



Board of Directors Introductory Guide:  
Position Description, Roles and Obligations  
ASIC Obligations.

**For further information please contact:**

Antony Nicholas

Chief Executive

p. 02 9410 0099

e. [ceo@osteopathy.org.au](mailto:ceo@osteopathy.org.au)

V. April2023

## Introduction

Osteopathy Australia Board of Directors provide strategic direction and overarching control of Osteopathy Australia. The structure of the Board is based on Directors being elected or appointed based on their knowledge, experience and suitability for the position. This applies equally to member-elected Osteopath Directors (osteopaths) or appointed Directors (external).

As outlined in the Constitution, all Board Directors are required to act honestly and in good faith in furthering the interests of Osteopathy Australia and the profession. Board Directors assume the responsibility of representing Osteopathy Australia and the profession.

Where appropriate, the Board will establish committees to advice on specific issues within the organisation. These Committees will be provided with a Terms of Reference, including powers as determined by the Board.

## Term of the Position

All Board terms are nominally set at 3 years, ceasing in rotation according to staggered appointments. Elected Directors may seek re-election to the Board for a further term of 3 years. The maximum uninterrupted duration of a Directorship is six (6) years.

Appointed Directors may have shorter terms, as determined by the Board.

Following the maximum term, the director must retire from the Board and may only seek re-election after a period of two years absence.

## Time Commitment for Board Members

Each position carries certain responsibilities and commitments. Outside of Board meetings, most Directors can expect to spend at least 2 - 3 hours per week on Board matters. The President and/or other executive positions or Committee members may spend significantly more time than that (up to 4 - 6 hours per week).

The annual functions and the time commitment are outlined in the table below:

Activity	Time Commitment
<b>Board Induction</b>	2 online sessions with Executive Staff and Directors
<b>Board Zoom Conference</b>	4-5 per year up to 90 minutes each. Usually in the evening.
<b>Long Board Meeting (Planning or review)</b>	1 or 2 - one day Board meeting per year, usually on a weekend.
<b>Board Advisory Committees</b>	Varies but Directors are expected to participate in at least one governance committee.
<b>Tri- Annual Conference (optional)</b>	2-3 days triennially

## Key Performance Indicators for the Board

- Compliance individually and severally as a Director with common and statutory law duties as imposed by the Corporations Act;
- Compliance individually and severally with Osteopathy Australia governance policies & constitutional rules;
- Commitment to read and prepare for all Board or Committee meetings.
- Awareness, knowledge and input into external policy and the political environment;
- The maintenance of sound working relationships with principal stakeholders;
- Achievements in relation to the outcomes based in the Strategic Plan;
- Fiduciary duties such as the financial viability and management of Association; and
- Responsiveness to communication/feedback to draft documentation for consideration.

## Induction

Each new Board member will be required to undertake an induction into his or her roles after election on governance, responsibilities of a director, financial responsibilities and the role of Osteopathy Australia.

Additional information about Osteopathy Australia will be presented along with planning processes, current financial position and policies of the organisation. Board Directors have an obligation to learn and act within these policies.

## Duties and Responsibilities

The Board of Directors are required to comply with both common law duties and statutory duties imposed by the Corporation Act.

The role of the Board of Directors is to give direction to the organisation and to accept initial responsibility for its management. It is not a Board Director's role to take part in the day to day management of the organisation; the board will be strategic and not directly concerned with operational issues.

### Collective responsibilities will be:

- **Strategic direction/planning** – develop mission, vision, strategic planning and approve operational plan
- **Leadership** – provide strategic leadership to the profession
- **Policy** - approve and monitor strategic policy, develop governance policy
- **Accountability** – set performance management expectations for Osteopathy Australia, monitor performance, monitor financial performance
- **Risk Management** – monitor appropriate risk management strategies
- **Legal** – Constitution
- **Performance review** - Set and monitor performance of CEO and the Board
- **Governance** of Osteopathy Australia in accordance with policy and procedure and within the operational limits set by the position description.

## Board Skills and Responsibilities

The Osteopathy Australia Board is a model of modern, best practice, governance with Directors appointed on a skills basis and the Board constituted with a mix of both osteopath Directors and external Directors.

Board Directors are accountable to Osteopathy Australia's members. The Board acts collegially in all things, though it can delegate its powers between meetings to the Chief Executive Officer. An Osteopathy Australia Board position confers no greater rights or authority than that specifically noted in Osteopathy Australia Constitution or as granted by the Board.

## Board Structure

The Board comprises 7-9 directors with 5 being elected by the Osteopathy Australia membership and a minimum of 2 and up to 4 directors being appointed by the Board on the recommendation of the Remuneration and Nominations Committee.

The Board meets between 4 - 6 times per year. The Board meets face-to-face on 4 - 5 occasions per year and also conducts tele-conference meetings usually after hours.

The Board has several governance committees that may change from time to time. Current committees include:

- Finance, Audit and Risk
- Remuneration and Nominations
- Research
- Education & New Course Committee
- Early Career Osteopaths Committee
- Stakeholder Think Tank

Each Board member is provided with an iPad and an Osteopathy Australia secure email address which is used to communicate all official emails and agendas and Board documents. The iPad needs to be set up by the Board member themselves prior to the first meeting attended and staff can assist with this.

Along with utilising your strategic skill set to help a rapidly growing profession Osteopathy Australia has a benefits package to assist Directors. There is currently no payment or Board sitting fees for attending board meetings however expenses are covered (on appointment a Board expenses policy will be explained), including flights, accommodation, internet, phone bills and an iPad. The Osteopathy Australia Board also has a budget for the ensuring the upkeep of Director education and skills development.

There is a regular National conference each second year and a Board meeting is usually arranged to coincide with this conference allowing an opportunity for Board members to meet the association's members and is one of the face-to-face meetings of the year.

## ESSENTIAL ATTRIBUTES AND SKILLS

### Directors must:

- Be altruistic and committed to fulfilling a volunteer role;
- be an Osteopathy Australia member (for elected Directors); however, appointed Directors are selected on a skills criterion;
- be nominated and duly elected by the members or appointed by the Board;
- have a professional interest in and commitment to Osteopathy Australia's wellbeing as an Association and company;
- be aware of the realistic demands of being a Director and come to all meetings prepared with relevant pre-reading completed;
- have no known conflict of interests which may interfere with the Directors' ability to fulfil the role of an Osteopathy Australia Board Director. Where there may be a possible conflict of interest, this will be declared at the beginning of a Board meeting(s);
- can work as a team member and be in good standing with both the association and Registration Board (for health practitioner members);
- can analyse and discuss issues of policy and organisational process;
- can contribute to the association at a strategic level;
- can travel for Board meetings; and
- participate in the annual Board & Individual Director Performance Review.

### Functions and responsibilities of a Director

#### A Director must:

- attend most Osteopathy Australia Board meetings, other relevant meetings and the Conference unless there are exceptional circumstances – *It is an expectation to attend 80% of meetings*;
- Prepare thoroughly for Board meetings, reading all papers, preparing any notes and preparing briefing papers for any additional items you wish to raise under 'Other Business';
- actively participate in the work of the Board, the annual review and future planning
- regularly access and participate on the website Forum; and possibly other social marketing opportunities or events with members – *it is expected that most communications will be responded to within 72 hours*;
- be willing to participate and accept assignments, completing them within the specified time frame – *generally sit on at least one committee*;
- provide reports and information on any meetings you attend on behalf of Osteopathy Australia,
- stay informed about external policy environments and Board matters, prepare well for Board meetings and review and comment on minutes and reports;
- maintain confidentiality on all Board matters at the Board's discretion;
- make a commitment to dedicate a minimum 2 - 3 hours per week to the work of Osteopathy Australia Board (excluding Board meetings and conferences)

### Essential Director Resources

#### A Board Director will need a:

- Reliable telephone service/ access;
- Computer and electronic communications skills;
- Secure and confidential storage space for files; and
- Reliable email and internet access (as papers are provided electronically)

## Professional development

All Directors must have a commitment to ongoing professional development.

## Annual appraisal

To ensure maximum efficiency of Board functioning all Directors are required to undertake an annual performance appraisal.

## Board Position Descriptions

### The Role of the President/Chair

**The role of the President/Chair includes the following:**

#### Generally

- Is a member of the Board;
- Provides leadership to the Board of Directors, who sets policy and to whom the Chief Executive Officer (CEO) is accountable;
- Encourages Board's role in strategic planning and directing away from day-to-day issues;
- Appoints the chairpersons of committees, in consultation with the Board members;
- Serves ex officio as a member of committees and attends their meetings when invited; and
- Helps guide and mediate Board actions with respect to organisational priorities and governance concerns.

#### Inside the Boardroom

- Establish the agenda for Board meetings in consultation with the CEO
- Chair Board meetings. The Directors may elect a Director as Deputy Chairperson to act as Chair in the President/Chair's absence. In addition, the Directors present may elect a President/Chair, if there is no President/Chair or Deputy President/Chairman present within 15 minutes after the time appointed for holding the Directors' meeting; or the President/Chair and Deputy President/Chair are unwilling to act as President/Chair;
- Be clear on what the Board should achieve;
- Provide guidance to other Board members about what is expected of them;
- Ensure the right matters are considered carefully and thoroughly during the meeting;
- Ensure that all Directors are given the opportunity to effectively contribute;
- Ensure that the Board comes to clear decisions and resolutions are noted;
- Brief all Directors in relation to issues arising at Board meetings;
- Ensure that the decisions of the Board are implemented properly;
- Ensure that the Board behaves in accordance with its Code of Conduct; and
- Commence the annual process of Board and Director evaluation and performance.

#### Outside the Boardroom

- In conjunction with the CEO, undertake appropriate public relations activities;
- Be the principal spokesperson for the Company at the annual general meeting and other formal reporting to members;
- Be the major point of contact between the Board and the CEO;
- Be kept fully informed of current events by the CEO on all matters which may be of interest to Directors;

- Regularly review with the CEO and progress on important initiatives and significant issues facing the Company; and
- Initiate and oversee the annual CEO evaluation process.

### The role of a Board Director

- Regularly attends board meetings and important related meetings;
- Makes serious commitment to participate actively in committee work;
- Volunteers for and willingly accepts assignments and completes them thoroughly and on time;
- Stays informed about committee matters, the policy environment; prepares themselves well for meetings, and reviews and comments on minutes and reports;
- Gets to know other committee members and builds a collegial working relationship that contributes to consensus; and
- Is an active participant in the committee's annual evaluation and planning efforts.



## Osteopathy Australia, being a Board Director and the law

If you're a Director of Osteopathy Australia, you must follow the requirements set out in the *Corporations Act 2001 (Cth)* (Corporations Act).

Obviously we can't explain every obligation or cover every situation here. At times you may need professional legal advice. Even if you appoint an agent to look after the company's affairs, you—not the agent—may still be held responsible for those legal obligations.

### What is corporate governance?

Corporate governance is "the framework of rules, relationships, systems and processes within and by which authority is exercised and controlled in corporations". It encompasses the mechanisms by which companies, and those in control, are held to account. Corporate governance influences how the objectives of the company are set and achieved, how risk is monitored and assessed, and how performance is optimised.

Effective corporate governance structures encourage companies to create value, through entrepreneurialism, innovation, development and exploration, and provide accountability and control systems commensurate with the risks involved.

### The fundamentals

Fundamental to any corporate governance structure is establishing the roles of the board and the executive, with a balance of skills, experience and independence on the board appropriate to Osteopathy Australia.

There is a basic need for integrity among those who can influence a company's strategy and financial performance, together with responsible and ethical decision-making which takes into account not only legal obligations but also the interests of stakeholders, such as members or the profession.

Meeting the information needs of our members is also paramount in terms of accountability. Presenting a company's financial and nonfinancial position requires processes that safeguard, both internally and externally, the integrity of reporting and provide a timely and balanced picture of all material matters.

The rights of members need to be clearly recognised and upheld.



Every business decision has an element of uncertainty and carries a risk that can be managed through effective oversight and internal control. Rewards are also needed to attract the skills required to achieve the performance expected by members. Each Principle is of equal importance.

## **The Corporate Governance Principles**

The ASX suggested a set of core Principle for good governance.

### **Principle 1 – Lay solid foundations for management and oversight**

Companies should establish and disclose the respective roles and responsibilities of board and Management.

Role of the board and management:

Boards should adopt a formal statement of matters reserved to them or a formal board charter that details their functions and responsibilities. There should be a formal statement of the areas of authority delegated to executives.

The nature of matters reserved to the board and delegated to senior executives will depend on the size, complexity and structure of the company, and will be influenced by its tradition and corporate culture, and by the skills of directors and executives.

Disclosing the division of responsibility assists those affected by corporate decisions to better understand the respective accountabilities and contributions of the board and executives.

That understanding can be further enhanced if the disclosure includes an explanation of the balance of responsibility between the President, any lead director, if any, and the Chief Executive, or equivalent. The division of responsibility may vary with the evolution of the company. Regular review of the balance of responsibilities may be appropriate to ensure that the division of functions remains appropriate to the needs of the company.

### **Responsibilities of the board**

Usually the board will be responsible for:

- overseeing the company, including its control and accountability systems
- appointing and removing the Chief Executive, or equivalent
- providing input into and final approval of management's development of corporate strategy and performance objectives
- reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct, and legal compliance
- ensuring appropriate resources are available to senior executives

- approving and monitoring the progress of major capital expenditure and capital management,
- approving and monitoring financial and other reporting.

## **Principle 2 – Structure the board to add value**

Companies should have a board of an effective composition, size and commitment to adequately discharge its responsibilities and duties.

An effective board is one that facilitates the effective discharge of the duties imposed by law on the directors and adds value in a way that is appropriate to Osteopathy Australia circumstances. The board should be structured in such a way that it:

- has a proper understanding of, and competence to deal with, the current and emerging issues of Osteopathy Australia
- exercises independent judgement
- encourages enhanced performance of Osteopathy Australia
- can effectively review and challenge the performance of management.

Ultimately the directors are elected by the members. However, the board and its delegates play an important role in the selection of candidates for member vote.

## **Principle 3 – Promote ethical and responsible decision-making**

Companies should actively promote ethical and responsible decision-making.

To make ethical and responsible decisions, companies should not only comply with their legal obligations, but should also consider the reasonable expectations of their stakeholders including: members, employees, customers, universities, consumers and the broader community in which they operate.

It is a matter for the board to consider and assess what is appropriate in each company's circumstances. It is important for companies to demonstrate their commitment to appropriate corporate practices and decision making.

Companies should:

- clarify the standards of ethical behaviour required of the board, senior executives and all employees and encourage the observance of those standards, and
- comply with their legal obligations and have regard to the reasonable expectations of their members.

## **Principle 4 – Safeguard integrity in financial reporting**

Companies should have a structure to independently verify and safeguard the integrity of their financial reporting.

This requires companies to put in place a structure of review and authorisation designed to ensure the truthful and factual presentation of the company's financial position. The structure would include, for example:

- review and consideration of the financial statements by the audit
- a process to ensure the independence and competence of the company's external auditors.

Such a structure does not diminish the ultimate responsibility of the board to ensure the integrity of the company's financial reporting.

## **Principle 5 – Make timely and balanced disclosure**

Companies should promote timely and balanced disclosure of all material matters concerning the company; however our members do have limited liabilities. Osteopathy Australia commits to providing members with important financial or corporate information in a timely manner.

## **Principle 6 – Respect the rights of members**

Companies should respect the rights of shareholders and facilitate the effective exercise of those rights.

Companies should empower their members by:

- communicating effectively with them
- giving them ready access to balanced and understandable information about the company and corporate proposals
- making it easy for them to participate in general meetings.

## **Principle 7 – Recognise and manage risk**

- Companies should establish a sound system of risk evaluation and management and internal control.

## What does the law expect of you personally?

As a director, you must:

- be honest and careful in your dealings at all times
- know what Osteopathy Australia is doing
- take extra care as Osteopathy Australia is operating a business handling other people's money
- make sure that Osteopathy Australia can pay its debts on time
- see that Osteopathy Australia keeps proper financial records
- act in Osteopathy Australia best interests, even if this may not be in your own interests, and
- use any information you get through your position properly and in the best interests of Osteopathy Australia. Using that information to gain, directly or indirectly, an advantage for yourself or for any other person, or to harm Osteopathy Australia may be a crime or may expose you to other claims. This information need not be confidential; if you use it the wrong way and dishonestly, it may still be a crime.

If you have personal interests that might conflict with your duty as a director, you must generally disclose these at a directors' meeting. This rule does not apply if you are the only director of a proprietary company.

## What work must a director do?

You and any other directors will control the business. The constitution or rules set out the directors' powers and functions.

You must be fully up-to-date on what Osteopathy Australia is doing:

- Find out and assess for yourself how any proposed action will affect Osteopathy Australia business performance, especially if it involves a lot of money.
- Get outside professional advice when you need more details to make an informed decision.
- Question the CEO about how the business is going.
- Take an active part in directors' meetings.

Only be a company director if you are willing, able and have enough time to put in the effort. Avoid any company where someone offers to make you a director or secretary on the promise that 'you won't have to do anything' and 'just sign here'. You could be exposing yourself to many legal liabilities.

## Can anyone be a director?

You must not act as a director (or manage a company) without court consent if you:

- are an undischarged bankrupt
- are subject to a personal insolvency agreement or an arrangement under the *Bankruptcy Act 1966* (Cth) (Bankruptcy Act) that has not been fully complied with

- are subject to a composition under the Bankruptcy Act and final payment has not been made, or
- have been convicted of various offences such as fraud or offences under company law, such as a breach of your duties as a director or insolvent trading. If you have been convicted of one of these offences, you must not manage a company within five years of your conviction. If imprisoned for one of these offences, you must not manage a company within five years after your release from prison.

If you become bankrupt, enter into a personal insolvency agreement or are convicted of a relevant offence at a time when you're a director or secretary then you automatically lose that office. The company must then notify ASIC that you're no longer a director or secretary of the company.

ASIC can also ban you from being a company director in certain situations. If you're not allowed to be a company director or secretary, you're not allowed to manage a company. It is a serious offence to set up dummy directors while you really manage the company.

Directors must also be 18 years or older.

## **What happens to dishonest directors?**

Every year, the courts send dishonest and reckless company officers to prison, and impose heavy fines and award damages.

As the company watchdog, ASIC investigates corporate crime. It is AOA policy to report dishonest company directors to ASIC.

## **What company records must you keep?**

As a director, the law makes you personally responsible for keeping proper company records.

You must see that the company keeps up-to-date financial records that:

- correctly record and explain its transactions (including any transactions as a trustee), and
- explain the company's financial position and performance.

All companies must have financial records so that:

- true and fair financial statements of the company can be prepared if needed
- financial statements can be conveniently and properly audited if necessary, and
- the company can obey the tax laws.

Large proprietary companies and public companies—even non-profit public companies—must prepare financial reports, have them audited and lodge them with ASIC.

### **What are financial records?**

Below are some of the basic financial records that the law may require a company to keep:

- general ledger, recording all the company's transactions and balances (e.g. revenue, expenses, assets, liabilities) or summarising transactions and balances detailed in other records
- cash records (e.g. bank statements, deposit books, cheque butts, petty cash records)
- debtor and sales records (e.g. a list of debtors and their balances, delivery dockets, invoices and statements issued, a list of all sales transactions)
- creditor and purchases records (e.g. purchase orders, invoices and statements received and paid, unpaid invoices, a list of all purchases, a list of all creditors and their balances)
- wage and superannuation records
- a register of property, plant and equipment showing transactions and balances in relation to individual items
- inventory records
- investment records (e.g. contract notes, dividend or interest notices, certificates)
- tax returns and calculations (e.g. income tax, group tax, fringe benefits tax and GST returns and statements)
- deeds, contracts and agreements.

A company would also normally prepare the following statements regularly to manage its business performance and provide to lenders, etc:

- Statement of Financial Performance—a statement showing the company's revenue and expenses and the profit or loss that results from these items ;
- Statement of Financial Position—a statement showing the things of value the company owns and the debts the company owes;
- Statement of Cash Flows—a statement summarising cash inflows and outflows; and
- An annual Audit Statement.

### **Company housekeeping—other records and registers**

All company officers must make sure that the company attends to some basic 'housekeeping' matters. The directors remain ultimately responsible for the company's compliance with the Corporations Act.

When a company is set up, you must:

- register your company name with ASIC and obtain an Australian Company Number (ACN)

- have a registered office. (If your company doesn't occupy the same address as the registered office, then you must have written consent from the person who occupies the registered office.)

Make sure that you:

- display the company name at every place at which your company carries on business and that is open to the public. Also, a public company must display its name and the words 'registered office' prominently at its registered office.
- display the company name, the words 'Australian Company Number' (or 'ACN') or 'Australian Business Number' (or 'ABN') and the relevant number on:
  - the common seal (if the company has one)
  - every public document of the company
  - every negotiable instrument (e.g. cheque, promissory note ) of the company, and
  - all documents lodged with ASIC.

Your company must keep:

- registers of members (shareholders)
- minutes of general meetings
- minutes of meetings of directors
- financial records that enable an assessment of the company's financial position and performance and are sufficient for financial statements to be prepared (and audited if necessary) for at least seven years after the transactions are completed.

### **What if your company can't pay its debts?**

You must ensure that your company is able to pay all of its debts as and when they become due for payment. A company is 'insolvent' if it cannot pay all of its debts as they become due and payable.

By law, you must prevent your company from incurring a debt when it is insolvent or about to become so. This means you must consider whether you have reasonable grounds to believe that the company will be able to pay a new debt when it becomes due, as well as pay all the other debts.

You may expose yourself to criminal prosecution, substantial fines or to action by a liquidator, creditors of the company or ASIC to recover amounts lost by creditors due to your actions. Your personal assets—not just your company's—may be at risk.

Common signs of financial trouble are:

- low operating profits or cash flow from the main business
- problems paying trade suppliers and other creditors on time
- trade suppliers refusing to extend further credit to the company

- problems with meeting loan repayments on time or difficulty in keeping within overdraft limits
- legal action taken, or threatened, by trade suppliers or other creditors over money owed to them.

If your company is in financial difficulty or in danger of being insolvent, seek immediate advice from an insolvency professional. They will be able to explain your options to you. Your options may include re-structuring your company's affairs, changing your company's activities or appointing a voluntary administrator or liquidator to the company.

Do not assume that you will be able to trade out of the problem. Delay could be damaging to the company and to you personally, and may reduce the options available.

### **A final word**

Finally, you are unlikely to get into trouble if you:

- are honest and careful in dealing with the company and on its behalf with others
- understand your legal obligations and make compliance with them part of your business
- keep informed about your company's financial position and performance
- get professional advice or more information when you are in doubt, and
- give the interests of the company, its shareholders and its creditors top priority.