

		<b>IQA Policy P3</b>	
<b>National Secretariat</b>		<b>Board Governance Review</b>	
<b>Policy Number:</b>	P3	<b>Version:</b>	P3-03
<b>Date Adopted:</b>	17/11/15	<b>Contact:</b>	Company Secretary

## Purpose

The purpose of this policy is to assist the Board to identify early warning indicators of under-performance in its corporate governance arrangements or activity. The reasons for under-performance can be varied and the performance review is designed to highlight where the Board is not operating adequately and support the development of strategies for improvement.

## Assessment and Improvement

Each member of the Board and the Chief Executive Officer of The Institute of Quarrying Australia (IQA) will complete the self-assessment checklist annually after the first Board meeting in the calendar year. The outcome of the assessments will be aggregated by the Company Secretary for compilation and reporting back to the Board as the basis for developing strategies to address areas of weakness.

## Standard Governance Compliance Requirements

The Institute has the following standard governance compliance requirements that must be met as a minimum:

- i. ACNC –
  - a. Annual Information Statement by 31<sup>st</sup> December of each year (including financial statements);
  - b. Annual director declaration of being a responsible person;
  - c. Change of Institute name;
  - d. New director appointments within 28 days of appointments;
  - e. Director cessation within 28 days of resignation;
  - f. Change of constitution;
  - g. Change of registered address; and
  - h. Governance standards;
    - i. Purposes and not-for-profit nature of a registered entity.
    - ii. Accountability to members.
    - iii. Compliance with Australian laws.
    - iv. Suitability of board members.
    - v. Duties of board members.
- ii. ASIC –
  - a. Change of Institute name;
  - b. Resignation or removal of auditor; and
  - c. Change to legal structure.

iii. Internal

a. Insurance –

- |                                   |   |
|-----------------------------------|---|
| i. Public liability -             | \$10 million  |
| ii. Directors & Officers -        | \$20 million  |
| iii. Workers Compensation Officer | \$ - annual remuneration of Chief Executive Officer |
| iv. Corporate travel              | \$5 million   |

The level of each of the insurance policies is to be reviewed with the IQA's insurance brokers each year when the insurance policy is renewed.

b. Miscellaneous –

- i. Annual review of Board and Committee charters.
- ii. Committees to report annually to the Board on their activities.
- iii. Minimum number of six (6) Board meetings per year.
- iv. AGM to be held by the end of November each year.
- v. Maintenance of not-for-profit status.

All of the requirements to complete the aforementioned standard governance compliance items are outlined in the respective governance policies and charters. (Refer to Section 4 and 16 of the IQA's policies and procedures)

## **Responsibility**

It is the responsibility of the Company Secretary to ensure that the Board and Chief Executive Officer complete the Board governance review in accordance with this policy on an annual basis.

It is the responsibility of the Company Secretary to report to the Board on an annual basis on the aforementioned standard governance compliance requirements of the Institute.

<b>PERFORMANCE INDICATOR</b>	<b>Yes</b>	<b>No</b>	<b>Comment</b>
<b>Corporate Governance</b>			
The Board has an excellent Code of Ethical Conduct in place and specific policies governing the way it conducts business.			
The Board has written terms of reference and charters for the committees that provide the focus and direction for the committees and are reviewed on an annual basis.			
The composition of the Board has the expertise required collectively to make it an effective governing body.			
The Board has a schedule of meeting dates and times in place at least twelve months in advance.			
Quorum for Board meetings is regularly met.			
Minutes of Board meetings accurately reflect what occurred and are provided within 14 days following each meeting.			
Does the Board have good procedures governing its meetings?			
The Board is receiving adequate and value adding corporate governance training on a two-yearly basis.			
The Board regularly develop, review and update governance policies and procedures.			
Do the Institute's procedures ensure that no one individual or group has undue influence over the Board's decision making processes?			
Does the Board review its structure, size and composition on a frequent basis?			
All Board members have been provided with an induction pack, and corporate documents are able to be easily sourced from within the organisation.			
<b>Strategic Directions</b>	<b>Yes</b>	<b>No</b>	<b>Comment</b>
The Board understands the organisation's mission, its education products and training programs.			
The Board has clear goals and actions resulting from relevant and realistic strategic planning.			
The Board has set times for the review of its Strategic Plan.			
The Board is focused on the long term and does not spend time making administrative decisions.			
Each member of the Board feels involved and interested in the Board's work at all times.			
All necessary skills, stakeholders and diversity are represented on the Board.			

<b>Corporate Governance Systems &amp; Structures</b>	<b>Yes</b>	<b>No</b>	<b>Comment</b>
The Board is aware of the legislation which applies directly to the Board members, and the legislation which affects the running of the organisation and is made aware of any changes to the legislation.			
The Board is adequately insured for public liability and the Directors & Officers insurance provides the protection warranted for the Directors.			
Does the Board receive regular reports on the evaluation of internal controls within the Institute.			
Does the Board critically evaluate its own performance on a regular basis.			
<b>Knowledge of the membership, the industry and the organisation</b>	<b>Yes</b>	<b>No</b>	<b>Comment</b>
The Board is knowledgeable about the history of the industry and the organisation and effectively represents the organisation to the industry.			
The Board has sufficient knowledge about the industry and the organisation to inform Board decision making.			
<b>Relationships with the Chief Executive Officer and Senior Personnel</b>	<b>Yes</b>	<b>No</b>	<b>Comment</b>
The Board provides clearly written annual performance objectives for the CEO position.			
Is there a clear division of responsibility between the Board and Management that is adhered to.			
The Board's relationship with the CEO is one of mutual trust and respect at all times.			
Is the annual performance review process for the CEO adequate and does it provide a structured program that is in line with the Institute's strategic plan.			
The roles of board members and senior personnel complement each other without conflict.			
<b>Appointment, Induction and Training of New Board Members</b>	<b>Yes</b>	<b>No</b>	<b>Comment</b>
Are the procedures relating to appointment of Board members fair, equitable and transparent?			
Is there a formal induction process for new Board members?			
Are new Board members presented with clear documentation advising them of:			
Their role and responsibilities?			

Their responsibilities with regard to confidentiality?			
Their legal obligations?			
Is a copy of the constitution given to each new Board member?			
Have the new Board members access to a copy of the most recent financial statements?			
Are the new Board members made aware of the Institute's Vision and Mission statement?			
<b>Financial and Risk Management</b>	<b>Yes</b>	<b>No</b>	<b>Comment</b>
The Board understands the extent of the risks the organisation faces in all of its areas of operation and receives timely reports to reflect same.			
There are Risk Management procedures and policies in place which are followed by the CEO.			
The Board regularly receives reports on finance / budgets, products / program performance and key operational matters.			
The Board understands the organisation's financial position and is made aware of the risks that relate to its finances on a monthly basis.			
The board members receive regular training and information about their responsibilities in relation to assessing financial risks of the Institute.			
New board members are oriented to the organisation, including the organisation's mission, constitution, policies, programs, as well as their roles and responsibilities as board members.			
The Board has a process for handling urgent matters between meetings that ensures that all Board members are aware of any decisions made.			
The Board maintains a Conflict of Interest policy and register and all board members and executive personnel review and/or sign to acknowledge and comply with the policy on an annual basis.			