

AUSTRALIAN AND NEW ZEALAND SOCIETY OF NEPHROLOGY

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Governance Charter

Approved by Council: 13 June 2018
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ANZSN Governance Charter

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Governance Charter

1. Introduction

This charter sets out the framework supporting transparent, accountable decision making by the Council of the Australian and New Zealand Society of Nephrology (ANZSN).

The charter is informed by the Constitution of the ANZSN, relevant statutory and regulatory provisions and principles of good corporate governance.

2. Australian and New Zealand Society of Nephrology

The ANZSN is a company limited by guarantee which is a specialised form of public company designed for not-for-profit organisations.¹

As a public company, the ANZSN is a legal entity that can sue and be sued, enter into contracts and buy, sell and lease property, within any constraints set out in its constitution.

Under the *Corporations Act 2001* (Cth), a company limited by guarantee is required to:

- have a constitution, which sets out how the company will be managed;
- establish a board with a minimum of three directors and one company secretary
- maintain a register of members;
- keep a record of all directors' and members' meeting minutes and resolutions
- appoint a registered external auditor;
- maintain proper financial records and prepare audited financial statements for lodgment with ASIC each financial year;
- hold an annual general meeting of members every year;
- receive and review an annual company statement and pay an annual review fee to Australian Securities and Investments Commission (ASIC);
- lodge a notice with ASIC whenever there are changes to its officeholders, office address, constitution and name.

Compliance with the provisions set out in the *Corporations Act 2001* (Cth) is monitored by ASIC, which is known as the 'regulator'.

3. Council

The ANZSN Constitution (cl 32) provides that the affairs, business and property of the Society are to be managed by a Council comprising nine (9) members elected by the membership.

The nine (9) Councillors are considered the directors of the company under the ANZSN Constitution (cl 32.2) and in accordance with the provisions of the *Corporations Act 2001* (Cth).

¹ The term company limited by guarantee refers to what occurs in the event that the company is wound up and the amount that members will contribute to the property of the company should this occur.¹ In the case of ANZSN, a member's liability is limited to \$20 in the event that the Society is wound up (cl 63.1(d)), ANZSN Constitution).

3.1 Powers of Council

The ANZSN Constitution sets out the powers of Council (cl 42), which Council may delegate to a committee, a Councillor, an employee or any other person.

The ANZSN Delegations of Authority Policy, which is approved by Council, provides a formal framework for authorised decision making (financial and non-financial) within the Society.

3.2 Appointment of Council

Under the ANZSN Constitution (cl 36.1), Councillors are elected by a postal ballot held before an annual general meeting at which Councillors are due to retire.

The process of appointment includes:

- candidates must be nominated in writing by two ordinary members of the ANZSN;
- the candidate must accept the nomination in writing;
- nominations must be received by the Honorary Executive Officer sixty (60) days prior to the Annual General Meeting;
- if there are less candidates nominated than there are positions to be filled on Council, the candidates will be directly appointed to Council;
- if there are more candidates nominated than there are positions to be filled on Council, a ballot of ANZSN members will be undertaken prior to the Annual General Meeting; and
- appointments are announced at the Annual General Meeting.

Notwithstanding the process outlined above, the ANZSN Constitution includes provisions to:

- support the appointment of one member to Council who ordinarily resides in New Zealand (cl 36.6); and
- ensure a balance of representation from across the states and territories (cl 36.7).

In the event that no nominations are received or the number of nominations is less than the vacancies on Council, then Council may fill the vacancies by direct appointment.

Council elections are coordinated by the ANZSN office under the direction of the President and Honorary Executive Officer in their roles as scrutineers. The process involves:

- a call for nominations at a time sufficient to enable nominations to be secured sixty (60) days before the Annual General Meeting;
- validation of nominations, including seeking consent from the nominee;
- the issuing of the ballot (if required) no less than thirty (30) days before the Annual General Meeting;
- counting the votes and advising the President of the outcome for announcement at the Annual General Meeting.

3.3 Office Bearers

Of the nine (9) positions on Council, four are designated as Office Bearers, who are collectively known as the Honorary Executive:

- President

- Vice-President and President Elect
- Honorary Executive Officer
- Honorary Treasurer

Under cl. 39 of the ANZSN Constitution, Office Bearers are appointed by a vote of Council members.

3.3.1 Role of the President

The President is responsible for overall leadership of the Council and for the following functions:

- Chair Council meetings, facilitating effective discussions and ensure the provisions in the Constitution are observed;
- Lead the Council in the development of organisational strategy;
- Review and approve the agenda and agenda papers for Council meetings in consultation with the Honorary Executive Officer;
- Chair the Annual General Meeting and any General Meeting of Society members;
- Review and approve the agenda for the Annual General Meeting and any General Meeting of Members in consultation with the Honorary Executive Officer;
- Ensure all new Council members are orientated to the Society and that their education needs are met;
- Oversee a process for the evaluation of Council performance and the performance of the Executive Officer;
- Act as scrutineer for elections to Council;
- Host the President's Dinner at the Annual Scientific Meeting; and
- Act as the public voice of the Society.

3.3.2 Role of the Vice President and President Elect

The key functions of the Vice President and President Elect are to:

- Assist the President in fulfilling his/her duties, particularly in relation to governance matters;
- Chair Council meetings in the absence of the President;
- Chair Annual General Meetings and General Meetings of Members in the absence of the President.

3.3.3 Role of the Treasurer

The key functions of the Treasurer are to:

- Ensure the effective financial operations of the organisation, including:
 - preparation of an annual budget in accordance with standard accounting practices for the review of the Honorary Executive and approval of Council;
 - preparation of a quarterly finance report (performance against budget) for the review of the Honorary Executive and for submission to Council;
 - preparation and monitoring of budgets for the major meetings and conferences held by the ANZSN including the Annual Scientific Meeting, the Dialysis Nephrology and Transplant Workshop and the Home Dialysis Conference;
 - ensuring the external auditor receives the information required to conduct the annual audit and to prepare the Annual Statement for approval by Council and submission to ASIC.

- Lead on the development and execution of a strategy to engage with sponsors wishing to support the work of the Society.

3.3.4 Role of the Honorary Executive Officer

The key function of the Honorary Executive Officer is to ensure the effective governance of the Society in relation to the following:

- Council matters:
 - supervise Council elections, including seeking nominations and acting as scrutineer;
 - ensure Councillors understand the governance structure of the ANZSN;
 - maintain and update the ANZSN Governance Charter;
 - support the educational needs of Council;
 - support the Chair in the evaluation of Council performance.
- Membership matters:
 - approve new member applications under delegation from Council;
 - monitor the payment of annual subscriptions and follow up on unpaid dues when required;
 - respond to member enquiries.
- Committee and Working Group matters:
 - act as a point of contact for Chairs;
 - develop and review Terms of Reference;
 - conduct Expressions of Interest for Committee and Working Group Membership;
 - approve Committee and Working Group membership under delegation from Council.
- Meeting matters:
 - prepare the agenda for the Annual General Meeting of members, liaising as required with the Treasurer in respect to the preparation of the Annual Financial Statement.
 - prepare the Annual Report and the Weekly Update to members as part of ensuring effective communication with members.
- Annual Workforce Survey:
 - prepare and finalise the survey and present analysed results to Council on an annual basis.
- Risk management
 - work with Council to ensure that a risk framework is in place to support the operations of the Society.
- ANZSN Office matters:
 - provide advice and direction to the Executive Officer in relation to the day to day operations of the ANZSN office, including administrative, IT, website, logistics, human resources and budget matters.
- Subject to their consent and unless otherwise agreed by Council, act as Company Secretary and ensure proper reporting to ASIC.²

3.4 Non Office Bearer Roles of Council Members

All Council members will be allocated a portfolio for which they will be responsible. Portfolio leaders will be asked to provide written and verbal reports at Council meetings.

² Note that as at May 2018, the Company Secretary is Professor Jonathan Craig, who fills the role of President, ANZSN

The allocation of portfolios will be discussed and agreed following each election cycle, or as otherwise agreed by Council.

The aim is to ensure that portfolio responsibilities align with the membership of each Council member on specific Committees and Working Groups.

Current portfolios include:

- Policy and advocacy
- Dialysis matters
- Research investment
- Education and training
- Transplantation
- Workforce
- International affairs
- Government affairs
- Indigenous health equity
- New Zealand matters
- Paediatric matters
- Environmental matters
- Gender, equity, diversity matters

A copy of the template developed to assist Council members prepare portfolio reports to Council is at Attachment 1. The provision of the written portfolio reports must be in accordance with the timeline specified in Table 1 for the preparation of the agenda and papers for Council meetings.

3.5 Committees and Working Groups

3.5.1 Committees

Council (relying on its powers to delegate) has appointed four (4) standing Committees to provide expert advice and guidance on matters of importance to the strategic and operational performance of the Society. These standing committees include:

- Clinical Policy Advisory Committee (CPAC), which also advises on the biennial Dialysis Nephrology and Transplantation Workshop
- Dialysis Advisory Committee (DAC), which also advises on the biennial Home Dialysis Conference
- Research Advisory Committee (RAC)
- Scientific Program and Education Committee (SPEC), which also advises on the Annual Scientific Meeting and the Basic, Advanced and Update Courses

The membership and role of each Committee is set out in its terms of reference, which are determined by Council and reviewed on an annual (or as needs) basis.

Interest among ANZSN members in joining a Committee is ascertained through a formal EOI process coordinated by the Honorary Executive Officer. Membership appointments are approved by the Honorary Executive Officer under delegation from Council.

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A copy of the terms of reference for each Committee is available on the Society's website (Link to be inserted).

Meetings of Committees are held by teleconference, except for one face to face meeting each year which is held in parallel with the Annual Scientific Meeting.

The ANZSN Executive Officer is responsible for assisting Committee Chairs in preparing agendas for each meeting and to minute the proceedings and actions arising.

A copy of the minutes of each Committee meeting is made available to the Council member with portfolio responsibility for reporting to Council as follows:

- Council members with portfolio responsibility for policy and advocacy matters will report on the deliberations and recommendations arising from the Clinical Policy Advisory Committee (CPAC);
- Council members with portfolio responsibility for dialysis matters will report on the deliberations and recommendations arising from the Dialysis Advisory Committee (DAC);
- Council members with portfolio responsibility for research matters will report on the deliberations and recommendations arising from the Research Advisory Committee (RAC);
- Council members with portfolio responsibility for education matters will report on the deliberations and recommendations arising from Scientific Program and Education Committee (SPEC).

3.5.2 Working Groups

Council may also form time-limited Working Groups to provide advice on specific matters of interest.

The membership and role of each Working Group is set out in its terms of reference, which are determined by Council and reviewed on an annual (or as needs) basis.

Interest among members in joining a Working Group is ascertained through a formal EOI process coordinated by the Executive Officer. Membership appointments are approved by the Honorary Executive Officer under delegation from Council.

A copy of the terms of reference for each Working Group is available on the Society's website (Link to be inserted).

Meetings are held by teleconference.

The ANZSN Executive Officer is responsible for assisting Working Group Chairs in preparing agendas for each meeting. Meeting outcomes and action lists are recorded by the Chair or a member of the Working Group.

3.6 Council appointments are Honorary

Positions on Council are honorary and no remuneration is offered to Councillors for the performance of their duties as directors of the company.

Councillors may seek reimbursement of expenses incurred in attending to Council business, with the prior approval of the Chair.

3.7 Council Terms of Appointment

Under the provisions set out in the Constitution, a Councillor is appointed to Council for a four (4) year term, ending at the completion of the Annual General Meeting at which his or her successor is appointed.

If a Councillor is appointed Vice-President, that Councillor will become the President of the Society at the conclusion of the second Annual General Meeting after which he or she is appointed Vice President. In accordance with the Constitution they then hold the office of President for two years (cl 34.1(a)).

3.8 Vacation, retirement or removal of Council members

The ANZN Constitution sets out how Councillors may vacate (cl 37), retire (cl 34), or otherwise be suspended or removed from office by Council or the members of the Society (cl 33). A retiring Council member is ineligible for reappointment to Council for a four year period (cl 34).

4. Role of Council

The role of Council is to:

- Review and approve the strategic plan for the Society, its annual budget and financial plans;
- Oversee organisational performance and the achievement of the Society's strategic goals and objectives;
- Monitor the financial performance of the Society and liaise with the external auditor to prepare the annual financial statement;
- Create and make appointments to Committees and Working Groups to procure specialist advice to guide decision making;
- Approve corporate policies and procedures to ensure effective management of the Society's affairs;
- Oversee a system of risk management and internal controls and ensure regulatory compliance;
- Promote and protect the reputation of the Society;
- Appoint and assess the performance of the Executive Officer and the effective operations of the Society's office;
- Report to and communicate with the Society's members.

5. Council Code of Conduct

Councillors are expected to adopt a minimum standard of conduct in fulfilling their fiduciary and statutory duties to the Society.³

Act in good faith and for a proper purpose

- Councillors must act in the best interests of the Society rather than the interests of individual members, although a Councillor may present the views of particular stakeholders to Council for consideration.

³ ss 180 – 184, *Corporations Act 2001* (Cth)

- Councillors must ensure the Society complies with all relevant statutory obligations, including Commonwealth and State laws and regulations relating to work health and safety, the environment, privacy, anti-discrimination, competition and consumer laws and employment law.

Act with care and diligence

- Councillors must exercise their powers and fulfil their duties with the same degree of care and diligence that a reasonable person would exercise if they were a company director in the same circumstances.
- Acting with care and diligence requires Councillors to prepare for, attend and actively participate in Council meetings and remain properly informed about the Society's business affairs, making enquiries to satisfy themselves that the matters are being addressed.

Avoid improper use of information

- Councillors must not make improper use of information acquired in their role as a director of the Society, to gain an advantage for themselves or another, or to cause detriment to the Society.
- Councillors will not disclose confidential information, including information discussed at Council meetings or included in Council papers, to anyone, unless there is a statutory obligation to do so.

No misuse of position

- A Councillor must not take improper advantage of their position to gain an advantage for themselves, another or to cause detriment to the Society.
- A Councillor should avoid a conflict of interest wherever possible, and must notify the Society of all material personal interests (standing notification) and of any other actual or potential conflicting interests as soon as they arise.
- A Councillor must not accept gifts or hospitality (other than where they are offered within the reasonable bounds of courtesy) where acceptance will compromise the Councillor's ability to make impartial decisions or place at risk the reputation of the Society.

Conduct at Council meetings

- Councillors will send formal apologies to the Chair in advance of any Council meeting they are unable to attend, giving as much notice as possible. Councillors must seek a formal leave of absence if they are unable to attend Council meetings for a period of six months or longer (ANZSN Constitution cl 37(e));
- Councillors will show courtesy to their fellow Councillors by preparing for Council meetings, actively participating in proceedings and contributing their independent views on the matters for consideration. Councillors will respect the opinions expressed by other Council members when reviewing, discussing and deciding on matters before Council, ensuring the confidentiality of those discussions;
- Councillors will support the decisions of Council, even if they did not personally agree with the decision taken, and will support the letter and spirit of Council decisions in discussions with the Society's members and others;

- Councillors will participate in processes to support good corporate governance, including the conduct of Council and Councillor appraisal processes and will seek support for any training and education needs they may have in order to fulfill their duties as a Council member.

6. Support available to Councillors

6.1 Access to information

- The Executive Officer, under the direction of the Honorary Executive must provide Council with accurate, timely and clear information to support Council members to effectively undertake their responsibilities and duties;
- A Council member is entitled to request and receive any additional information they consider necessary to support decision making and may request this information from the Executive Officer, after first advising the Chair;
- A Council member may also seek independent legal, financial or other advice to support them in the execution of their duties and responsibilities, at the Society's cost. Before seeking this advice, the Council member must first discuss the request with the Chair who will procure and share the advice with all Council members.

6.2 Access to education

- Council members are entitled to reasonable education and training to support them in the fulfilment of their duties;
- Council members are entitled to be orientated to the Society, its legal structure and operating arrangements, to support them in the fulfilment of their duties.
- An information pack will be provided to newly appointed Council members with this including copies of the following:
 - ANZSN Constitution
 - Governance Charter
 - Council minutes for the four preceding meetings

6.3 Indemnification and insurance

- The ANZSN Constitution indemnifies Council members to the fullest extent permitted by law (cl 64);
- The ANZSN maintains Directors' and Officers' insurance and Council members may request to view the policy at any time.

7. Council Meetings

The ANZSN Constitution sets out the provisions regarding Council meetings.

7.1 Frequency

Council will meet at least four (4) times each year, with meetings generally being scheduled in March, June, September and December.

A meeting of Council may be called at any other time at the request of a Councillor, with 48 hours' notice

All meetings, other than the following are held by teleconference:

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- the September Council meeting, which will be held at a time to align with the Annual Scientific Meeting;
- the Council meeting timed to coincide with the Dialysis Nephrology and Transplantation (DNT) Workshop (held biannually).

All meetings, whether by teleconference or face to face, are recorded to facilitate minute taking.

Council will agree the forward annual schedule of meetings (date, time) at their December meeting.

A Council Calendar will be developed to guide the matters to be considered by the Council at its meetings.

7.2 Decision Making

The ANZSN Constitution sets out the provisions for decision making by Council.

Decisions of Council are decided on a majority of votes of the Council present and voting at a meeting (cl 46). In the event there is an equality of votes, the Chair has a casting vote (cl 46.3).

For a decision of Council to be valid, a quorum must be present at all times during the meeting.

A quorum is equivalent to half the number of Council (rounded to the nearest whole number) (cl 45.10).

7.3 Out of Session Decision Making

An urgent matter may be decided by Council by circulating resolution (cl 49).

The resolution may be issued separately to Council members by electronic means. Council members with a conflict of interest will be asked to identify that conflict and refrain from voting.

The resolution requires approval by all Council members and is passed when the last Councillor entitled to vote signs the resolution. The Chair will be advised of the outcome.

A copy of the collated responses will be advised to Council at its next meeting and the outcome recorded in the minutes.

7.4 Attendees

All Council members and the Executive Officer, ANZSN are expected to attend Council meetings.

Council may also invite any person to attend a Council meeting in part or full to provide advice on any matter under consideration.

By invitation, the Chair of the Australian and New Zealand Paediatric Nephrology Association (ANZPNA) attends Council meetings to provide advice on paediatric matters. As an attendee, the ANZPNA Chair is not considered a Council member and is not entitled to vote.

The Chairs of each of the Committees reporting to Council will be invited to attend a Council meeting at least annually.

7.5 Preparation and Issuing of Agenda and Papers

The indicative cycle supporting the preparation and issuing of meeting agendas and minuting of Council meetings is set out below.

The aim is to provide Councillors with sufficient time to prepare for meetings and seek additional information if required.

7.5.1 Agenda

The agenda is drafted by the Executive Officer and approved by the President (Chair). A copy of the standard agenda template is at Attachment 2.

A Councillor may request items for inclusion on the agenda.

All business to be discussed at a Council meeting must be included on the agenda and must be presented in a form agreed by Council.

Additional items will be accepted for consideration at a Council meeting at the discretion of the Chair.

Table 1: Timeline for the preparation of the agenda and papers for Council meetings

Item	Day
Update actions arising from the previous meeting	-28
Draft agenda prepared by Executive Officer	-25
Portfolio reports and papers supporting major business items submitted to Executive Officer	-21
Draft agenda and papers reviewed with the President (Chair)	-18
Agenda and papers are finalised	-15
Agenda and papers are issued to Council members	-12
Council meeting	0
Draft minutes and action list issued to the President (Chair) for review	7
Draft minutes and action list sent to Council	12
Formal approvals notified to responsible officers (Executive Officer, Committee and Working Group Chairs)	12

To support decision making, major business items requiring discussion and decision will be presented to Council in a standard format (template). A copy of template is at Attachment 3.

7.5.2 Minutes

The minutes of the Council meeting will reflect the structure of the agenda and contain at a minimum:

- Date, time and location of the meeting, noting the use of technology if the meeting is held via teleconference or videoconference;

- Minutes of the last meeting and their adoption (subject to any amendments) as a true and accurate record of the proceedings;
- interest identified (standing) and in relation to any particular agenda items and the action taken;
- Agenda items discussed and the resolutions agreed
- Items to be carried over to the next meeting and the rationale

The Executive Officer will prepare the draft minutes for the review of the President (Chair) within one week of the Council meeting.

Once approved by the Chair the Executive Officer will forward the draft minutes to Councillors for comment.

The minutes are then finalised for adoption as a true and accurate record of proceedings at the next meeting and signed by the Chair at the face to face meeting in September of each year.

A record will be maintained of each Council meeting, including the agenda, papers and signed minutes.

7.6 Closed Sessions of Council

The Chair may direct that the Executive Officer and any other Council attendees leave a meeting to allow discussions to occur in camera.

Council will meet in camera with the external auditor at its September meeting to receive, discuss and approve the Annual Financial Statement for lodgment with ASIC.

8. Relationship of Council with Management

The ANZSN national office comprises two part time staff, including the Executive Officer (4 days per week) and an Administrative Officer (2 days per week).

The day to day operations of the ANZSN is conducted by an Executive Officer who is appointed by Council and reports to the President. The Delegations of Authority Policy sets out the level of financial and non-financial decision making granted by Council to the Executive Officer.

The Executive Officer takes direction from the Honorary Executive of the Society, which comprises:

- President
- President Elect
- Treasurer
- Honorary Executive Officer

The Honorary generally meets on a monthly basis (via teleconference) to monitor and provide direction in relation to:

- progress on implementing the Society's strategic plan;
- financial performance of the organisation against the annual budget;

- operational matters within the scope of the Delegations of Authority Policy requiring decision;
- matters for referral to Council.

A Council member is entitled to request and receive any information they consider necessary to support decision making and may request this information from the Executive Officer, after first advising the Chair.

9. Annual General Meetings of Members

An annual general meeting (AGM) is held every year as required by the *Corporations Act 2001* (Cth) and in accordance with the rules set out in the ANZSN Constitution (cl 17).

The purpose of the AGM is to provide members with a report on the Society's activities and finances for the previous year, to allow time for members to ask questions, and to announce the election of members to Council.

The external auditor must attend the AGM to answer questions on following matters:

- the conduct of the external audit;
- preparation and conduct of the independent auditor's report;
- accounting policies adopted by the Society in relation to the preparation of the financial statements; and
- the independence of the external auditor in relation to the conduct of the audit.

The conduct of the AGM will be held in compliance with statutory requirements and in parallel with the Annual Scientific Meeting to enable as many Members to attend the meeting as possible.

References

Australian Charities and Not-for-Profits Commission <http://www.acnc.gov.au/>

ANZSN Constitution

ASX Corporate Governance Council, Corporate Governance Principles and Recommendations 3rd Ed. <https://www.asx.com.au/documents/asx-compliance/cgc-principles-and-recommendations-3rd-edn.pdf>

ASX Limited Board Charter, 2017

Cancer Council NSW, Board Charter, 2016

Corporations Act 2001 (Cth)

Qantas Board Charter, 2016

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