



# **PHILANTHROPY AUSTRALIA**

## **COUNCIL CHARTER**

As at 12 November 2015



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## COUNCIL CHARTER

### 1 PURPOSE OF THE CHARTER

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The Council of Philanthropy Australia Inc (**PA**) has adopted this charter (**Charter**) to outline the manner in which its powers and responsibilities will be exercised and discharged by the Council members.

The Charter ensures compliance with the principles of good governance, the Australian Charities and Not-for-profits Commission (**ACNC**), applicable laws and the PA Rules adopted on April, 2014 (**Rules**).

The Charter includes an overview of:

- (a) the purpose, structure and activities of PA, including the vision, mission and values that guide the organisation and its members;
- (b) the composition, role and responsibilities of the Council;
- (c) the requirements and duties of individual Council members;
- (d) the roles and responsibilities of the Chief Executive Officer (**CEO**), President and Secretary;
- (e) the relationship and interaction between the Council and management;
- (f) the delegations of authority by Council to management and Council committees;
- (g) the processes approved by Council to control, monitor and evaluate the performance of Council and management;
- (h) the processes approved by Council to ensure transparency and accountability to members and stakeholders;
- (i) compliance and risk management procedures.

The Charter, together with the governance documents specified in clause 4.5 of this Charter, have been adopted by the Council to ensure that PA has in place a good corporate governance system. Good governance will enhance the performance of PA and engender confidence amongst PA's stakeholders described in clause 2.7 of the Charter.

Council will review the Charter periodically to ensure it remains current and relevant. The Charter supersedes the Governance Manual adopted by the Council in 2013. Unless otherwise stated, terms used in the Charter have the meaning ascribed to them in the Rules. The Rules refer to the 'Chairperson' whereas the Charter refers to the 'President' as the chairperson of Council has been known for many years within PA.

All Council members must read the Charter and sign an acknowledgement in the form contained in Attachment 1.



## **2 PURPOSE AND ACTIVITIES OF PHILANTHROPY AUSTRALIA**

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### **2.1 Purpose**

The primary role of the Council is to ensure Philanthropy Australia carries out its purpose as expressed in the Rules, which is to advance philanthropy for public charitable benefit by, without limitation:

- (a) inspiring and supporting new philanthropists and the establishment of foundations supporting charities;
- (b) promoting the contribution of philanthropy and advancing public awareness of the work carried out by Australian philanthropists;
- (c) strengthening communication and partnerships between the philanthropic sector and the not-for-profit, business and government sectors;
- (d) providing information and resources, education and training to those seeking to understand, access and partner with the philanthropic sector;
- (e) consulting with and representing the interests of the philanthropic sector to Government, policy makers and others who have influence over the philanthropic sector in order to strengthen and grow the sector;
- (f) promoting strong and transparent governance in the philanthropic sector;
- (g) supporting philanthropists by providing training, information and development opportunities to foster best practice in giving and grant making for charitable purposes;
- (h) carrying out research and investigations; and
- (i) providing opportunities for networking and collaboration to increase the effectiveness of philanthropy.

### **2.2 Vision and Mission**

- (a) Vision: A More Giving Australia.
- (b) Mission: To serve, represent and partner with our members to advance philanthropy in line with our stated purposes.

### **2.3 Values**

The members of PA are individually and collectively committed to carrying out their philanthropic work in accordance with all applicable laws and regulations and guided by the following values:

- (a) commitment to public good and public benefit;
- (b) integrity and honesty;
- (c) commitment to excellence;
- (d) commitment to accountability and good governance;
- (e) responsible management of financial and other resources; and
- (f) respect for grant applicants, grantees, grant partners and staff.

### **2.4 Activities**

The main activities of PA are:

- (a) consulting with and representing the interests of the philanthropic sector to Government, policy makers and others through written submissions and meetings;
- (b) providing information and resources, education and training to PA members and the broader community through the PA website, workshops, conferences, seminars, talks, meetings, webinars and newsletters;
- (c) providing opportunities to PA members for networking and collaboration;
- (d) carrying out research, conducting surveys and investigations;
- (e) communicating with the PA members, stakeholders and the public about the work of PA members and more generally the philanthropic sector in Australia.

### **2.5 Not-for-profit status**

The Council must ensure the not-for-profit nature of PA is maintained by not providing any profit, distribution or benefits to members or Council members other than in carrying out its purposes and as permitted by the Rules.

### **2.6 Funding sources**

PA receives funding from membership fees, publication sales, subscriptions, fees for services, event fees and also grants, donations and sponsorship from individuals, trusts and foundations and corporations.

### **2.7 Stakeholders**

PA's key stakeholders are: its members, donors, funders and staff as well as the philanthropic and not-for-profit community within Australia.



### 3 STRUCTURE AND TAX STATUS

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#### 3.1 Entity Type

PA is a charitable institution incorporated under the Associations Incorporation Reform Act 2012 (Vic) (**Act**). Its members are trusts and foundations, families and individuals who want to make a difference through their own philanthropic giving and to encourage others to become philanthropists.

#### 3.2 ABN

PA's name and ABN as listed on the Australian Business Register are:

**Philanthropy Australia** (trading name): **79 578 875 531**.

#### 3.3 ACNC

PA is listed on the ACNC register as a charity under the legal name **Philanthropy Australia Inc.**

#### 3.4 ATO

(a) PA is endorsed by the ATO to access the following tax concessions:

- (i) GST concession;
- (ii) FBT rebate;
- (iii) income tax exemption.

(b) PA is listed by name as a deductible gift recipient covered by Item 1 of the table in section 30-15 of the ITAA 97.

### 4 COUNCIL ROLE AND RESPONSIBILITIES

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#### 4.1 Council role

The role of the Council is to govern PA in such a way that it is able to pursue its purposes successfully.

The Council is responsible for and has the authority to determine all matters relating to the policies, practices, administration and operations of the organisation. This includes ensuring good corporate governance, determining and approving strategies and providing guidance and oversight to senior management.

The Council will:

- (a) set strategies, plans and policies for PA to carry out the purposes, including ensuring there are adequate resources;
- (b) monitor and evaluate performance or impact against the purposes, strategies and plans;
- (c) consider the viewpoints of the various stakeholders; and
- (d) implement effective risk management strategies.

## 4.2 Council key responsibilities

The responsibilities/functions of the Council are:

- (a) selecting and appointing a CEO and evaluating from time to time the CEO's performance;
- (b) ensuring there are adequate staff, funding and other resources to support the activities of PA;
- (c) ensuring Council members:
  - (i) are not disqualified from managing a corporation, within the meaning of the Corporations Act 2001; and
  - (ii) are not currently disqualified by the ACNC Commissioner nor have been disqualified by the ACNC Commissioner at any time during the preceding 12 months;

Council members who are under investigation and may be disqualified must resign when requested by the other Council members;

- (d) contributing to and approving development of strategy, including setting measurable goals;
- (e) approving operating budgets and sources of funding;
- (f) reviewing, ratifying and monitoring systems of risk management, internal control, ethical and legal compliance. This includes reviewing procedures to identify the main risks associated with PA's activities and the implementation of appropriate systems to manage these risks;
- (g) monitoring performance, impact and implementation of strategy and policy;
- (h) approving major capital expenditure, acquisitions and divestitures, and monitoring capital management;
- (i) monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting;
- (j) developing and reviewing policies, processes and procedures which seek to ensure PA is accountable to its members and other stakeholders.

## 4.3 Commitment to Members

PA is committed to encouraging people with an active interest in philanthropy to join PA and supporting its members in their philanthropic activities. In order to ensure this ongoing commitment to members, the Council should review and discuss from time to time:

- (a) management's policies and initiatives for attracting new members and remaining relevant to existing members;
- (b) any changes management considers should be made to the criteria for membership in any category; and
- (c) member feedback and level of satisfaction.

#### 4.4 Council Committees

- (a) In accordance with the Rules, the Council Members may delegate any of their powers to one or more committees.
- (b) A committee must exercise its delegated powers in accordance with any directions given by the Council
- (c) The following are standing committees:
  - (i) Governance and Nominations Committee
  - (ii) Audit, Risk and Compliance Committee
  - (iii) Policy and Research Committee.

The terms of reference for these committees are Key Documents.

#### 4.5 Key governance documents

The following documents form the core of PA's governance framework (**Key Documents**). Council will review them periodically to ensure they remain relevant to PA's needs and reflect current best practice. Copies will be available for viewing at PA's offices and on the PA website:

- (a) Rules;
- (b) Council Charter;
- (c) Council Committee Charters:
  - (i) Governance & Nominations Committee Charter
  - (ii) Audit, Risk & Compliance Committee Charter
  - (iii) Policy & Research Committee Charter (under development);
- (d) Council policies:
  - (i) Council Members' Conflict of interest – code of conduct (Attachment 2)
  - (ii) Council appointments: policy and procedure
  - (iii) Media and external communications
  - (iv) Participation in public policy matters
  - (v) Privacy
  - (vi) Whistle-blower (under development);
- (e) Council succession /skills matrix;
- (f) Financial delegations authority (under development);
- (g) Strategic plan;
- (h) Annual reports; and
- (i) Notice of appointment and tenure of President.

## 5 COMMITMENT OF COUNCIL MEMBERS

Council members will:

- (a) use all reasonable endeavours to attend every Council meeting either in person or by phone;
- (b) maintain a strong commitment to the purposes of PA and its not-for-profit character;
- (c) participate in any induction and Council programs and all training arranged for them;
- (d) be well informed about the strategic plan, business plan and activities of PA;
- (e) participate in the activities of PA and be willing to act as an ambassador for PA and an adviser to management if requested and if appropriate in the circumstances to do so;
- (f) be well informed about all matters to be discussed by Council, participate in any discussions and express their views at Council meetings;
- (g) be well informed about the finances and the financial management to ensure the Council is responsible and there are adequate resources for on-going operations;
- (h) adhere to all policies of PA;
- (i) treat all Council meetings and Council discussions as confidential and not share Council papers or Council discussions outside of the Council, without the Council's permission;
- (j) ensure that decisions are made in the interests of PA as a whole and not only in the interests of a particular stakeholder group;
- (k) immediately declare a possible perceived or actual conflict of interest and follow the conflict of interest procedure and policy set out in Attachment 2 to the Charter;
- (l) immediately notify the President and resign as and when requested by the Council, if they are likely to be or are:
  - (i) disqualified from managing a corporation, within the meaning of the Corporations Act 2001; or
  - (ii) disqualified by the ACNC Commissioner.
- (m) immediately raise any concerns with the President or the Council on any matter, including any behaviours that may be inconsistent with the purposes of PA, the Charter, any duties of the Council members or any policy; and
- (n) always act in a manner which promotes the public reputation and integrity of PA.

## **6 DUTIES AND GOVERNANCE STANDARDS**

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### **6.1 Council members will:**

- (a) exercise their powers and discharge their duties with the degree of care and diligence of a reasonable person in their position;
- (b) act with impartiality, integrity and honesty, in the best interests of PA and to further its purposes;
- (c) not misuse their position e.g. not use the position as Council member to gain an advantage for a Council member or someone else or to the detriment of PA;
- (d) not misuse information obtained in the performance of being a Council member and only use such information to further PA's purposes, in its interests and not for the benefit of the Council member or someone else, nor for the detriment of PA;
- (e) disclose perceived, potential and actual conflicts of interest in accordance with the policy and procedures set out in Attachment 2 to the Charter and not vote or participate in Council discussions if requested not to;
- (f) ensure PA's financial affairs are managed responsibly by considering the systems and processes in place to ensure the finances are effectively applied for the purposes of PA; and
- (g) not allow PA to operate while insolvent. The Council members must adequately understand the finances and ensure there are sufficient resources to pay debts as and when they are due, and that the CEO knows he/she is required to inform the Council if there is a risk or possibility of insolvency.

### **6.2 Seeking professional advice**

Council members have the right to seek independent professional advice, subject to the approval of the President.

### **6.3 Reliance on information**

Council members may rely on information, in good faith, when making decisions if:

- (a) the Council member makes an independent assessment of the information;
- (b) the information is given by:
  - (i) an employee that the Council member believes on reasonable grounds to be reliable and competent in relation to the matters concerned;
  - (ii) a professional adviser or expert on matters the Council member believes on reasonable grounds to be within their competence;
  - (iii) another Council member or committee in relation to matters within their authority or area of responsibility.

## **7 COMPLIANCE AND RISK MANAGEMENT**

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The Council must ensure Philanthropy Australia operates in compliance with all relevant laws and identifies and manages risks to minimise the occurrence and effects of the risks. To this end, the Council has taken the following steps:

- (a) the appointment of an Audit, Risk and Compliance Committee;
- (b) identified all relevant laws to ensure compliance and has reflected these in the risk management register; and
- (c) established effective and consistent communication with members as part of the risk management process.

## **8 TRANSPARENCY AND ACCOUNTABILITY**

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Transparency and accountability to members and to the public is consistent with maintaining good governance and effective operations, and to advance the purposes of Philanthropy Australia.

### **8.1 Members**

The members of PA are those admitted to membership in accordance with the Rules. There are currently 3 classes of membership. Eligibility to a particular class of membership is set out in the Rules and further expanded in a membership policy to be adopted by the Council.

Accountability to members means:

- (a) transparency to members:
  - (i) on financial matters by posting the annual accounts on the PA website;
  - (i) on activities by reporting on the activities on the PA website and in the annual report;
  - (ii) on Council composition and the nomination and election or appointment process to members in the Rules, the newsletter and via email;
  - (iii) allowing a Member on written application to Council to have access to minutes of meetings of Council or any committee of Council, Council or committee resolutions or records, books or other documents of PA in accordance with the Rules.
- (b) responsibility to members:

in accordance with the Rules:

  - (i) members can ask questions of the Council at the annual general meeting;
  - (ii) members' meetings are held annually to discuss performance ;
  - (iii) full members have one vote and the right to vote on changes to the Rules and on election and removal of Council members;
  - (iv) members can nominate and be nominated for Council;
  - (v) members can request the Council to hold members meetings and request resolutions to be put; and
  - (vi) there is a grievance procedure in place for any dispute under the Rules between a member and another member or between a member and PA.

## **8.2 The public**

Philanthropy Australia will maintain a reasonable public profile to promote public awareness, consistent with its purposes. The Council will also ensure that the following documents at least are available to the public on request, or on the website and will lodge these with the ACNC for the ACNC public register:

- (a) Rules (including purposes);
- (b) annual report;
- (c) annual financial statements; and
- (d) annual information statements.

## **9 COUNCIL COMPOSITION**

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### **9.1 Council composition and size**

- (a) The minimum number of Council members is 4. The maximum number of Council members is to be fixed by Council, but may not be more than 15.
- (b) Council members should possess a broad range of skills, expertise and experience and come from a diverse range of backgrounds.
- (c) The Council is cognisant of the need for diversity, including a balance of age, gender and geography, and has in place a skills, experience and diversity matrix which it will review periodically in conjunction with a Council succession plan.
- (d) The Council, as a whole, should ideally have the following skills:
  - (i) experience or knowledge specific to philanthropy;
  - (ii) accounting or auditing skills;
  - (iii) marketing, communications or media experience;
  - (iv) strategic planning experience;
  - (v) legal experience in relevant fields; and
  - (vi) other skills that the Council may from time to time consider essential or desirable.

### **9.2 Suitability of Council members**

Council members must:

- (a) not be disqualified from acting as a director under the Corporations Act;
- (b) not be disqualified from acting as a responsible entity under the ACNC Act;
- (c) not have been convicted of fraud or other criminal offence; and
- (d) not have been bankrupt.

### **9.3 Selection and Appointment of Council members**

- (a) Council members will be selected for the individual skills, experience and expertise which they can bring to the Council, and their suitability.
- (b) The Council will review the nomination of a potential Council member candidate.
- (c) Factors to be considered when reviewing a potential candidate include, without limitation:
  - (i) the skills, experience, expertise and personal qualities that will best complement Council effectiveness;
  - (ii) the capability of the candidate to devote necessary time and commitment to the role;
  - (iii) potential conflicts of interest; and
  - (iv) the suitability requirements in this Council charter.
- (d) Subject to the Rules and this Charter, the Council members may appoint any individual Member, representative of a Member, an Honorary Member or the CEO as a Council member, either to fill a casual vacancy or as an addition to the existing Council members, provided the number of Council members does not exceed the maximum number fixed under the Rules.
- (e) The Council will initiate an open call for nominations for Council from the PA membership at least 45 days prior to either the AGM or before a ballot will be held. Council may solicit nominations from individuals who would best fit the current requirements of Council.

### **9.4 Retirement, term or re-appointment**

- (a) The maximum term for a Council member (other than the President) is up to the first annual general meeting following the expiry of 9 years from the date of the Council member's appointment or election (whichever is the earliest). The President may remain on the Council for a further term of up to 3 years, as the Council decides.
- (b) Council members should review their appointment after 3 years with the assistance of the President to ensure they are still adding value to the Council, and if so, put themselves forward to the Council for re-appointment.
- (c) The Secretary will keep a schedule of appointments and re-appointments and at each AGM note the period of service of each Council member to determine if any Council member is up for review.
- (d) A Council member appointed by the Council members to fill a casual vacancy or as an addition to existing Council members holds office only until the conclusion of the next annual general meeting following his or her appointment.
- (e) At every annual general meeting one third, or the number nearest to but not exceeding one third, of Council members (excluding any Council members appointed to fill a casual vacancy or as an addition, and standing for election) must retire from office.
- (f) No Council member (other than the President, if the Council has extended his or her term) may hold office without re-election beyond the third annual general meeting following the meeting at which the Council member was last elected or re-elected.
- (g) A Council member retiring from the Council is eligible for re-election unless he or she has reached the maximum term of office.

## 9.5 Council positions

- (a) The Council members must elect a President and a Vice President and may decide the period for which the Council member elected is to hold that position.
- (b) The Council may elect other positions as and when the Council members decide and may decide the period for which that Council member is to hold that position.

## 9.6 Vacation of office of Council member

The office of a Council member becomes vacant if the Council member:

- (a) becomes an insolvent under administration within the meaning of the *Corporations Act 2001* (Cth);
- (b) is found guilty of or convicted of an indictable offence punishable by imprisonment, whether or not a term of imprisonment is imposed;
- (c) becomes a person who is, or whose estate is, liable to be dealt with in any way under the law relating to mental health;
- (d) is disqualified from managing a corporation, within the meaning of the *Corporations Act 2001* (Cth);
- (e) is disqualified from being a responsible entity within the meaning of the *Australian Charities and Not-for-profits Commission Act 2012* (Cth);
- (f) is removed from office by special resolution of the members in accordance with the Rules;
- (g) fails to attend at least 3 consecutive Council meetings or
- (h) resigns by written notice to PA;
- (i) if, when appointed or elected, was a representative of a Member, ceases to be a representative of that Member; or
- (j) ceases to be a Member or Honorary Member or if the Council Member is a representative, the Member who appointed the representative, ceases to be a Member.
- (k) All Council members cease to be in office if a statutory manager is appointed under the *Associations Incorporation Act Reform 2012* (Vic) to conduct the affairs of PA.

## **10 COUNCIL REVIEW**

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### **10.1 Annual review**

The Council will annually consider the following to ensure the role of the Council can be carried out:

- (a) the size and composition of the Council;
- (b) the Council succession plan;
- (c) the necessary and desirable competencies and skills of the Council members;
- (d) the number and type of Council committees, their size and composition;
- (e) the appointment of Council members and consideration of candidates for appointment to the Council;
- (f) the performance evaluation of the Council, Council committees and individual Council members, and the development and implementation of plans for identifying, assessing and enhancing Council member competencies;
- (g) the suitability of Council members, including satisfying itself that the Council members:
  - (i) are not disqualified from managing a corporation, within the meaning of the Corporations Act 2001; and
  - (ii) are not disqualified by the ACNC Commissioner nor have been disqualified by the ACNC Commissioner at any time during the preceding 12 months;
- (h) any amendments required to this Council Charter.

### **10.2 Performance evaluation of Council**

Council is committed to evaluating and improving its own performance. The President will seek the views of individual Council members on Council's performance and the performance of each committee and working group. The President will present the findings to the Council at the next Council meeting with a view to determining what action, if any, would improve Council performance.

### **10.3 Performance evaluation of individual Council members**

- (a) The President will ask Council members to undertake a performance assessment at least every two years in the form that the President will determine. The assessment is intended to help each Council member assess his/her engagement in PA and his/her place on the Council. The information collected from each Council member will be reviewed by the President, discussed with the Council member and otherwise kept confidential.
- (b) If the President has reasonable grounds for believing that a Council member is not meeting the expectations of Council and so should tender his/her resignation, the President may refer the matter to the Governance and Nominations Committee for review. If that Council member is a member of the Governance and Nominations Committee, the President will co-opt another Council member to participate in the review in place of the Council member who is the subject of the review.

## **11 ROLE OF CEO**

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- (a) The CEO leads PA and is ultimately responsible and accountable to the Council for its operational management.
- (b) The Council approves objectives for the CEO to achieve and, jointly with the CEO, develops the duties and responsibilities of the CEO.
- (c) The CEO has responsibility for:
  - (i) developing strategic and business plans for approval by the Council
  - (ii) implementing strategic and business plans;
  - (iii) being the public face and speaking for PA;
  - (iv) maintaining an effective organisational structure that clearly assigns responsibility and reporting relationships;
  - (v) developing and implementing appropriate risk management strategies;
  - (vi) development of staff capacity, measurement of performance and setting of other staff remuneration levels; and
  - (vii) providing regular and reliable reports to the Council which allow it to monitor performance and management of PA. However, the Council members are entitled to request additional information at any time when they consider it appropriate.
- (d) The Council may delegate authority to the CEO on financial matters, within specified limits, to facilitate implementation of PA's objectives.

## **12 ROLES OF PRESIDENT AND SECRETARY**

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### **12.1 Role of the President**

- (a) The role of President includes:
  - (i) setting the Council meeting agendas with the CEO;
  - (ii) leading Council meetings and Governance & Nominations Committee meetings and ensuring the minutes correctly reflect the meetings;
  - (iii) providing leadership and promoting cohesive, effective teamwork by the Council ensuring Council's culture is in keeping with PA's mission and goals;
  - (iv) promoting constructive debate and encourage the frank expressions of views of all Council Members at Council meetings;
  - (v) ensuring that the Council's processes and actions are consistent with the Rules and policies of PA;
  - (vi) ensuring proper Council delegations, reporting and monitoring systems;
  - (vii) reviewing the composition and effective working of the Council;
  - (viii) guiding, supporting and mentoring the CEO;

- (ix) ensuring the Council maintains an effective relationship with the CEO;
  - (x) preparing a President's Statement for the Annual Report;
  - (xi) acting as the Council's spokesperson. (Note: This is different from the role of Philanthropy Australia spokesperson, a task undertaken by the CEO, exceptional circumstances aside);
  - (xii) coordinating the process of appointment of the CEO and, after consulting with Council, conducting the CEO's annual performance and remuneration review, in conjunction with another Council member, and setting the CEO's objectives for the forthcoming year;
  - (xiii) coordinating the process of Council succession through the Governance and Nominations Committee;
  - (xiv) initiating a review of Council performance every two years or more frequently;
  - (xv) meeting regularly with the CEO in order to facilitate communication between Council and management;
  - (xvi) advising and supporting the CEO;
  - (xvii) being available and listening to members and notifying the CEO and the Council of any issues raised by members that might warrant discussion or action at Council level or with management.
- (b) The President may delegate duties and responsibilities of the position, but remains ultimately accountable for the overall role.

## **12.2 Secretary**

- (a) The Council will appoint at least one Secretary.
- (b) The Secretary is accountable to the Council.
- (c) The Secretary is responsible for carrying out the administrative functions of the Council, coordinating all Council business and assist in ensuring compliance.
- (d) The role of the Secretary includes:
  - (i) preparing, compiling and distributing agendas and Council papers;
  - (ii) maintaining minutes of Council meetings and Council committee meetings and following-up on action items;
  - (iii) ensuring the necessary paper-work and resolutions are effective for change in the composition of the Council, change to auditors and any changes required to be submitted to the members;
  - (iv) maintaining member registers or other registers as required;
  - (v) communication with regulatory bodies and all statutory, financial and other necessary filing;
  - (vi) ensuring compliance with legislation and reporting requirements, as applicable; and
  - (vii) undertaking any other roles clearly delegated to the Secretary by the Council.

## **13 ACCOUNTS**

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### **13.1 Financial Records**

- (a) The Council must ensure that financial statements and reports are prepared and audited independently in accordance with all applicable laws and regulations.
- (b) The Council must ensure that PA has in place adequate financial controls and systems.
- (c) The books of account must be kept at the registered office of PA and must be available at all times to Council members and other parties legally entitled to have access to such records.

### **13.2 Annual Report**

- (a) The Council must ensure that an annual report is prepared on a timely basis and is made available to all interested parties.
- (b) This Report must include a review of the year's activities, with specific reference to achievements against goals set, as well as necessary statutory information, including audited concise financial accounts.

### **13.3 Auditor**

The Council must appoint a suitably qualified auditor, to independently verify that the accounts provide a true and fair view. The appointment should be reviewed periodically.



## ATTACHMENTS

### ATTACHMENT 1

#### Council Members' acknowledgment of Council Charter

I [*insert name*] Council member of Philanthropy Australia have read the Council Charter of Philanthropy Australia, adopted by the Council on [*insert date*].

I am aware that I am subject to the requirements and duties as a Council Member at law and those set out in the Council Charter. I will comply with these requirements and duties.

I will resign as a Council member of Philanthropy Australia if I have been:

- (a) disqualified from managing a corporation, within the meaning of the *Corporations Act 2001*; or
- (b) disqualified by the ACNC Commissioner.

#### Signed by

*sign here*



---

*print  
name*

---

*date*

---

#### in the presence of

*sign here*



---

Witness

*print  
name*

---

*date*

---

## ATTACHMENT 2

### **Conflict of interest – code of conduct**

This protocol should be read in conjunction with Rule 11.7 of the Rules. In the event of a contradiction between this protocol and the Rules, the Rules will prevail.

#### **Standards**

Philanthropy Australia Council members wish to adopt a high standard of conduct to ensure all perceived, actual and potential conflicts of interest are disclosed. This will avoid not only real conflicts of interest affecting the responsible decision making of the Council but also avoid any perception of conflicts of interest in relation to the decision making.

#### **What is a conflict of interest for this policy?**

A conflict of interest exists where loyalties of Council members are divided. If a Council member's interests or other duties may affect his or her decision making or may be seen to possibly affect his or her decision making as a Council member of PA, or may be affected by a decision of PA, then this interest is covered in this code of conduct.

Conflicts of interest cover any real or sensible conflicts the Council members may have with other duties owed, such as being a council or board member or trustee of another company or trust, and conflicts with a personal interest, such as the interests of an associate or relative. For example, offering services to PA of a business the Council member or family member is involved in.

A Council member can have a potential conflict of interest if any decision they make as a Council member may provide an improper gain or benefit to themselves or an associate.

The conflicting interest may arise as a result of the Council member's employment, consultancy or personal interests, often, but not limited to, financial investment.

The issue normally arises only in relation to pecuniary interest but it does extend to all influences, loyalties, interest or duties which may affect or be seen as likely to affect the Council member in his or her decision making for PA.

#### **What must a director do?**

##### **(a) Disclosure**

- (i) Council members must disclose to the Council, through the Secretary their employment, their connection to any stakeholder group and other board memberships, as well as any actual potential or perceived conflict of interest.
- (ii) The Secretary will keep a list of disclosures to be provided to any Council member on request and to new Council members for their information.
- (iii) Council members must disclose any actual, potential or perceived conflicts of interest to the President prior to a Council meeting where the conflict may be relevant or to the Council members at a Council meeting prior to discussions.
- (iv) Council members must ensure any change in circumstances relevant to the disclosure of interest is advised to the President, Secretary or all Council members at a Council

meeting considering a matter that gives rise to or may give rise to that Council member having an actual, potential or perceived conflict of interest.

- (v) If the Council member wishes to keep the matter giving rise to the possible conflict confidential, he or she may just advise Council members that he or she has a conflict with the matter under discussion and that the protocol will apply.

**(b) Protocol**

If there is a conflict of interest, or the Council members or President have decided there is sufficient potential for a perceived or actual material conflict to arise so as to apply the protocol, then the Council member:

- (i) will not receive the papers on the matter, but will be advised that certain papers have been excluded;
- (ii) cannot be present (by phone or in person) when the matter is considered unless permitted by law and the other Council members resolve that the Council member in question can stay; and
- (iii) cannot vote on the matter.

**(c) Open discussion**

- (i) When any matter is being discussed at Council level, any Council member may query another Council member as to whether they consider they have a possible conflict of interest with the matter under discussion.
- (ii) This matter should then be discussed and considered by the Council and if the Council (other than the Council member who is being queried) considers that there may be a possibility of a perceived or actual material conflict of interest, then disclosure must be made and the protocol must apply.
- (iii) If a Council member is uncertain as to whether he or she has or may have a perceived or actual material conflict of interest, he or she must disclose this at the Council meeting discussing the matter or with the President.

**(d) Records**

Any discussions, disclosures, resolutions and the application of the protocol relating to a conflict of interest should be recorded in the Council minutes.

**(e) Confidentiality**

- (i) Council members must remember that Council papers and matters discussed at Council meetings are confidential as each Council member has a duty to maintain the confidentiality of information he or she learns by virtue of his or her position as Council member.
- (ii) If there is a need or desire by a Council member to disclose or report on resolutions or matters discussed at Council meetings, or information gained as a result of the being a Council member, to third parties, then the disclosure or reporting can only be made with the consent of the Council members at the meeting or by the President.



**(f) President's role**

- (i) The President will be available to discuss with any Council member the application of this procedure to particular circumstances and provide guidance as to whether he or she should be making a disclosure or whether the protocol should apply
- (ii) The President shall also seek to remind the Council members from time to time of their obligations and commitments under this policy and this policy will be given to any new Council members.