SMARTER CLUBS | SAFER CLUBS

GOVERNANCE 101

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Club Governance

Governance is the system by which the Committee controls the affairs of the Club by overseeing its activities and operations. Ethics, risk management, compliance and administration are all elements of governance.

Governance is not actually performing the activities or operations within the Club.

Club Governance 101

- Most Clubs in SA are incorporated associations under the *Incorporated Associations Act 1985*
- By law, the Committee is responsible for the affairs and performance of the Club
- Your Club has a number of stated, mandatory requirements

Constitution

A Constitution (the Rules) is a mandatory obligation for Clubs under Law

The Essentials

- Name of the Association
- Objects of the Association
- Membership of the Association
- Composition of Committee and how elected
- Powers of the Association
- Powers and Responsibilities of the Committee
- Appointing an Auditor
- Appointing a Public Officer
- Start and finish date of your Financial Year
- Special General Meetings and the AGM
- Winding Up

Constitution Tips

- ✓ Plain English
- ✓ Contemporary
- ✓ Keep it as general as possible
- ✓ **Pinch a <u>good</u> template!**

Additional resources: Clubs SA Constitution template; Good Governance Checklist

The Law

Associations Incorporation Act 1985

39A—Duties of officers etc

(1) An officer of an incorporated association must not, in the exercise of his or her powers or the discharge of the duties of his or her office, commit an act with intent to deceive or defraud the association, members or creditors of the association or creditors of any other person or for any fraudulent purpose.

Maximum penalty: $20 000 or imprisonment for four years.

(2) An officer or employee of an incorporated association, or former officer or employee of an incorporated association, must not make improper use of information acquired by virtue of his or her position in the association so as to gain, directly or indirectly, any pecuniary benefit or material advantage for himself or herself or any other person, or so as to cause a detriment to the association.

Maximum penalty: $20 000 or imprisonment for four years.

(3) An officer or employee of an incorporated association must not make improper use of his or her position as such an officer or employee so as to gain, directly or indirectly, any pecuniary benefit or material advantage for himself or herself or any other person, or so as to cause a detriment to the association.

Maximum penalty: $20 000 or imprisonment for four years.

(4) An officer of a prescribed association must at all times act with reasonable care and

diligence in the exercise of his or her powers and the discharge of the duties of his or her office.

Maximum penalty: $1 250.

(5) A person who contravenes a provision of this section is liable to the association for any profit made by him or her and for any damage suffered by the association as a result of that contravention

The Committee

Tips to Ensure that your Committee acts lawfully

- ✓ All committee members are lawfully appointed
- ✓ CBS is notified of changes to your Committee
- ✓ The Club has a formally appointed Public Officer
- ✓ All committee members have a clear understanding of their legal obligations
- ✓ Obtain the appropriate insurance cover
- ✓ The committee has a quorum at its meetings
- ✓ The committee follows due process for formally approving a decision
- ✓ A signed copy of the Minutes must be kept

Committee Operational Tips

- Committee Composition:
  - 6 to 10 members ideal
  - 5 elected positions and max of 3 skills based appointments
  - 2 or 3 year terms
- Must have a President, Treasurer and Secretary
- Meet at least 6 times per year, 10 is better
- Paid Club employees on committees should be discouraged
- Committee members must have an understanding of their roles and obligations

Committee Conduct

- Act transparently, openly and honestly
- Ensure fairness and equity
- Listen to the views of the members, volunteers, community etc
- Work together to drive the Club's objects and vision
- Maintain confidentiality

Additional resources: Role descriptions – President, Vice President, Secretary, Treasurer

Meetings

Tips for Conducting Efficient and Effective Committee Meetings

- Committee meeting dates are scheduled well in advance
- The Agenda and any associated Papers are distributed to the committee members in a timely manner
- All Papers etc should be assumed to be “as read” by the committee prior to attending the meeting
- Any Action Items are clearly allocated, with timelines
- Ensure Minutes taken and managed in correct manner

Additional resources:

Information Sheet - Minutes and Your Obligations

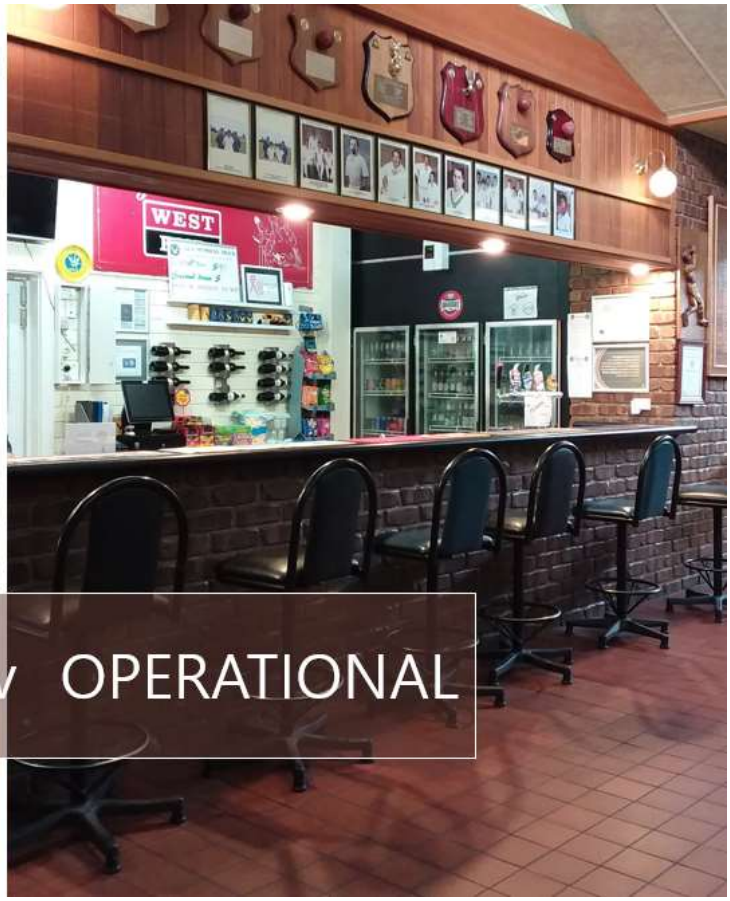
Financial Management

Financial Reporting Tips

- *AI Act - “A Club must keep such accounting records to correctly record and explain the transactions of the club and the financial position of the club.”*
- Minimum - Balance sheet, P&L, Cash flow and budget
- Finances must be made available to the Members
- Prescribed Clubs also need to have their accounts audited

Financial Oversight Tips

- All Board Members must have a basic understanding of a balance sheet, a P&L, a cash flow and a budget
- The Clubs total assets are more than its total liabilities
- The Clubs current assets are more than its current liabilities
- The Club’s equity is equivalent to at least three months of its operating costs
- Ensure that your Club has systems in place to approve expenditure, payments, reimbursements etc.



STRATEGIC v OPERATIONAL

The Strategic Plan

- Strategic planning is the “What”
- 3 to 5 year outlook
- Defines the Club’s goals and strategies

A Strategic Plan contains a:

- Vision
- Mission/Purpose
- Values
- Key Performance Areas (Goals)

Keep the Plan short, simple and open ended

Strategic items can also arise during the course of the year

The Operational Plan

Operational Items (Business Plan)

- Operational planning is the “How”
- 1 Year outlook
- Includes projects and activities
- Defines the roles, responsibilities and the outcomes

Again, keep it simple

Other Governance Considerations

Risk Management

- Risk is mitigated, not eliminated eg Hazard / Financial / People / Regulatory

Develop and Implement Policies and Procedures

- Set boundaries
- Increase accountability
- Create consistency
- Meets legal requirements

Compliance

- Create a register eg Insurance/Tax/RSA/Volunteer Approvals
- Ensure you Club SA folders are reviewed regularly to keep compliance material current

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Additional resources available from Members Only at

www.clubssa.com.au

or call Membership Manager

Christine Carter on

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