



Bicycle New South Wales Inc.
GPO Box 272, Sydney 2001
t 02 9218 5400
f 02 9281 6099
www.bicyclensw.org.au
Established 1976 ABN 26 511 801 801

BICYCLE NSW REGULATION

Board Charter and Board-Chief Executive Officer Interrelationship Policies

Endorsed: September 2007
Endorsement Body: Bicycle NSW Board
Review date: September 2008

BICYCLE NSW REGULATION

BOARD CHARTER AND RESPONSIBILITIES OF BOARD MEMBERS

SUMMARY

The Bicycle NSW Board represents the ownership of Bicycle NSW, just as a business board represents its shareholders. We provide governance to Bicycle NSW, represent it to the community and take the ultimate legal authority for it.

The Board ensures that Bicycle NSW is well managed without the Board itself becoming involved in its operations except as required by its legislation or as a consequence of exceptional circumstances. We do not get involved in running Bicycle NSW or its programs, approving the CEO's plans or telling staff what to do.

The Board Charter outlines the responsibilities of the Board members of Bicycle NSW and what they are expected to do to fulfil their duties to the organisation.

In summary, as a Board member you must at all times:

- Support the vision of Bicycle NSW: 'More people cycling more often'
- Act in the best interests of Bicycle NSW as a whole and ensure their first duty and loyalty is to the organisation.
- Maintain high ethical standards and act with integrity in all Board matters.
- Speak with one voice with the Board on all matters and support the Chair.
- Be open, honest and listen to the opinions of fellow Board Members and add value to the operations of the Board.
- Support the CEO of Bicycle NSW and respect their choice of actions.
- Contribute to the smooth and effective running of the Board and board meetings.
- Act promptly upon any perceived risks to the organisation or personal conflicts-of-interest.
- Be accountable for their actions.
- Understand and fulfil their responsibilities under the *Bicycle NSW Board Charter* and other conduct, ethics and conflict of interest policies outlined in the charter.

You can however help Bicycle NSW as an individual —apart from your board duties— but all parties must know you are not acting as a board member. You are there to help staff because they want you there - not to push your own agenda.

THE BOARD CHARTER	5
Part 1 – Responsibilities and governance	5
1.1 Governance defined – the role of the Board.....	5
1.2 Governance is different from Management	5
1.3 Two levels of organisational policy	6
Part 2 – Responsibilities of the Board	6
2.1 Enacting the Governance Responsibilities.....	6
Part 3 - Expectations of Board members	8
3.1 Board members responsibilities	9
3.2 Strategic orientation	9
3.3 Integrity and accountability	9
3.4 Informed and independent judgement.....	9
3.5 Financial literacy	9
3.6 Participation	9
3.7 Whistle blowing.....	9
Part 4 - Governance Policies	10
4.1 Code of Ethics and Proper Practice	10
4.2 Conflicts of Interests.....	10
4.3 Board Committees and Working Parties	11
Part 5 - Audit and Risk Committee Terms of Reference	11
5.1 Committee Objective	11
5.2 Membership.....	12
5.3 Operating Principles.....	12
5.4 Responsibilities	12
5.5 Authority.....	13
Part 6 - Board Processes	13
6.1 Agenda Planning	13
6.2 New Board members Induction.....	13
6.3 Board Development	14
6.4 Chair Role	14
6.5 Indemnities and insurance	15
6.6 Reimbursement of Board member’s expenses.....	15
BOARD-CHIEF EXECUTIVE OFFICER INTERRELATIONSHIP	16
Part 7 – Responsibilities of the Chief Executive Officer	16
Part 8 – Delegation to the Chief Executive Officer	16
Part 9 –Chief Executive Officer’s Authority	17

Part 10 –Chief Executive Officer Remuneration	17
Part 11 –Chief Executive Officer Performance Assessment	17
Part 12 –Chief Executive Officer Delegation Policies	18
12.1 Overarching Chief Executive Officer Limitation	18
12.2 Financial Planning.....	18
12.3 Financial Management.....	18
12.4 Investments	19
12.5 Remuneration and Benefits	19
12.6 Protection of Assets	19
12.7 Communication and Support to the Board	19
12.8 Emergency Chief Executive Officer Succession	20
12.9 Employment Conditions	20

BOARD CHARTER

Part 1 – Responsibilities and governance

The Bicycle NSW Board represents all stakeholders of Bicycle NSW and especially the Members.

The Board is responsible for the stewardship and future well-being of Bicycle NSW. The Board should exercise

- leadership,
- enterprise,
- integrity and
- judgement

in directing Bicycle NSW to provide assurance of its continuing and lasting prosperity.

The purpose and mission of Bicycle NSW is articulated in its constitution. Board members should endeavour to achieve the highest possible standards of corporate governance. The Board should always act in the best interests of Bicycle NSW and in a manner based on transparency, accountability and responsibility.

In discharging their responsibilities the Board, and individual Board members, have a duty to act in the best interests of Bicycle NSW as a whole, irrespective of personal, professional, commercial or other interests, loyalties or affiliations. When serving as Board members, members' first duty and loyalty must be to stakeholders of BNSW including our membership base.

1.1 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. This ensures that Bicycle NSW 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 Members and other key stakeholders.

The Board

- establishes Bicycle NSW's purpose, values, goals and objectives
- approves and monitors the executive's business plan
- employs the Chief Executive Officer
- identifies and monitors the management of corporate risks
- monitors and assesses Chief Executive Officer and organisation performance.

In brief, governance involves the Board in the process of ensuring that Bicycle NSW is well managed without the Board itself becoming involved in the operations except as required by its legislation or as a consequence of exceptional circumstances.

1.2 Governance is different from Management

The Board sets governance-level policies and establishes the strategic direction. This includes the development of Bicycle NSW purpose, values and Bicycle NSW-wide goals and objectives.

The Chief Executive Officer designs and manages the processes that ensure that these are honoured or met. The Chief Executive Officer is the agent of the Board.

The Board then is responsible for determining the 'What' and the 'Why' and the Chief Executive Officer is responsible for determining the 'How'. Another way to consider the difference between the two roles is to think of the Board's role being to determine organisational 'Ends' or outcomes and the Chief Executive Officer's role to design the "Means' or methods to achieve those ends to which the Board will review and approve.

1.3 Two levels of organisational policy

1.3.1 Governance-level policy

Policies at this level relate to high-level, organisation-wide matters. They are developed and adopted by the Board. These include policies in respect of the Board's operating processes and duties, and its delegation to the Chief Executive Officer in areas such as finance, human resource management, public affairs and asset management. These policies are a reflection of the Board's desire to meet its duty of care under law and its moral responsibility to provide good governance on behalf of all interested parties.

1.3.2 Management-level policy

These relate to the operational management of Bicycle NSW. They are developed by the Chief Executive Officer. The Board is not required to approve policies at this level.

Management-level policies flow logically from the governance policies.

Part 2 – Responsibilities of the Board

2.1 Enacting the Governance Responsibilities

The Board is responsible for protecting the rights and interests of the members and is accountable to them for the overall management of Bicycle NSW.

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

2.1.1 Meeting legal requirements

The Board's first duty is to Bicycle NSW. In meeting this duty the Board must ensure that all legal requirements under the relevant Acts are met and that Bicycle NSW 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'. In particular the Board has the following obligations:

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

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

2.1.2 Board membership

The Board will:

- a) Ensure that potential candidates are fully conversant with the role, responsibilities, work program and performance of the Board and its members.
- b) Provide a thorough orientation process for new Board members.
- c) Ensure that all potential Board Members sign a declaration acknowledging their responsibilities as a Board Member of Bicycle NSW, in a form agreed by the Board.

2.1.3 Governance philosophy and approach

The Board will govern Bicycle NSW with an emphasis on:

- a) a future focus rather than a preoccupation with the present or past;
- b) strategic issues rather than administrative detail;
- c) pro-activity rather than reactivity;
- d) encouraging a diversity of opinions and views;
- e) the development and expression of a collective responsibility for all aspects of the Board's performance;

- f) continuing improvement in Bicycle NSW, the Board and individual Board member effectiveness; and the interests of Bicycle NSW as a whole. Ensure Board
- g) decisions treat all members fairly but not necessarily the same.
- h) Monitor the effectiveness of the governance policies under which it operates and make changes as required.

2.1.4 Strategic leadership: Insight and Foresight

The Board will:

- a) Formulate, authorise and monitor Bicycle NSW's vision, mission and strategic objectives.
- b) Understand the strategic context and monitor Bicycle NSW's role within it.
- c) Recommend any significant shifts in the broad strategic direction of Bicycle NSW to the members.
- d) Approve business plans and monitor performance against the strategic direction, including assessing operating results to evaluate whether the business is being properly managed.
- e) Provide input that assists in identifying and understanding emerging trends and issues likely to affect the well being of Bicycle NSW and its members.
- f) Review Bicycle NSW's situation and agree the broad framework within which the strategic and business plans will be prepared each year.

2.1.5 Operating Performance: Oversight

The Board will:

- a) Ensure the development and review of annual business plans
- b) Review the progress of Bicycle NSW's attainment of its five year strategic plan, with a major review to be conducted every three years.
- c) Review and approve Bicycle NSW's financial objectives, plans and actions, including significant capital allocations and expenditures.
- d) Ensuring there are adequate internal controls and ethical standards of behaviour

2.1.6 Risk management

Risk management might be defined as:

A logical and systematic method of identifying, analysing, assessing, treating, and communicating risks associated with any activity, function or process in a way that will enable an organisation to minimise losses and maximise opportunities.

The Board will identify and evaluate the principal risks facing Bicycle NSW and ensure that systems are in place to avoid or mitigate these risks. This includes protecting Bicycle NSW's intellectual capital.

2.1.7 Direction of executive performance

The Board will:

- a) Select, monitor and, if necessary, replace the Chief Executive Officer.
- b) Maintain an up to date framework for defining the Board's expectations of the Chief Executive Officer's performance including the setting of a clear, annual performance agreement.
- c) Provide regular, honest and rigorous performance feedback to the Chief Executive Officer on the achievement of such expectations.
- d) Ensure there are positive conditions for the motivation of the Chief Executive Officer and ensure that there is adequate training to support her/him in their role.
- e) Establish a list of levels and types of expenditure that the Chief Executive Officer must bring to the Board.

2.1.8 Compliance and integrity

The Board will:

- a) Ensure ethical behaviour and compliance with State and Federal laws and regulations, audit and accounting principles and Bicycle NSW's stated values and its governance documents.
- b) Ensure the integrity of Bicycle NSW'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.

2.1.9 Board focus

The Board will:

- a) make the best possible use of its meetings by dealing only with matters that have governance-level significance, by focusing primarily on the future and delegating as much as possible to the Chief Executive Officer where appropriate.
- b) Ensure that reports and proposals comply with the Board's governance role. They must at least be timely, clearly identify the proposed resolution, and less than an A4 page in length if possible.
- c) The Chair and the Chief Executive Officer will establish the agenda for each Board meeting although Board members can include items. If possible (given some matters may unexpectedly come up) agendas will be based on a schedule of subjects agreed at the beginning of each year and documented in the form of an annual work agenda.

2.1.10 Board meetings

As a general rule, the Board will meet monthly but at least not less than bi-monthly.

2.1.11 Monitoring and enhancing Board effectiveness

The Board will annually assess its own effectiveness in fulfilling this charter and other Board responsibilities, including the effectiveness of individual Board members.

2.1.12 Assurance of accountability

The Board will:

- a) Ensure that they are kept informed of the relevant views and interests of:
 - i. the general public outside the cycling worlds
 - ii. those within key cycling worlds
 - iii. members' concerns, needs and aspirations.
- b) Serve the legitimate collective interests of the present members of Bicycle NSW and account to them fully.
- c) Report to an Annual Meeting of the Members on the performance of all Bicycle NSW's entities and account for the Board's stewardship of that performance.

2.1.13 Interaction with the media

The Chief Executive Officer or their delegate shall be the sole media spokesperson on all operating matters relating to Bicycle NSW. The Chair of the Board or delegated Board member can be a spokesperson if the Chief Executive Officer agrees.

2.1.14 Other

The Board will perform other functions as a prescribed by law or by Bicycle NSW's governing documents.

Part 3 - Expectations of Board members

To execute these governance responsibilities, Board members must, so far as possible, ensure that they possess certain characteristics, abilities and understandings. To support these responsibilities appropriate training and support will be provided.

3.1 Board members responsibilities

Board members must fulfil their fiduciary duty to act in Bicycle NSW's best interest at all times regardless of personal position, circumstances or affiliation. They must be familiar with Bicycle NSW's constitutional arrangements and fulfil the statutory and fiduciary responsibilities of a Board member.

Board members must act in accordance with The Code of Ethics and Good Conduct and The Conflict of Interests policies.

Board members are expected to be punctual and attend Board meetings and contribute between meetings if required. They should come fully prepared for Board meetings.

3.2 Strategic orientation

Board members should be future oriented, demonstrating vision and foresight. They are expected to think conceptually and take a 'big picture' perspective.

They should be able to synthesise and simplify complex information and ideas.

Their focus should be on strategic goals and policy implications not operational detail. They need to understand and focus on issues that are central to the success of Bicycle NSW.

3.3 Integrity and accountability

Board members must demonstrate high ethical standards and integrity in their personal and professional dealings, and be willing to act on - and remain collectively accountable for - all Board decisions even if these are unpopular or if individual members disagree with them. Board members must be committed to speaking with one voice on all policy and directional matters.

3.4 Informed and independent judgement

Each member of the Board must have the ability to provide wise, thoughtful counsel on a broad range of issues. He or she must have (or be able to develop) a sufficient depth of knowledge about Bicycle NSW's business. This is in order to understand and question the assumptions upon which strategic and business plans and important proposals are based, and to be able to form an independent judgement as to the probability that such plans can be achieved, or proposals successfully implemented. Each Board member must be willing to risk rapport with fellow Board members in taking a reasoned, independent position.

3.5 Financial literacy

Because the Board must monitor financial performance, Board members must be financially literate. They should be able to read financial statements and understand the use of financial ratios and other indices used for evaluating Bicycle NSW's performance.

3.6 Participation

Each Board member is expected to enhance the Board's deliberations by actively offering questions and comments that add value to the discussion. Each should strive to be at ease with fellow Board members participating in a constructive manner that acknowledges and respects the contribution of others at the table including the executive team. Board members must be able to accept challenge from others without becoming defensive. In order to foster teamwork and engender trust Board members should be willing to reconsider or change their positions after hearing statements of others' reasoned viewpoints.

3.7 Whistle blowing

In order to honour its duty to protect Bicycle NSW against harmful situations and circumstances, the Board will provide a safe channel for volunteers and staff members to bring to its attention information about acts, omissions or decisions of a serious nature that could threaten Bicycle NSW's integrity. Accordingly any volunteer or staff member will have access to the Board when there is evidence or reasonable (i.e. soundly based) suspicion that the Chief Executive Officer has;

- (a) breached a Board policy;

- (b) has allowed other staff or volunteers to breach Board policies; or
- (c) has acted or allowed staff or volunteers to act in a manner likely to cause serious harm to Bicycle NSW.

This is in effect a 'whistle-blower' provision. The channel to the Board in such a circumstance is via the Board Chair

Any such assertion must be formally noted by the Board.

All individuals involved in such an action will have the protection of natural justice. Provided that in the judgement of the Board the claim is not vexatious or frivolous, the staff member or volunteer bringing a whistle blowing assertion against the Chief Executive Officer shall be protected against discrimination for having taken such an action.

Part 4 - Governance Policies

The Board is committed to the adoption of ethical conduct in all areas of its responsibilities and authority.

4.1 Code of Ethics and Proper Practice

4.1.1 The Board shall:

- a) Act honestly and in good faith at all times in the best interests of Bicycle NSW Members as a whole.
- b) Declare all interests that could result in a conflict between personal and organisational priorities.
- c) Exercise diligence and care in fulfilling the functions of office
- d) Attend Board meetings and devote sufficient time to preparation for Board meetings to allow for full and appropriate participation in the Board's decision making.
- e) Put the needs of Bicycle NSW before their own needs.
- f) Ensure scrupulous avoidance of deception, unethical practice or any other behaviour that is, or might be construed as, less than honourable in the pursuit of Bicycle NSW's business.
- g) Not disclose to any other person confidential information other than as agreed by the Board or as required under law.
- h) Act in accordance with their fiduciary duties, complying with the spirit as well as the letter of the law, recognising both the legal and moral duties of the role.
- i) Abide by Board decisions once reached notwithstanding a Board member's right to pursue a review or reversal of a Board decision.
- j) Not make comment, issue, authorise, offer or endorse any public criticism or statement having or designed to have an effect prejudicial to the best interests of Bicycle NSW;

4.1.2 The Board shall:

- a) Ensure that there is an appropriate separation of duties and responsibilities between itself and its Chief Executive Officer.
- b) Make every reasonable effort to ensure that Bicycle NSW does not raise community, supplier or stakeholder expectations that cannot be fulfilled.
- c) Meet its responsibility to ensure that all staff and volunteers employed by Bicycle NSW are treated with due respect and are provided with a working environment and working conditions that meet all reasonable standards of employment as defined in relevant workplace legislation.
- d) Regularly review its own performance as the basis for its own development and quality assurance.
- e) Carry out its meetings in such a manner as to ensure fair and full participation of all Board members.
- f) Ensure that Bicycle NSW's assets are protected via a suitable risk management strategy.

4.2 Conflicts of Interests

4.2.1 Conflicts of interest may occur:

- a) When a Board member, or his/her immediate family or business interests, stands to gain financially from any business dealings, programmes or services provided to Bicycle NSW.
- b) When a Board member offers a professional service to Bicycle NSW.
- c) When a Board member stands to gain personally or professionally from any insider knowledge if that knowledge is used for personal or professional advantage.

4.2.2 The Board places great importance on making clear any existing or potential conflicts of interest for Board members.

- a) Any business or personal matter which could lead to a conflict of interest of a material nature involving a Board member and his/her role and relationship with Bicycle NSW, must be declared and registered in a Register of Interest.
- b) All such entries in the Register shall be presented to the Board and minuted at the first Board meeting following entry in the records.
- c) All conflicts of interest must be declared by the Board member concerned at the earliest time after the conflict is identified.
- d) The Board shall determine whether or not the conflict is of a material nature and shall advise the individual accordingly.
- e) Where a conflict of interest is identified and/or registered, and the Board has declared that it is of material benefit to the individual or material significance to Bicycle NSW, the Board member concerned shall not vote on any resolution relating to that conflict or issue.
- f) The Board member shall only remain in the room during any related discussion with Board approval.
- g) The Board will determine what records and other documentation relating to the matter will be available to the Board member.
- h) All such occurrences will be minuted.
- i) Individual Board members, aware of a real or potential conflict of interest of another Board member, have a responsibility to bring this to the notice of the Board.

4.3 Board Committees and Working Parties

4.3.1 The Board will establish committees and working parties only to support it in its own work, never to conflict with the Chief Executive Officer's delegated responsibilities.

- a) Committees and working parties shall have Terms of Reference or Role Definition clearly defining their role, life span, procedures and functions, and the boundaries of their authority, reviewed annually.
- b) Unless explicitly empowered by the Board, committees or working parties cannot make binding Board decisions or speak for the Board. For the most part the function of committees and working parties, in fulfilling their role, is to make recommendations to the Board.
- c) A decision of a committee or working party exercising delegated authority is a decision of the Board and should be treated by the Chief Executive Officer accordingly.
- d) Committees and working parties may co-opt outside members from time to time in order to bring additional skills, experience or networks.
- e) Committees and working parties cannot exercise authority over staff or volunteers nor shall they delegate tasks to any staff or volunteers unless the Chief Executive Officer has specifically agreed to such delegations.
- f) Committees and working parties will not mirror operational divisions, departments, staff or volunteer functions.

Part 5 - Audit and Risk Committee Terms of Reference

5.1 Committee Objective

The objective of the Audit and Risk Committee is to assist the Board in discharging its responsibilities with respect to overseeing all aspects of financial and non-financial reporting, control and audit functions and organisational risk.

5.2 Membership

5.2.1 The Audit and Risk Committee shall be appointed by the Board from amongst Board members and shall consist of three or four members.

5.2.2 The convenor of the Audit and Risk Committee shall be appointed by the Board.

5.2.3 The Committee shall be structured to include members with (1) financial skills including the ability to read and analyse financial statements, (2) a good understanding of business and financial risks and related controls and control processes (3) a sound knowledge of the industry and a commitment to and knowledge of core service delivery principles and practices.

5.2.4 A quorum shall be 3 members, one of whom shall be the convenor.

5.3 Operating Principles

5.3.1 The Committee may have in attendance such members of management and such other persons as it deems necessary to provide appropriate information and explanations.

5.3.2 The Board shall be entitled to attend all meetings of the Audit and Risk Committee.

5.3.3 The Committee shall have the right to go 'in committee' as required.

5.3.4 The convenor shall call a meeting of the Audit and Risk Committee if so requested by any Committee member, the Board, the internal management or the external auditors.

5.3.5 The convenor shall have drawn up an agenda to be circulated at least one week prior to each meeting. The agenda shall be distributed to the members of the Committee, the external auditors and other invitees.

5.3.6 The Accountants, senior managers and the external auditors shall be given adequate notice of all meetings and shall have the right to attend and speak.

5.3.7 Meetings shall be held at least four times each year or as and when necessary.

Meetings are to be held (1) at the planning stage of the external audit (2) prior to the Board meeting approving the annual report and financial statements and (3) at scheduled times during the year in accordance with the committee's planned programme.

5.3.8 The Committee will review an annual audit plan and recommend its approval by the Board.

5.3.9 The Committee is authorised to obtain external resources as required to assist with its work.

5.3.10 The Committee will give notice to management of its programme and requirements for access to key financial and other personnel and all relevant records.

5.3.11 The Committee shall report to the Board after each committee meeting or as specified or requested by the Board. Committee meetings shall be minuted, a copy to be tabled at the following Board meeting. Additionally the Committee shall submit an annual report to the Board summarising the committee's activities during the year and the related significant results and findings.

5.3.12 The Committee shall annually conduct an assessment of its effectiveness and the contribution of individual Committee members. Changes in personnel, roles or responsibilities shall be determined by the Board.

5.4 Responsibilities

The duties of the Audit and Risk Committee are as follows:

- a) Identification of the broad risk parameters within which Bicycle NSW operates and to bring to the Board's notice all such risks as the Committee feels should be addressed by the Board;
- b) oversight and monitor of the effectiveness of the Chief Executive Officer's risk management programme and periodically to report to the Board on the effectiveness of this;
- c) liaison with internal and external auditors;
- d) review of the annual audit plan with the auditors and oversight of the rotation of the principal audit partner;
- e) review of audit findings and the annual financial statements;
- f) review of the integrity of the Chief Executive Officer's financial and non-financial reporting to the Board;

- g) oversight of compliance with statutory responsibilities relating to financial and non-financial disclosure;
- h) review of internal financial systems and accountabilities;
- i) ensuring that recommendations highlighted in the internal audit reports (if any) are actioned by management;
- j) supervision of special investigations in areas of financial and non-financial performance when requested by the Board.
- k) In addition, the Audit and Risk Committee shall examine any other matters referred to it by the Board.

5.5 Authority

5.5.1 The Committee is authorised by the Board to investigate any activity covered by its functions and responsibilities. It is authorised to seek any information it requires from the Chief Executive Officer who shall co-operate with any request made by the Committee.

5.5.2 The Committee shall have the authority of the Board to obtain legal or other independent professional advice, and to secure the attendance at meetings of third parties with relevant experience and expertise if it considers this necessary.

5.5.3 The Audit and Risk Committee shall have no executive powers with regard to its findings and recommendations other than those bestowed by the Board.

Part 6 - Board Processes

6.1 Agenda Planning

To meet standards of good governance, the Board will follow a one year agenda that (1) regularly reviews results, policies and relevant strategic issues (2) provides assurance that all relevant compliance requirements are addressed, and (3) improves Board performance through education and continuous focus on its governance effectiveness.

6.1.1 The Board will develop an annual agenda setting out a framework for its year's work. Examples of recurring and once-off agenda items include:

- (a) Review of SMART (Specific, Measurable, Achievable, Realistic, Time) goals
- (b) Scheduled review of Board stated results as indicated in the Board's strategic planning statements, e.g. via Chief Executive Officer reports and presentations.
- (c) Scheduled time for strategic thinking.
- (d) Governance education as appropriate e.g. sessions that facilitate a better understanding of Bicycle NSW's business.
- (e) Board Effectiveness review.
- (f) Consultations with key stakeholders as appropriate.
- (g) Scheduled assessment of organisational risk.
- (h) Scheduled reporting by the Audit Committee or other Board committees.
- (i) Other policy compliance monitoring both in respect of the Chief Executive Officer delegation and other Board policies, e.g. regular financial and non financial reporting.
- (j) Meeting with the external auditor.
- (k) Chief Executive Officer performance appraisal review meetings (setting up and reporting) and remuneration review.
- (l) Specific Board discussion relating to projects currently underway, e.g. buildings, change programmes etc.
- (m) Preparation for or review of AGM matters.
- (n) All other matters that the Board can plan for.

6.2 New Board members Induction

The Board will provide all new Board members a thorough induction into the affairs of both the Board and Bicycle NSW at large.

All prospective Board members will be provided with all relevant information.

Prior to attendance at their first Board meeting, new Board members will receive:

- a) a copy of the Board's resource handbook including governance policies, Articles/Constitution and other relevant legal governance documentation, current and recent meeting papers, an organisational chart,
- b) contact details for other Board members and key staff & volunteers, a glossary of key terms, definitions and acronyms, the current year's meeting schedule and the annual agenda.

Meet with the Chair for a governance familiarisation. This meeting may be held as a group session or with individuals.

Meet with the Chief Executive Officer for an operational familiarisation. This meeting may be held as a group session or with individuals.

6.3 Board Development

The Board's value-adding role requires that all Board members must have access to professional development relevant to their duties as a Board member.

6.3.1 The Board will make every reasonable effort to facilitate training for all Board members and for the Board as a whole to maximise the value-adding contribution to Bicycle NSW.

6.3.2 The Board will annually carry out a review of its performance.

6.3.3 To assist it to fulfil its monitoring responsibilities the Board may engage outside assistance. This includes but is not limited to financial audit.

6.3.4 All costs associated with governance effectiveness will be designed to ensure the development of the highest standard of governance including; meeting costs associated with effective communication with owners and other key stakeholders, surveys and associated analysis, focus groups, the costs associated with external audit and other independent third party reviews or consulting input.

6.4 Chair Role

The Chair provides leadership to the Board, ensuring that the Board's processes and actions are consistent with its policies. As appropriate the Chair represents the Board and Bicycle NSW to outside parties.

6.4.1 The Chair is empowered to chair Board meetings

- a) Meeting discussion content will be confined to governance matters as defined in the Board's policies.
- b) All Board members will be treated even-handedly and fairly.
- c) All Board members will be encouraged and enabled to make a contribution to the Board's deliberations.

6.4.2 There may be times when the Chair is called upon to interpret a Board policy or policies to outside parties or in the absence of the Board. All such interpretations shall reflect both the stated intent and spirit of the policy/ies.

6.4.3 The Chair has no authority to unilaterally change any aspect of Board policy.

6.4.4 The Chair will establish a regular communication arrangement with the Chief Executive Officer in which there is an exchange of information. This might also provide an opportunity for the Chief Executive Officer to use such sessions as a sounding board for proposed actions or to check interpretations of Board policy.

However;

- a) The Chair will recognise that such sessions are not used to 'personally' supervise or direct the Chief Executive Officer except when that person has breached Board policy.
- b) The Chair will not inhibit the free flow of information to the Board necessary for sound governance. Therefore the Chair will never come between the Board and its formal links with the Chief Executive Officer.

6.4.5 The Chair may delegate aspects of the authority accompanying the position but remains accountable for the overall role.

6.5 Indemnities and insurance

6.5.1 Bicycle NSW will provide Board members with indemnity cover while acting in their capacities as Board members, to the fullest extent permitted by the relevant legislation.

6.5.2 Bicycle NSW will provide Board members with and pay premiums for indemnity insurance to an amount as determined by the Board or a specially convened committee of the Board.

6.6 Reimbursement of Board member's expenses

Bicycle NSW will reimburse all reasonable expenses incurred by Board members in the carrying out of their role.

The CEO will provide details of all reimbursement to Board members at the next Board meeting.

BOARD-CHIEF EXECUTIVE OFFICER INTERRELATIONSHIP POLICIES

Part 7 – Responsibilities of the Chief Executive Officer

The Chief Executive Officer shall:

7.1 Act honestly, diligently, and competently at all times in the fulfilment of his/her duties and responsibilities. In so doing the Chief Executive Officer shall use *his/ her* best endeavours to promote and protect the interests of Bicycle NSW. For the avoidance of doubt it is recorded that the duties and responsibilities of the Chief Executive Officer are required to be performed at the premises of Bicycle NSW and elsewhere as required.

7.2 Be responsible for discharging all duties and responsibilities hereunder at all times during the normal hours of Bicycle NSW and at such other times as may reasonably be required by the Board having regard to the duties and responsibilities of the position.

7.3 Exercise all the rights, duties and powers that are conferred upon the Chief Executive Officer from time to time by any enactment, or by delegation from the Board.

7.4 Promote compliance with all statutory obligations imposed upon Bicycle NSW, the Board, or upon employees.

7.5 Do all such incidental things consistent with the position of Chief Executive Officer as are reasonably necessary for the proper performance of the duties and responsibilities of the role.

7.6 Carry out and comply with all reasonable and lawful directions given by the Board or by any person authorised by the Board to give such directions.

7.7 Undertake such duties and exercise such powers, authority and discretion in relation to the business of Bicycle NSW as may from time to time be delegated to the Chief Executive Officer;

7.8 Undertake such other responsibilities and perform such other duties from time to time as may reasonably be required to meet the operating needs of Bicycle NSW;

7.9 In the discharge of such duties and the exercise of such powers, authority and discretion, conform to, observe and comply with the directions, restrictions, and regulation of Bicycle NSW, made or given from time to time e.g. in the form of Chief Executive Officer Limitations policies.

7.10 Comply with all legal requirements, statutory or otherwise pertaining to the position and responsibility of the Chief Executive Officer; and

7.11 Faithfully serve Bicycle NSW and at all times use his/her best endeavours to promote its interest.

Part 8 – Delegation to the Chief Executive Officer

The Board delegates to the Chief Executive Officer responsibility for implementation of its strategic direction/strategic plan while complying with the Chief Executive Officer Delegation policies.

8.1 Only the Board acting as a body can instruct the Chief Executive Officer. Typically all instruction to the Chief Executive Officer will be codified as policy.

8.2 The Board will make clear Bicycle NSW's strategic direction including performance indicators to be applied by the Board when reviewing Bicycle NSW's and the Chief Executive Officer's performance.

8.3 The Board will make clear to the Chief Executive Officer in writing any limitations or limits it chooses to place on his or her freedom to take actions or make decisions that the Board deems to be unacceptable within the delegation.

8.4 The Chief Executive Officer is responsible for the employment, management and performance evaluation of all staff and volunteers employed/contracted to Bicycle NSW. Neither the Board nor individual Board members will 'instruct' staff or volunteers in any matters relating to their work.

8.5 Provided that the Chief Executive Officer achieves the outcomes sought by the Board and does so in a manner consistent with the Board's policies and Bicycle NSW's values, the Board will respect and support the Chief Executive Officer's choice of actions.

8.6 The expert knowledge and experience of individual Board members is available to the Chief Executive Officer.

Part 9 –Chief Executive Officer's Authority

9.1 Always with the proviso that the Chief Executive Officer's decisions must be consistent with and not defeat the stated intent and the spirit of the Board's policies, he/she is authorised to establish all operational policies, make all operational decisions and design and implement and manage all operational practices and activities.

9.2 Acknowledging a Board member's right to have access to information necessary to meet his/her duty of care to Bicycle NSW, the Chief Executive Officer may defer instructions or requests from individual Board members or from unofficial groups of Board members if, in his/her opinion, such requests or instructions are:

- (a) Inconsistent with the Board's policies,
- (b) are deemed to make unjustifiable intrusions into the Chief Executive Officer's or other volunteer or staff member's time; or
- (c) are an unjustifiable cost to Bicycle NSW.

9.3 The Chief Executive Officer must notify the Chair of the use of point 9.2.

Part 10 –Chief Executive Officer Remuneration

Chief Executive Officer remuneration will be decided by the Board as a body based on terms and conditions that reflect Bicycle NSW performance and executive market conditions.

10.1 Organisation performance will be only that performance revealed by the monitoring system to be directly related to criteria given by the Board in policy.

10.2 Remuneration will cover the entire range of salary, compensation, benefits and all other forms.

10.3 Remuneration will be competitive with similar performance within the marketplace based on achievement of the Board's strategic direction and strategic goals while complying with the Executive Limitations Policies.

10.4 A committee process will be used to gather information and to provide options and recommendations for the Board for its consideration and decision.

Part 11 –Chief Executive Officer Performance Assessment

The Chief Executive Officer's performance will be continuously, systematically and rigorously assessed by the Board against achievement of the Board-determined strategic outcomes and compliance with Chief Executive Officer Delegation policies. The Board will provide regular performance feedback to the Chief Executive Officer.

11.1 The Board's assessment of the Chief Executive Officer's performance will be against only those performance indicators that have been agreed at the commencement of the performance year.

11.2 The standard applied to all facets of the performance assessment shall be that the Chief Executive Officer has met or can demonstrate compliance with the intent or spirit of the Board policy/statement.

11.3 The Board may monitor any policy at any time using any method but will normally base its monitoring on a predetermined schedule.

11.4 The Board may use any one or more of the following three methods to gather information necessary to ensure Chief Executive Officer compliance with Board policies and thus to determine its satisfaction with that person's performance:

- (a) Chief Executive Officer reporting,
- (b) Advice from an independent, disinterested third party, or
- (c) Direct inspection by a Board approved Board member or group of Board members.

11.5 If at any time the Board engages an outside evaluator to assist the Board to conduct an assessment of the Chief Executive Officer's performance, the process must be consistent with this policy. Any such evaluator is a contractor to the Board, not the Chief Executive Officer.

Part 12 –Chief Executive Officer Delegation Policies

12.1 Overarching Chief Executive Officer Limitation

The Chief Executive Officer must not take, allow or approve any action or circumstance in the name of Bicycle NSW that is in breach of the law, is imprudent, which contravenes any organisation specific or commonly held business or professional ethic or is in breach of generally accepted accounting principles.

12.2 Financial Planning

Budgeting/financial planning for any financial year or the remaining part of any financial year shall be designed to ensure the achievement of the board-determined outcomes. In developing the operational financial plan and budget and without limiting the scope of the foregoing, the Chief Executive Officer must not:

12.2.1 Fail to demonstrate (i) a credible projection of revenues and expenses, (ii) separation of capital and operational items, (iii) projection of cash flows, and (iv) disclosure of planning assumptions.

12.2.2 Create financial risk beyond Board-determined parameters.

12.2.3 Plan expenditure in any financial year that would result in default under any of Bicycle NSW's financing agreements or cause insolvency.

12.2.4 Fail to incorporate/accommodate medium to long-term financial plans/projections and long-term business direction.

12.2.5 Design a financial plan that anticipates the achievement of a 'bottom line', materially different from that determined by the Board, e.g. a predetermined surplus, acceptable deficit or balanced budget.

12.2.6 Fail to provide for the Board's developmental and other expenditure.

12.3 Financial Management

The Chief Executive Officer is responsible for the day-to-day financial management of Bicycle NSW. In carrying out this duty he/she must ensure that nothing is done, or authorised to be done, that could in any way cause financial harm or threaten Bicycle NSW's financial integrity. Without limiting the scope of the foregoing, the Chief Executive Officer must not:

12.3.1 Use any organisational funds, or enter into any contracts or accept other liabilities, other than for the furtherance of Board-approved purposes and priorities.

12.3.2 Expend more funds than have been received in the financial year unless offset by approved borrowings or approved withdrawals from reserves.

12.3.3 Allow undisputed invoices from suppliers of goods and services to remain unpaid beyond trade credit terms agreed with those suppliers.

12.3.4 Authorise expenditure beyond the level established by the Board.

12.3.5 Fail to meet all government imposed compliance requirements or payments on time and to standard.

12.3.6 Breach Australian Accounting Standards.

12.3.7 Acquire, encumber or dispose of land or buildings.

12.3.8 Neglect to ensure that there are limitations on expenditure and adequate controls on the use of credit or other purchase cards by card holding staff or volunteers.

12.3.9 Fail to assertively pursue receivables overdue.

12.4 Investments

The Chief Executive Officer shall not allow or cause to allow Bicycle NSW's investment assets to be invested in a manner that threatens its financial security.

Without limiting the scope of the foregoing, the Chief Executive Officer must not:

12.4.1 Fail to maintain sufficient liquidity to meet short to medium-term financial commitments.

12.5 Remuneration and Benefits

In managing the setting and review of salaries and benefits, the Chief Executive Officer must not make decisions or promises that would in any way cause or threaten financial harm to Bicycle NSW. Without limiting the scope of the foregoing the Chief Executive Officer must not:

12.5.1 Change his/her remuneration.

12.5.2 Create obligations that cannot be met over the projected period of the individual's term of employment or over a period for which revenues can realistically be projected.

12.5.3 Cause unfunded liabilities to occur or in any way commit Bicycle NSW to benefits that incur unpredictable future costs.

12.5.4 Make promises or offer guarantee of long-term employment under circumstances when such guarantees or promises cannot realistically be honoured.

12.6 Protection of Assets

The Chief Executive Officer shall not fail to take all prudent and reasonable actions to ensure that Bicycle NSW's assets, physical and intellectual, are protected against all foreseeable damaging circumstances. Without limiting the scope of the foregoing the Chief Executive Officer must not:

12.6.1 Permit any unauthorised person to handle cash.

12.6.2 Process the receipt or disbursement of funds outside of controls acceptable to the duly appointed auditor.

12.6.3 Allow the assets to be insured for less than is considered necessary for prudent risk management.

12.6.4 Make any purchase of goods or services without protection against conflict of interest.

12.6.5 Fail to protect intellectual property, information, and files from loss, improper use, improper purposes, or significant damage.

12.6.6 Fail to ensure that there are appropriate and effective security systems in place to adequately safeguard against loss, common damage or theft of staff, volunteer, customer and organisation property.

12.6.7 Fail to maintain a current assessment and evaluation of the risk factors that could conceivably disrupt Bicycle NSW's effective and efficient operation and ensure that there are plans and systems that, in the event of disruptive events, will allow continuity of business.

12.7 Communication and Support to the Board

The Chief Executive Officer shall not permit the Board to remain uninformed about issues and concerns essential to the meeting of its duty of care, the carrying out its responsibilities and the meeting of its accountabilities to its owners and key stakeholders.

12.7.1 The Chief Executive Officer must not:

a) Neglect to provide support and information in a timely, accurate and understandable fashion addressing the various issues to be monitored by the Board.

b) Neglect to provide financial reports that make clear:

i. significant trends

ii. data relevant to agreed benchmarks and Board-agreed measures

iii. further Board financial data as determined by the Board from time-to-time.

- c) Fail to inform the Board of significant external environmental trends, adverse media publicity, achievement of, or progress towards the achievement of, the Board's Strategic Direction or changes in the basic assumptions upon which the Board's policies.
- d) Fail to inform the Board when for any reason there is actual or anticipated non-compliance with a Board policy.
- e) Neglect to inform the Board of any serious legal conflict or dispute or potential serious legal conflict or dispute that has arisen or might arise in relation to matters affecting Bicycle NSW.
- f) Fail to ensure that the Board is provided with the necessarily wide range of views and perspectives in support of effective decision-making.
- g) Fail to bring to the Board's notice such occasions when it is in breach of its Board Processes policies particularly when this relates to the Chief Executive Officer's ability to carry out his/her responsibilities.
- h) Fail to deal with the Board as a whole except when responding to individual requests for information or requests from Board committees or working parties.

12.8 Emergency Chief Executive Officer Succession

The Board recognises that one of its major risks is the loss of key personnel, particularly its Chief Executive Officer. To this end the Chief Executive Officer must not fail to ensure that there is in place an emergency management regime that can operate in the event of unexpected loss of his or her services. There must also be at least one person capable of responding to Board concerns and requirements at a level necessary for effective governance.

12.9 Employment Conditions

In exercising the delegation for the management of staff and volunteers, the Chief Executive Officer must not fail to ensure that there is provided a workplace environment conducive to sound workplace practices, consistent with workplace legislation and Bicycle NSW's core corporate values.

12.9.1 The Chief Executive Officer must not:

- a) Fail to provide staff and volunteers with clear guidelines as to their rights, entitlements and workplace obligations.
- b) Fail to provide staff and volunteers with 'safe', 'dignified' and 'fair' working conditions as defined in relevant workplace legislation.
- c) Deny to any employees or volunteer their right to an approved and fair internal grievance process.
- d) Refuse employee or volunteer access to the Board to express a grievance when:
 - i. The internal grievance process has been properly followed; and
 - ii. The grievance asserts that the Chief Executive Officer has breached a Board policy to his or her detriment, and/or;
 - iii. The grievance asserts that the Board has not provided adequate protection of the volunteer's or staff member's human rights.

Where there is verifiable evidence of such a grievance, access to the Board is via the Chair. The Board reserves the right to appoint an independent third party to mediate the matter or to investigate and recommend an appropriate course of action.

- e) Fail to ensure that all staff or volunteer members are acquainted with their rights under this policy.