



POLICY

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Corporate Governance

Purpose

Governance in the community sector is concerned with the systems and processes that ensure the overall direction, effectiveness, supervision and accountability of an organisation. Appointed members of Valley FM's (VFM) Board take ultimate responsibility for its financial and legislative governance.

Governance is also concerned with the way the VFM Board works with its volunteer members and other stakeholders to ensure the organisation is effectively and properly managed and meets the needs for which it was originally created. This Policy is intended to clarify the content of the Valley FM Broadcasters Association Inc's Constitution by making explicit the underlying principles of corporate governance as approved by Valley FM.

Principles

The following ten principles constitute good governance in VFM.

- 1. Roles and Responsibilities.** Members appointed to the VFM Board have specific functions and responsibilities assigned to them at the commencement of each appointment period.
- 2. Board Composition.** The Board must have the right group of people, having particular regard to each person's background, skills and experience and how each contributes to the effective and collective functioning of the Board as a whole.
- 3. Purpose and Strategy.** The Board sets the vision, purpose and strategies of the organisation, adapting the direction or plans as appropriate and helping members to understand them.
- 4. Risk - Recognition and Management.** By putting in place an appropriate system of risk oversight and internal controls, the Board aims to increase the likelihood that the organisation will deliver on its purpose.
- 5. Organisational Performance.** The degree to which an organisation is delivering on its purpose is assessed by the Board defining and assessing relevant organisational performance categories and indicators.
- 6. Board Effectiveness.** The Board's effectiveness is greatly enhanced through:
 - a. Careful forward planning of Board-related activities
 - b. Board meetings being run in an efficient manner
 - c. Regular assessments of Board performance
 - d. Creating a Board succession plan, and

- e. Creating and supporting targeted, effective committees, where appropriate.
- 7. **Integrity and Accountability.** It is important that the Board have in place a system whereby:
 - a. There is a flow of information to the Board that aids decision-making
 - b. There is transparency and accountability to external stakeholders, and
 - c. The integrity of financial statements and other key information is safeguarded.
- 8. **Organisation Building.** The Board has a role to play in enhancing the capacity and capabilities of the organisation they serve.
- 9. **Culture and Ethics.** The Board sets the tone for ethical and responsible decision-making throughout the organisation.
- 10. **Engagement.** The Board helps the organisation to engage effectively with stakeholders.

Policy

1. The Board of VFM Broadcasters Association Inc. is an elective, representative and collective body.
 - a. It is elective in that the VFM Board Members are elected by financial VFM members through the election process stated in VFM's Constitution.
 - b. It is representative in that all Board members are committed to acting selflessly and making decisions and voting on governance decisions solely in the best interests of Valley FM 89.5.
 - c. It is collective in that while each member has the right to argue for their own point-of-view and to vote for that position, once a collective decision has been taken Board members are expected to support that decision.
2. VFM's Board Role Responsibility Statements are part of the suite of Board performance documents. Key office bearers (President, Vice President, Secretary and Treasurer) also have functions specified in the VFM Constitution. VFM's specific Board roles are:
 - President and Station Manager
 - Vice President
 - Secretary
 - Treasurer
 - Director Training
 - Director Sponsorship and Promotion, and
 - Director Corporate Administration and Public Officer.
3. The function of the VFM Board is to collectively ensure the delivery of its Charter (Mission, Vision and Purpose) and to set its strategic direction and uphold its values. The Board is also collectively responsible and accountable for ensuring and monitoring that the organisation is performing well, is solvent and complies with all legal, financial and ethical obligations.

Responsibilities of the Board that cannot be delegated to any other person or body include:

- a. Compliance monitoring - ensuring compliance with the objectives, purposes and values of the organisation, and with the VFM constitution

- b. Organisational governance - setting and approving policies, plans and budgets to achieve VFM's objectives and monitoring performance
- c. Strategic planning - reviewing and approving VFM's strategic direction and initiatives
- d. Regulatory monitoring - ensuring that VFM complies with all relevant laws, regulations and regulatory requirements
- e. Financial monitoring - reviewing VFM's budget, monitoring, management and financial performance to ensure the solvency, financial strength and good performance of VFM
- f. Financial reporting - considering and approving annual financial statements and required reports to government
- g. Organisational structure - setting and maintaining VFM's delegation and internal control framework
- h. Risk management - reviewing and monitoring the effectiveness of risk management and compliance within VFM; agreeing or ratifying all policies and decisions on matters which might create significant risk to VFM, financial or otherwise
- i. Dispute management - dealing with and managing conflicts that may arise within VFM including conflicts arising between Board members and members
- j. Social responsibility - considering the social, ethical and environmental impact of VFM's activities and operations and ensuring that these are acceptable, and
- k. VFM's Board performance and composition; evaluating and improving its performance.

Procedures

1. Internal Controls

The VFM Board sets and maintains policies, procedures and systems of financial control, internal control and performance reporting. The Board aims to ensure that there is a system for the regular review of the effectiveness of its financial and internal controls, performance reporting and policies / procedures.

2. Managing Risks

The VFM Board undertakes a full risk assessment (periodically and on a rolling basis) and takes appropriate steps to manage the organisation's exposure to significant risks. The Board conducts six-monthly reviews of identified risks and risk mitigation/minimisation strategies.

3. Board Review

The VFM Board review its own effectiveness in meeting its key responsibilities regularly e.g.:

1. Establishing and maintaining policies, procedures and systems of financial control, internal control and performance reporting
2. Functions of sub-committees, where established, and
3. Management of operational issues, including:
 - a) Strategies initiatives
 - b) Staff (when applicable) e.g. terms of appointment, performance evaluation, entitlements and succession plans
 - c) Finance e.g. annual budget, day-to-day operations within budget, audit and tax
 - d) Risk management framework and risk management register

- e) Information i.e. keeping the Board and regulators informed about any developments that may have a material impact on the VFM's performance, and
- f) Compliance through daily station operation in accordance with legal, social, ethical and environmental practice standards and obligations.

Valley FM Compliance Obligations

The Board is responsible for the development, implementation, operation and review of this policy. Compliance with the policy is also the responsibility of all Board Members.

Legislation Framework

ACT Associations Incorporation Act 1991

Commonwealth. Broadcasting Services Act 1992

References

Australian Institute of Company Directors. 2013. *Good Governance Principles and Guidance for Not-for-profit Organisations* available at [AICD Good Governance Principles for NFP Organisations 2013](#)

Community Broadcasting Association of Australia (CBAA). 2008 and 2016. *Community Radio Broadcasting Codes of Practice* available at [CBAA Broadcasting Codes of Practice 2008/2016](#)

Community Broadcasting Association of Australia (CBAA). 2017. *CBAA Governance Self-assessment Checklist*