



## Corporate Governance Board Charter

The Board is responsible for the overall operation and stewardship of The Migration Institute of Australia Limited (the “Institute”).

In carrying out its responsibilities and powers as set out in this Charter, the Board will at all times recognise its overriding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of the Members of the Institute, as well as its employees, business partners and the community.

The Board will work to promote and maintain an environment within the Institute that establishes these principles as basic guidelines for all of its employees and representatives at all times.

# Role of the Board

The Board is responsible for:

1. Setting the strategic direction and financial objectives of the Institute by constructive engagement in the development and modification of the Institute's strategy;
2. Appointing, reviewing the performance of, and removing the Company Secretary;
3. Appointing, reviewing the performance of, and removing the Chief Executive Officer.
4. Monitoring Management's implementation of the Institute's strategies and financial objectives;
5. Monitoring compliance with regulatory requirements and ethical standards;
6. Providing advice and counsel to management on a periodic and ad hoc basis, adding strategic value;
7. Decision making in relation to initiatives or matters otherwise not dealt with as part of the strategy process;
8. Monitoring financial results on an on-going basis;
9. Ensuring the Board's effectiveness in delivering best practice corporate governance; and

In performing the responsibilities set out above, the Board should act at all times:

- a) In a manner designed to create and continue to build sustainable value for Members of the Institute; and
- b) In accordance with the duties and obligations imposed upon them by the Constitution and by law; and

c) In accordance with the Institute's philosophy which is a culture:

1. that promotes team building and loyalty
2. which promotes respect for all stakeholders (Members, staff, directors, etc)
3. that encourages and rewards initiative, innovation and individual thinking
4. that is not averse to risk
5. that values diversity, including diversity of ideas on all manner of things including policies, programs and solutions
6. that encourages the equality of all stakeholders
7. that ensures the financial well being of the MIA
8. that encourages and promote comity within the profession
9. that encourages openness and transparency

# Role of the National President

The National President's responsibilities include:

1. Providing the appropriate leadership to the Board and the Institute;
2. Ensuring the Board is well informed and effective;
3. Facilitating Board discussions to ensure the core issues facing the organisation are addressed while ensuring that Directors, individually and as a group, have the opportunity to air differences, explore ideas and generate the collective views and wisdom necessary for the proper operation of the Board and the Institute;
4. Maintaining a regular dialogue and mentor relationship with the CEO;
5. Being the Board's representative in dealings with Management ensuring that the Board's views are communicated clearly and accurately;
6. Representing the views of the Board to the public, governments etc on appropriate occasions;
7. Monitoring Board performance;
8. Ensuring that the Board meetings are conducted competently and ethically;
9. Ensuring that General Meetings are conducted efficiently and that Members have adequate opportunity to air their views and obtain answers to their queries;
10. Ensuring that new Board members are well briefed and have access to information on all aspects of the Company's operations;
11. Guiding and promoting the on-going effectiveness and development of the Board and individual Directors.

# **Role of Individual Directors**

## **Participation in Board Meetings**

Directors have a duty to question, request information, raise any issue which is of concern to them, fully canvass all aspects of any issue confronting the Institute and cast their vote on any resolution according to their own judgment. Outside the boardroom, Directors support the letter and spirit of Board decisions.

Directors will keep confidential Board discussions, deliberations and decisions that are not publicly known.

Confidential information received by a Director in the course of the exercise of directorial duties remains the property of the Institute and it is improper to disclose such information, or to allow such information to be disclosed, unless that disclosure has been properly authorised, or is required by law.

## **Legal Obligations**

In accordance with legal and statutory requirements, Directors will:

1. Discharge their duties in good faith and act honestly in the best interests of the Institute with the level of skill and care expected of a Director of a public company;
2. Owe a fiduciary duty to the Institute using the powers of office for proper purpose, in the best interests of the Institute;
3. Act with required care and diligence, demonstrating commercial reasonableness in their decisions;
4. Avoid conflicts of interest;
5. Act for the benefit of the Institute at all times;
6. Not make improper use of information gained through their position as a Director;
7. Not take improper advantage of the position of Director;
8. Not allow personal interests, or the interest of any associate, to conflict with the interests of the Institute;
9. Make reasonable inquiries to ensure that the Institute is operating efficiently, effectively and legally towards achieving its goals;
10. Undertake diligent analysis of all proposals placed before the Board.

Directors decide what matters are delegated to management and must ensure that adequate controls are in place to oversee the operation of those delegated powers.

Directors do not participate in the day to day management of the Institute. Consequently representations or agreements with members, member companies, suppliers, customers, professional firms or other parties or organisations are made by management unless such an authority is explicitly delegated by the Board to the Director, either individually or as a member of a Committee.

### **Conflict of Interest**

It is expected that Directors will be sensitive to conflicts of interest that may arise. This should be continuously considered by individual Directors given the rapidly changing nature of the Institute's business environment.

*Directors must each year, within one week of the Annual General Meeting complete the Corporate Governance and Conflicts of Interest acknowledgement form and if appropriate the Conflict of Information Form contained in the Policy on Conflicts of Interest and Disclosure of Certain Interests.*

In summary Directors must:

- Disclose to the board any actual or potential conflict of interest that may exist or might reasonably be thought to exist as soon as the situation arises;
- If deemed desirably by the Board or the Director, take such steps as are necessary and reasonable to resolve any conflict of interest within an appropriate period; and
- Comply with the Corporations Act provisions about disclosing interests and restrictions on voting.

A Director who has:

- a material personal interest in a matter which relates to the affairs of the Institute; or
- any other interest which the Director believes is appropriate to disclose in order to avoid an actual conflict of interest or the perception of a conflict of interest,

may not be present at a meeting when the matter is being considered, and may not vote on the matter.

The minutes of the meeting should record the decision taken by the Directors who do not have an interest in the matter.

It is expected that Directors will inform the National President and the Company Secretary in writing of appointments to other companies as soon as practicable after the appointment is made. The Company Secretary is to notify the Board at its next meeting of the appointment.

The same requirement will exist for related party transactions including financial transactions with the Institute. Related party transactions should be reported in writing to the National President and the Company Secretary and where appropriate, raised for consideration at the next Board meeting.

### **Access to Information**

Directors are encouraged to access members of the Management team at any time to request relevant information in accordance with protocols adopted by the Board from time to time.

### **Dealing with external stakeholders**

Generally, communication with the media on Institute related issues will be undertaken by the CEO, the National President or the person appointed to be responsible for public relations. Directors are not expected to become involved with the media on Institute affairs in the normal course of business.

### **Annual responsibilities**

Directors are required to read the Corporate Governance Statement and the Policy on Conflicts of Interest and Disclosure of Certain Interests each year.

*Directors must each year, within one week of the Annual General Meeting complete the Corporate Governance and Conflicts of Interest acknowledgement form and if appropriate the Conflict of Information Form contained in the Policy on Conflicts of Interest and Disclosure of Certain Interests.*

## **Role of the CEO**

The CEO is responsible to the Board for the overall management and profit performance of the Institute. The CEO manages the organisation in accordance with the strategy, plans and policies approved by the Board to achieve the agreed goals.

## **Role of the Company Secretary**

The Institute is a public company and therefore must have at least one Company Secretary, to be appointed by the Directors. A Company Secretary holds office on the terms and conditions that the directors determine. A Company Secretary must consent to his or her appointment.

There are no prerequisite qualifications or experience for a person to be appointed as a Company Secretary, other than age (18 years) and residence in Australia. However, a person who is disqualified from managing a corporation cannot be appointed as a Company Secretary except with the consent of ASIC or the Court. Likewise, the court may disqualify a Company Secretary from acting in that or other managerial position if that person has contravened a civil penalty provision or has been an officer of two or more failed companies. A person is also automatically disqualified from being a Company Secretary in certain circumstances, including bankruptcy and conviction for certain dishonesty offences.

## **Duties of the Institute's Company Secretary**

The principal role of the Company Secretary is to support the Board of Directors and oversee the various governance functions of the Institute. The Company Secretary carries out administrative functions and, together with any Director of the Institute, may execute documents on behalf of the Institute. A company seal is not required to make a contract.

The Company Secretary has ostensible authority to bind the company in administrative matters.

The Company Secretary performs the following functions as part of their duties;

- Organise and attend meetings of directors and meetings, including sending out notices, preparing agendas in consultation with the National President and the CEO, compile minutes of Board meetings and Committee meetings, and ensure that the necessary action is taken.
- Ensure that the necessary registers required to be kept under the Corporations Law are established and properly maintained.
- Ensure that all returns required to be lodged with ASIC and the ATO are prepared and filed within the appropriate time limits.
- Be aware of meeting procedures both under the Corporations Law and under the Institute's constitution so as to advise the chair if necessary.
- Send a notice to members whose subscription is unpaid for 30 days (shared with Treasurer)
- Receive notices of resignation of a member
- Notify an applicant of the outcome of their application for membership.
- Accept nominations for board members at least 42 days before the AGM.
- Distribute nominee's qualifications and nomination statements.
- Choose a scrutineer for the ballot paper order (shared with CEO)
- Receive ballot papers at least 14 days before the AGM.
- Within 48 hours of close of postal ballots, declare the results of the postal ballot.
- Receive within 14 days from the State Branch President the details of the State office bearers.
- Evidence notices sent by post if required.
- Investigate complaints made about a member or a practice entity to determine if the matter should progress.
- If satisfied that the complaint has merit, then immediately report to the disciplinary committee, The Company Secretary will consult with the relevant State Branch President in the State which the disciplinary committee considers appropriate to investigate the complaint.
- In collaboration with the Board the secretary is to lay the complaint and facts before the disciplinary committee.
- Notify the member or practice entity that the disciplinary committee has determined either that there is no case to answer or that the matter is to be heard by the disciplinary committee.
- Where an adverse finding by the disciplinary committee, accept a notification of intention of written or oral submission for the board within 14 days of the finding. Then notify the member or practice entity of the

date and place of the board meeting no less than 28 days before the meeting.

## **Corporations Law duties of the Company Secretary**

The Company Secretary is an officer of the company and is therefore subject to duties of such a person under Part 2D.1 of the Corporations Law 2001. These duties, which impose civil and criminal liability, are:

- To exercise the degree and care and diligence that a reasonable person would exercise as secretary of a corporation in the corporation's circumstances.
- To act in good faith in the best interests of the corporation and for a proper purpose.
- Not to make improper use of information acquired by virtue of his or her position (or the position itself) to gain, directly or indirectly, an advantage for himself or herself or for any other person or to cause detriment to the corporation (the prohibition on use of information also applies to former secretaries).

The Company Secretary contravenes the Corporations Law if the company contravenes one of the following requirements:

- To have a registered office in Australia that is open to the public;
- To lodge personal details of directors and secretaries within 14 days after appointment;
- To lodge an annual return

The Company Secretary can be summoned by a court for examination about the Institute's examinable affairs

The Company Secretary can be required to provide information to a regulatory body or in an insolvency.

The Company Secretary is responsible for the

- inclusion of the Auditor Independence Declaration in the directors' report;
- disclosure of non-audit services;
- provision of auditor questions to members before an AGM;
- allowing time for members to question auditors at AGMs (notices of meeting should include details of the question time for auditors).

### **Other matters relating to the Company Secretary**

The annual Director's report of the company is to have the qualifications and experience of each person who is a company secretary of the company as at the end of the year.

## **Board's Rights**

Each Director has the right to seek independent professional advice, at reasonable cost, in connection with their duties as Directors or in relation to the Institute and its business, however, approval must be sought from the National President before the advice is sought and such approval shall not be unreasonably withheld. These costs are to be borne by the Institute. The information must be made available to the rest of the Board.

Each Director has complete access to information within the Institute except where that information is held by the Regulator Division and that information is deemed by the Executive Officer of the Regulator Division to be inappropriate to be disclosed to a Director. Where a Director disagrees with the Executive Officer's determination, either the Chief Executive Officer or the Nominated Commonwealth Officer is to make the final determination in the matter.

## **Powers of the Board**

In addition to matters expressly required by law to be approved by the Board, powers specifically reserved for the Board are as follows:

1. Select and appoint the Company Secretary determine his/her conditions of service and monitor his/her performance against established objectives;
2. Select and appoint the Chief Executive Officer, determine his/her conditions of service and monitor his/her performance against established objectives;
3. Approval of any matters in excess of discretions that it may have delegated to the Chief Executive Officer and senior management in relation to credit transactions, risk limits and expenditure; and
4. Approvals of each of the following:
  - i. the strategic plan, at least annually;
  - ii. the budget, at least annually;
  - iii. the remuneration and conditions of service including financial incentives for the Company Secretary, at least annually;

- iv. significant changes to organisational structure and the appointment of such senior officers as the Board may determine;
- v. the acquisition, establishment, disposal or cessation of any significant business of the Institute;
- vi. any public statements which reflect significant issues of the Institute policy or strategy; and
- viii. any changes to the discretions delegated from the Board.

## **Specific Responsibilities**

The Board has a specific responsibility to:

1. Contribute to the development of and approve the corporate strategy.
2. Review and approve business results, business plans, the annual budget and financial plans.
3. Authorise and monitor major investment and strategic commitments.
4. Ensure the maintenance of credit standing of the Institute.
5. Ensure regulatory compliance.
6. Review internal controls.
7. Monitor and influence the culture, reputation and ethical standards of the Institute.
8. Ensure adequate risk management processes.
9. Monitor the Board composition, Director selection and Board processes and performance.

10. Oversee and monitor:

- Organisational performance and the achievement of the Institute's strategic goals and objectives.
- Compliance with the Institute's code of conduct.
- Progress of significant corporate projects.

11. Monitor financial performance including approval of the Annual Report and financial reports.

12. Contribute to the performance assessment for the members of the senior executive team including the Chief Executive Officer and other senior management.

13. Ensure there are effective management processes in place and approve major corporate initiatives.

14. Enhance and protect the reputation of the Institute.

15. Report to Members.

## **Delegation by the Board**

The Board delegates to the CEO responsibility for implementing the strategic direction, and for managing the day-to-day operations of the Company. The CEO consults with the National President, in the first place, on matters which are sensitive, extraordinary or of a strategic nature.

The CEO and Company Secretary have service contracts setting out their duties, responsibilities, conditions of service and termination entitlements.

The Board manages delegation to senior management by setting specific limits of authority for management to commit to new expenditure and capital management.

## **Board size and composition**

The Board size and composition, is prescribed by the Company's Constitution. The Constitution provides for twelve Directors and twelve Alternate Directors.

The National Directors are elected by the whole membership of the Institute every two years. The Presidents of the State Branch are elected each alternate two years by the membership of the branch and are also Directors of the Institute.

Other than the requirement for re-election every two years, no Director currently has a fixed term of office. National Directors appointed by the Board are required by the constitution to submit themselves for re-election by the shareholders at the next General Meeting after appointment. Branch Directors appointed by the Branch Executive are required by the constitution to have their appointment confirmed by the membership in the Branch no later than the next AGM.

If a Board vacancy for a National Director were to occur, it is the duty of the Board to consider potential new Directors. If a Board vacancy for a Branch DirectorThe Board is to identify candidates with appropriate skills and experience to contribute to effective direction of the Institute, who could exercise an independent and informed judgement on matters which come to the Board, and who would be free of any business or other relationship that may interfere materially with the exercise of that independent judgement.

The President is selected by the Board.

Current age limits for Directors are governed by the Corporations Act, which states that a person may act as a Director of a public company after turning age 72 up until the conclusion of the AGM that next follows the 72<sup>nd</sup> birthday. Beyond that date, a person who has turned age 72 may by special resolution be appointed or re-appointed as a Director of that company until the conclusion of the company's next AGM, providing the resolution states the person's age and the notice of meeting states that the person is a candidate for election who has turned 72 and also states the person's age.

## **Independence**

Directors are expected to bring independent views and judgement to the Board's deliberations. A Director's independence is considered in accordance with the best practice recommendations released by the Australian Stock Exchange Corporate Governance Council in March 2003. In considering such evidence or argument the Institute considers both the quantitative and qualitative aspects of the relationship in question.

## **Evaluation of Board performance**

The National President will on an annual basis, facilitate a discussion on, and evaluation of, the Board's performance. This will include discussions both collectively and individually which:

- a) compares the performance of the Board with the requirements of its Charter;
- b) sets forth the goals and objectives of the Board for the upcoming year; and
- c) effects any improvements to the Board charter deemed necessary or desirable.
- d) examines other relevant issues.

The National President's performance is reviewed by the Board.

A review of a Director's performance will be undertaken by the National President and the Board prior to the Director standing for re-election.

## **Board meetings**

The Board meets formally at least four times per annum and whenever necessary to deal with urgent matters which might arise between scheduled meetings.

Board and Committee papers are provided, where possible, to Directors at least five days prior to the relevant meeting to enable them to participate in an informed manner.

The external auditor meets with the Board as part of the full year financial accounts preparation.

## **Board committees**

### **Delegation of Authority to Board Committees**

The Board may from time to time establish Committees to assist it in carrying out its responsibilities, to share detailed work and consider certain issues and functions in detail. Each Committee then reports back and advises the Board. The Chairman of each Committee will report any matters of substance to the next Board meeting. A copy of all Committee minutes will be provided to the Board for noting.

There are currently four standing committees of the Boards namely:

- Corporate Governance Committee
- Audit and Risk Management Committee
- Finance Committee
- Communications Committee

Other Committees may be constituted from time to time as required.

### **Role of Board Committees**

Each Committee has its own Terms of Reference approved by the Board. The Terms of Reference are reviewed annually, with additional review from time to time as appropriate. The National President oversees all Board Committees. The CEO will attend Committee meetings as appropriate.

## **Corporate Governance Committee**

The purpose of the Corporate Governance Committee is to:

- Set goals, policies and strategies that are developed and implemented to oversee the various operational requirements of the company;
- Regularly monitor the management of the company's activities, and that of those senior staff involved in its day to day management;
- Make provision for control systems and mechanisms and ensure that they are implemented within the company to manage all risk activity, and to ensure that the company complies with all required regulatory requirements.
- Deal with ethics issues as they arise from time to time.
- Ensure the Institute has a human resources strategy aligned to the overall business strategy.
- Ensure the Institute has remuneration policies and practices that are observed and that enable it to attract and retain staff.
- Ensure the Institute fairly and responsibly rewards executives having regard to the performance of the Institute, the performance of the executive and the external remuneration environment; and
- Has in place succession planning processes for the Chief Executive Officer, and the direct reports to the Chief Executive Officer and the Company Secretary.

## **Board and director evaluation**

The process of evaluating the performance of the Board as a whole is the responsibility of the Board under the direction of the National President. The evaluation of Board performance involves:

- at the start of a period, the Board discussing the objectives to be achieved;
- at the end of the relevant period, the Board assessing the extent to which objectives were achieved by the Board.

Assessment of individual directors' performance is a process determined by the National President, who with the assistance of the chair of the Corporate Governance Committee draws on a range of techniques, including:

- surveys of the Board and individual directors concerning their perceptions about the Board and director performance;

- one-on-one interviews with directors with the National President; and
- use of external advisers to assist with the overall evaluation process.

The Charter of each Board Committee requires the Committee to annually review its performance and, where necessary, make recommendations to the Board for improving the effectiveness of the Committee.

The manner of the evaluation is generally to be determined by the relevant Committee Chairman in consultation with the Corporate Governance Committee, and will vary given:

- the particular responsibilities of each Committee;
- the number of Committee meetings; and
- the number of Committee members.

The Corporate Governance Committee's responsibilities include:

- reviewing the overall human resources strategy and monitoring its implementation;
- reviewing and recommending to the Board executive remuneration policy;
- reviewing and making recommendations to the Board regarding the design of executive incentive plans;
- recommending to the Board the remuneration and other terms and conditions for the Directors;
- recommending to the Board the remuneration and other terms and conditions for the Chief Executive Officer;
- recommending to the Board the remuneration and other terms and conditions for the Company Secretary;
- developing performance management processes for the direct reports to the Chief Executive Officer;
- monitoring the plans for the development and succession of the Executive Leadership Team and other business critical roles;
- reviewing and approving proposed termination payments for direct reports to the Chief Executive Officer;
- assisting Committee Chairmen to implement effective and appropriate performance measurements for the relative Committee;
- review and recommending to the Board, committee member stipends.

The outcomes of annual performance reviews of the direct reports of the Chief Executive Officer are reported to the Corporate Governance Committee, which has overall responsibility for ensuring that performance management processes are in place for all executives (excluding the Chief Executive Officer - who is

assessed by the Board). Executive remuneration is considered by the Corporate Governance Committee.

The annual performance planning and review involves an executive being evaluated by the Chief Executive Officer. The executive is assessed against:

- Completion of key job specifications and goals; and
- Contribution towards specific business plan objectives.

The Corporate Governance Committee also considers the overall amount of any short term incentive to be provided to eligible executives, and determines the specific amount of any short term incentive bonus awarded to particular executives. This takes into account the overall performance of the Institute against a range of measures, and the contribution made by a particular executive.

The performance evaluation of the Chief Executive Officer is facilitated by the National President, with ultimate oversight by the Board. The evaluation of the Chief Executive Officer involves an assessment of a range of factors including the overall performance of the Institute and the achievement of specific pre-determined goals.

### ***Meetings***

The Corporate Governance Committee comprises 2 non office bearing Directors who are responsible to the board.

The Chairman of the Committee is elected by the Committee

The Committee meets at least one scheduled time each financial quarter.

### ***Committee papers***

Unless directed by the Committee Chairman, the Committee Secretary shall distribute in advance of a meeting of the Committee an agenda and any related papers to:

- (a) each member of the Committee;
- (b) all Directors;
- (c) the Executive Officer;

(d) the Internal Auditor.

### ***Committee minutes***

(a) The Committee Secretary shall prepare or have prepared minutes of meetings and have them approved by the Committee Chairman.

(b) Minutes of meetings shall be confirmed at the next meeting of the Committee.

### **Committee review**

The Committee shall review its performance annually and report to the full board on its performance. The Board will determine if the Committee has fulfilled its functions.

The Chairman of the Committee must be assessed by the Board on an annual basis.

### **Reporting to the Board**

(a) Minutes of each meeting shall be submitted to the Board.

(b) The Committee Chairman, or delegate, must report to the Board after each Committee meeting concerning:

(i) the proceedings of the Committee; and

(ii) all matters relevant to the Committee's role and responsibilities.

## **Audit and Risk Management Committee**

The purpose of the Committee is to assist the Board in the effective discharge of its responsibilities for financial reporting, internal controls, risk management, and internal and external audit and Occupational Health and Safety matters (OHS). The Committee does not relieve any directors of their responsibilities for these matters.

### **Functions of the Committee**

The members of the Committee are not employees of the Institute and may not be financial or accounting experts. The Committee:

- (a) is not required to personally conduct accounting reviews or audits; and
- (b) is entitled to rely on employees of the Institute or professional advisers or consultants engaged by the Committee or the Institute where:
  - (i) there are reasonable grounds to believe that the employee, adviser or consultant is reliable and competent; and
  - (ii) the reliance was made in good faith and after making an independent assessment of the information.

The Committee must exercise the powers delegated to it in accordance with any directions of the Board.

The members of the Committee may elect a Committee Chairman, provided that the National President, if a member of the Committee, cannot be the Committee Chairman.

The Committee Secretary shall be the Company Secretary.

### **Powers of the Committee**

Access to management

The Committee, in performing its functions, may:

- (a) direct any of the following to attend a meeting of the Committee:
  - (i) the external auditor;

(ii) the internal auditor, if an external party is appointed; and

(iii) any employee of the Institute; and

(b) to the extent permitted by law, access any document, report, material or information in the possession of an employee or external adviser of the Institute.

### ***Special investigations***

The Committee may initiate special investigations as it sees fit, or as directed by the Board, in relation to financial reporting, internal controls, risk management, and internal and external audit.

### ***Access to independent advice***

The Committee may obtain independent professional advice to assist it in the proper exercise of its powers and responsibilities, with the cost to be borne by the Institute.

### **Committee responsibilities**

#### ***External Reporting***

The Committee shall promote an environment in the Institute which is consistent with best practice financial reporting and appropriately reflects the financial status of the Institute to external parties. In addition the Committee is to assist the Board to fulfill its overall responsibilities in relation to health and safety, matters arising out of the activities of the Institute and as they affect employees, contractors, members and associates with whom the Institute operates.

In particular, the Committee shall:

(a) review all published financial statements which require to be signed by directors prior to approval by the Board. The review of financial statements should include a discussion with the external auditor of accounting issues, accounting policies adopted and the proposed audit report. Subject always to ultimate Board approval of the published financial statements, the Committee shall have authority to approve accounting issues raised, accounting policies adopted and the proposed audit report;

(b) review of the annual report, directors' report and any report of management which is required by law to accompany any published financial statements (to the

extent that such a report discusses the financial position or operating results) before approval by the Board;

(c) review and assess the appropriateness of the Institute's accounting policies and principles. The Committee should discuss with the external auditor its view of the quality and acceptability of the Institute's accounting principles;

(d) review and consider the processes used by management to monitor and ensure compliance with laws, regulations and other requirements relating to external reporting of financial information; and

(e) review proposed professional and regulatory pronouncements regarding accounting policies and financial reporting and assess their impact on the Institute.

### ***Internal Control and Risk Management***

The Committee shall review and consider the appropriateness and adequacy of internal processes for determining, monitoring and assessing key risk areas. In particular, the Committee shall:

(a) consider whether the Institute has effective risk management systems in place to review, assess and manage business, financial and operational risk;

(b) review and approve management's programs and policies which deal with the adequacy and effectiveness of internal controls over the Institute's business processes, including the determination of the financial statements;

(c) receive reports concerning material actual and suspected breaches of law, including fraud and theft and assess systems to manage this risk;

(d) review any litigation, claim or other contingency which could have a material effect upon the financial position or operating results of the Institute;

(e) receive reports concerning the accounting treatment of the Institute's superannuation plans and determine questions of accounting treatment raised; and

(f) review and monitor related party transactions and assess their propriety.

### ***External Audit***

The Committee shall review and assess key areas relating to the external audit of the Institute. In particular the Committee shall:

(a) make recommendations to the Board on the appointment, reappointment or replacement and remuneration of the external auditor;

(b) review and agree with the external auditor the terms of engagement for the external auditor;

(c) monitor the effectiveness and independence of the external auditor;

(d) review the scope of the external audit with the external auditor including identified risk areas and approve external audit plans;

(e) review and assess provision of non-audit services by the external auditor, with particular consideration to the potential to impair, or appear to impair, the external auditor's judgment or independence in respect of the Institute;

(f) develop policies for approval by the Board, in respect of the provision of non-audit services by the external auditor, taking into account, among other things, the importance of ensuring that the provision of non-audit services does not impair, or appear to impair, the external auditor's judgment or independence;

(g) ensure the external auditor is coordinated with internal audit programs;

(h) review and monitor management's responsiveness to the external audit findings; and

(i) on a regular basis meet with the external auditor without the presence of management.

### ***Internal Audit***

The Committee shall review and assess key areas relating to the internal audit of the Institute. In particular the Committee shall:

(a) approve the internal auditor, where the internal auditor is an executive of the Institute or, where the internal auditor is an external contractor, approve the appointment and the internal auditor's terms of engagement;

(b) review and assess the scope of the audit and the internal audit plan, work program and resources and approve internal audit plans;

(c) review and monitor management's responsiveness to the internal audit findings; and

(d) on a regular basis, meet with the internal auditor without the presence of management.

### ***Insurance Program***

The Committee shall review and approve all aspects of the Institute's insurance program except for the Directors' and Officers' Liability insurance, which will remain the responsibility of the Board.

### ***Occupational Health and Safety (OHS)***

The committee is to be responsible to the board:

- in adopting an OHS Policy;
- monitoring the Institute's compliance with the approved OHS Policy;
- assessing the OHS standards of the Institute;
- assessing the operations of the Institute and making recommendations for assessing, avoiding, eliminating, controlling and minimising OHS risks;
- assessing compliance by the Institute with OHS legislation;
- researching and recommending the adoption of acceptable OHS practices in the environments in which the Institute operates;
- monitoring compliance throughout the Institute with OHS recommendations made by it;
- receiving reports concerning OHS incidents within the Institute; and
- considering OHS issues that may have strategic, business and reputational implications for the Institute.

The Executive is to report to the Committee any Institute work related incident which requires attendance at a medical facility by employees, contractors, members or associates with whom the Institute operates.

### ***Meetings***

The Committee shall meet at least one scheduled time each financial quarter and the Committee will meet with the staff OHS representative at least two scheduled times per year and within one week of a major OHS incident and reports to the Board within one month of the meeting.

### ***Committee papers***

Unless directed by the Committee Chairman, the Committee Secretary shall distribute in advance of a meeting of the Committee an agenda and any related papers to:

- (a) each member of the Committee;
- (b) all Directors;
- (c) the Chief Executive Officer;
- (d) the external Auditor; and
- (e) the internal Auditor.

### ***Committee minutes***

- (a) The Committee Secretary shall prepare or have prepared minutes of meetings and have them approved by the Committee Chairman.
- (b) Minutes of meetings shall be confirmed at the next meeting of the Committee.

### **Committee Review**

The Committee shall review its performance annually and report to the full board on its performance. The Board will determine if the Committee has fulfilled its functions.

The Chairman of the Committee must be assessed by the Board on an annual basis.

### **Reporting to the Board**

- (a) Minutes of each meeting shall be submitted to the Board.
- (b) The Committee Chairman, or delegate, must report to the Board after each Committee meeting concerning:
  - (i) the proceedings of the Committee; and
  - (ii) all matters relevant to the Committee's role and responsibilities.

## **Communications Committee**

The Communications Committee is responsible to the board in ensuring that the organisation's communications objectives are delivered with the CEO, in relation to the Forum and in other public discussion areas.

The committee is to have the authority to speak on behalf of the Institute when the message has been approved by the National President of the Institute. The committee with the CEO is to develop an approach to communications which is to be approved by the full board and given to the Executive and to any public relations company by the first face to face meeting in 2005. The committee with the CEO is to present a response to issues raised within 5 working days. The committee members are the only members of the board to respond to matters on the Forum on behalf of the full board.

The committee is to report to the full board on a two monthly basis and as part of that report include the report of the Executive which is to be on a monthly basis. Other communications issues such as corporate identification, logos etc are to be dealt with by the full board.

### **Meetings**

The Communications Committee comprises 2 non office bearing Directors who are responsible to the board.

The Chairman of the Committee is elected by the Committee.

The Committee meets at least two scheduled times each financial quarter and reports to the Board.

### ***Committee papers***

Unless directed by the Committee Chairman, the Committee Secretary shall distribute in advance of a meeting of the Committee an agenda and any related papers to:

- (a) each member of the Committee;
- (b) all Directors;
- (c) the Executive Officer;

### ***Committee minutes***

- (a) The Committee Secretary shall prepare or have prepared minutes of meetings and have them approved by the Committee Chairman.
- (b) Minutes of meetings shall be confirmed at the next meeting of the Committee.

### **Committee Review**

The Committee shall review its performance annually and report to the full board on its performance. The Board will determine if the Committee has fulfilled its functions.

The Chairman of the Committee must be assessed by the Board on an annual basis.

### **Reporting to the Board**

- (a) Minutes of each meeting shall be submitted to the Board.
- (b) The Committee Chairman, or delegate, must report to the Board after each Committee meeting concerning:
  - (i) the proceedings of the Committee; and
  - (ii) all matters relevant to the Committee's role and responsibilities.

## **Finance Committee**

The purpose of the Committee is to assist the Board in effective discharge of its responsibilities for financial management of the Institute. The Committee does not relieve any directors of their responsibilities for these matters.

### **Functions of the Committee**

The Finance Committee:

- reviews the annual operating and capital budgets proposed by management and recommends the final proposed budget to the Board.
- reviews the monthly financial reports covering revenue and expenses to ensure that they provide a true and fair view of the state of the financial affairs of the Institute.
- monitors the performance of the external financial advisers.
- Review and evaluate the adequacy and effectiveness of the Institute's accounting systems.

### **Meetings**

The Finance Committee comprises the Treasurer and one other Director. The Committee is responsible to the Board.

The Chairman of the Committee is elected by the Committee.

The Committee meets at least one scheduled time each financial quarter.

### ***Committee papers***

Unless directed by the Committee Chairman, the Committee Secretary shall distribute in advance of a meeting of the Committee an agenda and any related papers to:

- (a) each member of the Committee;
- (b) all Directors;
- (c) the Executive Officer;

### ***Committee minutes***

- (a) The Committee Secretary shall prepare or have prepared minutes of meetings and have them approved by the Committee Chairman.
- (b) Minutes of meetings shall be confirmed at the next meeting of the Committee.

### **Committee Review**

The Committee shall review its performance annually and report to the full board on its performance. The Board will determine if the Committee has fulfilled its functions.

The Chairman of the Committee must be assessed by the Board on an annual basis.

### **Reporting to the Board**

- (a) Minutes of each meeting shall be submitted to the Board.
- (b) The Committee Chairman, or delegate, must report to the Board after each Committee meeting concerning:
  - (i) the proceedings of the Committee; and
  - (ii) all matters relevant to the Committee's role and responsibilities.