



# GOVERNANCE CHARTER

NATIONAL FOLK FESTIVAL LIMITED  
(ACN 058 761 274)

Revised and effective from 12 November 2013

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## **1 Purpose of this Charter**

This Governance Charter sets out the role and responsibilities of the Board of Directors of the National Folk Festival Ltd (the Company).

This Charter provides the guiding principles for the development and implementation of the Company's strategic, business and functional plans. It is consistent with and should be read in conjunction with the Company's Constitution. In the event of any conflict between the documents, the Constitution takes precedence.

## **2 Statement of Purpose and Objectives**

The purpose for which the Company is established is:

- To promote, organise and conduct annually the National Folk Festival in Canberra in the Australian Capital Territory (the Festival) and related activities.

The objectives for holding the Festival include:

- Promoting, nurturing and preserving folk culture and folk life as a vital element in Australian life;
- Promoting the benefits of folk culture and folk life as a medium for education; and
- Encouraging enjoyment and development of all aspects of traditional and contemporary folk culture and folk life including music, song, dance, craft, lore, verse, customs, beliefs, life styles, speech and games.

## **3 Governance Roles**

### ***3.1 Overview of the Board***

The Company's Constitution establishes a Board of Directors to control and manage the affairs of the Company.

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company, other than those powers, duties and functions which are required to be exercised by a General Meeting.

The Board has power to perform all such acts and do all such things as appear to the Board to be necessary or desirable for the proper management of the affairs of the Company.

Without limiting this general role of the Board, the principal functions and responsibilities of the Board include:

- Providing the overall governance and strategic direction of the Company;
- Setting the goals of the Company, and short, medium and long-term objectives;
- Determining all policies governing the operations of the Company;
- Approving major operation plans, including risk management plans, an annual strategic plan, and an artistic direction plan;
- Maintaining open lines of communication with the Members of the Company and Festival stakeholders;
- Appointing and determining the terms and conditions of the appointment of the Festival Director (FD) and the Business Manager (BM);
- Reviewing and providing feedback on the annual performance of the FD and the BM;
- Fulfilling employment responsibilities, including industrial, ethical and professional requirements;
- Establishing and determining the powers and functions of committees of the Board;
- Maintaining financial control through budget planning and evaluation including:
  - Approving the annual budget and long-term budgets;
  - Approving all items of capital expenditure in excess of financial delegations as determined by the Board from time to time;
  - Approving all mergers, acquisitions, tender submissions, property acquisitions and disposals; and
- Reviewing and reporting on the annual progress and performance of the Company.

## **3.2 Board Structure**

### **3.2.1 Size and Composition of the Board**

The Company has a Board of Directors each elected by the Members of the Company on an annual basis. The Board shall consist of no less than five and no more than 11 Directors, including the Festival Director.

The Board of Directors shall include Office Bearers who shall be the President, Vice President, Secretary, Chair of the Finance and Audit Committee and Festival Director.

The Office Bearers shall constitute the Executive of the Board. The role of the Executive is to support the functions of the Board and the Company. No decision of the Executive or an individual Executive member is binding on the Board or Company unless express authorisation has been granted by the Board at a Board meeting in advance.

### **3.2.2 Skills Required on the Board**

As far as possible, the Board should contain a blend of expertise in the following areas:

- Accounting/finance;
- Business and management;
- The performing arts, with preference for the folk arts;
- Media/issues management, communications and publicity;
- Project management;
- Legal qualifications and at least 5 years experience in private and/or public practice ;
- Human resource management;
- Risk management;
- The voluntary sector; and
- Other skills as may be required.

Board members should also have a demonstrated commitment to the objectives of the Company.

Note – a demonstrated commitment to the objectives of the Company may be evidenced by a long history of involvement with the Festival as a volunteer, staff member, performer or attendee.

### **3.2.3 Financial skills**

All Board Members should have an understanding of financial statements and related documentation.

### **3.2.4 Appointment of the Board of Directors**

The Board of Directors is appointed under the terms of the Company's Constitution.

## **3.3 *Role of the Board of Directors***

### **3.3.1 General Roles**

The Board has responsibility for the overall successful operations of the Company. The Board's duties relate to:

- The strategic direction of the Company;
- Financial operations and solvency;
- Any matters prescribed by law; and
- Major policy issues including, but not limited to, staffing and risk management.

### **3.3.2 Code of Conduct**

Company directors will comply with all the relevant duties prescribed in the Company's Constitution and in all applicable laws. In particular, Directors will:

- Owe a fiduciary duty to the Company;
- Only use the powers of the office for a proper purpose;
- Discharge their duties honestly and in good faith;
- Act with the level of skill, care and diligence expected of a Company Director;
- Act at all times in the best interests of and for the benefit of the Company;
- Not make improper use of information gained through their position as a Director;
- Not take improper personal advantage of the position of Director nor seek to procure an advantage for any other person;

- Not allow personal interests, or the interest of any associated person, to conflict with the interests of the Company;
- Make reasonable inquiries to ensure that the Company is operating efficiently, effectively and legally towards achieving its goals;
- Undertake diligent analysis of all proposals placed before the Board;
- Not engage in misconduct likely to bring discredit to the Company;
- Give generously of their specific expertise to the Company; and
- Comply with the spirit, as well as the letter, of the law and with the principles of this Charter.

### **3.3.3 Expectations of Directors**

A Director should, in good faith, behave in a manner that is consistent with generally-accepted procedures for the conduct of meetings at all meetings of the Board. This will include, but not be limited to:

- Acting in a business-like manner;
- Acting in accordance with the Constitution;
- Using good judgment, common sense and tact when discussing issues;
- Ensuring that others are given a reasonable opportunity to put forward their views (i.e. refraining from interruption or interjection when another Board member or person is speaking); and
- Being sensitive in interpreting any request or indication from the Chairperson that aims to ensure the orderly and good-spirited conduct of the meeting.

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

Outside Board meetings, however, Directors will support the letter and spirit of Board decisions in discussions with Festival stakeholders.

Directors will respect the confidentiality of Board discussions and deliberations. All confidential information received by a Board member in the course of the exercise of the Board member's duties remains the property of the Company. 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.

A Director is not prohibited from speaking about matters that are before or have been before the Board. However, a Director should not, for example:

- Attribute statements made during Board meetings by Directors to those Directors in discussions with persons outside the Board;
- Divulge information from a Board meeting or out of session discussion that has been identified as confidential; or
- Divulge information that is inherently confidential – such as financial information, information about a person’s personal affairs – unless authorised to do so.

If in doubt a Director should consult with the Chair or a Co-Chair of the Governance Committee.

### **3.3.4 Conflict of Interest and Related Party Transactions**

Directors must:

- Disclose to the Board actual or perceived conflicts of interest (financial or otherwise) which may exist or might reasonably be thought to exist between the interests of the Director and the interests of any other parties in carrying out the activities of the Company; and
- At the request of the Board within seven days, or such further period as may be allowed, take such steps as are necessary and reasonable to remove any conflict of interest referred to above.

If a Director cannot, or is unwilling to, remove a conflict of interest as required, then the Director must not be present in the room when discussing matters to which the conflict relates. This entry and exit will be Minuted. However, where the Board passes a resolution that identifies the nature and extent of the Board Director’s interest and clearly states that the remaining Directors are satisfied that the interest should not disqualify the Director, then the Director can take part in discussion involving the conflicting interests.

Directors will indicate to the President any potential conflict of interest situation as soon as it arises. The President will indicate to all other Board Members any potential conflict of interest situation he/she may have as soon as it arises.

Declarations of interests are to be recorded in the Minutes of the relevant Board meeting.

### **3.4 *Role of President***

The President's role is a key one within the Company. The President exercises a broad oversight of the operations of the Company with respect to meeting its constitutional, legal and social obligations. The Company expects that the President will use his/her experience, skills and leadership abilities to facilitate the governance processes.

The President will:

- Chair Board meetings –
- Establish the agenda for Board meetings in consultation with the FD and Board members as required;
- Approve papers to be presented to the Board, if desired;
- Approve, for distribution to Board Members, the draft Minutes of Board meetings;
- Be the primary point of contact between the Board and the FD;
- Be kept fully informed of current events by the FD on all matters which may be of interest to Board Members;
- Regularly review with the FD progress on important initiatives and significant issues facing the Company;
- Provide mentoring for the FD; and
- Chair the FD evaluation process and commence the annual process of Board and Director evaluation.

### **3.5 *Role of the Festival Director***

The FD is responsible for the ongoing management of the Company in accordance with the strategy, policies and programs approved by the Board. The Company shall be managed to achieve the goals agreed and endorsed by the Board.

The FD's responsibilities include:

- Being the primary conduit through the President of the affairs of the Company such as relate to the operations of the festival office;

- Developing, with the Board, and implementing, short, medium and long-term objectives of the Company;
- Carrying out the day-to-day management of the Company;
- Representing and promoting the Company;
- Ensuring the sound financial planning and commercial management of the Company through budgeting and appropriate financial control measures;
- Seeking out funding, sponsorship and other arrangements with external organisations, and facilitating sourcing, preparing and submitting grant funding for artistic projects;
- Negotiating the terms and conditions of appointment of the BM for Board approval;
- Appointing staff members of the Company (other than the BM);
- Negotiating the terms and conditions of appointment of all other staff members;
- Overseeing the appointment of volunteers to assist with the operation of the Festival;
- Providing strong leadership to, and effective management of, the staff and volunteers of the Company in order to:
  - encourage cooperation and teamwork;
  - build and maintain staff morale at a high level; and
  - build and maintain a strong sense of staff identity with, and a sense of allegiance to, the Company;
- Ensure staff and volunteers have access to appropriate training;
- Conduct annual performance evaluations of staff to ensure that their needs and the needs of the Company are being met (see 5.7 regarding evaluations for BM);
- Ensuring a safe workplace for all personnel;
- Ensuring adequate maintenance of facilities, buildings, grounds, plant and equipment;
- Ensuring a culture of compliance generally and specifically in relation to environmental matters;

- Keeping the Board informed, at an appropriate level, of all the activities of the Company; and
- Ensuring that all personnel act with the highest degree of ethics and probity.

The FD is formally delegated by the Board to authorise all expenditures as approved in the budget, subject to limitations determined by the Board from time to time, and as may be set out in a Company Delegations Policy.

The FD is also responsible for the development of a diverse high quality program of folk arts with a strong identity and opportunities for the featured state and a considered balance between: traditional, contemporary folk material; male and female participants; interactive/participative and non-participative activities; Australian and overseas performers, music, song, children, youth, dance, spoken word, folk life, emerging artists and other program material.

The FD's artistic program responsibilities include:

- Developing an artistic direction plan, for approval by the Board;
- Managing the performer application and selection process and the artistic programming of the Festival;
- Negotiating and making contracts with performers/acts for the Festival, musical instrument workshops and any school outreach programs or additional programs;
- Seeking out identified program needs including special attractions unique to the Festival; and
- Programming the Festival, musical instrument workshops and school outreach programs in accordance with the strategic objectives of the Company.

### **3.6 Role of the Business Manager**

The BM is responsible for all day-to-day financial operations of the Company including payroll, accounts receivable, accounts payable, reconciliations, and for overseeing the Festival's insurance requirements and the annual audit. The BM is also responsible for the on-site organisation of the finance and treasury elements of the Festival.

The BM's responsibilities include:

- Managing the Company's finances under the direction of the FD;

- Providing end-of-month reports on financial statements to the FD and the Board on a monthly basis or as requested;
- Managing the Company payroll including workers compensation, superannuation and leave; and
- Other finance duties as directed by the FD.

## **4 Board Processes**

### **4.1 Board Meetings**

The Board meetings and agenda are fundamental governance processes. The Board meeting is critical as it is the main opportunity for Directors to:

- Obtain and exchange information with the FD;
- Obtain and exchange information with each other;
- Make decisions; and
- Provide strategic direction to the festival office through the FD.

The Board meeting agenda is important as it shapes the information flow and subsequent discussion.

#### **4.1.1 Meeting Frequency**

The Board will meet as frequently as necessary to maintain sound oversight of the Company, and not more than 2 months should elapse between successive meetings. It is anticipated that Board meetings will be held on the second Tuesday of the month.

A Board meeting can be convened at any time by a majority of Directors giving notice in accordance with Clause 10.1.1 of the Constitution.

While it is envisaged that Board meetings will generally be physical meetings of the Board, it is recognised that meetings may be convened electronically.

An annual schedule of the upcoming Board and Committee meetings should be approved before the end of a calendar year and amended as necessary at subsequent Board meetings.

#### **4.1.2 Meeting Time**

Unless otherwise agreed, the physical Board meetings will generally commence at 6:00 pm.

### **4.1.3 Attendees**

Attendees at Board meetings will comprise all Directors. In addition, other persons may be invited to give presentations or to contribute to discussion on particular matters as required for the relevant part of a meeting.

### **4.1.4 Emergency Decision Making**

An urgent decision that cannot wait until the next Board meeting can be dealt with out of session by the President in consultation with such Directors as are available. This may be done through a face-to-face meeting or by electronic means. Decisions are to be advised to the officer responsible for recording Minutes of the Board. Any such decisions must be reported at the next Board meeting for ratification by the Board.

### **4.1.5 Quorum**

A quorum for a Board meeting will be at least one half the number of Directors plus one (disregarding any remainder) (Constitution Clause 10.6).

## **4.2 Board Meeting Agenda**

A formal agenda is an important part of the Board meeting because it shapes the information flow and subsequent discussion. An agenda will be prepared for each Board and Committee meeting. The Board meeting agenda will generally follow the format outlined below.

### **4.2.1 Draft template agenda**

- Apologies.
- Declarations of interest.
- Notification of other business.
- Minutes of previous meetings.
- Matters arising from minutes.
- Out of session decisions since the last Board meeting (if required).
- Report from FD.
- Business activities requiring Board discussion and/or approval.
- Report from Finance and Audit Committee.
- Report from other committees.
- Other business.
- Next meeting.

### **4.2.2 Conduct of Meetings**

The Chair will determine the degree of formality required at each meeting while maintaining the decorum of such meetings. As such the Chair will:

- Retain sufficient control to ensure that the authority of the Chair is recognised - this may require a degree of formality to be introduced when it is required to make progress;
- Ensure that all Directors are heard:
- Take care that the decisions are properly understood and well recorded; and
- Ensure that the decisions and debate are completed with a formal resolution recording the conclusions reached.

#### **4.2.3 Board Papers**

The President, together with the FD, is responsible for the preparation and circulation of Board papers. Papers may be circulated in hard copy or electronically, as is most convenient and cost-effective for the Board.

Normally, Board papers should comprise:

- Minutes of the previous meeting;
- Agenda;
- Action item list from previous meetings;
- FD's report;
- Finance report
- Reports of Committees; and
- Submissions requiring decisions.

Papers should clearly indicate where a Board decision is sought, and include the recommended resolution. Lengthy submissions and reports should contain a brief executive summary.

#### **4.2.4 Access to Board Papers**

Access to Board papers (including Board meeting agendas and minutes) by Members of the Company, by staff or by any other person is at the complete discretion of the Board.

If in doubt a Director should consult with a chair or co-chair of the Governance Committee.

### **4.3 Board Minutes**

Minutes will refer to relevant Board papers tabled plus the resolutions adopted by the Directors. All decisions will be recorded in the Minutes by means of a formal resolution.

The Chair will read the precise resolution to the Board and ask for all in favour and those against. If a Director does not voice dissent, it is taken as support for the resolution. The exact wording will be recorded in the minutes and whether the resolution was carried or defeated, but will not contain the number of votes.

Directors who dissent can ask to have their decision noted in the Minutes.

Abstentions shall be recorded as a vote against the motion. In the case of an equality of votes, the Chair of the meeting has the discretion to exercise a casting vote. In the case of an equality of votes, and the Chair has not exercised a casting vote, the motion is not carried. (Constitution, Clause 10.7)

Decisions by the Board of a policy nature will be recorded in relevant Company policy documents. This is the responsibility of the FD.

### **4.4 Board Committees**

The Board will establish Committees to assist the Board fulfil its functions effectively and manage Board workloads.

The Board will have a Finance and Audit Committee, and any other committees, either standing or short-term, as the Board decides are required to fulfil its functions effectively.

Any committee shall consist of at least two Directors and such other persons as the Board considers appropriate. The Board is to approve Terms of Reference for each Committee which identifies:

- The Committee's role;
- Delegations and authorities;
- Specific Duties (if applicable);
- Committee membership and chairperson;
- Quorum;
- Meeting requirements; and
- Reporting requirements.

Committees and Terms of Reference will be reviewed annually.

## **5 Board Functions**

### **5.1 Strategy Formulation**

The Board will approve the strategic direction of the Company. As appropriate, a strategic plan and an artistic plan will be developed, updated, approved and reviewed each year, or as the Board determines.

Papers requiring significant resource decisions should address how the decision is related to the strategic plan.

### **5.2 Advice/Contacts**

In recognition that the FD-Board relationship is critical to effective corporate governance, Directors should provide frank and honest advice to the FD. The FD should in turn provide frank and honest advice to the Board.

Directors are also expected to engage proactively with the community to further the interests of the Company.

### **5.3 Monitoring**

A fundamental function of the Board is to monitor the performance and compliance of the Company. With this general principle in mind, the Board is charged with monitoring both financial and non-financial performance.

#### **5.3.1 Financial Performance**

The Board will closely monitor:

- Cash reserves;
- The statement of financial position;
- The statement of financial performance; and
- Cash flows.

#### **5.3.2 Non-financial Performance**

In addition to the financial reporting, the Board will consider the need for periodic reporting of the following:

- Staff numbers;
- Administrative overheads;

- Productivity;
- Festival attendance/ticket sales;
- Stakeholder satisfaction;
- Health and safety measures; and
- Environmental measures.

## **5.4 Financial Governance**

### **5.4.1 Financial Structure**

The Company is a public company limited by guarantee. The liability of the Company's Members is limited to the amount the Members undertake to contribute to the property of the Company in the event that it is wound up (an amount not exceeding \$10.00 per Member).

The Company is a not-for-profit organisation. Consequently all income and property derived from its activities must be applied solely towards the promotion of the objectives of the Company. Additionally the Company is prohibited from making distributions to its Members and paying fees to its Directors for Board duties.

The Finance and Audit Committee manages the financial affairs of the Company, including the preparation of an annual budget for Board approval.

### **5.4.2 Financial Reporting**

Financial reports are prepared on a monthly basis in consultation with the Finance and Audit Committee for submission to the Board.

The monthly financial reports must include:

- Details of the Company's financial operations including (but not limited to) a profit and loss report for the current year to date;
- A current balance sheet;
- Details of available cash;
- Details of debtors and creditors;
- Details of all statutory financial obligations; and
- A report on the budget for the current year.

#### **5.4.4 Planning and Budgeting**

An annual budget is to be prepared by the Finance and Audit Committee and presented to the Board for ratification. An adjusted annual budget may be presented to the Board at a later meeting for the remainder of the financial year.

The Company's annual budget aims to deliver a surplus excluding unearned income.

#### **5.4.5 Audit**

A financial audit is to be conducted on an annual basis by an accredited external auditor, approved by the Board and appointed by the Company.

The Company's auditor is to prepare an Annual Report which is to be presented to the Members of the Company at the AGM through the Finance and Audit Committee.

#### **5.4.6 Cash Management**

The Board is responsible for the financial management of the Company. The Finance and Audit Committee should make regular recommendations to the Board in regard to its duty to manage the financial operations of the Company. In doing so, the Committee should recommend a prudent approach to the financial operations in order to ensure the solvency of the Company and the most efficient and optimum use of the Company's financial resources.

### **5.5 Compliance**

Every Company Member, staff member, volunteer, contractor, agent and representative of the Company is required to comply with all aspects of the law and to act ethically.

No person who wilfully breaches the law and is prosecuted will receive support from the Company.

### **5.6 Risk Management and Business Continuity**

The Company will have appropriate risk systems, including business continuity arrangements. The implemented risk management processes will be in accordance with appropriate Australian Standards. Business continuity plans will be developed with reference to the appropriate Australian Standards.

On an annual basis, the FD will present a risk management plan to the Board and, as needed, provide a report to the Board on risk management matters of concern.

All papers requiring significant resource or policy decisions should address how the decision is related to the agreed risk management strategy.

The FD must ensure that the Board is advised on all matters involving a material risk.

### **5.7 *FD and BM Evaluation***

The FD and BM are key employees of the Company.

In particular, a special relationship exists between the FD and the Board. The detailed FD evaluation is to be undertaken by the President.

The President will also undertake personally, or delegate responsibility for, a detailed evaluation of the BM.

Evaluation will be judged against the approved strategic plan and the relevant duty statements.

FD and BM evaluation will occur annually. At this time the President and the FD will discuss and agree on goals (both quantitative and qualitative) for the upcoming year. The President or his or her nominee will also discuss and agree on goals (both quantitative and qualitative) for the upcoming year with the BM.

### **5.8 *Delegation of Authority***

Directors are responsible for any delegations of their responsibilities with regard to corporate operations. As such, they decide as a Board what organisational matters are to be delegated either to specific Directors or to management. In addition, they outline what controls are in place to oversee the operation of these delegated powers.

As a consequence, Directors have no individual authority to participate in the day-to-day management of the Company, including making any representations or agreements with suppliers, customers, employees or other parties or organisations.

The exception to this principle occurs where the Board through resolution explicitly delegates an authority to the Director individually.

Committees and their members require specific delegations from the Board as a whole and these will be contained in each Committee's respective Terms of Reference.

### **5.8.1 Decision-making Process**

The decision-making process and delegations of a Board are fundamental to the corporate governance process.

Questions arising at a Board meeting should usually be decided on a consensus basis. In the event of a vote, a decision is decided by a majority of votes. In the event of an equality of votes, the Chair has the discretion to exercise a casting vote. (See also 4.3)

### **5.8.2 Delegation of Authority**

To facilitate day-to-day operations, the Board has delegated its authority on specific matters to the FD and relevant staff and volunteers, as set out in the relevant statements of duties and/or job descriptions. Changes to these delegations must be approved by the Board.

The following matters must be referred to the Board:

- Annual budgets;
- Approving expenditure in excess of financial delegations as determined by the Board from time to time;
- Major changes of policy including marketing, human resources and financial;
- Submissions for government grants;
- Expansion of services; and
- Any proposed changes in strategic direction.

### **5.8.3 Actions for Advice or Noting**

Periodically, unless the matter is urgent, the following should be reported to the Board or appropriate Board Committee for advice/noting:

- Bad debts in excess of ninety days;
- Potential legal action against the Company;
- Significant insurance matters;
- Non-routine financial claims against the Company; and
- Expenditure in excess of financial delegations as determined by the Board from time to time.

## **6 Board/staff contact protocol**

While it is recognised that the Festival is not a typical company structure in that the members of the Board often have operational experience, it is important to also recognise that the Board must, during the offsite phase of the festival cycle, allow the paid staff of the Festival time and space to conduct their duties free from unreasonable scrutiny or interference.

It is also important that staff recognise that there will be circumstances whereby matters that may appear 'operational' have strategic implications and Board involvement and support is necessary.

To the greatest extent practicable Directors will adhere to the following protocol when dealing with the Festival office in the offsite phase::

- Board members should not attend at the office unless it is necessary for a regular meeting either of the Board or a Committee of the Board. Board members should not attend casually at the office. If a reason exists other than in this protocol for a Board member to attend at the office a courtesy call should be made to the office in advance;
- Unless there is a specific project underway or an ongoing dialogue, such as may relate to finance or legal matters for example, and only with prior agreement between the President and the FD, Board members should not seek information from Festival staff. All approaches should be made through the President, who should approach the FD to request the required data;
- If information is not forthcoming, the Board member should take the matter up with the President. If the information is still not forthcoming, a Director may write a letter to all Directors and the FD detailing the information required, the purpose of the information, and who the Director intends to approach in order to obtain the information;
- Notwithstanding the above no Board member should direct staff to either provide information or to perform duties unless this is specifically agreed between the President and the FD. Agreement should only be in agreed circumstances, such as the Chair of the Audit Committee requiring financial information, for example; and
- During the onsite phase of the Festival, the chain of command process in the relevant procedures manual shall be followed.

## **7 Continuous Improvement**

### **7.1 Director Protection**

As a general rule, a Director has two key areas of protection – the right to information and the right to be insured by the Company against specific risks of being a Director. Therefore, as general practice, the following measures of Director protection will apply.

#### **7.1.2 Access to Board Papers**

A complete set of Board papers is to be held by the Company on behalf of the Board for a period of at least seven years.

Directors are entitled to access the papers for the period when they were a Director on request, even if they have ceased to be Directors.

#### **7.1.3 Insurance**

The Company will provide each Director with a copy of the 'directors and officers' insurance policy and any changes to that policy.

The Company will maintain each Director's insurance for seven years from the date at which they ceased to be a Director.

### **7.2 Board Evaluation**

As a matter of principle, the Board is committed to the ongoing development of both individual Directors and the Board as a whole. Each year the Board will conduct an evaluation of its performance. The objective of this evaluation is to provide best practice corporate governance to the Company. Such a review can be:

- Qualitative, quantitative or a mixture of both;
- Formal or informal;
- Concentrated on reviewing the Board as a whole or Directors individually;
- Self-administered, administered by the Chair/fellow Directors or administered by an independent expert; or
- Focused internally on the Directors or involve the wider body of Company.

### **7.3 Director Remuneration**

By serving on the Board, the Directors of the Company assume significant responsibility. Nevertheless, as the Company is a not-for-profit organisation, it is expected that Directors undertake their duties as a community service.

Directors must not be paid fees or other remuneration in relation to Board service other than as set out in clause 8.2 and clause 9 of the Company's Constitution.

The FD will receive remuneration as an employee of the Company in accordance with the relevant terms and conditions of employment.

### **7.4 Director Development**

In order to continually improve Board performance, Directors are encouraged to undergo professional and self-development. Where necessary, skills gaps are identified, and subject to funding provision, Directors may be provided with relevant resources and training. Directors who wish to undertake a development activity at Company expense should approach the President.

### **7.5 Director Induction**

New Directors will undergo a full induction into their role on the Board.

Information conveyed to the new Directors will include the following:

- Constitution of the Company;
- Governance Charter;
- Strategic plan;
- Artistic plan;
- Most recent annual report;
- Background information on, and contact information for, Directors and other key people in the organisation (including an outline of their roles and responsibilities);
- Terms of reference of committees; and
- A synopsis of current strategic directions and issues.

Additionally, each Director upon appointment to the Board will receive a formal letter of appointment that details:

- Terms of appointment;
- Conflict of interest declaration;
- Payment of expenses;
- Access to information;
- Insurance coverage; and
- Expectations of the Board.

## **8. Grievances and Complaints**

The Board acknowledges that issues about conduct or other problems may arise and is committed to providing a fair and accessible mechanism whereby these can be assessed and dealt with promptly, ensuring that they are handled sensitively, professionally and in a confidential manner and protects the Company's reputation and relationships between Board Members.

Principles of natural justice and procedural fairness will apply to all grievances and complaints.

The Board shall approve procedures for managing grievances and complaints.