



Supporting women.  
Defeating poverty.

# CARE Australia Governance Policy

March 2021

# Contents

<b>Purpose of policy</b>	<b>1</b>
<b>Scope</b>	<b>1</b>
<b>Policy details</b>	<b>1</b>
<b>Accountability</b>	<b>2</b>
<b>Fundraising requirements</b>	<b>2</b>
<b>Board of Directors</b>	<b>3</b>
<b>Related Policies and Procedures</b>	<b>6</b>
<b>Supporting documents and references</b>	<b>6</b>
<b>Policy owner</b>	<b>6</b>
<b>Implementation and communications</b>	<b>7</b>
<b>Policy details</b>	<b>7</b>
<b>Definitions</b>	<b>7</b>

## **1. Purpose of policy**

This policy outlines the system of governance by which CARE Australia is supervised to ensure that management is fulfilling the organisation's mission and complying with legal and ethical requirements.

CARE Australia is a not-for-profit company limited by guarantee which provides services in international development assistance and emergency response. CARE Australia is a member of the CARE International Confederation.

## **2. Scope**

The policy applies to all CARE Australia staff and volunteers, contractors and consultants, with specific responsibility held by the Board, its Committees and the Executive Team.

## **3. Policy details**

The governing rules for the organisation are provided by the Australian Corporations Act 2001 (Cth), the Australian Charities and Not-for-profit Commission Act 2012 (Cth) and CARE Australia's Constitution.

This governance document provides further details on rules and procedures. Where there is any inconsistency between this document and the Constitution, the latter prevails.

The Constitution covers:

- Membership;
- General Meetings;
- Proceedings at General Meetings;
- Directors;
- Remuneration and expenses;
- Conflict of interest and vacation of office;
- Powers and duties of Directors;
- Proceedings of Directors;
- Chief Executive;
- Secretary;
- Inspection of records;
- Service of documents;
- Indemnity and insurance;
- Winding up; and
- Accounts.

Under Section 11.6 of the Constitution, the Board may delegate any of their powers, other than powers required by law to be dealt with by the Directors as a board, to a

Committee consisting of such members of the Board and other people the Board thinks fit. All Board Committees must comply with any requirements of the Board. The Board may form the following Committees:

- Finance and Risk Committee\*,
- Fundraising and Brand Committee\*,
- International Program and Operations Committee\*,
- People Committee\*,
- Governance and Nominations Committee,
- Executive Committee.

\*active as at February 2021

All of the committees have an appointed Chairperson and act within the Terms of Reference as approved by the Board.

A copy of the Constitution is available from the Company Secretary, who is the Chief Operating Officer, or on CARE Australia's website.

## **Accountability**

Accountability is an important element of corporate governance. In addition to meeting the requirements under the *Corporations Act 2001* (Cth) regulated by the Australian Securities and Investments Commission (ASIC) and under the *Australian Charities and Not-for-profits Commission Act 2012* (Cth) regulated by the Australian Charities and Not-for-Profit Commission (ACNC), the organisation must also observe all other applicable laws in Australia and in the countries in which it operates including relevant employment and, health and safety laws.

## **Fundraising requirements**

CARE Australia must comply with the provisions of the fundraising laws which apply in each of the Australian jurisdictions, of which the Charitable Fundraising Act 1991 (NSW) is considered the most rigorous and thus it is used by CARE Australia as a general benchmark for CARE Australia's approach to fundraising activities. Six States jurisdictions (NSW, Qld, SA, Vic, ACT and WA) require registration in order to fundraise and the submission or availability of the specified audited financial statements.<sup>1</sup>

## **Australian Council for International Development (ACFID) requirements**

CARE Australia is a member of ACFID. As such it is bound to adhere to its Code of Conduct. As a member of ACFID, and a signatory to its Code of Conduct, we are required to submit a Compliance Self- Assessment against the Code by the end of November each year.

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<sup>1</sup> SA and Qld require accounts to be audited and reports submitted and NSW require accounts audited annually with certain exemptions and WA, ACT and VIC may request accounts to be audited. NT does not require registration.

## ***CARE International***

As a member of CARE International, CARE Australia is bound by the CARE International Code and statutes. The CARE International Statutes and Code are available from the Company Secretary.

## ***Other stakeholders***

The organisation is also accountable to other stakeholders who have a strong interest in the outcomes of the humanitarian aid and emergency relief provided by the organisation. These stakeholders include:

- Australian Public (source of donations);
- Australian Government, principally through DFAT;
- Other Governments (either directly or through other CARE International members);
- Multilateral Agencies including the UN, World Bank and European Commission;
- Commercial organisations (including those providing goods and services and those contracting CARE Australia as consultants);
- Civil society partners/organisations in the countries in which we work;
- People and communities with whom we work and who receive support through humanitarian and development projects and initiatives; and
- CARE Australia's staff and volunteers.

## **Board of Directors**

An effective Board understands its role and responsibilities, has in place appropriate corporate governance structures, and therefore, ensures that it is well informed by management with whom it has an open and frank relationship. In accordance with ACNC Governance Standard 5, the Board are required to:

- to act with reasonable care and diligence
- to act honestly and fairly in the best interests of the charity and for its charitable purposes
- not to misuse their position or information they gain as a Responsible Person
- to disclose conflicts of interest
- to ensure that the financial affairs of the charity are managed responsibly, and
- not to allow the charity to operate while it is insolvent.

The most important functions of the Board are to:

- Ensure compliance with relevant laws, codes of conduct and ethical standards;
- Approve and monitor performance against strategic and operational plans and budgets;
- Appoint and monitor the performance of the Chief Executive, and through him/her the performance of senior management; and
- Ensure appropriate succession arrangements are in place for the Board itself and the CEO.

The number of Directors is not fixed, but is determined by the Board when appointments are being considered to ensure that the necessary skills and experience are available. The Board only comprises non-executive directors.

The range of skills and experience required by the Board covers strategic planning, governance, program development and monitoring, finance and audit, fundraising and human resources management functions.

Criteria for the appointment of Board Members include:

- Status and respect in the community;
- Capacity to participate in corporate decision-making at the highest level;
- A strong commitment to humanitarian work in the developing world;
- Willingness to work on a voluntary basis; and
- A sound knowledge of Directors' responsibilities under the *Corporations Act 2001* (Cth) and the *Australian Charities and Not-for-profit Commission Act 2012* (Cth).

CARE Australia strives to achieve a Board which is both skills based and representative. In appointing Board members, a strong focus is placed on diversity of membership and thinking including diversity along the dimensions of race, ethnicity, gender, sexual orientation, socio-economic status, age, abilities, religious beliefs, political beliefs, or other ideologies.

CARE Australia ensures that directors are not disqualified from managing a corporation under the *Corporations Act 2001* (Cth) or banned from taking up a role as a Responsible Person in the previous 12 months by checking the Registers of Disqualified Persons held by the ACNC and by ASIC. Where the director is not Australian based, the comparable legislative framework is used, where possible. Checks are also made to confirm that directors have not been associated with listed terrorist organisations.

CARE Australia provides an induction for directors in accordance with section 7.4.1 of the ACFID Quality Assurance Framework. In selecting members, the Board places emphasis on diversity and seeks out gender and safeguarding expertise as desirable skills and experience when recruiting new persons to the Board

Appointments to and retirements from the Board are made in accordance with section 8 of the Constitution.

### **Board Tenure**

Under the Constitution of CARE Australia:

- A person can only be admitted to membership of CARE Australia if the directors approve. The directors for the time being constitute the members.
- A person's membership may be terminated by the Directors by written notice to the member, or terminated by the members by ordinary resolution (section 4.7). A person ceasing to be a member ceases to hold office as a director.

- By resolution, the directors may appoint, and may remove, any one of their number to act as chair.
- Any director/member may resign by notice to CARE Australia.

There is no maximum tenure for the terms of office of directors or the chair specified in the Constitution. However, the Board has resolved that:

- A director (other than the chair) will normally retire at the expiration of the Board meeting next following the tenth anniversary of their appointment unless otherwise requested by the directors.
- The directors will consider whether the chair should continue in office after the third anniversary of appointment and the chair will not continue in office beyond the fifth anniversary of appointment unless otherwise requested by the directors.
- A director on ceasing to be chair will resign as a director.

This protocol took effect on and from the final Board meeting of CARE Australia in CY2018.

The Board may vary this protocol, either generally or on a case by case basis, at its discretion at any time.

### ***Board Conflict of Interest Policy***

An issue or a transaction involving Board members and member-related entities may occur in the ordinary course of CARE Australia's business. A standing agenda item at all Board meetings is the declaration of any actual, potential and perceived conflicts of interest, including those that have already occurred. Where any member has a material personal interest in a transaction or issue to be considered at a Board meeting, that member will not be present while the transaction or issue is being considered, and will not vote upon the transaction or issue.

The Board of Directors will determine whether that member's personal interest in a transaction or issue is material based on financial, reputational and legal risks. The Board of Directors has the discretion to determine whether a director should be asked to resign from the Board if the transaction or issue is considered sufficiently material and ongoing to warrant this.

### **Chief Executive**

The Board is responsible for the appointment of the Chief Executive and the Board delegates to the Chief Executive all aspects of the operations and administration of the organisation subject to the decisions and directions of the Board.

The Board determines the compensation (remuneration package) of the Chief Executive who does not take part in the review of their own remuneration.

The Chief Executive determines the compensation for executives and other staff.

## **4. Related Policies and Procedures**

- Risk Management Policy
- Code of Conduct

## **5. Supporting documents and references**

### *Legislation*

- Australian Corporations Act 2001 (Cth)
- Australian Charities and Not-for-profit Commission Act 2012 (Cth)

### *CARE Australia or CARE International documents*

- CARE 2030
- CARE International Code
- CARE Australia's Strategic Intent 2020
- CARE Australia Constitution
- CARE Australia Board Committee Terms of Reference including:
  - Executive
  - Finance and Risk
  - Fundraising and Brand
  - International Programs and Operations
  - People
- CARE Australia's Risk Register

### *Other supporting documents*

- ACFID Code of Conduct
- ACFID Quality Assurance Framework
- Australian NGO Accreditation Guidance Manual

## **6. Policy owner**

Chief Operating Officer

## **7. Implementation and communications**

This policy is available to all staff using the Shared Drive.

This policy and its inclusions form a part of the standard orientation training for all new staff.

## **8. Policy details**

- 3 March 2021
- Version 6
- 2024



## **9. Definitions**

- ACNC refers to the Australian Charities and Not-for-profit Commission
- ACFID refers to the Australian Council for International Development
- DFAT refers to the Department of Foreign Affairs and Trade