



26 January 2012

Manager
Philanthropy and Exemptions Unit
Personal and Retirement Income Division
The Treasury
Langton Crescent
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By email: NFPreform@treasury.gov.au

Review of Not-For-Profit Governance Arrangements – Consultation Paper December 2011

I refer to the review of not-for-profit governance arrangements consultation paper of 8 December 2011. Effective Governance Pty Ltd is pleased to provide this submission as part of the Australian Government's consultation process for the establishment of the Australian Charities and Not-for-profits Commission (ACNC).

Effective Governance welcomes the establishment of the ACNC as a 'one-stop-shop' regulator to ensure no duplication of responsibilities between regulators. Obviously, referral of power from states and territories is critical and the smooth transition for existing entities to the ACNC is essential.

Who is Effective Governance?

Effective Governance is an independent, privately owned advisory firm specialising in corporate governance, strategy and risk management assisting clients in Australia and New Zealand.

Effective Governance combines extensive research with practical methods developed in the field through consulting with clients over a twenty-year period. We help boards identify their unique challenges and provide tailored solutions to meet their individual needs. Our team provides a unique blend of people with extensive experience as directors, senior managers, as management educators, as facilitators and as management researchers.

We are leading authors in the area of corporate governance having written and published the resources shown on the following page. For example, our updated *Compliance Toolkit* provides extensive guidance on the ASX Corporate Governance Council's Principles and is a valuable resource for those organisations wishing to align their governance with leading practice principles. We have also written a Directors' Toolkit (*Sustainable Governance Toolkit*) which is an extensive handbook for new and existing directors, of the Queensland and Aboriginal Islander Health Council (QAIHC) member boards, to understand what the role of the board and director is together with how the board performs its functions. The Toolkit addresses responsibilities under both the *Corporations Act 2001* and the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (CATSI Act). Appendix B contains a copy of the Introduction to the Toolkit.

Our experience shows the NFP sector is more than willing to develop these leading practice principles and should be continually encouraged to do so.



In addition, Effective Governance has developed the *High Performance Board Model* shown in Annexure B and the *Corporate Governance Charter Framework* shown at Annexure C, which have been utilised by many large, small and NFP entities over the last decade. The *High Performance Board Model* combines all elements of a high performance board – the board's ten key roles as well as conventional boardroom dynamics. Our model is aligned to the eight ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* and similar leading practice guidelines.

Effective Governance is also a major contributor to governance education and course facilitation for the Australian Institute of Company Directors and Chartered Secretaries Australia.

Effective Governance is well placed to support and assist the ACNC, once established, in producing leading practice guidance material and providing workshops and continuing advice to the not-for-profit (NFP) sector as part of the ACNC role. Effective Governance's extensive NFP sector expertise could be utilised by the ACNC in adopting leading practice governance material into the day-to-day operations of entities regulated by the ACNC.

For more information on Effective Governance, please access our website at <http://www.effectivegovernance.com.au>. Also attached at Annexure A is the Effective Governance Team.

Effective Governance's Response

Effective Governance fully supports the establishment of the ACNC as the NFP sector has been long in need of a dedicated regulator to assist this important part of corporate Australia. A principles-based approach incorporating the responsible individual (directors and key managers) concept is fully supported by Effective Governance and will significantly reduce the current risk of unqualified and unskilled responsible individuals managing and directing NFP entities. The proposed 'fit and proper person' test, similar to that currently utilised by Australian Prudential Regulatory Authority (APRA) regulated entities or the new condition 17 added to Listing Rule 1.1 to require an applicant for ASX listing to satisfy ASX that its directors or proposed directors at the date of listing are of good fame and character is supported by Effective Governance. However, a wider introduction of the 'fit and proper person' test for directors and key management personnel across all Australian entities should also be considered.

Our answers to the consultation questions are set out below and reflect the extensive experience of Effective Governance in working with boards and organisations in the for-profit, government and the NFP sectors. In particular, we have worked with over 500 large multi-national NFPs to small local NFP entities in the last 10 years. Our experience and observations place us in a very strong position to provide unbiased views on all challenges facing NFPs. In our experience the NFP sector often benefits from directors and executives in the for-profit and government sectors and the cross-fertilisation of skills across corporate Australia should not be underestimated. In fact, the ACNC should leverage from this and ensure the regulation of the NFP sector makes it more attractive to skilled and experienced directors and executives.

Consultation questions

1. *Should it be clear in the legislation who responsible individuals must consider when exercising their duties, and to whom they owe duties to?*

Effective Governance has worked extensively with NFP boards assisting them to understand their roles and responsibilities through professional development, but also by putting in place board charters that clearly articulate roles and responsibilities. We have observed the tension that arises in the NFP environment where boards have varying stakeholders to consider, including the members and the community to whom they provide the service. For example, we have worked extensively in the Aboriginal and Torres Strait Islander communities and have observed clear tension between the duties owed to the organisation and the cultural heritage of supporting the family.

As highlighted in *Bennetts v Board of Fire Commissioners of NSW (1967) 87 WN (NSW) 307* board members must act in the interests of the whole organisation, not just the interests of the group or branch that elected them to the board and must follow the principle of 'cabinet solidarity'. And, as reinforced in the *Corporations Act 2001 (Cth) (CA)* the four main duties for directors are:

- to act with all the *care and diligence* that a reasonable person might be expected to show in the role of a director (s. 180). The business judgment rule, provides a 'safe harbour' (a provision in an agreement, law or regulation that affords protection from liability or penalty under specified circumstances or if certain conditions are met) for a director who makes a judgment in good faith, for the best interests of the company and does not have a material interest in the judgment;

- *to act in good faith* in the best interests of the company and for a proper purpose (s. 181), including to avoid conflicts of interest, and to reveal and manage conflicts if they arise – a fiduciary duty;
- *to not improperly use their position* for personal gain or to the detriment to the company (s. 182); and
- *to not improperly use the information* they gain in the course of their director duties for personal gain or to the detriment to the company (s. 183).

The duties set out in the CA provide the right model to be considered by the ACNC in setting up the NFP framework. Aligning the duties of NFP directors with those imposed on directors captured by the CA is appropriate and would be supported by Effective Governance.

2. *Who do the responsible individuals of NFPs need to consider when exercising their duties? Donors? Beneficiaries? The public? The entity, or mission and purpose of the entity?*

The stakeholder group for NFPs is quite large and diverse and it is incumbent upon the board of directors as part of their duties to understand the needs of all key stakeholders and what impact their decisions may have on these stakeholder groups. Due to the number of stakeholders that NFPs have we do not support the legislation being explicit, but instead believe a principle-based approach would be more beneficial.

3. *What should the duties of responsible individuals be, and what core duties should be outlined in the ACNC legislation?*

The NFP sector is very diverse, ranging from small NFPs who receive minimal income and are incorporated associations through to large NFPs realising significant revenue and incorporated under the CA. Effective Governance's experience has been that the small NFPs have the most difficulty with understanding their duties. Directors of small NFPs generally do not have experience on other boards and have minimal opportunity (due to lack of funds) for professional development to help them understand their role. Clearly articulated NFP entity directors' duties would provide a greater level of clarity on what is expected by a director of a NFP. The core duties should be aligned with the CA duties, as outlined in response to Question 1 above.

4. *What should be the minimum standard of care required to comply with any duties? Should the standard of care be higher for paid employees than volunteers? For professionals than lay persons?*

Effective Governance's experience in working with the NFP sector is that there is difficulty in recruiting suitably qualified personnel to take up positions on NFP boards. Obviously there is a very wide range of organisations represented in the NFP sector and although there is an increasing trend of professionals looking to give back to their community, imposing a higher standard of care on those professionals, increases the likelihood of the professionals not wishing to take up board positions. It is therefore imperative the duties, responsibilities and care requirements be similar to those imposed under the CA and provide the same protection for directors and key executives.

Effective Governance does not support differing levels of duty of care. Alignment with the duty of care requirements in the CA is sufficient.

Although it is sometimes suggested a board chair has a higher duty of care it is not supported in legislation. Governance principles support the chair as 'first among equals', which in our experience works well as the board must work together as a cohesive group

and any impost of a higher duty of care on differing board positions has the potential to significantly impact the cohesiveness and consequently the decision-making abilities of the board.

5. Should responsible individuals be required to hold particular qualifications or have particular experience or skills (tiered depending on size of the NFP entity or amount of funding it administers)?

The recent decision in *ASIC v Healey & Ors [2011] FCA 717* (Centro) has highlighted, among other things, the importance of directors having a level of understanding of financial statements and the analysis of those statements. Effective Governance supports the need for skills-based boards. In our experience, there are particular competencies¹ that all boards require with other competencies dependent upon the specific organisation.

APRA requires specific qualifications for key executive positions and fit and proper requirements for responsible persons (includes directors and specific executives) involved in the running of authorised deposit-taking institutions. Effective Governance supports the fit and proper person test and suggests it could be a credible risk mitigation strategy across all entities.

Effective Governance is mindful of the volunteer status of many NFP board members and the significant impost a fit and proper person test would have on smaller NFPs. However, in supporting a skills-based principles approach with individual organisations, we suggest the determination of the level of competency required be a board decision, following consideration of guidance from the ACNC, in order to achieve organisational strategic goals.

6. Should these minimum standards be only applied to a portion of the responsible individuals of a registered entity?

No. This would cause division in boards and cause otherwise skilled individuals to be reluctant to join NFP boards for fear of having a higher responsibility than apparent equals.

7. Are there any issues with standardising the duties required of responsible individuals across all entity structures and sectors registered with the ACNC?

Other than the question of boards having the ability to make assessments of the level of competency, depending on requirements of the organisation, Effective Governance believes standardisation is appropriate.

8. Are there any other responsible individuals' obligations or considerations or other issues (for example, should there be requirements on volunteers?) that need to be covered which are specific to NFPs?

Effective Governance's experience is that very few NFP entities have a constitutional requirement that directors must undertake governance training within a stated time frame of joining the board. We are, however, seeing more and more directors undertaking training through the Australian Institute of Company Directors and Chartered Secretaries Australia, and through tailored professional development programs provided by Effective Governance. As an example, Rio Tinto Alcan in Gladstone, as part of its community engagement, has recently contracted Effective Governance to provide a full day general governance professional development program specifically for NFPs in the Gladstone

¹ Collective description for skills, knowledge, experience and behaviour.

area. We have completed four of these sessions, with 100 NFP directors and executives in attendance with certificates of completion being issued and on-going support provided, when requested.

These training sessions have proved very popular and we are scheduled to deliver additional sessions in 2012.

Again, we are mindful of the needs of the smaller NFP entities and the general volunteer nature of the NFP environment. However, we would strongly advocate for an accreditation process that empowers individual boards to attest to the competence of their own board once having been provided with professional development or specific instruction from the ACNC.

9. Are there higher risk NFP cases where a higher standard of care should be applied or where higher minimum standards should be applied?

We recognise there are higher risk NFP entities, similar to entities in other corporate structures. However, we support the same level of care being applied across Australian incorporated entities.

The higher risk NFP entities should have a greater level of oversight by the ACNC, similar to the scrutiny APRA provides to the major banks.

10. Is there a preference for the core duties to be based on the Corporations Act, CATSI Act, the office holder requirements applying to incorporated associations, the requirements applying to trustees of charitable trusts, or another model?

Effective Governance supports core duties based on the CA. Many directors of NFP boards also sit on the boards of entities regulated by the CA and are therefore familiar with existing requirements under CA. Effective Governance's experience supports the level of duty as set out in the CA.

11. What information should registered entities be required to disclose to ensure good governance procedures are in place?

Effective Governance supports transparency and disclosure of information in order for users of the services of organisations to make informed decisions. We support the following information being disclosed, but would highlight the disclosure guidelines suggested by the ASX Corporate Governance Principles. That is, 'one size does not fit all' incorporated into an 'if not, why not' approach. Flexibility in terms of stakeholder interest and community expectations is the key. Thus, disclosure of information should include:

- a. financial information including at a minimum annual balance sheet and cash flow statements;
- b. responsible individuals' qualifications and experience;
- c. responsible individuals' benefits/remuneration;
- d. related party transactions reported annually;
- e. board and committee charters;
- f. governance policies;
- g. responsible individuals' conflicts of interest declared annually;
- h. board meeting minutes excluding commercial in-confidence items;

- i. director independence;
- j. policy and process for managing conflict of interest; and
- k. policy and process for reviewing board and key management personnel performance.

12. Should the remuneration (if any) of responsible individuals be required to be disclosed?

Effective Governance supports transparency of remuneration paid to responsible individuals.

13. Are the suggested criteria in relation to conflicts of interest appropriate? If not, why not?

Effective Governance supports the conflict of interest policy criteria included in the discussion paper. However, we would suggest that it be expanded to allow any responsible person to identify a potential conflict of interest with another individual rather than the onus being on the conflicted individual. We have observed situations where the potential conflicted individual does not raise the conflict, as they do not believe there is one, whereas others do consider a conflict exists. The ultimate responsibility, of course, rests with the board.

14. Are specific conflict of interest requirements required for entities where the beneficiaries and responsible individuals may be related (for example, a NFP entity set up by a native title group)?

Effective Governance supports the ASX Corporate Governance Guidelines requiring a majority of independent directors on the board. NFP boards should have similar requirements, although we note the current reluctance of the superannuation industry to embrace this concept. If the NFP board comprises a higher proportion of related individuals, then the board should be required to have at least two independent, voting directors. For example, and as highlighted in our answer to question 1, the observed tension between the duty owed to some Indigenous organisations and the cultural heritage of supporting family can be mitigated through independence.

15. Should ACNC governance obligations stipulate the types of conflict of interest that responsible individuals in NFPs should disclose and manage? Or should it be based on the Corporations Act understanding of 'material personal interest'?

Effective Governance supports it being based on the CA.

16. Given that NFPs control funds from the public, what additional risk management requirements should be required of NFPs?

Effective Governance supports all organisations having a risk management framework in place such as that provided in the Australian Standard for Risk Management (AS/NZS ISO 31000:2009) and that the policy is disclosed as indicated in our answer to question 11 (see f). Also, the board's management of the fit and proper person test, as previously mentioned, can also assist to mitigate financial control risks.

17. Should particular requirements (for example, an investment strategy) be mandated, or broad requirements for NFPs to ensure they have adequate procedures in place?

Effective Governance supports a principles-based approach to the implementation of governance policies and procedures. Should the nature of the organisation require an investment strategy, the relevant policy should be disclosed as indicated above in question 11. Risk mitigation strategies including, audit and risk committees, internal and external audit and oversight by the ACNC may also be required.

18. Is it appropriate to mandate minimum insurance requirements to cover NFP entities in the event of unforeseen circumstances?

Although it is good business practice to mitigate risk with appropriate insurance cover, it is a matter for considered risk management by the board and the organisation. Mandating requirements will not assist organisations to make considered risk decisions.

19. Should responsible individuals generally be required to have indemnity insurance?

Effective Governance supports indemnity insurance for responsible individuals being provided by the entity.

20. What internal review procedures should be mandated?

Effective Governance supports the following internal review procedures being mandated:

- internal control policy and procedures documented and disclosed as previously indicated;
- a requirement for an Audit Committee once the NFP receives revenue greater than say \$500,000;
- a requirement for internal audit process once the NFP receives revenue greater than say \$500,000;
- a requirement for external audit process once the NFP receives revenue greater than say \$1,000,000; and
- A requirement for a review of the board's performance and effectiveness once revenue exceeds \$1,000,000.

21. What are the core minimum requirements that registered entities should be required to include in their governing rules?

Effective Governance supports the following core minimum requirements:

- purpose;
- membership requirements and voting arrangements;
- board structure and composition, including skills based board requirements;
- delegation powers;
- other responsible person roles such as CEO;
- code of conduct with termination clauses for breaching;

- meeting processes for annual general meetings, special meetings and board meetings; and
- elections every two years with tenure restricted to five terms.

Effective Governance's experience indicates that director elections are often held too frequently, normally annually, which can mean a loss of organisation memory. Conversely, board renewal can also be an issue where NFPs do not have the requirement to refresh the board with new experience and skills. As such, we recommend two year appointments restricted to five terms.

22. *Should the ACNC have a role in mandating requirements of the governing rules, to protect the mission of the entity and the interests of the public?*

Effective Governance believes that similar to that in the CA, the ACNC should mandate specific requirements for the constitution.

23. *Who should be able to enforce the rules?*

Effective Governance supports enforcement by the ACNC.

24. *Should the ACNC have a role in the enforcement and alteration of governing rules, such as on wind-up or deregistration?*

Yes.

25. *Should model rules be used?*

Yes.

26. *What governance rules should be mandated relating to an entity's relationship with its members?*

Effective Governance supports the following being mandated with respect to an entity's relationship with its members:

- holding of at least one meeting of members per year to include, but not limited to, confirmation of the strategic direction;
- transparency with respect to aspects of the business including finances and decision making through the publication of board meeting minutes (excluding commercial-in-confidence), including on websites;
- ensuring members understand the role of the board, through the publication on the entity's website, of the board charter; and
- dispute resolution procedures (documented and published) between the board and the members.

27. *Do any of the requirements for relationships with members need to apply to non-membership based entities?*

Effective Governance is of the view that the same requirements should apply to organisations that are not member based. NFP organisations will generally be seeking financial support from the community and therefore the community should be entitled to the same level of information as a member.

28. *Is it appropriate to have compulsory meeting requirements for all (membership based) entities registered with the ACNC?*

Yes. It provides a transparent environment and provides demonstrated good governance practice to enable communication and engagement between members and the entity.

29. *Are there any types of NFPs where specific governance arrangements or additional support would assist to achieve in better governance outcomes for NFPs?*

The critical support required for NFPs is access to information and professional development to ensure all individuals involved have a clear understanding of their roles and responsibilities. For example, Effective Governance has developed a governance toolkit to support the boards of QAIHC members².

30. *How can we ensure that these standardised principles-based governance requirements being administered by the one-stop shop regulator will lead to a reduction in red tape for NFPs?*

NFPs currently have to deal with Commonwealth, State or Territory regulators and sometimes are confronted with duplication. Effective Governance's experience is that NFPs find it difficult accessing material to assist in the establishment of good governance frameworks and practices. The ACNC needs to ensure the necessary referral of power is in place by the time the ACNC opens for business. It is also essential the ACNC has a standard reporting framework and clearly communicates to the NFP community that NFPs will only need to consult the one-stop-shop ACNC for advice, assistance and reporting. The ACNC reporting framework will also need to stipulate relationships with other government agencies.

Effective Governance recommends the ACNC has a framework of assistance and advice in place and has the resources to provide NFPs with governance assistance. The ACNC should consider accrediting professional governance experts to assist the ACNC in its advisory role to the NFP community.

31. *What principles should be included in legislation or regulations, or covered by guidance materials to be produced by the ACNC?*

Effective Governance's experience is that NFPs in particular lack robust governance frameworks, policy and procedure. Professional development for directors and key executives is also necessary and the ability for organisations to ensure people with the right skills and experience are attracted to the sector is imperative.

Effective Governance would recommend defining key governance roles and responsibilities in order to provide clear guidance to responsible individuals and prospective responsible individuals. The principles could be similar in nature to the ASX Corporate Governance Principles. A large number of Australian entities have adopted these principles or similar principles, such as those of Standards Australia (Good Governance Principles – AS 8000-2003), and these principles have demonstrated considerably improved governance, reporting and stakeholder assurance.

² Refer to section on Who is Effective Governance?

32. Are there any particular governance requirements which would be useful for Indigenous NFP entities?

As mentioned previously under question 14, it is important for organisations where responsible persons are related to have a minimum of two independent directors on the board.

In addition, the majority of Indigenous boards Effective Governance works with have an election annually. The consequence of annual elections is the potential to have a high turnover of directors, which then necessitates additional time and money to up-skill the new directors on their roles.³ Changing the requirements to an election every two years provides directors with the opportunity of clearly understanding their roles and being in a much better position to add value to the organisation before the next election is held.

Also, education on the role and expectations of being a director and the necessity for sound skills based boards will assist with emphasising the significant responsibility of being a director to members or potential members of Indigenous boards. The ACNC could provide governance briefings to members and assist in assessing the skills of each board. This could be achieved through utilising professional governance providers which would also minimise potential conflict of interest and ensure independence of decisions.

Otherwise, Effective Governance sees Indigenous entities as being no different from any other and the same requirements should be applicable across the board.

33. Do you have any recommendations for NFP governance reform that have not been covered through previous questions that you would like the Government to consider?

In line with ensuring responsible individuals within the NFP sector have and maintain the requisite level of skills, both at the board and key management level, Effective Governance recommends annual board (see question 20) and CEO/key management reviews be conducted.⁴

This would have the following effect:

- provide assurance to the ACNC that boards and key management of NFPs are ensuring leading practice governance processes and procedures are in place;
- ensuring the best people are involved in the NFP sector;
- encouraging the best people to the boards and key management of NFPs; and
- provide assurance to funding bodies of the level of governance within the organisation.

We further recommend the detail of any such reviews be confidential to the organisation, but would recommend the disclosure that a review has been conducted.

Conclusion

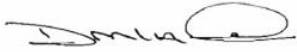
Effective Governance is pleased to have had the opportunity to contribute to the consultation process for the establishment of the ACNC and looks forward to further contributing and supporting the ACNC.

³ Anecdotal evidence indicates it can take six meetings before a director adds value.

⁴ APRA prudential standards and ASX Corporate Governance Principles provide guidance on reviews. Recent changes to the UK Corporate Governance Code require an external board review every three years.

We would be pleased to further discuss this submission. Please contact Stephen Howell of our office on 07 3510 8181 or stephen.howell@effectivegovernance.com.au

Yours sincerely

A handwritten signature in black ink, appearing to read 'Denise Morton', with a large, stylized loop at the end.

Denise Morton
Chief Executive Officer

Appendix A: The Effective Governance Team



**EMERITUS
PROFESSOR
GEOFFREY KIEL**
BCom (Hons), PhD
(NSW), FAIM,
FAICD, FAMI,
FANZMAC
Chairman

Geoff has had a distinguished career as a management consultant, senior manager, management educator and academic researcher. He has extensive personal experience working with clients in areas of strategic planning, marketing planning, marketing strategies, organisational design and development, marketing research and economic feasibility studies and is well known for his work in corporate governance. Geoff is the co-author of the major Australian practical guide to governance, *Boards that Work*, and *Board, CEO and Director Evaluation*. He is also a core facilitator for the AICD.



JAMES BECK
BSc (Hons) RMC
Duntroon GAICD
**Managing
Director**

James leads the team of governance professionals at Effective Governance. He has substantial experience in senior management, management consulting and delivery, which has been established through a strong focus on his clients over the last 20 years. Over that period he has gained in depth knowledge in governance and designing/ implementing strategic solutions to address business requirements of both government and private clients. As a partner at PricewaterhouseCoopers, he previously held the role of Education Leader for 5 years.



**DENISE
MORTON**
MBA (UQ) GAICD
CEO

Denise has had extensive experience in working with boards to enhance the governance of their organisations. In particular, Denise has worked with various indigenous organisations assisting their boards to understand good governance practice and also supporting the implementation of improved governance by developing the sustainable governance program. Denise is actively involved in our board evaluation, strategic planning and governance services, including providing governance advice, the preparation of board charters, and developing CEO evaluation processes and board and director development programs.



**STEPHEN
HOWELL**
FCPA FAMI MAICD
Senior Advisor

Stephen has over twenty five years experience as a governance professional with expertise in regulation, compliance, risk management and corporate governance. He is a forensic accountant, company director and company secretary with a focus on contributing to the professional development and governance of corporate Australia. His expertise also includes assisting organisations through change and process improvement whilst influencing strategic growth outcomes. With strong financial management qualifications and experience, he is a formally acknowledged and demonstrated corporate governance expert in Australia with extensive board experience as a governance and finance professional



MARK WATSON
BA (UNSW), MBA (UNE), Grad Dip of Strategic Studies (ADC), Grad Dip of Applied Corporate Governance (CSA), FAIM
Senior Advisor

As well as having led public sector and not-for-profit organisations at a senior level, Mark possesses an extensive background in governance including having held senior positions as the principal private secretary to the head of a large Commonwealth organisation, as a board director, and as chairman of a Commonwealth statutory authority and HR governance advisor in a Commonwealth agency. He possesses a very good understanding of the CAC Act having led the implementation of the Uhrig Review recommendations in a Commonwealth Statutory Authority.



ERICK J. FIBICH
BAcc CPA MBA (Melb)
Principal Advisor (Vic)

Erick has nearly two decades of governance experience in working across a variety of industries with several global and local organisations. His focus as a governance consultant was to assist clients with strategy and business transformation. Erick moved into senior management by leading operations for a large Asia-Pacific consulting practice followed by providing overall leadership and accountability for IBM's program of shared services and off-shoring. Prior to senior corporate roles and governance consulting, Erick began his career as an accountant for the Federal Deposit Insurance Corporation (FDIC) in Washington, D.C., where he was involved in fraud investigation for criminal restitution.



RICHARD WILLIS
Grad Dip Mgt BEng
Ass Dip Admin Studies
FAIM GAICD
Senior Advisor

Richard has gained a broad business experience from managing large public and private sector organisations. He uses this experience to focus on strategic and business analysis, corporate governance, risk review and assessment, financial analysis, leadership, IT governance and implementation and review of financial, project and staff management systems. He is currently completing his studies in a Master of IT at QUT.



JUDITH WINN
Grad Cert of Management (UQ) MAICD AFAIM
Senior Advisor

Judith joined the firm to assist clients in all areas of corporate governance. Prior to joining our firm, Judith was the Queensland Education Manager of the Australian Institute of Company Directors for 23 years. Her responsibilities in this role were to develop the annual calendar of education programs to be delivered in Queensland, and assess clients' governance requirements to advise directors as to the most appropriate program in strategy, risk, financials or effective governance. Judith is a member of the Asthma Foundation of Queensland Board.



JENNIFER TUNNY
BA (Hons) (UQ)
Senior Research Advisor

Since joining the firm in 2001, Jennifer has assisted in the preparation of books and academic and practitioner articles and has played a key role in research and in the development and preparation of teaching materials used in AICD courses. She has assisted in a number of board reviews and workshops to assist clients evaluate and improve their governance processes. Jennifer has also broadened her expertise into the area of strategic management has been involved in a number of strategic planning projects.



**FRANK
KELLOWAY**
MBA BA AFAIM
**Specialist
Advisor**

Frank has extensive leadership, strategic development and planning and governance experience working with private, not-for-profit and government organisations. More recently he has worked in the private sector providing strategy development and organisational enhancement programs and in the private and not-for-profit sector conducting board evaluations. He specialises in board development and evaluation, strategic planning, communication enhancement, leadership and negotiation.



**CAMERON
BECK**
BBus (Int'l Bus/Mgt)
Advisor

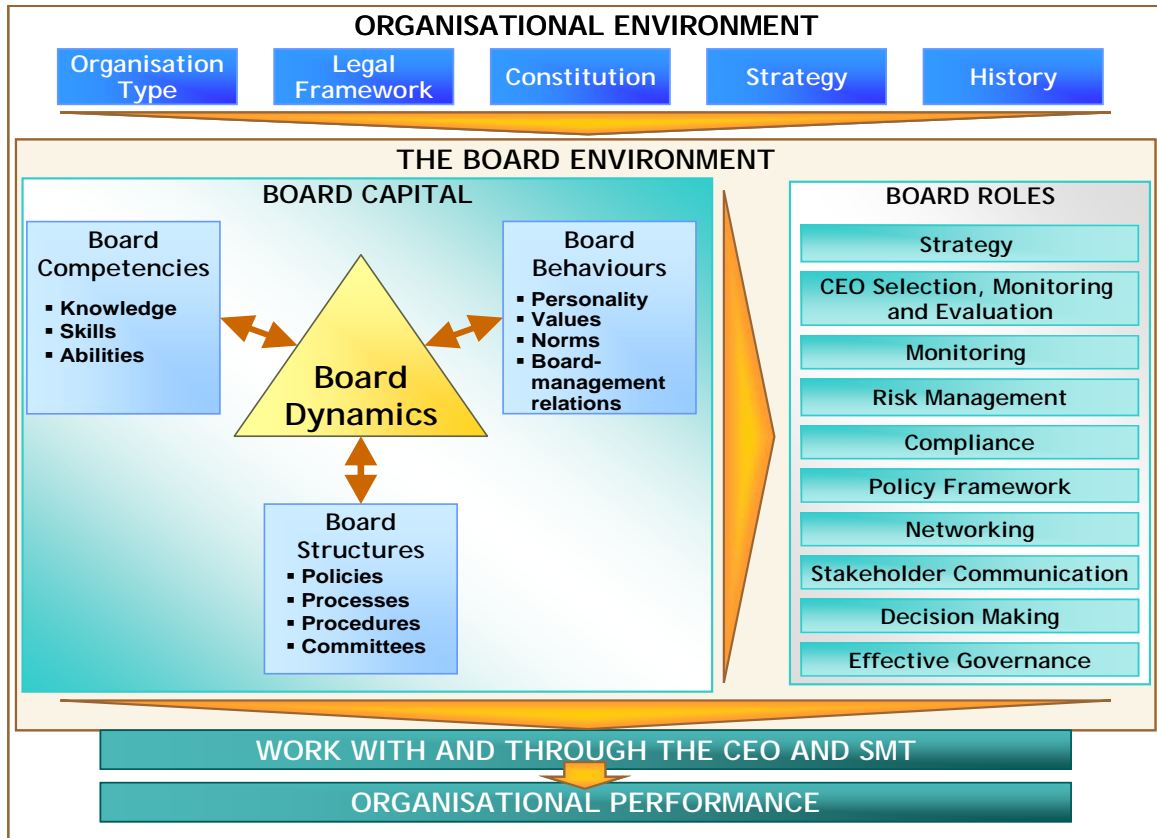
Combining his practical experience in information technology working with IBM's Asia Pacific Delivery Centre and his learning in completing a Bachelor of Business majoring in International Business and Management, Cameron provides support in the strategy and governance assignments. He also develops technologies to provide new methodologies in the implementation of governance and strategy services.



**HELEN
SHORROCKS**
Advisor

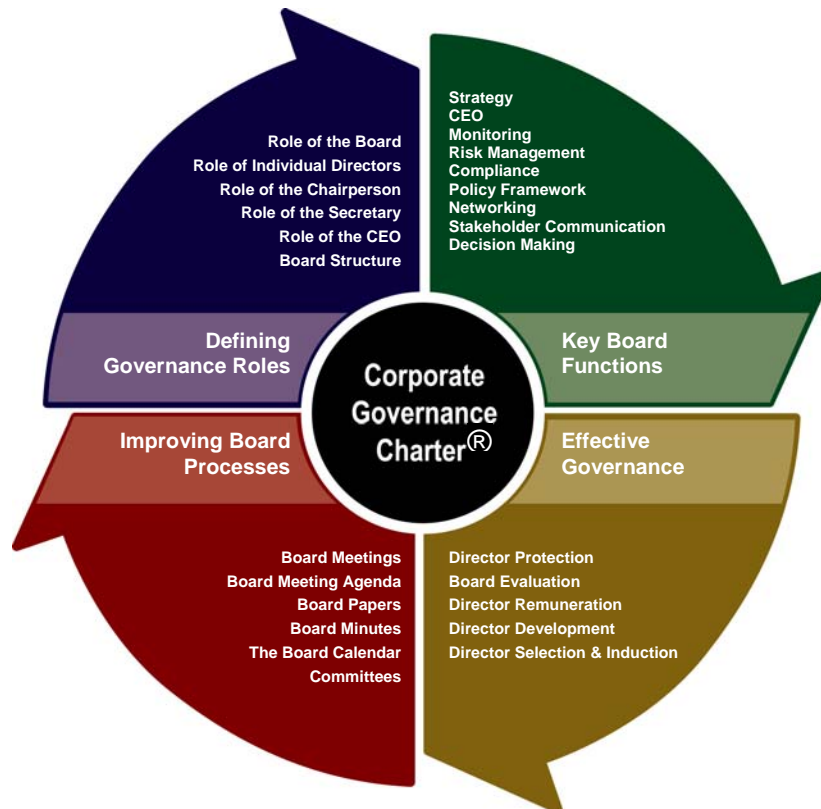
Helen is the longest serving member of our team and coordinates our advisors' projects and activities. Helen administers and coordinates our online board evaluation services and generates the findings reports from those evaluations. Her knowledge of governance and strategic planning has grown in her time here and she makes significant contributions to the services we provide our clients including the development of reports, presentations and educational materials.

Appendix B: High Performance Board Model



Adapted from G.J. Nicholson, & G.C. Kiel, 2004, 'A framework for diagnosing board effectiveness', *Corporate Governance: An International Review*, vol. 12, no. 4, pp. 442-60

Appendix C: The Corporate Governance Charter



Adapted from G.C. Kiel & G.J. Nicholson,
2003, *Boards that Work: A New Guide for
Directors*, Sydney: McGraw-Hill