



# GOVERNANCE COMMITTEE TERMS OF REFERENCE

## PURPOSE

To provide a framework for the Committee charged with oversight of board performance and legal compliance.

## PURPOSE OF THE GOVERNANCE COMMITTEE

The purpose of the Governance Committee is to ensure that there is a robust and effective process for evaluating the performance of the Board, Board Committees and individual directors and to ensure that the board fulfils its legal, ethical, and functional responsibilities. (An Audit or Risk Management Committee may oversee some of these areas.)

## MEMBERSHIP

The Governance Committee will be appointed by the Board and will comprise [three] members, the majority [or all] of whom will be members of the full Board. A quorum will be [two] members. The Board may remove or replace any member at any time. The Chair of the Governance Committee will be selected by the Board.

## MEETINGS

Meetings will be held at least twice per year at times the Chair of the Committee may determine.

## AUTHORITY

The Governance Committee is authorised by the Board to:

1. Review the organisation's governance matters and make recommendations to the Board
2. Take any actions to enable the Governance Committee to fulfil its responsibilities
3. Seek independent advice to perform its duties where necessary. [Arrangements for budget/ expenses should be specified here]

## RESPONSIBILITIES

The Governance Committee is responsible for advising the Board on effective governance of the organisation through:

4. Developing and reviewing governance policies and procedures;
5. Recruiting suitable board members;
6. Providing induction and training programs for board members, and
7. Regularly reviewing the performance of the board as a whole and evaluating the contribution of individual members

## GOVERNANCE POLICY DEVELOPMENT

The Governance Committee will ensure that policies are created and periodically reviewed which define:

- > The roles and responsibilities of the board
- > Duties and responsibilities of directors and officers
- > Directors' standards of conduct, including any Code of Conduct and currency of the Directors' Manual (or Charter)
- > Procedures for ensuring the organisation's legal and regulatory compliance
- > Conflict of interest procedures
- > Procedures for nomination, selection, and removal of directors
- > Directors' expenses policies [and remuneration, if any]

## RECRUITMENT & SELECTION

The Governance Committee will ensure that:

- > The number of board members does not fall below the number required by the constitution
- > Members appointed to the board understand and agree with the mission of the organisation and the code of conduct
- > Members appointed to the board understand and agree to the time commitment and participation requirements of board membership
- > Elections and appointments to the board comply with the constitution and other legal requirements
- > There is a clear Board-approved process for Board recruitment, and that this process is effectively implemented [The Committee may be charged with leading Board recruitment, or may be limited to ensuring that approved process is followed]

## EDUCATION

The Governance Committee will ensure that there are effective induction and mentoring processes for board members and that they have the necessary knowledge to be able to discuss, debate and plan the following:

- > The organisation's mission, goals, objectives, programs and services
- > The organisation's budget and financial statements
- > The roles, duties and responsibilities of the board, committees, individual board members and the Executive Director

## EVALUATION

The Governance Committee will be responsible for arranging the annual board review/ performance assessment to ensure that the board, its committees and members are able to plan their activities with knowledge of the achievements, abilities, strengths and limitations of current board members, staff and volunteers.

## ACCOUNTABILITY

The Governance Committee is accountable to the Board of Directors for the following tasks:

- > Annual assessment of the board's performance, including strengths, weaknesses and skills of the board as a whole
- > Recommending a plan for board development based on the strategic plan and the annual board assessment
- > Ongoing recruitment of board members who can augment the board's strengths and build on its weaknesses
- > Mentoring new board members in order to develop their skills as board members
- > Monitoring the attendance and contribution of board members
- > Drafting governance policies and budgets for board development
- > Keeping and up-dating records of recruitment history (e.g. names suggested, who was approached, what happened) and other relevant recruitment documents

Minutes of the Governance Committee will be circulated to all members of the Committee and made available upon request to other members of the Board. A summary of the minutes will be submitted to the Board following each Committee meeting.

### REFERENCE

- > Fishel, D, The Book of the Board, Federation Press, Sydney, NSW (2003; 3rd edn. 2014)

### ABOUT POSITIVE SOLUTIONS

Positive Solutions offers a range of services to non-profit boards throughout Australia. [Board development workshops](#) and detailed board reviews can be tailored to the needs of each organisation. To find out more about how Positive Solutions can help you, contact: [info@positive-solutions.com.au](mailto:info@positive-solutions.com.au) or call 07 3891 3872.

### THE BOOK OF THE BOARD

[The Book of the Board](#) is Australia's standard reference book for board and committee members of non-profit organisations. Authored by Positive Solutions Director, David Fishel, and currently in its third edition, The Book of the Board provides clear guidance on the role of the non-profit board, formal and legal responsibilities, and the ways in which the board can maximise its effectiveness for the organisation.

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