

GOVERNANCE POLICIES AND PROCEDURES

(References to "Rules" relate to the Rules of RDJ-FM Community Radio Co-op Ltd as registered under the Co-operatives Act 1992.

This document should be read in conjunction with those Rules)

GOVERNANCE DEFINED - THE ROLE OF THE BOARD

Governance might be described as:

The exercise of corporate leadership through the establishment and monitoring of necessary controls and strategic direction setting so that the organisation is equipped to respond to the changing circumstances and situations in the external and internal environments in order to meet the expectations and demands of owners and other key stakeholders.

GENERAL PRINCIPLES

On behalf of the stakeholders, especially the owners (shareholders), the Board is responsible for the stewardship and future well-being of RDJ-FM Community Radio Co-op Ltd. The Board should exercise leadership, enterprise, integrity and judgement in directing the organisation so as to provide assurance of its continuing and lasting prosperity. RDJ-FM Community Radio Co-op Ltd's purposes are made clear in its Rules. Directors should apply and endeavour to achieve the highest possible standards of corporate governance.

In discharging their responsibilities the Board and individual directors have a duty to act in the best interests of RDJ-FM Community Radio Co-op Ltd as a whole, irrespective of personal, professional, commercial or other interests, loyalties or affiliations. Directors' first duty and loyalty must be to the organisation/legal entity.

In summary the Board:

1. Provides leadership to the organisation ensuring that it achieves continuing prosperity in the best interests of the organisation and its stakeholders.
2. Ensures an appropriate mix of directors whether through interaction with owners/key stakeholders resulting in the election of appropriately skilled personnel or through the appointment of such individuals.
3. Employs staff where applicable and monitors management and organisation performance against board-established criteria.
4. Identifies and monitors the management of corporate risks.
5. Ensures that the organisation complies with all internal and externally imposed compliance requirements.
6. Establishes and maintains an effective interrelationship with stakeholders.
7. Ensures that internal processes and procedures are designed to provide effective controls and serve as the basis for reporting to the board as required.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board is responsible for protecting the rights and interests of the owners (shareholders) and is accountable to them for the overall management of the organisation.

In particular directors have the following obligations:

- b. To act in good faith in the interests of all stakeholders of RDJ-FM Community Radio Co-op Ltd
- c. To exercise their powers for a proper purpose
- d. To avoid conflicts of interests
- e. To act honestly
- f. To act with reasonable care and diligence
- g. Not to make improper use of either their position on the Board or information gained while in that role.

Directors, either individually or collectively, are potentially liable if they act illegally or negligently.

In discharging its obligations and duties, the Board should assume responsibility in at least the following areas:

1. Meeting legal requirements

The Board's first duty is to the legal entity. In meeting this duty the Board must ensure that all legal requirements under the relevant Acts are met and that the entity is protected from harmful situations and circumstances in the interests of current and future stakeholders. The Board also has a responsibility to its various stakeholders to ensure that the available resources are used to deliver the 'right outcomes' to the 'right people' in the 'right way'.

2. Providing Strategic leadership

The Board will:

- a. Formulate, authorise and monitor RDJ-FM Community Radio Co-op Ltd's vision, mission and strategic objectives.
- b. Provide input that assists in identifying and understanding emerging trends and issues likely to affect the well being of RDJ-FM Community Radio Co-op Ltd and its members.
- c. Review RDJ-FM Community Radio Co-op Ltd's situation and agree the broad framework within which the strategic and business plans will be prepared each year.
- d. Recommend any significant shifts in the broad strategic direction of RDJ-FM Community Radio Co-op Ltd to the owners.
- e. Ensuring there are adequate internal controls and ethical standards of behaviour.
- f. Ensure the development of business plans.
- g. Review and approve RDJ-FM Community Radio Co-op Ltd's financial objectives, plans and actions, including capital allocations and expenditures.
- h. Monitor the effectiveness of the governance policies under which it operates and make changes as required.

3. Compliance and integrity

The Board will:

- a. Ensure ethical behaviour and compliance with the Board's policies, and statutes and regulations, audit and accounting principles and RDJ-FM Community Radio Co-op Ltd's stated values and its governance documents.
- b. Ensure the integrity of RDJ-FM Community Radio Co-op Ltd's internal control and management information systems so that its decision-making capability and the accuracy of its reporting are maintained at a high level at all times.
- c. Ensure that reports and proposals for the Board are timely, contain content and are formatted so as to reinforce and support the Board's governance role.

4. Financial Management

The Board has a core duty to ensure the financial integrity and viability of RDJ-FM Community Radio Co-op Ltd. This entails oversight of all financial processes and systems, regular review of financial results and, annually, approving the company's financial plan and budget and financial announcements.

5. Risk Management

The Board will identify and evaluate the principal risks faced by RDJ-FM Community Radio Co-op Ltd and ensure that appropriate systems are in place to avoid or mitigate these risks including the protection of intellectual capital.

BOARD MEETING POLICIES AND PROCESSES

1. Board Meetings

- a. As a general rule, the Board will meet monthly but at least not less than every three months with the proviso that meetings may be held as often as may be necessary for properly conducting the business and operations of the Co-operative (Rule 63(c)).
- b. A meeting of the Board of Directors may be called by a director giving notice individually to every other Director (Rule 63(a)).
- c. Special or emergency Board meetings may be called by the Secretary or the Chairperson.

2. Board Agenda

- a. The Chairperson will establish the agenda for each Board meeting although each Director is free to suggest the inclusion of item(s) on the agenda.
- b. Except in special circumstances determined by the chairperson, at least 48 hours notice shall be given to the directors of all meetings of the Board (Rule 63(b)).
- c. While recognising that those preparing the Board agenda are volunteers and have other commitments, the Board adopts as best practice the objective of circulating meeting papers at least 72 hours prior to each meeting.
- d. At each meeting, other than an emergency meeting, the Board shall receive and consider, as appropriate, financial reports, reports from committees, reports from co-ordinators, inwards and outwards correspondence, reports monitoring the performance of the station and any other matters which have been referred to it. In addition it will approve the admission of new members to the Co-operative.
- e. The Board will perform such other functions as a prescribed by law or assigned to the Board under RDJ-FM Community Radio Co-op Ltd's governing documents.

3. Transaction of Business at Board Meetings

- a. Decision shall be taken by majority vote (based on Rule 64(a). In the case of an equality of votes, the Chairperson may have a casting vote (Rule 64(b)).
- b. A quorum shall be 4 directors (Rule 66)
- c. A director shall not vote in respect of any contract or proposed contract with the Co-operative in which the director is in any way directly, or indirectly, interested or in respect of any matter arising out of a contract or proposed contract (Rule 64(c)) or in any other matter in which he or she has a material interest.
- d. If a director votes in contravention of clause 6c, the director's vote shall not be counted (Rule 64(c)).

4. Transaction of Business Outside Board Meetings

The Board may transact any of its business

- a. by the circulation of papers among all members; a resolution in writing by a majority of members is a decision of the Board (Rule 65(a)(i)). The resolution is carried on the date at which a majority of votes in favour is reached.
- b. at a meeting at which Board members (or some Board members) participate by telephone, closed circuit television or other means, but only if any Board member who communicates on a matter before the meeting can be understood by other members of the Board (Rule 65(b)(ii)).
- c. The Chairperson of the Board and each member of the Board shall have the same voting rights as they have at an ordinary meeting of the Board (Rule 65(b)).
- d. A resolution approved under clause 6a. is to be recorded in the minutes of the meetings of the Board (Rule 65(c)).
- e. The Secretary may circulate papers among members of the Board for the purposes of clause 6a. by facsimile, email or other means as appropriate (based on Rule 65(d)).

5. Board records

The following records shall be held at the Co-operative's registered office

- a. agendas
- b. minutes which shall record
 - the date, time and venue of the meeting;
 - the names of those present;
 - the name of the chairperson;
 - apologies;
 - details of any declarations of interest
 - any failure of a quorum;
 - a list of items considered, with brief details and any resolutions pertaining to those items; and
 - supporting documents and any other information Board members have used in their deliberations.

These records may be maintained electronically or in hard copy.

- c. The Secretary will have custody of the minute book and the directors' attendance book.

6. Delegation

In accordance with the Co-operatives Act 1992 (s213) and its Rules (Rules 69 and 70) the Board may, by resolution, delegate functions to one or more Board members or to a committee.

7 The Executive

The Executive consists of the Chairperson, the Secretary and the Treasurer. The defined roles of the individual members of the Executive are set out below with the proviso that these roles may be allocated to another member from time to time depending on the experience and expertise of members of the Executive.

In the event that RDJ-FM Community Radio Co-op Ltd does not have a station manager, the Executive will be responsible for the management of the station.

The Role of the Chairperson

The Chairperson is responsible for:

- a. Ensuring regular Board meetings are organised
- b. Ensuring that the Constitution and rules are adhered to including adherence to a quorum
- c. Maintaining a neutral position during discussion and decision making including noting decisions or motions and asking the meeting to vote on these
- d. Delivering a casting vote in the event of an equal vote
- e. Preparing an agenda in consultation with the Secretary
- f. Dealing with agenda items in order of importance, keeping discussion and decision making relevant and setting time limits if and when necessary
- g. Ensuring all members have the opportunity to speak, addressing themselves through the chair.
- h. Preserving order throughout the meeting
- i. If necessary suggest appropriate procedures to deal with any difficulties in getting through agenda items
- j. Signing the minutes of the previous meeting after they have been confirmed as a true record
- k. Representing the Co-operative at all levels of the community

The Role of the Secretary

The Secretary is the "Public Officer" of the Co-operative. They are responsible for:

- a. Making sure all correspondence and official records (other than financial) of the Co-operative are up to date, accurate and in order and located at the registered office
- b. Assisting the Chairperson to organise Board meetings
- c. Ensuring the minutes of the meeting are taken, either by themselves or delegated to a minute taker
- d. Ensuring that information for the Board and from the Board is dealt with in an efficient manner
- e. Ensuring that meeting papers (agenda, correspondence and previous minutes) have been distributed
- f. Working with the Chairperson to ensure the meeting runs smoothly
- g. Knowing the rules of the Co-operative and taking responsibilities for all the legal requirements of incorporation

The Role of the Treasurer

The Treasurer maintains and manages the finances of the Co-operative. The Treasurer reports to the Board on a regular basis (monthly meetings etc.) on the financial situation of the Co-operative.

The Treasurer should ensure all financial records of the Co-operative are up to date, accurate and in order and located at the registered office

The Treasurer should keep the following financial records as a minimum requirement to support receipt and payment of monies:

- a. Invoices / receipts for purchases (all payments) with cheque number reference
- b. All cheque butts fully completed showing to whom money was paid and for what purpose
- c. Copies of receipts issued for any money received showing from whom money was received and for what purpose
- d. Copies of Sponsorship Agreements for support of any sponsorship monies received
- e. If Petty Cash is used then receipts must be presented for any cash paid, the Petty Cash float being reimbursed by cheque regularly (eg Petty Cash receipts and cash balance should equal the float amount at all times) and maintain a list of Petty Cash payments and reimbursements
- f. An Asset Register listing all assets held - purchased or donated - (eg the number of records, cassettes, CDs, fax machine etc)
- g. Bank Statements showing transactions and Bank Account balance
- h. Copies of all Invoices, Credit Notes and Statements issued

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