
The Raising Literacy Australia Board is ultimately responsible for all matters relating to the running of the Association.

The Board's role is to govern the Association rather than to manage it. In governing the association, the directors must act in the best interests of the Association as a whole. It is the role of senior management to manage the Association in accordance with the direction and delegations of the Board and the responsibility of the board to oversee the activities of management in carrying out these delegated duties. Thus, except when dealing with specific management delegations of individual directors (particularly Executive Directors), it is misleading to refer to the management function of the Board.

The Board has the final responsibility for the successful operations of the Association. In general, it is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Association. It is required to do all things that may be necessary to be done in order to carry out the objectives of the Association. In carrying out its governance role, the main task of the Board is to drive the performance of the Association. The Board must also ensure that the Association complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body.

Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following:

- Providing leadership to the association by:
 - Guiding the development of an appropriate culture and values for the association through the establishment and review of Codes of Conduct, rules and procedures to enforce ethical behaviour and provide guidance on appropriate work methods;
 - Always acting in a manner consistent with the Association's culture and code of Conduct;
- Overseeing the development and implementation of an appropriate strategy by:
 - Working with the senior management team to ensure that an appropriate strategic direction and array of goals are in place;
 - Regularly reviewing and amending or updating the Association's strategic direction and goals;
 - Ensuring that an appropriate set of internal controls are implemented and reviewed regularly;
 - Overseeing planning activities including the development and approval of strategic plans, annual corporate budgets and long-term budgets including operating budgets, capital expenditure budgets and cash flow budgets.
 - Reviewing the progress and performance of the Association in meeting these plans and corporate objectives, including reporting the outcome of such reviews on at least an annual basis.

- Ensuring corporate accountability to the members primarily through adopting an effective shareholder communications strategy, encouraging effective participation at general meetings and, through the Chair, being the key interface between the Association and its members;
- Overseeing the control and accountability systems that ensure the Association is progressing towards the goals set by the Board and in line with the Association's purpose, the agreed corporate strategy, legislative requirements and community expectations;
- Ensuring robust and effective risk management, compliance and control systems (including legal compliance) are in place and operating effectively;
- Being responsible for the Association's senior management and personnel including:
 - Directly managing the performance of the Chief Executive Officer including:
 - appointing and remunerating the CEO;
 - providing advice and counsel to the CEO including formal reviews and feedback on his or her performance;
 - overseeing the development or removal the CEO, where necessary:
 - Ensuring that an appropriate succession plan is in place;
 - Ensuring appropriate human resource systems (including OH&S systems) are in place to ensure the well-being and effective contribution of all employees.
- Delegating appropriate powers to the CEO and committees (as contained in appendix 1 to ensure the effective day-to-day management of the business and monitoring the exercise of these powers; and
- Making all decisions outside the scope of these delegated powers including:
 - Approving all operations expenditures more than [15%] outside the approved budget;
 - Approving all operations expenditure in excess of \$15000;
 - Approving the details of all items of capital expenditure; and
 - Approving all mergers, acquisitions or property disposals; and
 - Approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures.

The detail of some Board functions will be handled through Board Committees. However, the Board as a whole is responsible for determining the extent of powers residing in each Committee and is ultimately responsible for accepting, modifying or rejecting Committee recommendations.

Structure of this Association

The structure of our Association is unusual in that the directors (Board members) are at this stage also the only members of the Association. This does not alter the role, duties and obligations of the Board. It does mean that Annual General Meetings being meetings of members of the Association, will look the same as Board meetings but with a different purpose as per the Constitution. The structure is created in the Constitution and the rules by which the Association is to be governed are set out also.

Statement of Individual Director Responsibilities

As members of the peak decision-making body in the association, Directors share ultimate responsibility for the Association's overall success. Therefore, Directors have an individual responsibility to ensure that the Board is undertaking its responsibilities as set out in its Statement of Board Functions. Directors need to ensure that the Board is providing:

- leadership to the Association, particularly in the areas of ethics and culture;
- a clear and appropriate strategic direction;
- accountability to key stakeholders, particularly members;
- oversight of policies;
- oversight of all control and accountability systems including all financial operations and solvency, risk management and compliance;
- an effective senior management team and appropriate personnel policies; and
- timely and effective decisions on matters reserved to it.

Expectation of Directors in Board Process

Since the Board needs to work together as a group, Directors need to establish a set of standards for Board meetings. At the Association, it is expected that Directors 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:

- behaving in a manner consistent with the letter and spirit of the Corporate Code of Conduct;
- acting in a businesslike manner;
- acting in accordance with the Constitution and Board policies;
- addressing issues in a confident, firm and friendly manner;
- preparing thoroughly for each Board or Committee event;
- using judgment, commonsense and tact when discussing issues;
- minimising irrelevant conversation and remarks;
- ensuring that other are given a reasonable opportunity to put forward their views;
- refraining from interruption or interjection when a speaker has the floor; and
- being particularly sensitive in interpreting any request or direction from the Chair 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, and fully canvas all aspects of any issue confronting the Association, and cast their vote on any resolution according to their own judgment.

Outside the boardroom, however, Directors will support the letter and spirit of Board decisions in discussions with all stakeholders including any members, special interest groups, customers, staff, suppliers and any other parties.

Directors will keep confidential all Board discussions and deliberations. Similarly, all confidential information received by a Director in the course of the exercise of the Director's duties remains the property of the Association and is not to be discussed outside the boardroom. It is improper to disclose it, or allow it to be disclosed, unless that disclosure without appropriate authorisation.

Conflicts of Interest

Directors must disclose to the Board actual or potential conflicts that may or might reasonably be thought to exist between the interests of the Director and the interests of the Association. On appointment, Directors will have an opportunity to declare any such interests and they will be entered into the Association's Register of Ongoing Conflicts of Interest.

Directors should update this disclosure by notifying the Association Secretary in writing as soon as they become aware of any conflicts. Directors are also expected to indicate to the Chair any actual or potential conflict of interest situation as soon as it arises. To ensure Directors have an opportunity to disclose new conflicts of interest, the first agenda item for each Board meeting will be the disclosure of any conflicts of interest. Any amendments to disclosures are to be tabled at this time and entered into the Register of Ongoing Conflicts of Interest.

The Board can request a Director to take reasonable steps to remove the conflict of interest. If a Director cannot or is unwilling to remove a conflict of interest then the Director must absent himself or herself from the room when discussion and voting occur on matters to which the conflict relates. The entry and exit of the Director concerned will be minuted by the Association Secretary. Directors do not have to absent themselves when either (a) conflict of interest relates to an interest common to all Association members/members or (b) the Board passes a resolution that identifies the Director, the nature and extent of the Director's interest and clearly states that the other Directors are satisfied that the interest should not disqualify the Director concerned from discussion and/or voting on the matter.

Related Party Transactions

Related party transactions include any financial transaction between a Director or officer and the Association and will be reported in writing to each Board meeting. In general, the Corporations Act requires related party transactions to be approved by the members; the Board cannot approve these transactions. An exemption to this requirement occurs where the financial benefit is given on arm's length terms.

To assist the Board in showing that a financial benefit, such as the awarding of a contract to an association in which a Director is a partner, is given on arm's length terms, the process outlined below (Potential Related Party Transaction) will be followed. The Board has also resolved that where applications are made by a related party to a Director or officer of the Association then the Director or officer shall exclude himself/herself from the approval process.

Related party for this process means:

- (a) a spouse or de facto spouse of the Director or officer;
- (b) a parent, son or daughter of the Director or officer or their spouse or de facto spouse; or
- (c) an entity over which the Director or officer or a related party defined in (a) or (b) has a controlling interest.

The Association Secretary will maintain a Register of Related Party Transactions as well as the Register of Ongoing Conflicts of Interest.

Potential Related Party Transaction

To minimise the risk of a transaction being a related party transaction the following steps should be taken.

Step 1: Invite expressions of interest and circulate the following tender documentation:

- (a) Invitation to Tender

- (b) General Conditions of Tender
- (c) General Conditions of Contract
- (d) Special Conditions of Contract
- (e) Specifications
- (f) Response to Tender

Step 2: Tenderers should place their tenders in the tender box before the closing date stipulated in the Invitation to Tender. The tender box should be kept secure until opened.

Step 3: Form a Tender Evaluation Committee to review all tenders utilising the selection criteria stipulated in the Invitation to Tender. Tenders should not be assessed solely on the basis of who is cheaper, but on a number of related issues such as:

- open and effective competition;
- value for money;
- enhancing the capabilities of local business and industry;
- environmental protection; and
- ethical behaviour and fair dealing.

Members of the Tender Evaluation Committee should be officers with relevant skills and knowledge appropriate to the value and importance of the work being tendered and be free of any conflict of interest that might undermine the objectivity of the assessment. During the decision process the Tender Evaluation Committee should follow certain steps to ensure that a fair and equitable procedure has been carried out.

Step 4: The Tender Evaluation Committee or a delegated officer should prepare the recommendation. The recommendation should be in writing and contain detailed information so that the selection is fully justifiable.

Step 5: The recommendation should be forwarded to the approving authority which should be the Board, the senior management team or a senior manager acting under delegation. Any person with an interest in either the recommended tenderer or another tenderer should not be present for the discussion of the recommended tenderer and may not vote to approve or disapprove the recommended tenderer.