.2 Specific duties of the President**

The President will:

- chair Board meetings and the Annual General Meeting. If the President is an apology for these meetings and/or not present within fifteen minutes after the time appointed for the holding of that meeting, the Vice President will assume this role. If the Vice President is not present, a director chosen by a majority of directors present shall assume this role;
- chair the Future Directions Forum. If the President is an apology for these meetings and/or not present within fifteen minutes after the time appointed for the holding of that meeting, the Vice President will assume this role. If the Vice President is not present, the CEO shall assume this role;
- chair the Governance Committee. If the President is an apology for these meetings and/or not present within fifteen minutes after the time appointed for the holding of that meeting, the Vice President will assume this role;
- participate as a voting member of the Finance & Risk Committee;
- establish the agenda for Board meetings in consultation with the company secretary and CEO;
- be the spokesperson for the Company at the AGM and in the reporting of performance and profit figures;
- together with the CEO, undertake all other public relations activities or, if unavailable, appoint another Director to perform this role;
- be the major point of contact between the Board and the CEO;

- be kept fully informed of current events by the CEO on all matters which may be of interest to directors;
- regularly review with the CEO progress on important initiatives and significant issues facing the Company;
- provide mentoring for the CEO;
- oversee the Board's CEO evaluation process; and
- oversee the process of Board and director evaluation.

The President or Vice President will chair the Sonographer Advancement Working Party. This will be elected by the Board at the meeting following the AGM. If the Chair is an apology for these meetings and/or not present within fifteen minutes after the time appointed for the holding of that meeting, a member of the SAWP chosen by a majority of directors present shall assume this role.

#### **4.1.3 Conflict of interest**

As with all directors, the President is not entitled to vote or participate in the deliberations on any matter in which he or she has a personal interest unless there is compliance with the conflict of interest provisions outlined in 3.4 above.

#### **4.1.4 Removal of President**

In accordance with the Constitution, the President may be removed from office by a resolution of the Board, passed by at least a 65% majority when reasonable notice of this resolution is given to all directors. This action will not, however, remove this director from the Board.

### **4.2 Vice President**

The Vice President's role is to provide support to the President whilst seeking to establish the skills, knowledge and abilities to take over as President at the conclusion of the incumbent's term.

#### **4.2.1 Election of Vice President**

In accordance with general business practice and the Constitution, the directors, as a Board, elect the Vice President at the first meeting following the Annual General Meeting annually.

#### **4.2.2 Specific duties of the Vice President**

The Vice President will:

- in the absence of the President, chair Board meetings and the Annual General Meeting. If the President is an apology for these meetings and/or not present within fifteen minutes after the time appointed for the holding of that meeting, the Vice President will assume this role;
- in the absence of the President, chair Future Directions Forum meetings. If the President is an apology for these meetings and/or not present within fifteen minutes after the time appointed for the holding of that meeting, the Vice President will assume this role. If the Vice President is not present, the CEO shall assume this role;

undertake any and all duties allocated to the President (refer *Section 4.1.2*) when the President is unable to fulfil their duties.

The Vice President or President will chair the Sonographer Advancement Working Party. This will be elected by the Board at the meeting following the AGM. If the Chair is an apology for these meetings and/or not present within fifteen minutes after the time appointed for the holding of that meeting, a member of the SAWP chosen by a majority of directors present shall assume this role.

#### **4.2.3 Conflict of interest**

As with all directors, the Vice President is not entitled to vote or participate in the deliberations on any matter in which he or she has a personal interest unless there is compliance with the conflict of interest provisions outlined in *Section 3.4* above.

#### **4.2.4 Removal of Vice President**

The Vice President may be removed from office by a resolution of the Board, passed by at least a 65% majority when reasonable notice of this resolution is given to all directors. This action will not, however, remove this director from the Board.

## 5. The role of the CEO

The CEO is appointed by the Board. The CEO is responsible for the ongoing management of ASA in accordance with the strategy, policies and programs approved by the Board. The Company shall be managed to achieve the goals agreed and endorsed by the Board.

The CEO's responsibilities will include:

- developing, with the Board, a consensus for ASA's vision and direction;
- constructing, with ASA's management team, programs to implement this vision;
- negotiating the terms and conditions of appointment of all other staff members within delegated authority;
- ensuring governance documentation, reflecting the ASA's strategic direction, is developed and maintained;
- ensuring the Annual Financial Report is prepared and distributed in accordance with regulation;
- ensuring the Annual Report of outcomes is prepared and distributed in an appropriate and timely manner;
- providing strong leadership to, and effective management of, the Company in order to:
  - encourage cooperation and teamwork;
  - build and maintain staff morale at a high level; and
  - build and maintain a strong sense of staff identity with, and a sense of allegiance to, the Company;
- ensuring a safe workplace for all personnel;
- ensuring a culture of compliance generally, and specifically in relation to risk management and environmental matters;
- carrying out the day-to-day management of the Company;
- ensuring the sustainability of the Company beyond the tenure of key personnel and/or during their absences;
- in consultation with the Board, forming other committees and working parties from time to time to assist in the orderly conduct and operation of the Company;
- keeping the Board informed, at an appropriate level, of all the activities of the Company; and
- ensuring that all personnel act with the highest degree of ethics and probity.

The CEO is formally delegated by the Board to authorise all expenditures as approved in the budget, subject to:

- All CEO compensation, outside of normal remuneration, must be authorised by the President.
- All unbudgeted business-related expenses paid to the CEO must be ratified by the Board.

## 6. The role of the Company Secretary

The Company Secretary of the ASA is charged with facilitating the Company's corporate governance processes. The position of Company Secretary is not to be held by the CEO. In so doing, the company secretary holds primary responsibility for ensuring that the Board processes and procedures run efficiently and effectively.

In addition, while compliance issues are identified and monitored through the Finance & Risk Committee, the Company Secretary is charged with the responsibility of guiding and implementing ASA's compliance program. The Company Secretary will obtain advice from appropriate consultants as necessary to ensure compliance.

The specific tasks of the company secretary include, but are not limited to:

- overseeing the Company's compliance program and ensuring all company legislative obligations are met;
- ensuring that the agenda and Board papers are prepared and forwarded to directors at least seven days before the Board meeting;
- recording, maintaining and distributing the minutes of all Board and Board committee or working party meetings as required;
- preparing for and attending all general meetings of the Company;
- recording, maintaining and distributing the minutes of all annual and extraordinary general meetings of the Company;
- ensuring all requirements of ASIC are fully met;
- ensuring all requirements of the ATO are fully met;
- ensuring all requirements of the ACNC are fully met;
- providing counsel for corporate governance principles and individual director liability; and
- subject to provisions for shorter notice of a Board meeting as per the Constitution, notifying the directors in writing at least fourteen days in advance of a meeting of the Board.



## 7. Board meetings

The Board meetings and agenda are fundamental governance processes.

The Board meeting is critical as it is the main opportunity for directors to:

- obtain and exchange information with the CEO;
- obtain and exchange information with each other; and
- make decisions.

### 7.1 Meeting processes – general

#### 7.1.1 Annual Board meeting calendar

In order to provide an even distribution of work over the next year, the Board will adopt a rolling twelve-month Board calendar, commencing at the Annual General Meeting in September each year. Included will be scheduled Board and committee meetings, as well as major corporate and Board activities to be carried out in the month in question.

Month	Event
February	Board meeting: general business and Strategic Plan review.  CEO – ½ yearly performance review
April	Teleconference to approve budget
May	Board meeting: General business Board Governance training, Review Risk Management Plan. Approval of Strategic Plan – Every 5 years.
August	Teleconference to approve: Financial Statements and complete Solvency Declaration.
September	AGM Board meeting: General business, CEO Performance evaluation, Annual Compliance Plan, Board renewal of suitable persons declaration,
November	New director induction (as required) Election of office bearers Risk Management Monitoring

## 7.1.2 Board papers

The usual collation and distribution cycle for Board papers is:

<b>Item</b>	<b>Day</b>
Final date for submission of items for the agenda to Company Secretary	14 days prior
Agenda finalised and confirmed by President/CEO	10 days prior
All papers available to Board meeting attendees	7 days prior
Board meeting	as per schedule
First draft minutes sent to President	3 working days post-meeting
Draft minutes sent to directors	5 working days post-meeting
Final day for directors to request changes to draft minutes	12 days-post-meeting
Minutes sent for adoption by the Board via Circular Resolution	12 days-post-meeting

This is an indicative cycle only.

## 7.1.3 Agenda

The Company Secretary in consultation with the President and CEO will prepare the draft agenda and accompanying Board papers. Once ratified by the President, it is then circulated to all directors. Directors will be notified via email when the agenda and accompanying Board papers are available electronically, which will be at least one working week prior to the meeting.

Except with the consent of the President, no items can be addressed at a meeting without a written report. No new items of business requiring consideration and a decision can be tabled during a Board meeting except with the unanimous approval of the Board.

The agenda will indicate which Board papers are for discussion, and which are for decision. Items for noting will be distributed to the Board as they occur. Any director can request that an item distributed for noting is brought for discussion or decision at the next Board meeting.

## 7.1.4 Matters arising from the minutes

This item is used to cover any point from the previous minutes about which any attendee requires further information or a progress report, and which does not appear elsewhere on the meeting agenda. Each item raised and the response will be recorded in the minutes of the meeting.

## 7.1.5 Register of Outstanding Items

The Company Secretary, or in his/her absence, the CEO will keep a Register of Outstanding Items, which lists items designated for action, when they were generated, who they have been delegated to, required date and progress towards finalisation, arising from previous Board meetings that will be updated and issued with the draft agenda for each meeting.

### **7.1.6 Minutes**

Minutes will record the proceedings of each meeting in a format which meets with good governance principles. They will contain a brief reference to the relevant Board papers tabled plus the official resolution adopted by directors. All decisions will be recorded in the minutes by means of a formal resolution.

The President will read the precise resolution before the Board and ask for a proposer and seconder. Directors will then be asked for comments, before the President calling a vote of those in favour and those against. If a director does not voice dissent, it is taken that he or she is in favour of the resolution. The exact wording will be recorded in the minutes and whether the resolution was carried or defeated, but will not contain the number of votes. Directors who abstain or dissent can request to have their decision noted in the minutes.

Where a draft resolution as recommended in the Board papers is not adopted then a summary of the reasons for the alternative course of action is noted in the minutes. In addition, if points are raised by directors that are not found in the supporting papers, a brief summary of these points will be recorded in the minutes.

The CEO will ensure that a summary of Board meeting outcomes is prepared and communicated to relevant committees, working parties and staff.

Once the minutes have been adopted by the Board, via circular resolution, they cannot be amended.

### **7.1.7 Head Office report**

The CEO is required to report on all items of relevance to the Board through various written reports incorporated into all face-to-face Board meetings and on an 'as required' basis for other meetings. It is through these reports that directors are kept informed of ASA's operations and activities. It also serves as major documentary evidence of the extent to which directors have asked to be kept informed and have been kept informed of the company's activities. The Board may request the CEO to expand verbally on any items during the meeting.

As a guide, the following items should be considered for inclusion in the relevant section of the agenda:

- current performance, including:
  - overall financial performance including at a minimum:
    - balance sheet (statement of financial position) to end of the previous month;
    - statutory profit and loss (statement of financial performance) to end of the previous month;
    - finance facilities;

- cash-flow forecasts; and
  - comments on any significant variation from budget.
- key performance indicators:
  - financial; and
  - non-financial.
- next year's forecast including:
  - forecast financial performance; and
  - forecast key performance indicators.
- risk management
- progress on the strategic plan;
- monitoring of the regulatory environment;
- monitoring of major competitors;
- staffing activities;
- marketing activities;
- operational matters;
- compliance report including:
  - liquidity;
  - financial and secretarial (including ASIC, ATO and ACNC requirements);
  - tax returns;
  - licences and permits;
  - safety;
  - environment;
  - industrial relations including employment contracts;
  - trade practices and the ACCC;
  - quality assurance;
  - privacy;
  - insurance; and
  - other significant compliance issues; and
- any other significant items.

It is envisaged that the CEO will delegate the writing of various sections of these reports. If a decision is required on any aspect of the CEO's report that is not included elsewhere on the agenda, the report will contain the recommended resolution.

The monthly Operations Report will be sent out independently of the Board papers.

### **7.1.8 Major correspondence**

Major correspondence comprises any correspondence received by the President, Company Secretary, CEO or other officer about which directors should be aware. Such correspondence may include, but is not limited to, any non-routine correspondence from:

- ASIC;
- the ATO;
- the Australian Competition and Consumer Commission;
- the Australian Charities and Not-for- Profits Commission;
- any other federal, state or local government body;
- any correspondence which impacts on the compliance requirement of the directors;
- any writ, summons or correspondence taking legal action against the Company; and
- any correspondence threatening legal action against the Company.

Major correspondence will be included in the Board papers by the Company Secretary, unless such correspondence is received between circulation of the agenda and the Board meeting, in which case at the discretion of the President it can be tabled at the meeting. Major correspondence will normally be “for noting”. However any director can ask for any item of correspondence to be discussed.

### **7.1.9 Reports from Board Committees**

Where a Board Committee meeting has been convened, or the Committee has been active, since the last Board meeting the minutes of the meeting or a report will be circulated with the Board papers and must be noted by the Board.

These minutes shall contain any items that the committee wishes the full Board or members to note or action.

### **7.1.10 Activities requiring Board decision or noting**

The Company Secretary, or in his/her absence, the CEO shall be responsible for ensuring reports of activities that require Board decision or noting are tendered. These reports will be circulated with the agenda, with significant items being brought to the attention of the Board in the meeting.

Board papers will be presented in a standard format, with recommendations and/or action taken noted at the start of each paper. Lengthy submissions will contain a concise executive summary.

### **7.1.11 Attendees**

Attendees will comprise all Board members, Company Secretary and CEO. A staff member may be appointed by the CEO to take minutes.

The President can request the CEO to arrange attendance at any meeting of the Board any person who, in their opinion, may be able to assist the Board to carry out their duties. A director must consult with the President, or seek the support of a majority of other directors, should they wish to request the CEO to arrange the attendance of any person they believe can assist the Board.

Unless otherwise agreed, the Board will meet face-to-face on the third or fourth weekend of February, September, and November as well as in conjunction with the annual national conference in May. Any other meetings are held via teleconference, and are scheduled to ensure the Board completes its tasks in a timely manner.

Alternatively, a Board meeting can be convened under the ASA Constitution when any two directors or the President requests. In such situations, reasonable notice must be given.

A schedule of the upcoming Board meetings for the twelve month period will be approved at the first Board meeting following the Annual General Meeting.

### **7.1.12 Quorum**

In order for a decision of the Board to be valid, a quorum of directors must be present. According to the Constitution, under normal circumstances a minimum of five directors present at any Board meeting constitutes a quorum.

### **7.1.13 Conduct of meetings**

The President will determine the degree of formality required at each meeting while maintaining the decorum of such meetings. As such, the President will:

- ensure that all members are heard;
- retain sufficient control to ensure that the authority of the chair is recognised – this may require a degree of formality to be introduced when it is required to make progress;
- take care that the decisions are properly understood and well recorded;
- facilitate decisions either by consensus or, if required, majority vote; and
- ensure that the decisions and debate are completed with a formal resolution recording the conclusions reached.

## **7.2 Meeting processes – face-to-face**

### **7.2.1 Venue**

The location of each Board meeting will be agreed with the Board in advance, generally at the time the calendar of meetings is determined. The May

Board meeting will be held in the vicinity of the venue of the Annual Conference.

## 7.2.2 Board meeting agenda

A formal agenda is an important part of the Board meeting because it shapes the information flow and subsequent discussion. The agenda for the in-person Board meetings will generally follow the format outlined below:

### *Draft template agenda*

Item	Standard time allotted*
1. Statutory matters <ul style="list-style-type: none"> <li>▪ Attendance and apologies</li> <li>▪ Conflicts of Interest</li> </ul>	20 minutes
2. Minutes of Previous Meetings <ul style="list-style-type: none"> <li>▪ Matters arising</li> <li>▪ Register of Action items</li> </ul>	30 minutes
3. Finance	45 minutes
4. Governance	60 minutes
5. Strategic	45 minutes
6. Management and Operational Reporting	120 minutes
7. Policy and Advocacy	45 minutes
8. Other Business	20 minutes
9. Next Meeting	

\* Time limits are indicative and are subject to change.

## 7.3 Meeting processes – teleconference/other

### 7.3.1 Method

It is the ASA's preference that Board meetings be held face-to-face. However from time to time, in order to ensure the Company meets operational and regulatory deadlines, teleconference or web facilities are utilised.

### 7.3.2 Board meeting agenda

For meetings held via teleconference or web-based technology, a limited agenda which meets the immediate operational requirements of the Company is used. At the President's discretion, items which prove inappropriate for discussion via teleconference may be postponed until the next face-to-face meeting.

## **7.4 Resolutions by circular**

Subject to the limitations in Section 7.4.1, the Board may pass a resolution by circular without holding a meeting. The resolution must be circulated by email by the Company Secretary, and a majority of Directors must respond to the resolution from their usual email address within five (5) days of the initial circulation. The resolution is valid only if a majority of directors have voted favourably and is deemed to have been passed at that time. The Company Secretary will record any such resolutions.

### **7.4.1 Exceptions**

Resolutions by circular are not permitted for the following items:

- a resolution to appoint a director to fill a vacancy;
- a resolution to remove the President or Vice President from office;
- a resolution to remove an auditor under section 329 of the *Corporations Act*.

## **7.5 Meeting evaluation**

As part of its commitment to continuous improvement of all processes, evaluation feedback is sought after each Board meeting.

In respect to all meetings, directors are encouraged to complete the evaluation document distributed via email subsequent to the meeting. The results of the evaluation will be collated by the Company Secretary and distributed to the Board via the Board Group Portal.



## **8. Board Committees**

### **8.1 Finance & Risk Committee**

The Finance and Risk Committee (the Committee) is an advisory committee of the Board. The Committees Terms of Reference describe the role of the Committee and the authority delegated to the Committee.

At the commencement of each new term, the ASA Board will appoint 3–4 directors who will form the Finance & Risk Committee. Additionally, the Board will appoint one of these directors as Chair of the committee.

The President also participates as a voting member of the Finance & Risk Committee.

The CEO and the senior manager with responsibility for finance will attend these meetings to provide information to the committee. ASA staff are not voting members of this committee. At the discretion of the chairperson, meetings of this committee may be held without staff attendance.

The Committee will meet four times a year, with at least one meeting conducted face-to-face in conjunction with a Board meeting. The company's auditor will be provided with full contact details for the chairperson of the committee to enable the auditor to contact them directly should the need arise.

## **8.2 Sonographer Advancement Working Party**

As per the Terms of Reference, the Sonographer Advancement Working Party consists of up to three directors, including the President or Vice-President in the position of chairperson, up to 4 ASA members, the CEO and relevant staff. The role of Sonographer Advancement Working Party is:

- To support the ASA's strategic objectives through planning and implementation of professional advancement projects and initiatives, as directed by the Board of Directors;
- To monitor the professional environment and assist to position the ASA for continued success in advocating on behalf of the members with respect to professional advancement and development;
- To provide advice and support to the Board of Directors through exploring and prioritizing relevant strategic initiatives to advance the role of sonographers within the broader healthcare setting, and providing guidance to the staff during delivery to optimise outcomes;
- To support project officers and staff in the development of standards, policies and guidelines;
- To support staff in the provision of the PD-**asa** program, with an emphasis on strategic development, technical support and the appeals and audit processes.

## **8.3 Governance Committee**

The Governance Committee (GC) is an advisory committee of the Board. The Committee's Terms of Reference describe the role of the Committee and the authority delegated to the Committee.

The GC will consist of the President and two other directors. It is anticipated that at least one of the directors will be an external director bringing a specific and relevant skill set to the GC. Skills relevant for the GC are governance, legal and/or human resources management.

The President will act as chairperson.

The CEO and the Company Secretary may be requested to attend GC meetings to provide information.

The Committee will convene as required to fulfill the advisory role as described in the Terms of Reference.

## 9. Strategy formulation

The Board has responsibility for approving the strategic direction of the ASA. A five year Strategic Plan is set on a rolling 5 year basis. The timeframe for development and approval of the Strategic Plan should allow for final approval of strategy documentation, together with the budget, to occur by May of the relevant year for presentation to members at the September AGM

The Board will be fully involved in the development of the strategic plan. This will be undertaken in conjunction with the CEO and staff if applicable. Progress on the strategic plan will comprise part of the CEO's Board reporting.

The strategic planning cycle is:

- An overview of the process of reviewing and updating the current strategic plan will be presented at the May Board meeting in the year prior to the May Conference where the Strategic Plan will be launched.
- ASA staff will be involved in reviewing the current strategic plan in and making recommendations for inclusion in the strategic plan development
- The Future Directions Forum meetings will also consider opportunities for inclusion in the Company's Strategic Plan.
- The Board strategic planning day will generally be held in conjunction with the November Board meeting.
- The draft operational plan for the coming year and/or the proposed new Strategic Plan is then tabled for discussion at the February Board meeting together with an outline of resources required.
- The final operational plan and/or strategic plan are signed off, together with linked budgets, at the May Board meeting.

It is expected that all papers requiring significant resource decisions will address how the decision is related to the Company's agreed strategic direction.

## **10. Service/advice/contacts**

It is recognised that a key component of directorial duties is providing a sounding Board for CEO ideas and challenges.

In recognising that the CEO-Board relationship is critical to effective corporate governance, directors of ASA should provide frank and honest advice to the CEO. Similarly, all advice should be constructive in nature and be provided in a positive manner.

Where appropriate, directors should recommend possible alternative advisers if they do not feel adequately equipped to assist.

## 11. Monitoring

A fundamental function of the Board is to monitor the performance and compliance of the Company. With this general principle in mind, the Board is charged with monitoring both financial and non-financial Key Reporting Areas (KRAs).

### 11.1 Financial KRAs

The Board will closely follow:

- cash reserves;
- balance sheet (statement of financial position);
- profitability (statement of financial performance);
- cash flows;
- unbudgeted expenditure or deviations from approved budget;
- debtors and creditors in excess of 90 days;
- leave liabilities; and
- adherence to borrowing covenants (if relevant).

As well as providing the full data, an annual report will also contain relevant financial ratios and benchmarks.

### 11.2 Non-financial KRAs

In addition to the financial reporting, the Board will observe the following key areas:

- risk management;
- staff;
- productivity;
- market share;
- income by category;
- member/delegate satisfaction;
- OHS measures;
- quality assurance; and
- environmental measures.

These KRAs will, where possible, be benchmarked for industry comparison of the Company's performance.

### **11.3 Compliance**

ASA is a company of integrity and companies of integrity do not breach the law or ethical standards. It is part of the philosophy of ASA that the Company will at all times comply with the law (or particular laws) and will demonstrate ethical behaviour. We believe that ensuring everyone in our Company complies with the law is simply part of good management.

Every officer, contractor, agent and distributor of the Company is required to comply with all aspects of the law and to act ethically, at all times.

No person who wilfully breaches the law and is prosecuted will receive support from the Company.

The Board is charged with ensuring appropriate compliance systems are implemented within the Company. Aspects of this process may be delegated. In particular, the Company Secretary will oversee the Company's compliance system.

The implemented processes will be in accordance with ISO19600:2015 which states that 'compliance risk assessment constitutes the basis for the implementation of the compliance management system'.

The Head Office report shall contain a section for reporting compliance exceptions for each Board meeting. The company secretary and/or CEO may be required to elaborate on any relevant aspects of this report.

The compliance report will contain statements that the Company is meeting its requirements under the various requirements or legal responsibility for directors, or notify directors of any issue or concern.

### **11.4 Risk management**

The Finance & Risk Committee is responsible for monitoring the management of the risk. The CEO and Board are responsible for identifying the risks and implementing the risk management strategies. Aspects of this process may be delegated.

The implemented processes will be in accordance with relevant recognised international standards.

The Head Office report, will include identification of any issues or concerns and provide notification of the same to the Board.

The Board shall review all major strategies and purchases for their impact on the risk facing the Company and take appropriate actions.

Similarly, the Company shall review all aspects of its operations for changes to the risk profile on an annual basis. This will generally occur at the risk review meeting. Aspects of this review can be delegated to appropriate committees, working parties or employees.

### **11.5 CEO evaluation**

The CEO is the key employee of the Company in general and of the Board in particular. As such, a special relationship exists between the CEO and the Board.

A detailed CEO evaluation is undertaken by the Governance Committee, with the documented process co-ordinated by the President. CEO evaluation will utilise both quantitative and qualitative measures. Evaluation will be judged against the approved strategic plan.

CEO evaluation will occur annually, with the results presented for ratification at the September Board meeting. At this time the Board and CEO will discuss and agree on goals (both quantitative and qualitative) for the upcoming year.

The Board, by a majority vote in September, may decide to review the CEO's progress at their February meeting.

### **11.6 Delegation of authority**

Directors are responsible for any delegations of their responsibilities with regard to corporate operations. As such, they decide as a Board what Company matters are to be delegated either to specific directors or to management. In addition, they outline what controls are in place to oversee the operation of these delegated powers.

As a consequence, individual directors have no individual authority to participate in the day-to-day management of the Company, including making any representations or agreements with member companies, suppliers, customers, employees or other parties or organisations.

The exception to this principle occurs where the Board through resolution explicitly delegates an authority to the director individually. Committees and their members require specific delegations from the Board as a whole and these will be contained in each committee's respective terms of reference.

### **11.6.1 Decision making process**

The decision-making process and delegations of a Board are fundamental to the corporate governance process.

The decision-making process of the Board is set out in the Company's Constitution. Questions arising at the Board meeting are decided by a consensus or, if required, a majority vote at the discretion of the chairperson.

### **11.6.2 Specific delegations**

The Board retains all powers and authorities required to carry out the Company's business effectively and efficiently, except where specific authority is delegated to the CEO and Board committees.

### **11.6.3 Delegation of authority – day-to-day**

To facilitate the day-to-day operations of the Company the Board has delegated its authority to the CEO as specified in a Delegations of Authority Schedule . Any changes or amendments to these delegations must be approved by the Board.

Although the Board has delegated its financial authority to management, as above, the following decisions must be referred to the Board for approval:

- budgets (including detailed background papers);
- any proposed changes to the Strategic Plan.

### **11.6.4 Delegation of authority – unforeseen circumstances**

Unforeseen circumstances are generally defined as issues which arise that impact significantly on the ability of the Company to operate. Such circumstances include adverse events involving – but not limited to – damage to office premises and/or information technology systems.

It is anticipated that, in most instances, the ASA's risk minimisation practices will alleviate the long term impact of such an issue. However, it is likely that – in order to provide business continuity – urgent actions will be required to minimise disruption which would fall outside the scope of normal business transactions. Normal expenditure procedures will be followed.

The ASA Board gives authority to its key personnel – the President, Vice President, Chair of Finance & Risk Committee and CEO - to declare an issue as an 'unforeseen circumstance'. At the earliest opportunity and within 48 hours, all directors will be advised of this declaration. An unforeseen circumstance will cease by the majority agreement of the Board.



Upon declaration, an extended delegation of authority as detailed in the Delegations of Authority is provided to the CEO. In the absence of the CEO, key personnel can either oversee this operational work directly or extend this delegation of authority to any two of the staff's Management Group.

### **11.6.5 Actions for advice or noting**

The following should be reported to the Board or appropriate Board committee for advice/noting:

- any potential legal action against the company;
- all insurance matters, excluding member's indemnity insurance incidents;
- any non-routine financial claim against the company; and
- all important business activities and matters and all recognisable risks.

### **11.6.6 Execution of documents**

The procedure for the execution of Company documents will be as follows:

- All contracts, documents and written obligations executed by the Company, which exceed management's delegated authority, must be signed by either two directors or any one director and the CEO for and on behalf of the Company and formally recorded and reported to the Board.
- Any document executed under the signatures of two directors is not required to be witnessed by an independent person but must be formally recorded and reported to the Board.
- Any other contract, document or written obligation within delegated authority levels of the CEO must be executed for and on behalf of the Company, witnessed as required and must be formally recorded and reported to the Board, including the provision of a copy of the contract.
- A detailed report on all of the above document executions must be presented to the Board at each meeting.

### **11.6.7 Delegated authority for cheque signing and funds transfers**

Cheque signing and authorising the transfer of Company funds is a significant responsibility. Those who are made authorised signatories do so on the understanding that they share in the responsibility for the payment or transfer made. This means that an authorised signatory should have clear understanding of the payment or transfer being made and is obligated to question any invoice or payment/transfer that appears to be abnormal or without sufficient authorisation.

Cheque signing and transfers of funds must be carried out as per the Finance Procedures.

## **12. Director protection**

As a general rule, a director has two key areas of protection – the right to information and the ability to insure against specific risks of being a director. Therefore, as a matter of policy the following measures of Board member protection will apply.

### **12.1 Information-seeking protocol**

Directors will adhere to the following protocol when seeking information:

1. Approach the CEO to request the required data.
2. If the data is not forthcoming, approach the President.
3. If the data is still not forthcoming, write a letter to all Board members and the CEO detailing the information required, the purpose of the information, and who the director intends to approach in order to obtain the information.
4. As a last resort, employ the provisions of the *Corporations Act*.

### **12.2 Access to Board papers and legal advice**

The complete set of Board papers held by the Company Secretary is held on behalf of each director (individually) for a period of at least seven years.

Directors are entitled to access the papers for the period when they were a director on request, even if they have ceased to be directors. Director Indemnity and Access Deeds (DIADs) are supplied at the ASA's expense and executed to facilitate this access.

All documentation containing or seeking legal advice will clearly state that the legal advice is sought both in relation to both the Company and to the directors in their personal capacity.

### **12.3 Insurance**

The Company will provide each director with a copy of the directors' and officers' (D&O) policy and any changes to that policy.

The Company will maintain each director's D&O insurance for seven years from the date at which they ceased to be a director. In line with recommended practice, Director's Indemnity and Access Deeds (DIADs) are provided and executed to provide stronger protection from personal liability for ASA directors and officers.

## 13. Board evaluation

As a matter of principle, the Board is committed to the ongoing development of both individual directors and the Board as a whole.

In addition to evaluating every Board meeting as set out in *section 7.5* above, each year the Board will conduct an evaluation of its performance. The objective of this evaluation is to provide best practice corporate governance to ASA. Such a review can:

- be qualitative, quantitative or a mixture of both;
- be formal or informal;
- be concentrated on reviewing the Board as a whole as well as directors individually;
- be self-administered, administered by the President/fellow directors or administered by an independent expert;
- consider opportunity for Board and/or director training and development; or
- involve feedback from the wider body of corporate stakeholders including, but not limited to, members, employees and the community.

The findings of this review will be tabled annually.

The President will action this evaluation, obtaining any assistance required. It is envisaged that all relevant changes in Board policies and processes will be integrated into this Corporate Governance Charter.

## 14. Director remuneration and expenses

By serving on the Board of a company limited by guarantee, the directors of ASA assume significant responsibility. However, as the ASA is a not-for-profit Company, no remuneration is payable.

Honorariums are payable to ASA directors who are financially disadvantaged when acting as a representative of the Company on other committees and working parties. Such disadvantage includes loss of normal salary and/or entitlements. Honorariums are paid at the rate of \$250 for a half day, or \$450 for a full day. Any changes to these amounts must be approved by the Board.

Directors may be provided with an iPad to enable them to access the Board Group Portal. Expenses incurred in utilising this iPad, or their own personal device, during their tenure as director, including reasonable mobile broadband access and the cost of relevant applications, can be claimed by the director as a reasonable expense. The ASA has insurance cover over these assets. From time to time, iPads issued to new directors will not be newly purchased.

All iPads will have an assumed life of two years. Should a director leave office prior to an iPad being completely written off, the director must either pay the ASA the written down value if they wish to retain the iPad, or return the iPad and any accessories in good order. A Director may request a new iPad during their tenure as a Director, due the age of their existing device.

All accommodation bookings for directors must be made by the ASA Head Office and will include room and breakfast. Any additional expenses incurred can be claimed for reimbursement should they meet the test for 'reasonable expenses'.

Directors are entitled to be reimbursed for all reasonable expenses incurred in carrying out their service to the Company, including:

- at the discretion of the President, attendance at the Company's annual conference including AGM and any scheduled Board meetings for all directors regardless of whether they are continuing on the Board after the AGM
- the lowest economy class air fare that fits with the meeting schedule
- meals and other out of pocket expenses at the rate equivalent to that prescribed by the Australian Taxation Office
- vehicle usage at the rate prescribed by the Australian Taxation Office
- parking and tolls
- taxi fares where necessary
- telephone expenses
- stationery and postage.

Where possible, the ASA will directly organise and pay for these expenses on behalf of directors.

Directors are expected to be prudent and responsible when incurring expenses and should check with the CEO prior to committing the Company to expenses which could be considered beyond what would reasonably be budgeted for. Any expenses pertaining to items not included in the budget must be approved by the President prior to being incurred.

## **15. Director training and development**

In order to continually improve Board performance, the Board as a whole, and directors individually are encouraged to participate in appropriate professional development.

Directors are encouraged to undertake self-development where appropriate. A budget for director development activities is included in the annual budget. This is particularly important for directors who will take on significant roles such as President and Chair of the Board or committee(s).

Feedback from directors regarding appropriate training will be sought during the annual review process. Board training will be planned within budgetary and time constraints. Directors who wish to undertake an individual development activity at Company expense must approach the President or CEO for approval prior to committing to the activity.

## 16. Director induction

New directors will undergo a full induction into their role on the Board.

Information conveyed to the new director will include:

- a copy of this Corporate Governance Charter;
- details of the roles and responsibilities with an outline of the qualities required to be a successful director;
- formal policies on director appointment as well as conduct and contribution expectations;
- details of all relevant legal requirements including:
  - the *Corporations Act*;
  - ATO requirements;
  - and other major statutory bodies;
- details of past, recent and likely future developments relating to the Board, including anticipated regulatory changes;
- background information on, and contact information for, key people in the Company including an outline of their roles and capabilities;
- an analysis of the company including:
  - core competencies of the company;
  - an industry background briefing;
  - a recent competitor analysis;
  - details of past financial performance;
  - current financial structure;
  - any other important operating information; and
- a synopsis of current strategic directions;
- operational issues such as access to and use of the Board Group portal and storage of ASA information.

Similarly, each director will receive a formal letter of appointment that details:

- terms of appointment;
- company policy on rotation of directors;
- access to information;
- authority to engage outside specialists for advice;
- insurance coverage; and
- expectations of the Board.