



Australian Medical Association Queensland

GOVERNANCE MANUAL

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Purpose of this Manual

This Manual is designed to guide the Directors and staff of AMA Queensland in the performance of their governance obligations as employees and Directors of the Association. It is to be read as the record of governance-related policy of the Association. It is held to be consistent with, although subservient to, the requirements of the *Corporations Act 2001* (Cth).

Review

It is important that this Manual is seen as a 'living document'. As a minimum, this Manual should be reviewed annually to ensure it keeps pace with developments in the principles and practice of corporate governance, and is relevant to changes in the Association's strategic direction and other developments.

This annual review is to be carried out by the Governance Committee and recommendations made to the Board on any changes that may be necessary.

Feedback and constructive comment regarding the contents of this Manual should be directed to the Chair of the Board at any time.

AMA Queensland: Core Business

To support, promote and advocate for the medical profession in Queensland.

Vision

To provide strong, innovative leadership through advocacy and support for the medical profession and in turn for the benefit of all Queenslanders.

GOVERNANCE

Board of Directors

Section 181(1) of the *Corporations Act 2001* states that Directors must act in the "best interests of the corporation". Good governance principles require independence, transparency, accountability and flexibility.

The Board of Directors of the Australian Medical Association Queensland (**the Association**) is responsible for all matters relating to the running of the Association. It is accountable to the Members for the attainment of the Association's vision and purpose, and for ensuring the ongoing sustainability and growth of the Association.

The role of the Board is to govern the Association, and to enable and support senior management to manage the Association in accordance with the direction of the Board. In conventionally understood terms, the Board is responsible for decisions that determine the strategy of the Association, while the functions of senior management are concerned with operational matters dealt with in the course of implementing the strategy determined by the Board.

(see https://aicd.companydirectors.com.au/~media/cd2/resources/director-resources/director-tools/pdf/05446-3-11-mem-director-gr-role-of-board_a4-v3.ashx)

The Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Association. The Board is required to do everything that may be necessary to be done in order to carry out the objectives of the Association. The Board has the final responsibility for the successful operations of the Association. Without intending to limit this general role of the Board, the specific or principal functions and responsibilities will include:

- **Goal Setting:** setting the goals of the Association, including short, medium and long term objectives;
- **Strategic Direction:** providing the overall strategic direction of the Association and policies governing the operations of the Association;
- **CEO:** appointing the Chief Executive Officer (**CEO**) and taking responsibility for the management of his or her performance;
- **Committees:** establishing and determining the powers and functions of committees;
- **Plans and Budgets:** approving major operating plans, including an annual business plan, budgets (annual and longer term) and cash flows;
- **Capital Expenditure:** approving all capital expenditure in excess of set limits;
- **Reviewing Progress:** reviewing the annual progress and performance of the Association in meeting its objectives; and
- **Compliance Monitoring:** including
 - Risk management and legal compliance.
 - Financial operations and solvency;
 - All matters as prescribed by law including, but not limited to, safety and the environment;
 - All major policy issues including, but not limited to, industrial relations and quality assurance; and
 - The strategic direction of the Association.

Board Executive Roles

Chair

The Chair is a Director elected by the Association's membership to chair Board, Council and other meetings in accordance with the Association's Constitution.

The primary role of the Chair is to ensure the efficient and effective operation of the Board and Council.

In common with the Chair of most companies, the Chair will:

- Chair meetings of Directors;
- Establish the agenda for meetings of Directors in consultation with the Chief Executive Officer and Company Secretary; and
- Monitor and assist each Director in their performance and contribution to the governance of the Association.

The AMA Queensland Chair position description is attached (Appendix 1).

President / Vice President

Both the President and the Vice President are Directors elected by the Association's membership. The AMA Queensland President and Vice President position descriptions are attached. (Appendix 2 and 3).

Chief Executive Officer

The Directors appoint the CEO who is usually concurrently appointed as the Company Secretary. The CEO of the Association is entitled to attend meetings of the Board.

The CEO is responsible for the management of the organisation in accordance with strategy, policies and programs approved by the Directors.

The CEO will not cause or allow any practice, activity, decision, or organizational circumstance that is either unlawful or in violation of commonly accepted business and professional ethics.

Clarity of Roles: Board and Management

The Board's role is to govern the organisation. The Board should avoid attempting to manage the day-to-day operations of the Association, which are the delegated responsibility of the CEO and other members of the senior management team.

The Board carries out its responsibilities by delegating specific authorities and responsibilities to the CEO as outlined in Appendix 4.

Directors have no individual role in the day-to-day management of the Association unless the Board has specifically delegated that task to an individual Director.

Examples of activities that are generally considered to be day-to-day management include:

- Implementing the strategic direction and plan for the Association as approved by the Board;
- Communicating and reporting those activities of the Association and its stakeholders that a fully-informed Board should be aware of in order to discharge its duties;
- Monitoring day to day risk management and internal compliance and control systems to ensure that they are operating effectively and efficiently;
- Authorising expenditure in accordance with financial budgets and relevant delegations;
- Dealing with human resource issues; and
- Making any representations or agreements with suppliers, customers, employees or other parties or organisations in accordance with delegated authorities.

The CEO must receive and endorse any request from management or employees to a Director for advice or assistance with an operational matter.

Conversely, any request by a Director relating to an operational matter is to be made by that Director to the Chair, who will refer the matter to the CEO for action.

Meetings of Directors

Generally:

- A minimum of six Meetings of Directors are held each year, as required by the Constitution;
- Board papers are distributed with a weekend intervening prior to meetings;
- The agenda follows an agreed format;
- Minutes are reviewed by the CEO and Chair and distributed in draft form to Directors for consideration and then signed by the Board Chair and placed in the Minute Book within 30 days of the Board meeting;
- The meeting calendar is set annually in advance; and
- Decisions are made after considering the sample Director Decision Checklist (Appendix 5);

Minutes of Meetings of Directors

- For matters proposed and accepted for decision, the Minutes will contain a brief review of the discussion plus the official resolution adopted by Directors.
- All decisions of the Board will be made by means of formal resolutions.
- Draft resolutions will be contained as the first item of each set of documentation set out in Directors' papers.
- Following the standing meeting practices of the Board relating to discussion and decision, for each matter proposed for resolution, the Chair will formally put the matter to the Board for decision. The decision of the Board will be recorded, but the Minutes will not record the number of votes cast for or against the resolution.
- Directors who dissent from any resolution have a right to have their decision noted in the Minutes.
- Minutes should be prepared in draft form by the Company Secretary or his or her delegate and provided to the Chair for correction, then circulated to the Directors for their comments and must be signed by the Chair and placed in the Minute Book within 30 days of the meeting...
- Minutes of meetings that have been placed in the Minute Book cannot be amended except by a resolution to that effect.
- Resolutions may only be amended by formally rescinding a previous decision and passing a new resolution.
- The Association's Company Secretary will maintain a complete set of Directors' papers, including the signed-off Minutes of meetings at the Association's registered address.
- Decisions of the Board which are of a policy nature will also be recorded in the Association's Policy Manual.

Circular Resolutions or "Flying Minutes"

- Any urgent decision which, in the opinion of the CEO and the Chair, cannot wait for the next Meeting of Directors may be dealt with by a Circular Resolution, or Flying Minute.
- All Directors approving or disapproving the proposal must sign Flying Minutes. A return email from a Director's email mailbox approving or disapproving the proposal will be considered as having been "signed" by that Director.
- Decisions will be entered in the Minute Book.
- If a Flying Minute is not signed by all of the Directors, the matter should be referred to the next Meeting of Directors for consideration.

Role of Board Committees

The Board may delegate any of its powers and/or functions (other than the duties imposed on Directors by law) to a committee of one or more directors, the CEO, an employee or a member.

The ability to delegate work to committees comprised of a number of Directors and other persons with appropriate skills and experience enables the Board to deal with particular issues more effectively. Committee membership also provides the Directors with opportunities to be more fully engaged with the Association and better utilize their specialist expertise.

The Board may establish permanent or standing committees to consider issues which are not time-limited. *Ad hoc* committees or informal taskforces may also be created for a specific task or project and therefore have a limited tenure.

The following general principles apply to Committees established by the Board:

Each Committee will have a Terms of Reference approved by the Board. The TORs will incorporate the following principles:

- The Committee's purpose, role and responsibilities, scope of authority, membership, meeting frequency, reporting requirements, and tenure;
- As a guide, Committees should generally comprise between three and seven persons, with preferably an uneven number of persons;
- Committees should not generally deal with operational or management issues, (except where directed to do so by express decision of the Board), but rather on matters of relevance to the Board's function and its responsibilities;
- Committees are expected to comply in all respects with, and limit their scope of activities to, their Terms of Reference;
- Committees make recommendations to the Board. They do not have decision-making power in their own right, apart from those identified in their Committee Terms of Reference.
- The Board retains the collective responsibility for decision-making, including the decisions of Committees.
- Committees are expected to minute their meetings and provide a copy of the minutes for inclusion in the Board papers for the subsequent Board meeting.

Risk Management and Legal Compliance

The CEO is responsible for implementing appropriate risk management and legal compliance systems within the organisation. Aspects of this process may be delegated by the CEO as he or she decides.

The Board is responsible for ensuring the principal risks faced by the organisation are identified and that appropriate control and monitoring systems are in place to manage the impact of these risks.

The CEO will include the updated AMA Queensland Risk Register in Directors' papers for each Board meeting.

The CEO will also provide a risk compliance statement to the Board at every Board meeting. The compliance statement will contain assurances that the Association is meeting its requirements under the various requirements or legal responsibility of Directors to be aware of any material issue or concern. The compliance statement should cover, among others, people management, product and service delivery, major purchases, reputational risks, physical risks, IT system security, asset management and performance measures.

A copy of the AMA Queensland Risk Register and Risk Management Policy is available to Directors at any time on the Board Portal and high risk matters are brought to the attention of Directors at the earliest possible time.

The Risk Management Policy and Investment Policy are attached as Appendices 6 and 7.

Strategy Formulation and Planning

The Directors will be involved in the development of, and will approve, the Corporate Strategy of the Association. This development will be undertaken in conjunction with senior management.

The Directors will be fully involved in the development of, and will approve, the Association's Strategic Plan. This development will be undertaken in conjunction with senior management.

AMA QUEENSLAND: DIRECTORS

Induction

New Directors undergo an induction into their role. Information provided to the new Directors includes:

- Details of his/her role and responsibilities with an outline of the qualities required to be a successful director;
- Formal policies on the appointment of Directors as well as expectations of their conduct and contributions, including attendance at Board meetings and special meetings, conduct as a Board member and advocate for Board policies;
- Details of legal requirements relevant to their role as Directors including:
 - Corporations Law
 - Tax office requirements
 - Other major statutory bodies
- A copy of this Governance Manual, as amended from time to time;
- Guidelines on Board processes;
- Details of past, recent and likely future developments relating to Directors including anticipated regulatory changes and other information that is important for the Director to fulfil his/her duties;
- Background information on and contact information for key people in the organisation including an outline of their roles and capabilities;
- An analysis of the Association including:
 - An industry background briefing (including a copy of the Council Handbook)
 - Details of past financial performance
 - Current financial structure
 - Any other important operating information
- A formal letter of appointment that details:
 - Terms of appointment
 - Access to information
 - Insurance coverage and indemnity
 - Expectations of the Association

Each Director is expected to complete the AICD 5 Day Company Directors course as soon as possible, preferably within three months after their appointment (unless they have previously completed this). The Association will meet the cost of the course.

The Induction check list will note the person responsible for that aspect of the induction e.g. Chair/CEO/ Secretariat/Membership Manager/Media Manager.

Skills of Directors

The policy of the Association is that the collective skills of the Directors should contain a blend of expertise in:

- Strategy
- Policy Development
- Corporate Governance
- Financial Performance
- IT Strategy and Governance
- Executive management
- Commercial experience
- Risk and Compliance

- Fundraising and Marketing

Expectations of Directors

Directors have ultimate responsibility to the Members for the successful operation of the Association.

A Director will, in good faith, behave in a manner that is consistent with generally accepted procedures for the conduct of meetings at all meetings of the Directors.

Directors are expected to be forthright in Directors' meetings and have a duty to question, request information, raise any issue, fully canvass all aspects of any issue confronting the Association and cast their vote on any resolution according to their own decision.

However, outside the board room, Directors are expected to support the letter and spirit of Directors' decisions in discussions with members, joint venture partners, suppliers, customers, staff and other parties.

Directors are required to keep Director's discussions and deliberations confidential to the Association. Similarly, all confidential information received by a Director in the course of the exercise of the Director's duties remains the property of the Association. It is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by the person from whom the information is provided, or is required by law.

The AMA Queensland Director position description is attached (Appendix 8).

Code of Conduct

Directors must act in accordance with the Director's Code of Conduct. (See Appendix 9 for details).

In accordance with legal requirements and agreed ethical standards, the Directors:

- Owe a fiduciary duty to the Association as a whole;
- Must use the powers of the office for a proper purpose;
- Must discharge their duties in good faith and honestly;
- Must act with the level of skill, care and diligence expected of a Director of a company;
- Must demonstrate commercial reasonableness in their decisions;
- Must act in the best interests of the Association;
- Must not make improper use of information gained through their position as a director;
- Must not take improper advantage of the position of director;
- Must not allow personal interests, or the interest of any associated person, to conflict with the interests of the Association;
- Must make reasonable enquiries to ensure that the Association is operating efficiently, effectively and legally towards achieving its goals;
- Must undertake diligent analysis of all proposals placed before the directors;
- Must not engage in conduct likely to bring discredit upon the Association;
- Must give of their specific expertise generously to the Association; and
- Must comply with the spirit, as well as the letter, of the law and with the principles of this Code.

Conflict of Interest

Each Director owes certain fiduciary duties to the Association, including the duties of loyalty, diligence, and confidentiality which require that a Director acts in good faith and to exercise his or her powers for shareholders' interest and not for their own or others' interest. The law requires that

Directors do not allow conflicts of interest to compromise their position as directors of the Association.

Directors of the Association may also be Directors of other companies and engaged in other activities that have the potential to place them in a position of conflict with their obligations to the Association. Notwithstanding this, it is recognised that there is benefit to the Association in having Directors who have a variety of experiences, including relevant experience in the same sector as the Association.

The Conflict of Interest Policy in Appendix 10 has been developed to provide a framework for the directors to disclose actual and perceived conflicts of interest. It provides guidance on what may constitute a conflict of interest and how a conflict of interest will be managed and monitored by the Board and the Association.

Availability

There is the occasional need for Directors to be contacted urgently. Directors must provide the Association Company Secretary with any contact details, either for themselves or for a person who knows the location of the Director, so that Directors may be contacted within 24 hours in cases of a “flying minute” or other urgent business.

Use of business contacts

Directors of the Association are encouraged, where appropriate, to employ business and professional contacts in the furthering of the Association’s interests.

Similarly, the Directors of the Association are expected to actively promote the organisation in external interactions.

Access to information

Directors must adhere to the following protocol when seeking information relating to the Association’s affairs:

1. Ask the CEO to provide it.
2. If this is unsuccessful, discuss the issue with the Chair.
3. If a resolution to the issue of access is still not forthcoming, write a letter to all Directors and the CEO detailing the information required, the purpose for the information, and who the Director intends to approach in order to obtain the relevant information.
4. As a last resort, employ the provisions of s198F or 290 of the *Corporations Act 2001*, regarding the right of access to company records.

Directors papers

The Association company secretary will hold a complete set of Directors’ papers for Directors personally for a period of at least seven years from the date of their appointment.

Directors are entitled to access these papers on request, even if they have ceased to be Directors of the Association.

Director Protection - Insurance and Indemnity

The Association maintains Professional Indemnity and Directors and Officers Liability insurance

policies for Directors and for seven years from the date at which they ceased to be a Director of the Association.

Directors of the Association are offered industry standard Access and Indemnity protection by the Association upon appointment.

Management Report

A Management Report is provided to every meeting of Directors in a written format and presented verbally by the CEO at the meeting. The written Report is included with the Directors' papers and circulated before the meeting.

The CEO is responsible for the preparation of the Management Report. The CEO may delegate the writing of various sections of the report to others. The content of this Report must be such that the Directors are kept fully informed of the Association's operations and activities.

PERFORMANCE EVALUATION

Board and Directors Performance Evaluation

There are three components to this process:

1. Whole of Board performance evaluation
2. Chair of Board performance evaluation
3. Individual Director performance evaluation

The Board will determine each year if 1 and 2 above are to be performed internally or externally. If the latter, an appropriate organisation or facilitator will be engaged by the Board to perform this task.

Individual Director performance evaluation is conducted by the Board Chair, at a time suitable to both, but at least once a year.

Specific time is to be scheduled each year at a Board meeting to discuss the outcomes of these evaluations and to implement further quality improvement strategies on Board performance.

CEO Evaluation

The Association's Chair and President will jointly undertake a formal evaluation of the CEO's performance in October each year. The evaluation will follow best practice in the assessment of the CEO's achievements against agreed KPIs during the reporting year.

The Chair and President will prepare a brief confidential report for Directors following the CEO evaluation.

The Chair and President will seek advice from the Board in matters relating to:

- a. the quantum of bonus, reward or incentive for the CEO's achievements against KPIs
- b. the setting of annual KPIs for the CEO.

Matters and records relating to the CEO's performance evaluation and subsequent actions must remain confidential to the Board, the Company Secretary and the CEO, and should be managed accordingly.

APPENDIX 1 – Chair Position Description

Role of the Chair of the AMA Queensland Board and Council

The Chair of the AMA Queensland Board is an AMA Queensland Board Director and is elected by membership. The Chair of the Board is also the Chair of AMA Queensland Council.

As a Director of the AMA Queensland Board, the Chair has the duties, responsibilities, qualities and expectations set out in the role description for a Director of the AMA Queensland Board. (available on the Board Portal at http://www.amaq.com.au/page/About_Us/Board_of_Directors/Board_Login/)

Responsibilities and Expectations of the Board Chair:

1. **Leadership.** Guides and directs the governance process, centering the work of the board on the organisation's mission, vision and strategic direction.
2. **Agenda Setting.** Formulation of agenda for Board and Executive Committee meetings, in collaboration with the CEO.
3. **Meeting Management.** Presides over Board and AMAQ Council meetings in a manner that encourages participation and information sharing while moving the discussions toward timely closure and prudent decision-making.
4. **Committee Direction.** Works with committee chairpersons to align the work of committees with the vision and goals of the organisation.
5. **CEO Relationship.** In conjunction with the President, the Chair is a central point of official communication with the CEO. The President and Chair develop a positive, collaborative relationship with the CEO, including acting as a sounding board for the CEO on emerging issues and alternative courses of action.
6. **Currency of tenure:** Stays up-to-date about the organisation and determines when an issue needs to be brought to the attention of the Board, Council or a committee.
7. **CEO Performance Appraisal.** Whilst the President leads the processes of CEO goal setting, performance evaluation and compensation review, consistent with Board policy, it is expected that the Chair will assist and support the President, as requested, in this process.
8. **Committee Attendance.** The Chair can and is encouraged to attend committee meetings as he/she thinks fit.
9. **Board Conduct.** Sets a high standard for board conduct by modelling, articulating and upholding rules of conduct set out in board bylaws and policies. Intervenes when necessary in instances involving conflict-of-interest, confidentiality and other board policies.
10. **Board learning and development.** Leads the development of the board's knowledge and capabilities by playing a central role in orientation of new board members and providing continuing education for the entire board.
11. **Succession planning.** Participates, as required, in the recruitment of new board members and in the process of identifying candidates.
12. **Evaluation.** Provides for an effective, objective board self-evaluation process (including individual Board Director and Councillor performance and contribution) and supports implementation of recommendations for improvement. Also, regularly seeks feedback on his or her performance as Chair. The President and Chair of the Governance Committee will be the responsible officers to evaluate the Chair's performance.
13. **Signing powers and delegations** – these are as per the Delegations & Purchasing Policy.

Competencies – role related

- **Knowledge of corporate governance** – the ability to facilitate the governance processes and to ensure compliance with applicable laws.
- **Facilitate leadership** – the ability to inform and brief fellow directors on current company matters and strategies and the ability to lead constructive and timely discussion and debate, drawing on the expertise of the board, to review strategies.

- **Business acumen** - the ability to build an effective working relationship with the President and the CEO; and having a strong understanding of the financial aspects of board responsibilities.

Competencies – personal

- **Integrity** – fulfilling a director’s duties and responsibilities, acting ethically, having appropriate independence, putting the organisation’s interests before personal interests.
- **Collaborative leader** – an effective Chair needs to be able to engage in an ongoing, robust working relationship with the President and CEO to ensure that the board has the necessary information it requires for effective decision making. The chair also needs to be able to inspire the individual contribution and participation of each board member to fully utilise their collective expertise to set the aims, strategies and policies of the company.
- **Collegial communicator** – the ability to engage and communicate with all stakeholders; demonstrate attentiveness and possess good listening skills.
- **Emotional intelligence** – as well as self-awareness and self-management; the chair needs to be able to motivate individuals and groups and be able to empathetically manage situations where strong emotions are present.
- **Culture awareness** – an ability to create a culture of full and frank discussion; to manage poor behaviour and an ability to bring people to consensus and to translate consensus into meaningful action. In addition to be able to demonstrate flexibility, tact, impartiality and a sense of justice and procedural fairness for all.

AMA Queensland Constitution clauses as relating to the Chair:

NB. The Chairing meetings including general meetings, proxy for the Chair in his/her absence, as well as the Chair’s powers are referenced in various clauses of the Association’s constitution and should be read in conjunction with this role description.

Length of term for the Chair: two years (can serve up to a maximum 3 consecutive terms as a Director).

APPENDIX 2 – President Position Description

The Role of the President

The President is a Director of the AMA Queensland Board and a member of the AMA Queensland Council. As a Director of the AMA Queensland Board, the President has the duties, responsibilities, qualities and expectations set out in the role description for a Director of the AMA Queensland Board.

The President has additional duties and responsibilities as set out in the AMA Queensland Constitution. In particular, the President is the chief member of the Council and the Board and required to provide leadership. The President is also required to represent the Association and undertake public and official roles on its behalf.

The President represents the Association and its members to many stakeholders, including the profession at large, government and public agencies, the media and the public. He or she is expected to develop relationships with key senior executives throughout the business community to maximise the awareness of AMA Queensland's core purpose and Health Vision.

The President will be required to attend media training provided by and paid for by the Association.

The President is paid a stipend by the Association in acknowledgement of his/her broad duties, responsibilities, qualities, expectations and the significant time commitment aligned to the role.

Qualities of an effective President

- A commitment to the Association's mission, vision, core purpose and strategic plan;
- An ability to clearly articulate the AMA Queensland's health vision and key messages to both internal and external stakeholders;
- Good public speaking and interpersonal skills;
- Strong, decisive leadership with excellent judgement and a willingness to take responsibility for the Association's actions;
- An ability to communicate AMA Queensland's key messages at events and via the media;
- Flexibility, tact, impartiality and diplomacy;
- Good listening skills and a willingness to heed advice;
- Unbiased, the President should not confuse his/her own goals with those of the Association and its members;
- Supportive of the membership, staff, the Council and the Board;

Length of Term: One year term with an eligibility to be re-elected to serve a maximum of two consecutive one year terms

APPENDIX 3 – Vice President Position Description

The Role of the Vice President

The Vice President is a Director of the AMA Queensland Board and a member of the AMA Queensland Council. As a Director of the AMA Queensland Board, the Vice President has the duties, responsibilities, qualities and expectations set out in the role description for a Director of the AMA Queensland Board.

The Vice President has additional duties and responsibilities as set out in the AMA Queensland Constitution. In particular, the Vice President assists the President as required to represent the Association and undertake public and official roles on behalf of the Council, the Board and the Association.

The Vice President will be required to attend media training provided by and paid for by the Association.

Qualities of an effective Vice President:

- A commitment to the Association's mission, vision, core purpose and strategic plan;
- An ability to clearly articulate AMA Queensland's health vision and key messages to both internal and external stakeholders;
- Good public speaking and interpersonal skills;
- An ability to communicate AMA Queensland's key messages at events and via the media;
- Flexibility, tact, impartiality and diplomacy;
- Good listening skills;
- Unbiased, the Vice President should not confuse his/her own goals/opinions with those of the Association and its members.

Length of Term: One year term with an eligibility to be re-elected to serve a maximum of two consecutive one year terms

APPENDIX 4 – Governance: Principles and Process

In any such organization the role of the Board is to ensure that the Association:

1. Achieves the Board's established strategic objectives; and
2. Avoids unacceptable actions, risks and situations.

The Board has absolute authority and responsibility for the strategy and operations of the Association. The Board can and should delegate the responsibility for the performance of the functions that relate to the operational activities of the Association to the CEO.

The Board governs with an emphasis on (1) outward vision rather than internal preoccupation, (2) encouragement of diversity in viewpoints, (3) strategic leadership more than administrative detail, (4) clear distinction of Board and CEO roles, (5) collective rather than individual decisions, (6) future rather than past or present, and (7) proactivity rather than reactivity. This has been represented as:



Source: Tricker, R. I., Corporate Governance - practices, procedures and powers in British companies and their boards of directors, Gower, Aldershot UK, 1984

Accordingly:

- The Board will cultivate a sense of group responsibility. The Board is responsible for excellence in governing. The Board will use the expertise of individual members to enhance the ability of the Board as a body rather than to substitute individual judgments for the Board's values. The Board's decisions override any decisions made by an officer of the Association, individual, or Committee of the Board.
- The Board's major policy focus will be on the intended long-term effects outside and within the organisation, not on the administrative or programmatic means of attaining those effects.
- The Board will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation, policy-making principles, respect of roles, and ensuring continuance of governance capability. Continual Board development will include the induction of new Board members in the Board's governance process, regular reviews of processes by the Governance Committee and periodic Board discussion of process improvement.
- The Board will monitor and discuss the Board's process and performance at the conclusion of each meeting using the template developed by the Governance

Committee.

- The Board will ensure that it (1) completes re-exploration of the strategic objectives policies annually and (2) continually improves Board performance through Board education and enriched input and deliberation.
- The Chair assures the integrity of the Board's process. Accordingly, a KPI for the Chair is that the Board behaves consistently with its own rules and those legitimately imposed upon it from outside the organisation.
- Meeting discussion content will be only those issues, which, according to Board policy, clearly belong to the Board to decide.
- Deliberation must be fair, open, and thorough but also timely, orderly, and kept to the point.
- The Chair is to monitor procedural aspects of the governance process, including the Board-CEO relationship, and to keep the Board informed about them.
- The Chair is authorised to use any reasonable interpretations of the provisions in these policies, such that:
 - The Chair is empowered to chair Board meetings, in accordance with the Constitution with all the commonly accepted powers of that position (for example, ruling, recognising).
 - The Chair may only rely on the express authority of the Board to make decisions about policies created by the Board,
 - The Chair can rely on the collective authority of the Board, where directed by the Board, to supervise and direct the CEO.
 - The Chair may represent the Board to outside parties in stating chair decisions and interpretations within the area delegated to her or him. The Chair may delegate this authority, but remains accountable for its use.

The position description for the Chair is attached (Appendix 1).

The Board commits itself and its members to ethical, businesslike, and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members.

Accordingly:

- AMA Queensland committees and working parties help the Board and Council 'do its job'. Committees assist the Board and/or Council by preparing policy options and their implications for Board deliberation. In keeping with the Board's broader focus, Board committees will normally not deal with operational matters that are the responsibility of management.
- Committees and working parties cannot exercise authority over staff. Because the CEO reports only to the Board, he or she will not be required to obtain the approval of a Board committee prior to undertaking an executive action within his or her authority.

This policy applies to any group that is formed by Board action, whether or not it is called a committee or working party and regardless of whether the group includes Board members. It does not apply to committees formed under the authority of the CEO.

Because poor governance costs more than learning to govern well, the Board will invest in its governance capacity.

Accordingly:

- Board skills, methods, and supports will be sufficient to assure governing with excellence.
- Training and retraining will be used liberally to inform new directors, as well as to maintain and increase existing director skills and understandings.

- Outside monitoring assistance will be arranged if and as necessary so that the Board can exercise confident control over organisational performance. This includes, but is not limited to, financial audit.
- Outreach mechanisms will be used as needed to ensure the Board's ability to listen to the Members' viewpoints and values.
- Costs will be prudently incurred, though not at the expense of endangering the development and maintenance of superior director skills and capability.
- The CEO will ensure that the budget makes allocations for:
 - Board training, including attendance at conferences and workshops.
 - Audit and other third party monitoring of organisational performance initiated by the Board.
 - Survey focus groups, opinion analyses initiated by the Board, and Board meeting costs.

The Board will communicate with the organisation, and ensure the accountability of the organisation, through the CEO.

Decisions or instructions of individual Board members, officers, or committees are not binding on the CEO except where the Board has specifically authorised such exercise of authority.

In the case of Board members or committees requesting information or assistance without Board authorisation, the CEO can refuse such requests that require, in the CEO's opinion, a material amount of staff time or funds, or are disruptive.

The CEO, as the Board's link to operational achievement and conduct, holds all authority over, and accountability for, staff.

Accordingly:

- The Board will not give instructions to persons who report directly or indirectly to the CEO.
- The Board will refrain from evaluating, either formally or informally, any staff other than the CEO.

The Board will instruct the CEO through written policies and/or resolutions of the Board, that

- prescribe the organisational objectives to be achieved, and
- define the appropriate organisational executive limitations in place.

The Board will permit the CEO to use any reasonable interpretation of these policies in order to achieve the Board's objectives.

At the end of the year and in mid year, the Chair and the President, in collaboration with the CEO, will write to the staff describing key outcomes of the Association, and acknowledging the important role and input of the staff during that 12 month period. Additionally, staff and board members will have the opportunity to come together for an informal function, prior to July and December board meetings.

APPENDIX 5 – Sample Director Decision Checklist

Does the decision comply with the Directors' Duty of Care and Diligence?

- Is the proposal comprehensible - do you understand it and does it make sense?
- Are there any areas of the matter under discussion about which you think you require more information?
- Are you satisfied you can document that you were fully informed as to the subject matter of the proposal?
- If the proposal is contentious, do you have more than one source of information and/or a source of independent advice?
- Would a reasonable person accept or reject this proposal?

Does the proposal assist us to implement our agreed strategy?

- Is the proposed action appropriate - does it match the Association's mission, vision and strategy?
- Is the proposal sustainable - will it lead to long term advantage for the Association? Is the proposal feasible - can it really be implemented?

Have the implications for risk and compliance been taken into consideration?

- Does the proposal contain an adequate risk assessment?
- If some high risk outcomes are identified, is there an adequate risk coverage strategy contained in the proposal?
- Are there any compliance issues raised by the proposal?

Have you considered the implementation issues for this decision?

- Do you need to communicate the outcome of this proposal to any stakeholders (members, staff, government etc.)?
- Are you clear on the next steps to implement the proposal?
- Does the proposal contain a system for monitoring the implementation and/or impact of the decision?
- What advice would you provide management concerning how future proposals/papers can be improved?
- Does the proposal add value to members or member services?

APPENDIX 6 – Risk Management Policy

What is a Risk Management Policy objective?

AMA Queensland is committed to adopting sound risk management principles and to manage risk in accordance with recognised best practice. In order to deliver this objective a consistent and systematic approach to managing risk is to be adopted by all staff across all areas of the business.

Risk is defined as the chance of something happening that will have an impact upon objectives – it is measured in terms of consequences and likelihood. Risk management is an iterative process consisting of well-defined steps which, if taken in sequence, support better decision-making by contributing a greater insight into risks and their impacts.

For the purposes of this Policy, the term 'risk' includes all existing and potential risk exposures facing the Association

The Risk Register records details of all the risks identified for AMA Queensland. Risks associated with activities and strategies and are identified then graded in terms of likelihood of occurring and seriousness of impact. Risk register may identify:

- a unique code for each risk;
- a description of each risk and its potential consequences (operational and strategic);
- actions and controls that currently exist to mitigate risks;
- factors that may impact upon the likelihood and consequence of the residual risk;
- risk grade (priority);
- whether the risk grade is acceptable;
- early warning factors and upward reporting thresholds.

Risk registers should be maintained for all Departments and key planning processes and commercial activities. It is expected that our managers, general managers and CEO will document their key business processes, and upward report emerging risk areas.

The Risk Register

As a formal document, the analysis contained in a risk register can be used to document and improve workplace practices. The register can also be used to notify senior staff and board member of emerging risk exposures that warrant immediate attention.

Involving staff and board members in the process of compiling, monitoring and expanding on our risk register is intended to encourage a high level of ownership of, and commitment to, AMA Queensland processes and activities.

The process of identifying and analysing risks should be a part of tactical decision making and strategic planning. The worth of business plans can be improved significantly if the risks associated with key business processes and proposals are analysed and where necessary, mitigated.

Risk Philosophy

AMA Queensland aims to achieve best practice in its approach to risk management. One objective of risk management within the Association is to promote a business wide culture where all staff have an understanding of the reasons for, and benefits of, risk management and follow soundly based risk management practices.

The risk management approach at the Association involves the identification of risks, assessment of their consequences and application of adequate controls to mitigate those consequences, together

with regular monitoring of compliance with those controls.

In order to achieve an effective and systematic risk management approach, a Board objective is to ensure regular risk reviews, monitoring and reporting of risk issues.

Risk Review

The risk register and risk management policy will be reviewed by the Finance Risk and Audit Committee on an annual basis and recommendations following review are to be made to the Board for consideration/approval.

Extreme/High risk:

CEO to review and report at each Board meeting as to any movement in risk outcome or mitigation measure. If there is an occurrence between Board meetings, the CEO will notify the Board as soon as practical. These risks will also form part of an annual review of the register and policy.

Medium/Low risk:

Reviewed as part of the annual review with any change of risk between review periods being brought to the attention of the Board by the CEO as soon as practical after the change is noted.

Likelihood/Consequence and Risk Rating Matrix

Likelihood Rankings (Positive or negative risks)		
1	Rare	Once in 50 years/ Probability less than 2%
2	Unlikely	Once in 20 years / Probability less than 5%
3	Possible	Probability of 5% to 50%
4	Likely	Probability 50% to 90%
5	Almost Certain	Probability of 90% or more

Consequence Rankings (positive or negative risks)		
1	Insignificant	Very minor or short term impact.
2	Minor	Minor though short term and not insurmountable impact
3	Moderate	More than a minor nature, but unlikely to have major or long term consequences
4	Major	Risk event may lead to serious impact and longer term impact
5	Catastrophic	Risk event may lead to very serious impact/curtailment of activities. Wide spread and possibly permanent impact.

Grade: Combined effect of Likelihood/Seriousness					
	Consequence Rating				
Likelihood	1. Insignificant	2. Minor	3. Moderate	4. Major	5. Catastrophic
A.. Almost Certain	L	M	H	E	E
B. Likely	L	M	H	E	E
C. Possible	L	L	M	H	E
D. Unlikely	L	L	M	H	H
E. Rare	L	L	L	M	H

Recommended actions for grades of negative risk

Grade	Risk mitigation actions
L	LOW: These risks should be recorded, monitored and controlled by the responsible manager/general manager.
M	MEDIUM: Mitigation actions to reduce the likelihood and seriousness to be identified and appropriate actions to be identified endorsed by at Senior Management Team level.
H	HIGH: If uncontrolled, a risk event at this level may have a significant impact on the operation of a business as a whole. Mitigating actions need to be very reliable and should be approved and monitored in an ongoing manner by the SMT. The Board should be advised of identified or emerging strategic risks which have been graded at this level.
E	EXTREME: Activities and projects with unmitigated risks at this level should be avoided or terminated. This is because risk events graded at this level have the potential to cause serious and ongoing damage to the Association or members Reporting emerging or continuing risks exposures at this level to the Board is mandatory.

APPENDIX 7 – Investment Policy

The Investment Policy was adopted by the Board of Directors of AMA Queensland on 16th July, 2013 to provide guidelines for the management of various funds held by the Association.

The policy will:

- establish reasonable expectations, objectives and guidelines for the management and investment of AMA Queensland's assets.
- encourage effective communication between the Finance, Risk and Audit Committee and the Board of Directors.
- create the framework for a diversified asset mix that can be expected to generate acceptable long term returns at a level of risk suitable to AMA Queensland.

In order to manage investment risk and to optimize investment returns there will be three separate investment pools.

- Operating Funds (current year)
- Short Term Investment Fund (cash reserve 1-5 years)
- Long Term Investment Fund (shares and property mix)

PROCEDURES

The following procedures are put in place to ensure that the investment policy is consistent with the Board of Directors risk appetite, tolerance and strategy, and is monitored and reviewed on a regular basis.

1. The Finance Risk and Audit committee will review this investment policy annually.
2. The Finance Risk and Audit committee will recommend any changes in this policy to the Board of Directors who will then decide on whether or not to accept the recommendations.

The following procedures will be used to determine the dollar amounts to be placed in each of the various funds.

1. The Chief Executive Officer will recommend to the Board of Directors the dollar amounts to be held in the Operating Fund following consultation and agreement with the Treasurer and General Manager – Corporate Services.
2. The Finance Risk and Audit committee will recommend to the Board of Directors the strategy investment policy for the management of the Short Term and Long Term Investment funds.

DELEGATION OF AUTHORITY

The Finance Risk and Audit Committee is responsible for directing and monitoring the investment management of the various funds on behalf of AMA Queensland. As such, The Finance Risk and Audit Committee is authorized to delegate certain responsibilities to professional experts in various fields. These include but are not limited to an Investment Property Consultant or a Property Specialist.

To secure the services of a professional investment consultant or to replace a current specialist the following procedure is to be followed:

1. The Chief Executive Officer and the Finance Risk and Audit Committee will recommend the hiring or replacing of a specialist to the Board of Directors.
2. The Chief Executive Officer and the Finance Risk and Audit Committee will nominate prospective candidates and send a Request for Proposal to each candidate.
3. The Chief Executive Officer and the Finance Risk and Audit Committee will review proposals and interview candidates to determine appropriate specialist.
4. The Finance Risk and Audit Committee will make the hiring recommendation to the Board of Directors, who shall have the final approval.

OPERATING FUND

The purpose of the Operating Fund is to provide sufficient cash to meet the day-to-day financial obligations of AMA Queensland in a timely manner.

The investment objectives of the Operating Fund are:

- Preservation of Capital
- Liquidity
- To optimize the investment return within the constraints above.

The Chief Executive Officer if authorized by the Board of Directors will invest the Operating Fund in an interest bearing deposit account with maturity on investments being 12 months or less.

SHORT TERM INVESTMENT FUND

The purpose of the Short Term Investment Fund is to meet the expenses occurring as a result of unanticipated activities up to \$300,000. The returns from the short term funds will generally all (100%) be used by AMA Queensland in its daily operations. However, the percentage may be varied by the Chief Executive Officer if authorised by the Board of Directors.

The investment objectives of the Short Term Investment Fund are:

- Preservation of Capital
- Liquidity
- To optimize the investment return within the constraints above.

The Chief Executive Officer if authorized by the Board of Directors will invest the Short Term Investment Fund in an interest bearing deposit account with maturity on investments being between one and five years.

Should additional funds become available from the operations of AMA Queensland, such funds can be added to the Short Term Fund at the discretion of the Chief Executive Officer, the Treasurer and the Finance Risk and Audit Committee.

LONG TERM INVESTMENT FUND

The purpose of the Long Term Investment Fund is to provide secure long term funding to AMA Queensland. The returns from the long term fund will be reinvested or used to reduce any debt associated with the acquisition of assets within this fund. Should AMA Queensland require the drawing of funds from the Short Term Investment Fund, returns from the Long Term Investment Fund will be diverted to the Short Term Fund until such time as it is replenished.

The investment objectives of the Long Term Investment Fund are:

- Long term growth of capital-while avoiding excessive risk. Short-term volatility consistent with the volatility of a comparable market index is anticipated, though management should strive to contain it.
- Preservation of purchasing power-achieve returns in excess of the Short Term Investment Fund and to meet or exceed the market index selected and agreed upon by the Finance Risk and Audit committee.

The investment guidelines include:

- Investments will be made solely in the interest of AMA Queensland.
- The assets will be invested with care, skill, prudence and diligence under the circumstances then prevailing that a prudent investor acting in like capacity and familiar with such matters would use in the investment of a like fund.
- Investment decisions should be at arm's length from any member or associate. All involved parties (including external advisors) should be required to table any conflict or interests in the potential investment before investment decisions are made. Any such persons should then excuse themselves from any further discussions regarding such investments.
- Investment of these funds will be so diversified, to the extent possible with the capital and funds available, so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.
- AMA Queensland may employ one or more investment specialists of varying styles and philosophies to attain the Fund's objectives.
- Investments of Long Term Funds to be for a period of at least five years and up to 20 or more years.
- The Finance Risk and Audit Committee will monitor and re-evaluate investment allocation and performance, for continued application of the current specialised industry advisers recommended by AMA Queensland.

Allowable Assets:

1. Shares

- Any investment in shares will be through an investment firm selected through a tender process.
- Investments will be in the listed top 300 Australian companies but not in companies where their primary business is related to tobacco, fast food, pharmaceutical, alcohol, gambling, private health insurers, defence related shares such as gun and explosive manufacturing, prison and detention centres, but with organisations that are not in conflict with AMA Queensland's values and ethical standings.

2. Property

- Any investment in freehold property will be made after first consulting with and, if considered necessary, engaging specialist advisors such as commercial property buyers agents, selling agents and other industry professionals. Investment will be made after reviewing a number of properties that fit AMA Queensland's guidelines in price, position, tenant quality and expected yield. There will be extensive due diligence undertaken prior to the finalisation of any property purchase.
- If there is a requirement to borrow funds to purchase property, the debt level will be no more than 30% of the total investment, and with approval from the Board of Directors no more than 50%. The interest payable should be adequately covered in AMA Queensland's annual budget. The loan structure will include principle payments so that there is debt reduction over a reasonable time period and in line with bank lending covenants.

APPENDIX 8 – Director Position Description

The Role of a Director

Directors of the AMA Queensland Board have the ultimate responsibility for the overall successful operation of the Association. In accordance with the functions of the Board, each Director is required to contribute to the governance of the Association through:

- Actively contributing to the strategic planning and direction of the Association;
- Contributing to the development of Board and organisational policies;
- Monitoring the financial and non-financial performance of the Association;
- Monitoring the risk and compliance issues facing the Association;
- Contributing to the work of Board committees;
- Engaging stakeholders on current Board policies and strategy issues;
- Recruitment and monitoring performance of the CEO; and
- Representing the Board and the Association in an appropriate way as required.

The relationship between a Director and the Association is a fiduciary one which means that each Director is to act in the best interests of the Association and to the exclusion of any personal interests.

Under the Corporations Act, Directors have the following duties:

- A duty to act with due care and diligence;
- A duty to act in good faith;
- A duty not to gain advantage by improper use of their position;
- A duty not to misuse information; and
- A duty not to trade while insolvent.

Each Director will be required to undertake governance training provided by and paid for by the Association preferably within 3 months of appointment to the role.

Qualities of an effective Director:

- A commitment to the Association's mission, vision, core purpose and strategic plan;
- A commitment to dedicate sufficient time to attend all board meetings and any other meetings as called by the Chair;
- Flexibility, tact, impartiality and diplomacy;
- Good listening and interpersonal skills;
- An ability to focus on material issues and not “sweat the small things”;
- An ability to see the big picture;
- An ability to influence effectively at the board table;
- An openness to consider alternative viewpoints;
- Unbiased, a Director should not confuse their own goals with those of the Association and its members.
- An ability to deal with pressure from external sources;

Length of term: two years (can serve up to a maximum of 3 consecutive terms)

Time commitment estimates:

- Seven Board meetings per year held in Brisbane at AMA Queensland. Board meetings are held on a week night from 6:30pm to 9:30pm. Attendance in person is most appropriate noting the duration of the meetings and general benefits of face-to-face interactions for a board;
- Preparation for Board meetings (approximately 2 days/year);

- Participation in Board committees (approximately 2 days/year);
- Interaction with secretariat staff as required (1-2 days)

Expenses

- AMA Queensland cover the cost of Director travel and accommodation in line with the AMA Queensland Travel and Expenses policy

Confidentiality

- Each Director is required to sign a confidentiality agreement before commencing in their role.

Induction

- Each Director is required to undertake an induction within one month of commencing in their role.

APPENDIX 9 – Director’s Code of Conduct

Introduction

The Directors’ Code of Conduct (the “Code”) provides mandatory guidelines to be followed by the Directors of The Australian Medical Association Queensland (the “Association”) in order to facilitate the achievement of the highest possible standards of conduct and corporate responsibility.

The Code seeks to foster and maintain Members’ and the broader community’s confidence in the Association’s integrity by outlining the standards expected of Directors of the Association whilst carrying out their duties.

Nothing in this Code authorises any person to act in contravention of the *Corporations Act*, the Association’s Constitution, or other applicable legislation and regulations.

Breaches, real or apparent, of this Code that come to the attention of the Association’s Company Secretary will be reported to the Chair of the Board.

Overview

All Directors of the Association must adhere to the following principles, obligations and values at all times:

- Comply with the spirit and the principles of this Code as well as the law.
- Act honestly and in the best interest of the Association in exercising their powers and discharging their duties.
- Be aware of, and comply with, the duties and obligations which apply to them under any relevant laws, legislation or regulations.
- Be independent in judgment and actions and take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board.
- Observe confidentiality regarding all Board matters.
- Not make improper use of information acquired as a Director.
- Observe solidarity with the resolutions of the Board and co-operate in their implementation.
- Not take improper advantage of their position as a Director.
- Not allow their personal interest, or the interest of any associated person, to influence or prejudice their conduct or decisions as Directors.
- Not engage in conduct likely to bring discredit upon the Association.
- Comply with relevant Company policies.
- Not accept gifts or entertainment if they could create, or appear to create, an obligation, a conflict of interest, an inducement to favour the giver in any way or affect their impartiality, or influence a business decision.

Obligation

A Director has an obligation, at all times, to comply with the spirit and the principles of this Code as well as the law.

The adherence by each Director to the requirements of the Code is critical to the effective operation of the Board. Consequently, a person should not take up or maintain a position on the Board if they have any doubt about their ability to fulfill their obligation to comply with the requirements of the Code.

Duties

Directors must, at all times, act in the best interest of the Association in exercising their powers and discharging their duties.

In doing so, Directors have a duty to:

- Act honestly and in good faith;
- Use their powers of office for a proper purpose and not for personal advantage or for the benefit of another party; and
- Use due care and diligence.

Every Director has a fiduciary duty to the Association. This fiduciary duty means that Directors must act in the best interest of the Association as a whole, reflecting the fact that the Board has been appointed to manage the affairs of the Association on behalf of the members. The Board is accountable not only to members, but to other third parties including creditors, regulators and the broader community.

Directors must not make any commitments on behalf of the Association which they are not authorised to make, or that the Association does not intend, or would be unable, to honour.

The *Corporations Act* requires Directors to act honestly and with a reasonable degree of care and diligence in the exercise of their powers and the discharge of their duties. To undertake the role of a Director without taking steps to acquire and maintain a reasonable level of competence is likely to be considered negligent. Consequently, all Board members are required to take appropriate action to ensure Directors are kept fully informed of matters relevant to their position as a Director.

Compliance with Laws and Regulations

Directors must be aware of, and comply with, the duties and obligations which apply to them under any relevant laws, legislation or regulations.

The Association and each Director are subject to various legal requirements in relation to the conduct of the Association's operations, and their role and responsibilities. These might relate to financial, corporate, disclosure, fair trading and other requirements. Directors also owe a number of duties as a fiduciary of the Association. These duties arise at law, and are also preserved in the *Corporations Act*.

Each Director must be aware of, and comply with, the duties and obligations which apply to them under any laws, legislation or regulations relevant to their work. Directors are encouraged to undertake continuing education, attend seminars, review relevant periodicals to ensure that their knowledge remains up to date and that they remain abreast of relevant legal and industry developments. Assistance is also available via the Chair to clarify whether particular laws apply and how they may be interpreted.

Decisions

A Director must be independent in judgment and action and must take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board.

In order to satisfy this obligation, each Board member must:

- use all reasonable endeavours to become and remain familiar with the affairs of the Association;
- attend all Board meetings and, reasonably, Board functions unless there are valid

- reasons for non-attendance; and
- commit the necessary time and energy to Board matters to ensure that they are contributing their best endeavours in the performance of their duties for the benefit of the Association, without placing undue reliance on other Directors to fulfil these duties.

To be effective, the Board should ensure that systems are established to provide the Board Directors, on a regular and timely basis, with necessary information to enable them to make reasoned judgments and so discharge their duties of care and diligence.

Personal Interests and Conflict

Directors are required to comply with the Association's Conflict of Interest Policy. (Appendix 10).

Among other things:

- A Director must not take improper advantage of the position of Director.
- Directors must not allow their personal interest, or the interest of any associated person, to influence or prejudice their conduct or decisions as Directors.
- Directors have a duty to avoid conflicts of interest between the best interests of the Association and their own personal or commercial interests. Every Director must be aware of both actual and potential conflicts of interest.

Confidentiality

Directors must observe confidentiality regarding all Board matters.

A Director must not make improper use of information acquired as a Director.

All information received by a Director in the course of fulfilling Board duties will be confidential and will remain the property of the Association, unless it is already in the public domain. It is improper for a Director to disclose confidential information, or allow it to be disclosed, to any other person unless that disclosure has been authorised by the Association or is required to be disclosed by law.

Similarly, all discussions and resolutions of the Board will be confidential and it is improper to disclose, or allow to be disclosed, the content and/or substance of those discussions and resolutions to persons who are not current Board members or the Chair, except in cases where disclosure:

- has been authorised by the Association;
- is required by law; or
- is indicated expressly or impliedly in the minutes of a Board meeting at which a resolution is passed, that it is intended that disclosure of a resolution will be made to third parties.

In addition, the *Corporations Act* prohibits Directors from making improper use of information acquired by virtue of their position as a Director to gain, directly or indirectly, a personal advantage or an advantage for any other person or to cause detriment to the Association. If any Board member has any doubts about their obligations in relation to disclosure of Board matters, they should consult with the Chair prior to making any disclosures.

Conduct

A Director must not engage in conduct likely to bring discredit upon the Association.

Directors should conduct themselves at all times in a sober, polite and restrained manner in carrying out their duties, at Board meetings, at Company functions and meetings and where otherwise dealing with matters concerning the Association, its employees, management, third parties and the broader community.

Compliance with Company Policies

Directors must comply with relevant Company manuals and policies including the Conflict of Interest Policy and the Association's Corporate Governance Manual.

The Association has implemented various policies, procedures and manuals relevant to Directors' conduct and corporate governance. Directors are required to be familiar with and adhere to the requirements of each of these as provided to each Director as part of the Director pack.

The Association continually assesses and upgrades its policies and procedures, to ensure compliance with corporate governance requirements. Directors will be notified of any changes to the policies and procedures and it is their responsibility to be aware of any implications of these changes.

Gifts and Entertainment

Directors should not accept gifts or entertainment if they could create, or appear to create, an obligation, a conflict of interest, an inducement to favour the giver in any way or affect their impartiality or objectivity, or influence a business decision.

Directors may accept reasonable offers of entertainment, such as dinner, tickets to the theatre or sporting events. In determining what is "reasonable" the Director must consider not only the value of the gift or entertainment, but the frequency and circumstances in which they are offered, and the good standing and public reputation of the offerer. In all cases, Directors are required to disclose any gifts or offers of entertainment to the Association's Company Secretary or the Chair.

APPENDIX 10 – Conflict of Interest Policy

It is in the best interest of Queensland Branch of the Australian Medical Association (“AMA Queensland”) to be aware of and properly manage all conflicts of interest and appearances of a conflict of interest. This conflict of interest policy is designed to help AMA Queensland directors, officers, employees and volunteers identify situations that present potential conflicts of interest and to provide AMA Queensland with a procedure to appropriately manage conflicts in accordance with legal requirements and the goals of accountability and transparency in AMA Queensland’s operations.

1. What is a conflict of interest? A conflict of interest arises when a board member has a personal interest that conflicts with the interests of AMA Queensland or arises in situations where a board member has divided loyalties (also known as a “duality of interest”). The former can result in situations that result in inappropriate financial gain to persons in authority at AMA Queensland which can lead to financial penalties and violations of the Corporations Act. Similarly, situations or transactions arising out of a conflict of interest can result in either inappropriate financial gain or the appearance of a lack of integrity in AMA Queensland decision-making process. Both results are damaging to AMA Queensland and are to be avoided.

- *Example #1:* a person in a position of authority over the Organization may benefit financially from a transaction between the Organization and the board member; or others closely associated with the board member may be affected financially. Family members, or their businesses, or other persons or the businesses of persons with whom the board member is closely associated, could benefit from similar transactions.
- *Example #2:* A conflict of interest could be a direct or indirect *financial interest* such as those described above, or a *personal or professional interest* such as the situation where a board member of AMA Queensland is also a board member of another nonprofit or for-profit entity in the community with which AMA Queensland collaborates or conducts business.

2. Conflict of Interest Defined. In this policy, a person with a conflict of interest is referred to as an “interested person.” For purposes of this policy, the following circumstances shall be deemed to create a Conflict of Interest:

- a. A director, officer, employee or volunteer, including a board member (or family member of any of the foregoing) is a party to a contract, or involved in a transaction with AMA Queensland for goods or services.
- b. A director, officer, employee or volunteer, (or a family member of any of the foregoing) has a material financial interest in a transaction between AMA Queensland and an entity in which the director, officer, employee or volunteer, or a family member of the foregoing, is a director, officer, agent, partner, associate, employee, trustee, personal representative, receiver, guardian, custodian, or other legal representative.
- c. A director, officer, employee or volunteer, (or a family member of the foregoing) is engaged in some capacity or has a material financial interest in a business or enterprise that competes with AMA Queensland.

Other situations may create the *appearance of a conflict*, or present a *duality of interests* in connection with a person who has influence over the activities or finances of AMA Queensland. All such circumstances should be disclosed to the board or secretariat, as appropriate, and a decision made as to what course of action the organization or individuals should take so that the best interests of AMA Queensland are not compromised by the personal interests of stakeholders in AMA Queensland.

Gifts, Gratuities and Entertainment. Accepting gifts, entertainment or other favors from individuals or entities can also result in a conflict or duality of interest when the party providing the gift/entertainment/favour does so under circumstances where it might be inferred that such action was intended to influence or possibly would influence the interested person in the performance of his or her duties. This does not preclude the acceptance of items of nominal or insignificant value or entertainment of nominal or insignificant value which are not related to any particular transaction or activity of AMA Queensland.

3. Definitions.

- a. A "Conflict of Interest" is any circumstance described in Part 2 of this Policy.
- b. An "Interested Person" is any person serving as a director, officer, employee or volunteer of AMA Queensland or anyone else who is in a position of control over AMA Queensland who has a personal interest that is in conflict with the interests of AMA Queensland.
- c. A "Family Member" is a spouse, parent, child or spouse of a child, sibling, or spouse of a sibling, of an interested person.
- d. A "Material Financial Interest" in an entity is a financial interest of any kind, which, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect an Interested Person's or Family Member's judgment with respect to transactions to which the entity is a party.
- e. A "Contract or Transaction" is any agreement or relationship involving the sale, purchase or provision of goods or services, the provision or receipt of a loan or grant, the establishment of any other type of financial relationship, or the exercise of control over another organization. The making of a gift to AMA Queensland is not a Contract or Transaction.

4. Procedures

- a. Prior to board or committee action on a Contract or Transaction involving a Conflict of Interest, a director or committee member having a Conflict of Interest and who is in attendance at the meeting shall disclose all facts material to the Conflict of Interest. Such disclosure shall be reflected in the minutes of the meeting. If board members are aware that staff or other volunteers have a conflict of interest, relevant facts should be disclosed by the board member or by the interested person him/herself if invited to the board meeting as a guest for purposes of disclosure.
- b. A director or committee member who plans not to attend a meeting at which he or she has reason to believe that the board or committee will act on a matter in which the person has a Conflict of Interest shall disclose to the chair of the meeting all facts material to the Conflict of Interest. The chair shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.
- c. A person who has a Conflict of Interest shall not participate in or be permitted to hear the board's or committee's discussion of the matter except to disclose material facts and to respond to questions. Such person shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting. The exception to this rule is granted if the Council votes by a two third majority for the person to be allowed to remain in the room to hear only or hear and participate only or to hear and participate and vote in the discussion.
- d. A person who has a Conflict of Interest with respect to a Contract or Transaction that will be voted on at a meeting shall not be counted in determining the presence of a quorum for purposes of the vote.

- e. The person having a conflict of interest may not vote on the Contract or Transaction and shall not be present in the meeting room when the vote is taken, unless the vote is by secret ballot. Such person's ineligibility to vote shall be reflected in the minutes of the meeting. The exception to this rule is granted if the Council votes by a two third majority for the person to be allowed to remain in the room to hear and participate and vote in the discussion.
 - f. Interested Persons who are not directors of AMA Queensland or who have a Conflict of Interest with respect to a Contract or Transaction that is not the subject of board or committee action, shall disclose to the AMA Queensland CEO, or the Chair, or the Chair's designee, any Conflict of Interest that such Interested Person has with respect to a Contract or Transaction. Such disclosure shall be made as soon as the Conflict of Interest is known to the Interested Person. The Interested Person shall refrain from any action that may affect AMA Queensland's participation in such Contract or Transaction.
 - g. In the event it is not entirely clear that a Conflict of Interest exists, the individual with the potential conflict shall disclose the circumstances to the AMA Queensland CEO or the Chair or the Chair's designee, who shall determine whether a board discussion is warranted or whether there exists a Conflict of Interest that is subject to this policy.
 - h. The Chairperson of the board will monitor proposed or ongoing transactions of the organization (eg, contracts or collaborations with third parties) for conflicts of interest and disclose them to the Board and staff, as appropriate, whether discovered before or after the transaction has occurred.
 - i. Should the board and the Interested Person disagree that a conflict of interest exists or should the Interested Person disagree with the procedures implemented by the board on the basis that they are outside those set out in this policy, then the parties can seek mediation through an approved Queensland Law Society mediator. The Interested Party can take a support person with them to the mediation.
- 5. Confidentiality.** Each director, officer, employee and volunteer shall exercise care not to disclose confidential information acquired in connection with disclosures of conflicts of interest or potential conflicts, which might be adverse to the interests of AMA Queensland. Furthermore, directors, officers, employees and volunteers shall not disclose or use information relating to the business of AMA Queensland for their personal profit or advantage or the personal profit or advantage of their Family Member(s) or other organisations.
- 6. Review of policy.**
- a. Each director, officer, employee and volunteer shall be provided with and asked to review a copy of this Policy and to acknowledge in writing that he or she has done so.
 - b. Annually each director, officer, employee and volunteer shall complete a disclosure form identifying any relationships, positions or circumstances in which s/he is involved that he or she believes could contribute to a Conflict of Interest. Such disclosure shall be retained by AMA Queensland in a register entitled "Conflict of Interest" register. Such relationships, positions or circumstances might include service as a director of or consultant to another nonprofit organization, or ownership of a business that might provide goods or services to AMA Queensland. Any such information regarding the business interests of a director, officer, employee or volunteer, or a Family Member thereof, shall be treated as confidential and shall generally be made available only to the Chair, the Executive Director, and any committee appointed to address Conflicts of Interest, except to the extent additional disclosure is necessary in connection with the implementation of this Policy.

- c. This policy shall be reviewed annually by each member of the Board of Directors and AMA Queensland committees. Any changes to the policy shall be communicated to all staff and volunteers

Basic Conflict of Interest Disclosure Form

Date: _____

Name: _____

Position (director, committee member): _____

Please completed the following Conflict of Interest report, describing any relationships, transactions, positions you hold (volunteer or otherwise), gifts or gratuities/invitations received; **or** circumstances that you believe could contribute to a conflict of interest between AMA Queensland and your personal interests, financial or otherwise or indicate if you have no conflict of interest to report:

I have no conflict of interest to report

I have the following conflict of interest to report (please specify other nonprofit and for-profit boards or committees that you (and your spouse) sit on, any for-profit businesses for which you or an immediate family member are an officer or director, or a majority shareholder, and the name of your employer and any businesses you or a family member own):

1. _____

2. _____

3. _____

I hereby certify that the information set forth above is true and complete to the best of my knowledge.

I have reviewed, and agree to abide by, the Policy of Conflict of Interest of AMA Queensland.

Signature: _____

Date: _____