

1. GOVERNANCE

Approval minuted by the Board on	18/02/14
Scheduled review date	18/02/16

Introduction

Governance in relation to the Blue Mountains Food Co-op is concerned with the systems and processes that ensure the overall direction, effectiveness, supervision and accountability of the Co-op.

Board members take ultimate responsibility for the governance of the Co-op. However, governance is not a role for the Board alone. Governance is also concerned with the way the Board works with the Co-op Manager and staff, volunteers, members, and the broader community to ensure the Co-op is effectively and properly run and meets the aims of the Co-op.

The Board of the Blue Mountains Food Co-op Ltd. is an elective, representative, and collective body which aims to represent the interests of the Co-op membership.

POLICY

The function of the Board of the Blue Mountains Food Co-op is, collectively in consultation with staff, to ensure the delivery of the Co-op's aims; to set its strategic direction, and to uphold its values. The Board is collectively responsible and accountable for ensuring and monitoring that the Co-op is performing well, is solvent, and is complying with all its legal, financial, and ethical obligations.

Responsibilities

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

1. **Compliance monitoring** – ensuring compliance with the rules, objectives, purposes and values of the Co-op
2. **Co-op governance** – setting or approving policies, plans and budgets to achieve those objectives, and monitoring performance against them
3. **Strategic planning** – reviewing and approving strategic direction and initiatives
4. **Regulatory monitoring** – ensuring that the Co-op complies with all relevant laws, regulations and regulatory requirements
5. **Financial monitoring** – reviewing the Co-op budget, monitoring management and financial performance to ensure the solvency, financial strength and good performance of the Co-op
6. **Financial reporting** – considering and approving annual financial statements and required reports to government;
7. **Co-op structure** – setting and maintaining a framework of delegation and internal control
8. **Leadership selection** – selecting, evaluating the performance of, rewarding and, if necessary,

dismissing the Co-op Manager

9. **Succession and remuneration planning** – planning for Board, Manager and co-ordinator succession, and determining the Manager’s remuneration
10. **Risk management** – reviewing and monitoring the effectiveness of risk management and compliance in the Co-op; agreeing or ratifying all policies and decisions on matters which might create significant risk to the Co-op, financial or otherwise
11. **Dispute management** – dealing with and managing conflicts that may arise within the Co-op, including conflicts arising between Board members, staff, the Manager, members, or volunteers
12. **Social responsibility** – considering the social, ethical and environmental impact of all activities and operations and ensuring that these are acceptable
13. **Board performance and composition** – evaluating and improving the performance of the Board

PROCEDURES

1. Relationship with management

The Board will focus on the strategic direction and the core policies of the Co-op, and avoid becoming involved in day-to-day operational decisions. Where individual Board members do need to become involved in operational matters, they will separate their strategic role (where they operate independently of any direction) from their operational role (where they act at the direction of the Manager).

2. Board responsibilities

- a) It shall be the responsibility of the Board to establish and maintain policies and procedures, and systems of financial control, internal control, and performance reporting.
- b) It shall be the responsibility of the Board to clearly demarcate and delegate the functions of sub-committees, the Manager and other staff.

3. Manager responsibilities

- a) It shall be the responsibility of the Manager to address key management and operational issues within the direction and the policies laid down by the Board, as per the Manager’s position description.

4. Internal controls

The Board will set and maintain policies and procedures, and systems of financial control, internal control, and performance reporting. The Board will ensure that there is a system for the regular review of the effectiveness of its financial control, internal control, performance reporting, and policies and procedures.

5. Managing risk

The Board will undertake a full risk assessment (either periodically or on a rolling basis) and take appropriate steps to manage the Co-op exposure to significant risks. The Board must regularly review the risks to which the Co-op is subject, and take action to mitigate risks identified.

2. BOARD OFFICE BEARER POLICY AND POSITION STATEMENTS

Approval minuted by the Board on	
Scheduled review date	

POLICY

Members and Office-bearers of the Board will be adequately informed about their respective duties and obligations as set out in Appendices A-D.

PROCEDURES

1. This policy shall be included by the Board secretary in the induction package provided to new Board members.
2. The Board secretary will ensure that a copy of this policy shall be available for reference in Board meetings.
3. Any point in dispute in this policy shall be resolved by the Chair.

Related Documents

- Board Attendance Policy
- Conflict of Interest Policy
- [Developing an Effective Induction Process help sheet](#)
- [Induction Checklist](#)

Authorisation of Policy and Procedures

Signed for and on behalf of the Co-op:

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Name	Signature	Position
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Name	Signature	Position
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APPENDICES

APPENDIX A

Position Statement: Board Chair

Statutory duties (i.e. those specifically required by law) are given in bold type	
Governance	Provide leadership to the Co-op
	Ensure [in partnership with the Board] that the Co-op's objectives, goals and mission are being followed
	Work with the Manager to ensure [in partnership with the Board] that the Co-op develops in the appropriate direction
	Work with the Manager to ensure [in partnership with the Board] that the Co-op operates in an ethically, environmentally, and socially responsible fashion
Planning	Oversee [in partnership with the Board and Manager] the production of a Business Plan for the Co-op
	Oversee [in partnership with the Board and Manager] the regular review and development of the Business Plan
Meetings	Ensure that appropriate standing orders are in place
	With the Secretary and the Manager, prepare the agenda in advance of the meeting
	Chair Board meetings according to Standing Orders
	Rule on issues of meetings procedure not covered in the Standing Orders
	Report to the Annual General Meeting on the situation of the Co-op.
	Chair General Meetings according to Standing Orders
Administrative & Management	Serve on Board committees where possible
	Liaise with Board committee chairs and report to the Board where appropriate
	Oversee the recruitment of the Manager
	Oversee the annual performance review of the Manager
	Oversee the succession of the Manager

	Ensure that appropriate personnel policies and procedures are in place for Manager and other staff
	Oversee the management of the business of the Board
	Oversee the management of the recruitment, induction, and training of Board members [in partnership with the Board]
	Oversee the management [in partnership with the Board] of the assessment, review and renewal of the Board
	Oversee the management of the Co-op's grievance procedures
	Ensure the harmony of Board deliberations
	Manage [in partnership with the Board] the succession of the position of Chair
	Serve as liaison with the Manager and, through them, to the staff
	In consultation with the Manager, report to the Board on staff management issues
Media	Under the Co-op's Media Policy, serve as spokesperson for the Co-op as appropriate
Promotion	Promote the Co-op in the community as opportunities arise
Legal	<p>Oversee Manager to ensure that</p> <ul style="list-style-type: none"> • the modes of performance of all legal requirements are featured in the procedures manual including: <ul style="list-style-type: none"> ○ WHS ○ Fair Work ○ Access and Equity ○ Privacy • the performance of all legal requirements is reported to the Board • the performance of all legal requirements is fully documented.
Other duties	As for Board members (Appendix D)

APPENDIX B

Position Statement: Board Treasurer

<p>Duties applicable to startup Co-ops only are given in <i>italics</i></p> <p>Statutory duties (i.e. those specifically required by law) are given in bold type</p>	
Governance	Ensure that the Board maintains the degree of financial literacy necessary to conduct the business of the Co-op
	Advise the Board on matters of finance
	Advise the Board on fundraising
	<i>Oversee the production of appropriate fully documented financial policies and procedures</i>
Planning	<i>With the Manager, oversee [in partnership with the Board] the production of a Business Plan for the Co-op</i>
	With the Manager, oversee [in partnership with the Board] the regular review and development of the Business Plan
Meetings	Report to the Board at each meeting on the financial situation of the Co-op
	Report to the Board at each meeting on variances from the approved budget
	With the Secretary, place any necessary financial items on the Board agenda in advance of the meeting
	Report to the Annual General Meeting on the financial situation of the Co-op
Administrative & Management	Chair the Finance Committee
	Serve on Board committees as required
	Liaise with Board committee chairs on financial issues and report to the Board where appropriate
	Oversee the Co-op's bookkeeping
	With the Chair, oversee the Manager in ensuring that the Co-op's financial records are adequate, protected, backed up, and accessible.

	Oversee the Co-op's banking
	Oversee the maintenance of the Co-op's asset register
Finance	Oversee the Manager to ensure that the Co-op's financial control procedures are adequate and that appropriate safeguards against fraud are in place
	Oversee the Manager to ensure that risk management strategies (including appropriate insurances) are in place
	Oversee the collection and reception of all money due to the Co-op and the making of all payments authorised by the Co-op
	With the Manager, oversee the Co-op's investment strategy and report to the Board
	With the Manager, oversee the preparation of the Budget for the coming year
	Oversee the review of income and expenditure against the budget on a continuous basis
Legal	With the Manager, ensure the Co-op's compliance with all applicable tax arrangements
Other duties	As for Board members (Appendix D)

APPENDIX C

Position Statement: Board Secretary

<p>Statutory duties (i.e. those specifically required by law) are given in bold type Duties will be delegated to the Board Administrative Assistant at the Board's discretion.</p>	
Governance	Ensure the preparation and adoption of appropriate Board policies
Planning	Ensure that appropriate standing orders are in place
Meetings	Oversee the distribution of meeting papers before the meeting
	Ensure that accurate minutes are taken at each Board meeting and circulated to Board members
Administrative & Management	Serve on Board committees where possible
	Oversee the maintenance of a register of members
	Oversee the procedures for the admission of new members
	Oversee the procedures for the resignation of members
	Oversee the procedures for the discipline, suspension and expulsion of members
	Oversee General Meetings of the Co-op
	Receive nominations for positions on the Board
	Oversee the maintenance of all books, documents and securities, and make them available to members as requested
	Ensure that director's insurance coverage is kept up to date
Promotion	Promote the Co-op in the community as opportunities arise
Other duties	As for Board members (Appendix D)

APPENDIX D

Position Statement: Ordinary Board Member

General	On being elected to the Board, undertake induction and training procedures as provided by the Board
Governance	Consider, debate, and vote on issues before the Board on the basis of the best interests of the Co-op
	Comply with the rules, policies, and standing orders of the Co-op
Planning	Review and approve the Co-op's Business Plan, and other consequential arrangements
Meetings	Attend all meetings, or, if absolutely unavoidable, apologise in advance for absence
	Where Board papers are circulated in advance of the Board meeting, read papers and consider issues before the meeting
	Contribute to the discussion and resolution of issues at meetings and otherwise as appropriate
Administrative & Management	Approach employees of the Co-op (paid or unpaid) only through the Manager
	Serve on Board committees where possible
	Review and approve the Co-op's systems for financial control and risk management
Media	Make comments to the media only as provided in the Co-op's Media Policy
Promotion	Promote the Co-op in the community as opportunities arise
Fundraising	Participate where possible in any fundraising approved by the Board
Legal & Ethical	Avoid making any improper use of their position in the Co-op so as to gain any material advantage for themselves, or for any other person, or to the detriment of the Co-op
	Inform the Board immediately if they have any direct or indirect material personal interest in any contract with the Co-op
	If they have any non-material personal conflict of interest in any matter before the Board, or believe that the perception of such a conflict might

	<p>arise, inform the Board immediately and follow the Board's rulings as to proper procedure</p>
	<p>At all times conduct Board business politely and with consideration for others, without ill feeling, improper bias, or personal animus</p>
	<p>In partnership with the Board and Manager ensure that all legal requirements are met</p>
Finance	<p>Oversee, the Manager in conjunction with the Treasurer to ensure that the Co-op's financial control procedures are adequate and that risk management strategies are in place</p>