

Governance Newsletter

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**M. J. SMITH
& PARTNERS**

Welcome to the MJSP Governance Newsletter

Introduction

Welcome to the first edition of the MJ Smith & Partners (MJSP) Governance Newsletter!

Each month MJSP will present information on a range of Governance issues facing you, such as Board of Directors Strategic Planning, Risk Management, Conflict of Interest, Managing and Monitoring CEO Performance, and much more. We endeavour to ensure that the information we provide will assist your Board to perform effectively in the area of Governance.

To kick start the first edition of the MJSP Governance Newsletter, it seemed appropriate and necessary to define some of the concepts central to effective Governance. Specifically, what is Governance and what is the Role of the Board of Directors?

What is Governance?

Governance can be defined as the structures, institutions and relationships which determine an organisation's strategic direction and performance. Specifically, Governance involves:

- Setting, guiding and monitoring the direction of the organisation;

- Developing rules and assigning responsibility;
- Establishing reporting frameworks; and
- Ensuring the organisation complies and adheres to relevant legislation.

The Role of the Board of Directors

The role of the Board of Directors is to define, delegate and monitor expectations placed on the organisation and the Chief Executive Officer (CEO) in relation to Strategic Planning; Policy Development; and Compliance, Risk Management and Audit.

The Board of Directors bring an independent and objective view to the organisation's performance and decisions. Principally, the Board is required to:

- Govern the organisation in line with corporate policies and procedures and legislative obligations;
- Acquire sufficient resources for the organisation's operations and to finance the products and services adequately;
- Select and appoint a Chief Executive Officer to whom responsibility

for the administration of the organisation is delegated; and

- Account to shareholders/members for the products and services of the organisation and expenditures of its funds.

Board of Directors Governance Manual

2008

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PARTNERS IN EMPLOYEE RELATIONS

MJSP has a range of products and services to assist your Board define what Governance means to them and to determine what Model of Governance would suit your Board culture.

For more information, please contact Mark Smith or Greg Dunk on (07) 3839 1233.

Be sure to look out for Issue 2 of the MJSP Governance Newsletter in March where we will discuss the issue of Monitoring and Managing your CEO's Performance.

Special points of interest:

- Welcome to the first edition of the MJSP Newsletter
- What is Governance?
- What is the Role of the Board of Directors?

About MJ Smith & Partners

MJ Smith & Partners (MJSP) is a specialist management consultancy that provides clients advice and support in establishing Board and Corporate Governance processes including:

- Establishing and maintaining Boards;
- Board Practices and Protocols including Performance Monitoring, Role Clarification and Evaluation and Board Review; and
- Review and Development of Constitution and Rules.

MJ Smith & Partners Services & Products

Board of Directors Governance Procedure Manual

The Board of Directors Governance Procedure Manual provide the Board, its Executive and Chief Executive Officer with a set of agreed policies and procedures to assist in establishing a Governance framework and guidelines for effectively managing the authority, operations and delegations of the Board. The 'manual' provides the Board with operational procedures that bring its Constitution and Rules into practical execution.

Board of Directors Advisory Service

MJ Smith & Partners can also provide an organisation with immediate telephone or e-mail advice relating to general Governance issues or to any of the policies contained in the Board Governance Procedure Manual. This service includes:

- Access by the organisation's Chairperson, CEO and Board Members to a dedicated MJSP Partner with specialist knowledge and experience in the provision of Governance advice;
- Telephone or email advice on all Governance matters, including interpretation or application of your Constitution and Rules as well as policies within the Board Procedure Manual. For example:
 - Performance Management;
 - Delegations of Authority;
 - Conflict of Interest.
- Exceptionally quick turnaround time on any call / email.

Governance Workshops

MJSP have developed a number of half and full day workshops (and related services) on a range of Board Governance issues, including:

- Developing a new Constitution and Rules
- Introduction to Good Governance
- Managing Conflict and Internal Dispute Resolution
- Delegations of Authority
- Strategic Planning
- Roles of Board Members
- Policy Development
- Implementing a Procedure Manual
- Board Performance Appraisal
- Board Member Induction Program
- CEO Performance Management and Evaluation
- Board Meeting Procedure and Management
- Role of CEO & Relationship to the Board