

Part 4 - BoardSafe Appendices

Appendix 1

Better practice corporate governance checklist

The following checklist for better practice corporate governance has been prepared so your organisation can review its current features and aim to identify any weakness that may require action. This checklist has been directly taken from the Department of Family and Community Services publication ‘Corporate Governance Handbook for the Board’ published in October 2001.

BETTER PRACTICE FEATURES	ASSESSMENT
Board roles, responsibilities and skills	
1. Is there a clear identification of the powers, roles, responsibilities and accountabilities between the Board, the Chief Executive Officer and management?	
2. Are these responsibilities clearly communicated and discussed with stakeholders?	
3. Is there a good understanding of management’s responsibilities in relation to internal control?	
4. Is there a sound system of procedural and financial delegations approved by the Board? Does it promote efficiency as well as control?	
5. Are appropriate decision making processes adopted by the Board? Is there a clear distinction between what decisions should be made by the Board and those decisions that should be made by the organisation’s management?	
6. Are decisions that should be made by the Board clearly documented and understood?	

BETTER PRACTICE FEATURES	ASSESSMENT
7. Are there processes governing policy development, implementation and review, which ensure that the Board approves new policy?	
8. Is there a clear separation of roles and responsibilities between the Board, the Chief Executive Officer and management?	
9. Are appointments made to the Board with regard to the skill requirements of the Board?	
10. Are there adequate induction processes for new Board members?	
<p>11. Does the Board have a mix of appropriate skills, knowledge and experience covering:</p> <p>Business acumen/expertise</p> <ul style="list-style-type: none"> • the industry within which the agency operates; • the services/products being provided by the organisation; • policy development; • executive leadership skills; • finance; • marketing; • regulatory environment. <p>Other</p>	

BETTER PRACTICE FEATURES	ASSESSMENT
<ul style="list-style-type: none"> • legal; • vocational training; • disabilities. 	
Independence	
12. Is the majority of the Board independent of the Chief Executive Officer, management team and commercial dealings with the organisation?	
13. Are there sufficient numbers on the Board to achieve independence, but not too many to become inefficient?	
14. Are there appropriate policies and procedures to identify any potential conflicts of interest?	
15. Are there adequate policies and procedures to deal with potential conflicts of interest, once identified?	
Board meetings	
16. Are regular Board meetings held and are financial reports tabled?	
Board resources	

BETTER PRACTICE FEATURES	ASSESSMENT
17. Do Board members have access to independent professional advice to enable them to discharge their duties?	
18. For companies, is there a company secretary with the primary role of supporting the Board and chairperson?	
Code of conduct	
19. Is there a written code of conduct to be followed by the Board, Chief Executive Officer and staff?	
20. Is this code of conduct communicated and understood by the Board, Chief Executive Officer and staff?	
21. Are there clear guidelines in the code of conduct in relation to conflict of interest?	
Strategy setting and planning	
22. Is there an overall organisational plan, and is it supported by a business plan, budgets and marketing plan (if necessary)?	
23. Are there clearly defined performance measures (operational and financial) incorporated into the plans?	
24. Does the Board approve the budget set by management and revisions to it?	

BETTER PRACTICE FEATURES	ASSESSMENT
Risk management	
25. Is there a risk management plan that is supported by risk management strategies?	
26. Does the Board regularly review the risk management strategies?	
27. Are there any procedures for the Board to review the strategies and assess whether they are working effectively?	
28. Is the risk management plan reviewed regularly to ensure new risks are identified and risk management strategies are put into place?	
Financial and operational reporting	
29. Are there appropriate performance measures, financial and non financial, which enable the efficiency and effectiveness of the organisation to be assessed?	
30. Are reports tailored to particular levels of responsibility?	
31. Do reports efficiently and effectively communicate key financial data?	
32. Are the financial reports prepared on a full accruals basis as required under the Australian Accounting Standards (a requirement of the FaCS Service Agreement)?	
33. Do financial reports show a comparison between year-to-date, budget, last year-to-date and full-year data?	

BETTER PRACTICE FEATURES	ASSESSMENT
34. Are financial reports supported by explanations of significant variations?	
35. Are financial reports provided to the Board at least quarterly?	
36. Are financial reports provided to the Chief Executive Officer at least monthly?	
37. Are financial reports derived directly from the underlying accounting systems and is there a quality assurance process over the compilation of the reports?	
38. Do adequate accounting systems and records support financial reports?	
39. Are financial reports provided to the Board in sufficient time to enable review before meetings?	
40. Do members of the management team brief the Board when financial reports are tabled?	
41. Does the management team include a person with appropriate financial management expertise and experience?	
42. Does that person have a direct reporting line to the Board?	
Board performance	
43. Are there mechanisms to monitor performance of the Board and individual Board members?	

Audit committee—for larger organisations	
<p>45. Is there a charter for the audit committee covering such responsibilities as:</p> <ul style="list-style-type: none"> • management and financial reporting; • compliance with laws and regulations; • maintenance of an effective audit function; • suitable risk management and internal control frameworks; • membership; • frequency of meetings; • committee authority; • Board reporting obligations. 	
<p>46. Does the audit committee include a majority of independent (non-Executive) Board members?</p>	
<p>47. Do members of the audit committee have adequate financial and accounting expertise?</p>	
<p>48. Does the audit committee have unlimited access to internal and external auditors and to senior management?</p>	
<p>49. Does the audit committee have direct access to the Chief Executive Officer, Chief Financial Officer and external auditor and internal audit?</p>	
<p>50. Does the audit committee meet at least quarterly?</p>	

51. Does the audit committee review the status of all internal audit and external audit recommendations and their implementation?	
52. Do status reports summarise recommendations, officers responsible and implementation dates?	
53. Does the audit committee approve and monitor policies for risk management, reporting and internal control?	
Statutory accountability	
54. Is there a process that identifies all legislation relevant to the organisation, and monitors changes to the legislation and new legislation impacting on the organisation?	
55. Does financial and management reporting encompass reporting on critical legislative compliance obligations?	
56. Does the Board fully understand and continually assess its contractual requirements under the terms and conditions of service agreements with key stakeholders (including with the Department of Family and Community Services).	

Appendix 2

Board meeting – suggested OHS Agenda items

- ❑ **Number of incidents**
 - **What happened?**
 - **Where did it happen?**
 - **What corrective action was taken?**
 - **What are the trends?**
 - **What were the causes?**
- ❑ **Number of notifiable incidents**
- ❑ **Comparison of annual incident rate and frequency against industry standard**
- ❑ **Review of net costs related to Workers Compensation Claims**
- ❑ **Review of OHS/IM Risk Management system strategies and effectiveness**
- ❑ **Summary of OHS training**

Appendix 3

OHS/IM – Quick Checklist for Board members

Date:

Reviewers:

Y= Yes: P= Partial: N= No

1. Has the Board shown that they are committed to providing a safe and healthy workplace?

ITEM	Y	P	N
Is there an OHS Policy stating that the management of the organisation in consultation with employees will implement OHS legislation to ensure that there is a safe and healthy workplace for employees and all others who may visit the worksite.? Is this Policy signed and dated by senior management? Has a Policy review date been set and is it included in the policy?			
Has the policy been distributed to all staff? Is the policy displayed in a public staff area where it can be seen by all staff and visitors?			
Is new and current health and safety information relevant to the industry made available to staff? Are the National, Australian and Industry Standards relevant to the industry available and followed?			
Is OHS included in senior management performance reviews and job descriptions?			
Is OHS is an regular agenda item at Board meetings?			

2. Are management and staff consulted regularly about health and safety in the workplace?

ITEM	Y	P	N
If the organisation has over 20 staff, you are required to elect and train a consultative OHS committee or representatives. Has the committee or representatives been trained?			
Do all employees have sufficient knowledge of health and safety requirements to participate fully in health and safety arrangements? Do all staff know how to report workplace health and safety concerns?			
Do health and safety representatives, management and all employees meet regularly to discuss health and safety issues?			
Are all records of health and safety risk assessments and meetings kept in a safe place and available to all employees? Are minutes of OHS meetings distributed to all employees?			
Can you show that the language, literacy and numeracy needs of all employees being met?			

3. Are there written OHS Risk Management procedures?

ITEM	Y	P	N
Is there a system for regular and systematic identification of health and safety hazards in the workplace? Are risks that may arise from health and safety hazards assessed and prioritised?			
Is there a system to assign responsibility for implementation of measures to control the risks within a given time frame? Are the measures to control risks regularly reviewed and evaluated?			
If new equipment is ordered, is a risk assessment carried out on the equipment and the use of the equipment when it is installed or used in the business?			
Have managers, supervisors and staff had training in risk management? Is safety information arising from safety risk management regularly distributed to all workers?			
Is there a method for recording all health and safety incidents? Does the system record when the incident occurred and what action was taken to prevent further incidents?			
Have Safe Work Method Statements (SWMS) been written for most of the jobs in the organisation?			
Are hazardous chemicals and substances kept in a safe place according to the legislation? Is there a Material Safety Data Sheet (MSDS) register for all hazardous substances and is it regularly updated?			
Are appropriate first aid kits and someone trained in first aid available? Are kits maintained and their contents kept up to date?			

4 . Are there up to date Emergency Procedures?

ITEM	Y	P	N
Has a risk assessment been done prior to setting up emergency procedures (for example, fire evacuation)?			
Are emergency procedures known to and practiced by all employees?			

5. Do all staff have appropriate Training?

ITEM	Y	P	N
Is there a training register of all relevant training completed by employees?			
Is there a training plan to ensure that certificates are up to date and that all staff requiring further training have the opportunity provided?			
Are all employees who need first aid knowledge trained and is the training up to date?			
Have sufficient employees been trained in OHS to enable them to participate effectively in maintaining health and safety in the worksite?			

6. Do you have Injury Management (IM) policies and procedures for your organisation?

ITEM	Y	P	N
Is there an IM Policy and Program? Has the IM Policy and Program been signed and dated by senior management? Has a IM Policy and Program review date been established? Has the IM Policy and Program been distributed to all staff and is it displayed in a public staff area? Were the IM policy and procedures developed in consultation with employees or where applicable the OHS committee?			
Are records maintained which include injured workers files, workers compensation claim lodgment and review? Are records kept in a confidential manner?			
Is there a Return To Work (RTW) Co-ordinator? For Category 1 employers, has the RTW Co-ordinator been trained?			
Is there a register of injuries?			
Are all management and employees aware of legislative injury reporting responsibilities and WorkCover notification procedures?			
Are records kept according to insurance company and WorkCover guidelines? Are the records kept in a confidential manner?			

End of Part 4

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