



Hornsby Ku-ring-gai Community  
Aged/Disabled Transport Service Inc.  
ABN 93 115 497 208

## Governance Statement

The Board of the Association is committed to sound corporate governance and publishes this Governance Statement detailing its approaches to governance aligned to the 8 Principles of the ASX Best Practice Recommendations<sup>1</sup>.

### Principle 1. Lay Solid Foundations for Management and Oversight

*Respective roles and responsibilities of board and management.*

The Board is responsible for the control and management of the affairs of the Association, including its control and accountability systems.

The Board has appointed a Manager to undertake the direction and management of the association within the strategy, policies and financial budget approved by the Board. The Manager is also the Public Officer of the Association.

The Manager's responsibilities and duties are detailed within a position description in which the Board has given the Manager authority to exercise all powers of the Board in order to control and manage the affairs of the Association, with the exception of powers retained by the Board, as listed below.

Powers retained by the Board:

- appointing and removing the Manager
- ratifying the appointment of and where appropriate, the removal of staff reporting to the Manager
- input into and final approval of corporate strategy and performance

objectives developed by Management

- reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct, and legal compliance
- monitoring management's performance and implementation of strategy, and ensuring appropriate resources are available
- approving budgets for and monitoring the progress of all capital and operating expenditure, capital management, and acquisitions and divestitures
- approving and monitoring financial and other reporting
- all cheques, drafts, bills of exchange, promissory notes, other negotiable instruments, contracts and funding agreements are to be signed by any two directors of the Board or the Manager and one director of the Board. This includes electronic signing of payments through the Association's electronic banking systems.

The Board monitors performance at each Board meeting, reviews the performance of management annually and reviews performance of the Association against its Strategic Plan.

Management and staff are supported with education relevant to their roles.



### *Directors Responsibilities*

Directors are members of the Board and any 3 Directors must be present at a meeting of the Board to constitute a Quorum for the transaction of business of the Board.

The Board has delegated the function of review of operating and capital expenditure against budgets to a Finance Sub-committee. This committee meets to undertake review and provide advice and recommendations to the full Board for its review and approval.

Directors are advised of their obligations particularly under the Associations Incorporation Act, The Association's Constitution, The Occupational Health and Safety Act, Privacy legislation, other legislation relevant to the Association and the policies and expectations of the Association's funding bodies.

Specific duties for office bearers of the Association are listed within its Constitution and specific Position Descriptions are provided listing the responsibilities and duties of the Manager and other staff members.

All Directors and staff are briefed on and commit to the Association's Code of Conduct published within its policy manual.

## **Principle 2. Structure the Board to Add Value**

### *Independence*

In accord with the ASX principles of corporate governance, there is a clear division of responsibility at the head of the Association. The Chair is a non-executive independent Director and the Manager is not a member of the Board.

The Board is elected from the membership of the Association and consists of 7 Directors being the Chairperson, Vice Chairperson, Secretary, Treasurer and three ordinary Directors.

All Directors are non-executive directors and accept no remuneration for their service. All Directors are considered independent as they have no shareholding or financial interest in the Association. If a Director were to have an interest such as in a potential supplier directly or indirectly the Director is to declare the interest and abstain from voting on such proposal.

If a Director wishes to seek independent professional advice, the Director may ask the Board to consider funding such advice.

### *Competencies of Board and Nomination Process*

The Board has resolved to establish a mix of competencies attained through a nomination process in which nominees are put to the members at each annual AGM.

Casual vacancies that occur between AGMs are filled by way of advertisement for interested persons accompanied by a copy of the duties of a Director under the Associations Act. A nomination application form is provided requiring a person's skills and experience relevant to the competencies to be detailed.

The full Board retains the power to select and appoint for casual vacancies while the full Association retains the power to appoint the Board at each AGM.

### *Evaluating Performance of the Board*

The Board monitors performance at each Board meeting, reviews the performance of management annually and reviews performance of the Association against its Strategic Plan.

Directors are advised of education and information sessions that are available in regard to governance or community transport in order to maintain or improve currency of their understanding of their role and the sector.



### **Principle 3. Promote Ethical and Responsible Decision Making**

#### *Code of Conduct*

The Directors, staff and volunteers are guided by the Association's Code of Conduct within its policy manual.

#### *Disclosure of Conflict of Interest*

Directors are to disclose to the Board the existence or potential to exist of any conflict of interest in the exercise of their responsibilities as a member of the Board. Such disclosure is to be recorded in the minutes and the Director is to abstain from discussion and voting on the particular matter before the Board.

### **4. Safeguard of Integrity in Financial Reporting**

The Board has instituted separation of responsibilities for financial management accounting, reporting and auditing.

The Board retains the power to review and approve budgets and monitors capital and operating expenditure within them.

Commitment of expenditure as approved by the board in its annual budgets and plans and the day to day management of the affairs of the Association is within the authorised responsibility and duty of the Manager.

Approval of payments for such expenditure has been retained as a two person approval being the Manager and one Board member or two Board members.

Under the oversight and review of the Manager, day to day accounting is undertaken by staff and monthly accounts are prepared by the Association's financial officer/bookkeeper whom is a staff member.

Financial statements are reviewed by the Board, whom has established a Financial Sub-Committee to undertake a detailed review prior to recommending any advice and actions to the full Board.

An independent audit firm has been engaged to undertake the annual audit and prepare the audited financial statements.

Financial controls in place include procedures for ordering & purchasing supplies and services, policies and procedures for pricing and charging of clients and controls requiring the dual signing of payments, contracts and other agreements.

The full Board of the Association and members at the AGM review the Annual Audit Report.

### **5. Make Timely and Balanced Disclosure**

The Association reports annually to its members and interested stakeholders as part of its Annual General Meeting. The report discloses the nature of the year's operations and financial statements and members and visitors are invited to ask questions or raise matters in regard to the Association.

The Association formally reports to its funding bodies in accord with their requirements and pro-formas and the Association reports annually to the Office of Fair Trading. In addition to financial and operational reporting to the above bodies, the Association publishes on its website details to allow clients to lodge complaints with staff, the Manager or Board and gives external contact details for the NSW Ombudsman and Ministry of Transport in case clients feel their complaint has not been properly addressed by our organisation.

Occupational Health and Safety is managed by the Association and disclosure procedures exist for reporting incidents to WorkCover if required.



## **6. Respect the Rights of Members, Staff , Volunteers, Clients, Volunteers & other Stakeholders**

All Members are invited to the Association's AGM each year and have the opportunity to nominate for office and raise questions on the organisation's management.

The Association employs staff in accord with the relevant award and involves staff in consultation on the day to day operation of the business including the review and reporting of safety or other issues.

The Association welcomes and is grateful for the contribution of its many volunteers whom help with the operation of our service.

The Association publishes advice on its website for clients on confidentiality, their rights, responsibilities and their ability to have someone advocate on their behalf. We have an anti-discrimination policy which is also displayed on our website and we operate under the Code of Conduct within the Association's policy manual. Members directly elect the Board of the Association annually. Reports from our client's committee are reviewed at each Board meeting.

## **7. Recognise and Manage Risk**

The Association recognises and manages risk through the medium of its strategic plan which identifies

opportunities and required actions for the sound management of the Association over the ensuing years. This plan is reviewed through forums including staff and the Board to ensure the opportunity for risks and opportunities to be brought forward and our management strategies to be updated accordingly.

The Association operates within a Constitution that sets down sound governance rules and financial controls that separate functions and require dual signatories for payments, contracts and other instruments.

Occupational Health and Safety risk is particularly addressed through procedures by which staff and clients can report risks that may arise and there are processes in place for staff and management to rectify OH&S hazards. The Board reviews OH&S, including reports of any incidents being discussed at each meeting.

## **8. Remunerate Fairly and Responsibly**

Management and staff remuneration is reviewed by the full Board. Wages and ancillary wage costs such as superannuation, leave and workers compensation insurance are monitored by the Manager and reported to and reviewed by the Board each meeting. These costs are also disclosed in our Annual reports to our funding bodies and the Office of Fair Trading. Directors are not remunerated.

*This governance statement approved by the Board*

*18 January 2008*

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<sup>i</sup> Corporate Governance Principles & Recommendations 2nd Edition  
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