

# Advisory Board Charter

**Category:** Governance  
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**Contact Person:** The President, Ext 3934

## Introduction

The purpose of this charter is to clarify the role and responsibilities of the Advisory Board and to contribute to high standards of governance within the Association.

## Policy Statement

The Advisory Board has responsibility to provide advice on commercial and service activities and affairs of the Association, and shall work to protect and enhance the value of the assets of the Association in the interests of the Association and its current and future members.

## Procedures

### Membership

The Association Constitution provides for up to nine members on the Advisory Board (see Schedule 3 of the Association Constitution).

The Advisory Board shall normally consist of up to nine members as provided for in Schedule 3 of the Association Constitution but no less than six.

The Advisory Board should comprise of members:

- a) with an appropriate range of skills and experience; and
- b) who have a proper understanding of, and competence to deal with, the current and emerging commercial and service concerns of the organisation.

The Chief Executive (CE) is not a member of the Advisory Board but will be in attendance at the Advisory Board meetings.

The Chairperson of the Advisory Board meets with the CE prior to each meeting to discuss the agenda for the forthcoming meeting. In the event the President is not the Chairperson of the Advisory Board, the President shall also be present at the said prior meeting too.

Each member of the Advisory Board is able to suggest agenda items.

All members of the Executive Committee are entitled to attend meetings of the Advisory Board as observers, and shall be notified of meetings by the Chairperson of the Advisory Board.

All business transacted at meetings of the Advisory Board is confidential, and the Advisory Board shall have the authority to exclude any member or observers when required.

## **Independence**

All external members of the Advisory Board are required to be independent. All members of the Advisory Board that are members of the Executive Committee shall attempt to satisfy as many of the criteria for independence as is practical.

An external member of the Advisory Board is considered independent if they:

- a) do not have a material relationship with the Association (other than solely as a consequence of being a director) or a related organisation;
- b) are not a member of management and have not been employed as a member of management of the Association or related organisation within the last three years;
- c) are not a member of Executive Committee and have not been a member of the Executive Committee within the last three years; and
- d) have no other interest or relationship that could interfere with their ability to act in the best interests of the Association and independently of management.

## **Nomination**

The Advisory Board shall be responsible for selection of candidates of appropriate qualities and experience to be appointed to act as an external member of the Advisory Board. The Advisory Board may choose to form a Nomination and Remuneration Committee to carry out the identification and recommendation of candidates.

The Executive Committee shall be responsible for ratifying the appointment and removing if necessary Advisory Board members. No candidate shall be appointed as an external member of the Advisory Board without first undergoing a selection process.

## **Rotation**

External members of the Advisory Board are appointed for up to a two-year term at the end of which they are eligible to apply for reappointment.

## **Remuneration**

The remuneration of external members of Advisory Board shall be paid in the form of directors' fees, unless otherwise agreed to by the Chairperson of Advisory Board. The total fees available to be paid to external members of Advisory Board, including any additional fees to reflect additional responsibilities, shall be subject to Executive Committee approval.

The Advisory Board shall be responsible for reviewing the remuneration of external members, and recommending any changes to the Executive Committee. The Advisory Board may choose to form a Nomination and Remuneration Committee to review and make recommendations regarding remuneration.

## **Reimbursement**

The Association shall meet any costs of members of the Advisory Board directly associated with the performance of their role.

The Chairperson shall approve all expenses of members of the Advisory Board. The Finance Officer shall approve the Chairperson's expenses.

## **Responsibilities**

The Advisory Board has responsibility to provide advice on the commercial and service activities and affairs of the Association, and shall work to protect and enhance the value of the assets of the Association in the interests of the Association and its current and future members.

Specifically, the Advisory Board is responsible for:

- a) assisting with any review of appropriate financial frameworks of governance and oversight of the Association to the Executive Committee;
- b) reviewing and recommending for approval to the Executive Committee each year the financial and service components of the annual plan;
- c) ensuring there are adequate financial resources available to meet the Associations commercial and service objectives;
- d) promoting ethical and responsible decision-making;
- e) safeguarding the integrity of financial reporting;
- f) ensuring that effective risk management procedures are in place and are being used;
- g) monitoring the Association's commercial and service performance within the strategic direction and operating frameworks of the Association;
- h) monitoring the Chief Executive's financial performance within the strategic direction and operating frameworks of the Association; and
- i) reviewing the performance of the Advisory Board and ensuring it remains appropriately skilled to meet the changing needs of the Association.

The Advisory Board shall have specific responsibilities for:

#### **Commercial**

- a) determining overall financial targets, and recommending these to the Executive Committee;
- b) monitoring financial targets and providing feedback on these to the Executive Committee;
- c) Ensuring the CE provides the Executive Committee with a monthly summary of progress made towards commercial objectives, and highlighting any major issues that need attention; and
- d) investigating reasons that any financial targets cannot be reasonably met, recommending strategies to the CE, and to the Executive Committee.
- e) overseeing the employment of the independent auditors;
- f) reviewing the plan for the audit and related services;
- g) reviewing the audit results and material communication between the auditors and management; and
- h) communicating progress, findings, and recommendations to the Executive Committee.

The Advisory Board may choose to delegate audit responsibilities to an appropriate member of the Advisory Board or form an Audit Committee to deal with these matters.

#### **Service**

- a) determining overall service targets, and recommending these to the Executive Committee;
- b) monitoring service targets and providing feedback on these to the Executive Committee;

- c) Ensuring the CE provides the Executive Committee with a monthly summary of progress made towards service objectives, and highlighting any major issues that need attention; and
- d) investigating reasons that any service targets cannot be reasonably met, recommending strategies to the CE, and to the Executive Committee.

### **Chairperson**

The role of the Chairperson includes:

- a) providing leadership to the Advisory Board and the Association;
- b) ensuring the efficient organisation and conduct of the Advisory Board;
- c) facilitating Advisory Board discussions to ensure core issues facing the Association are addressed; and
- d) promoting consultative and respectful relations between Advisory Board members, and between the Advisory Board, the Executive Committee, and the CE.

### **Committees**

The Advisory Board may establish committees to assist in carrying out its responsibilities. Committees do not take action or make decisions on behalf of the Advisory Board without prior authority to do so.

Committees shall normally contain a balance of Executive Committee members that sit on the Advisory Board and external members of the Advisory Board.