

CODE FOR EFFECTIVE CORPORATE GOVERNANCE

The Associations Incorporation Act places significant trust in Incorporated Associations in particular through Fairholme Disability Support Group's Management Committee and provides them with the power necessary to properly manage the Group's to achieve required outcomes. These required outcomes include but not limited to: effective resource management, effective delivery of services, compliance with the various legislative and good management practices including keeping Members and significant others well informed.

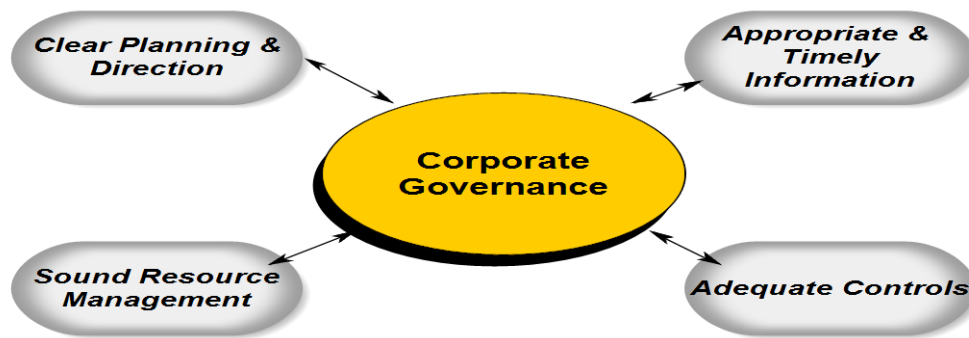
In return, Management Committee members are required to perform their duties honestly, openly, in good faith and with a high order of care and diligence. These performance requirements, which are essentially principles of good management, can also be referred to as principles of corporate governance.

Corporate governance is a term often used to describe the systems and practices in place to manage and gives practical meaning to accountability obligations. The framework of accountability in Associations requires that the Management Committee together with Members are primarily accountable for the Group's activities. Accountability is also sought through stakeholders. This means that the Group should at all times be ready and able to account for all that it has done in the exercise of its statutory authority, for the manner in which it has done it, and for the ends sought to be achieved. It is an ideal, which is fundamental to, and which, in practice, conditions the operation of responsible Associations.

To sustain high credibility the Group requires numerous supporting management processes if they are to exhibit effective corporate governance. Most, if not all, of these processes should be well known to most, as they already exist as part of:

- Legislative structures that regulate the Group;
- Human resource management and associated activity structures;
- Ethical structures that provide assurance there is consistent ethical behaviour throughout the Group;
- Internal accountability structures that provide assurance on internal control and management of the Group;
- External accountability and reporting structures that make Group performance visible; and
- Financial and physical resource management structures that provide assurance that these are being managed efficiently, effectively and ethically.

Breaking down corporate governance into these types of components can facilitate in identifying the required processes applicable to the Group. Corporate governance may be viewed as four interrelated components, as illustrated below.



The Management Committee is responsible to:

- Formulate, obtain Members approval for, and implement the Group's strategic plans; and
- Ensure decisions within the Group are fair, open and accountable and are seen to be so;
- Set Group values and minimum standard of acceptable behaviour that are consistent with the Group's Code of Ethics;
- Ensure appropriate and timely information is provided to Members and to external stakeholders;
- Ensure progress and compliance with the Group's Objects, policy and directives [confirmed Association meeting motions] and are reported upon in a timely manner;
- Ensure clear communication channels exist with members and external stakeholders;
- Ensure that assets contribute to achieving Group outcomes, are adequately maintained and their ongoing cost is minimised;
- Ensure the right people are in the right jobs with the right skills and are given appropriate developmental opportunities;
- Ensure The Group's human and physical resources together with finances are managed efficiently and effectively;
- Have mechanisms in place to ensure appropriate corporate governance in terms of:
 - Effective evaluation of the Group's performance;
 - Ensuring that the Group and staff [if applicable] act lawfully and comply with principles of the Associations Incorporation Act, the Group's Constitution, other relevant legislation and good management practices and principles;
 - Managing the Group's risk exposures; and
 - Stakeholder rights not being infringed.

The Management Committee shall undertake this analysis regularly, with the results being a meeting agenda item at least every twelve months, as it provides a means of monitoring the extent to which corporate governance requirements are being met.

Clear Planning and Direction

The following process model in principle shall be used as it has been found to be effective at all levels.

1. Present Analysis.

Examine the different aspects of the Group. These processes can equally apply to those proposing to establish anew Group activity. This provides the foundation for building the role and future directions. The analysis includes as a minimum;

- Listing of achievements to-date;
- Identifying present stakeholders;
- The culture and values of the Group;
- Organisational strengths and weaknesses;

- External opportunities and threats; and
 - Major assumptions.
2. Future Directions
 - Outline broad options
 3. Testing
 - Test the directions with internal and external stakeholders
 4. Mission [Role and purpose]
 - Establish a clear statement of purpose, role and core activities.
 5. Vision [Clear view of the future]
 - Establish a clear vision that is built on strengths and opportunities –ideal state- which not only inspires members but also external stakeholders.
 6. Goals 2-3 years. [A key contributor to organisational success]
 - Establish a small number to achieve the vision that is reasonable within the capacity of the organisation. The goals form the statement of intent.
 - The established goals should be motivational
 - Goals should have measurable outcomes [targets that are realistic, attainable yet challenging].
 7. Operational Plan [1 year]
 - As a first stage to meet the established goals [6 above] these can be in the form of programs [key functions –usually 3 or 4- of the organisation] and project/s established within each program. The plan consists of:
 - Objectives [What is required];
 - Strategies and actions [How is it to be done];
 - Resources and Targets [Who does What and by When]

The plan should build on strengths and opportunities as well as developing strategies for issues of weaknesses and threats.

The plan is what provides the initial steps towards meeting the identified goals.

8. Operational and Capital Budgets
 - Establish operational budget and capital budget [where applicable] to meet the one-year plan.
9. Implementation of The Plan
 - Success is only achieved is translated into people activities [whether individuals, groups etc] and that they have a clear understanding of what is required to achieve the desired results/timelines etc. In addition there must be a strong leadership and commitment of accomplishment by those who have been chosen to undertake the activities. [It is acknowledged that this is one of the most challenging tasks faced by organisations].

It is clearly recognised that size, complexity and operations of the Group's activities can differ considerably and so flexibility must be allowed as to the structures adopted to maximise individual performance but this must be tempered by accountability.

The Group does not accept that we do not have time, the task is too onerous, we do not have the expertise etc. It has been recognised from experience that many of the problems encountered by Associations is that they have not even undertaken the basics. It is agreed the above noted basic model will make a difference to gain clarity and strength.