



Australian Men's Shed Association
SHOULDER TO SHOULDER

Corporate Governance Statement Australian Men's Shed Association

Corporate Governance

The Australian Men's Shed Association was founded in 2007 as an organisation to provide support through the sharing of information to develop the Men's Shed concept as a means of preventing social isolation amongst older Australian males.

In conducting our affairs and services to support Men's Sheds to reduce social isolation amongst males and improve the wellbeing and health of men as well as to strengthen communities across Australia we are guided by:

Our Vision

Australian men have the opportunity to improve their health and wellbeing through participation in the Men's Shed movement.

Our Mission

To advance an effective Men's Shed movement – strengthening communities and bringing men together to facilitate positive lifestyle choices and outcomes.

Our Pillars

Shed support

We provide Men's Sheds with resources and programs to support the practical operations of the Men's Shed, as well as facilitating skills, knowledge and networks to enable those Men's Sheds to thrive.

Advocacy

We act as a national voice and speak publicly on issues that affect and/or promote the interests of shedders, member Men's Sheds and the Men's Shed movement – in government, corporate Australia and the wider community.

Men's health

We form partnerships and deliver programs to enable positive health and wellbeing outcomes for men.

Giving

We give back to our members, and act to financially support our member Men's Sheds (and their members) in times of hardship.

The AMSA is committed to proper and effective corporate governance. We constantly seek to maximise efficiency and effectiveness of our operations, while continuing to place those who we serve, being the Men's Sheds and men, at the centre of everything we do.

The AMSA is a registered charity regulated by the Australian Charities and Not-for-profits Commission (ACNC) and applies the ACNC Governance Standards.

The AMSA Board has overall responsibility for the financial performance of the organisation and the achievement of its founding purpose. The AMSA Board recognises its role in overseeing the determination and implementation of policies and processes that reflect good corporate governance aligned with the ACNC Governance Standards, our contractual commitments and stakeholder expectations that together with our Values inform and guide the organisation.

Governance Standard 1—Purpose and not-for-profit nature of a registered entity

AMSA was established in 2007 and was registered as a Company Limited by Guarantee in 2010. The AMSA is registered with the ACNC as a charity for the purpose of Health Promotion. Throughout our history our founding purpose as set out in our Constitution has remained central:

AMSA is established for the purpose of promoting the prevention or control of diseases in human beings by promoting, advancing and supporting an effective and sustainable Men's Shed Movement and representing the interests of men, Sheddors, Men's Sheds and the Men's Shed Movement to all stakeholders including men, their Men's Sheds, their communities, business, the health profession and all levels of government.

The AMSA is funded almost entirely by the Federal Government Department of Health and Sport. This enables the organisation to provide support services to Men's Sheds without applying significant costs to the Men's Sheds. The AMSA Board is responsible to the funding body to ensure all objectives of this agreement are met and the AMSA Executive strives to deliver a high standard of service to the Men's Shed movement.

The AMSA works with other organisations that share our vision, working alongside them to create a better future for Men's Sheds and Men's Health. We stand together 'Shoulder to Shoulder' with all Men's Sheds around Australia and internationally with the same purpose and vision.

Governance Standard 2—Accountability to members

The AMSA has members and other stakeholders. The Board is accountable to the members for the conduct of AMSA's affairs and the pursuit of our founding purpose and objectives as set out in our funding agreement and consistent with the Constitution.

Each year members of AMSA receive notice of the Annual General Meeting where the full financial report is presented to members together with an Annual Report. The external Auditor attends the meeting and is available to answer members' questions about the conduct of the audit, the status of internal control and the preparation and content of the Auditor's Report.

Outside of the Annual General Meeting members are able to raise matters of concern directly with the Chairman, the CEO and Company Secretary. Members are also able to elect a Director from their geographical region to the Board

Our financial statements for AMSA are lodged with and are publicly available at the ACNC and our Annual Report is available on our website.

The AMSA has many stakeholders, including our members those to whom we are funded to provide services, our donors and benefactors, our staff and volunteers, the broader community, our suppliers and financiers and the government agencies that provide us with funds and regulate our operations.

We adopt a consultative approach in dealing with our stakeholders. We are involved in not-for-profit forums, conduct research, receive feedback from forums, undertake regular surveys and ensure government at all levels is aware of our main concerns, achievements and remain abreast of industry developments that affect us.

AMSA services are required to comply with external service standards prescribed in funding deeds. These were reviewed by an independent evaluation in 2016 conducted by Siggins Miller. The evaluation required AMSA to demonstrate good governance and a commitment to quality service including complaints management processes, financial management and performance to the funding agreement. The results of this evaluation were of a high standing and can be viewed on our website www.mensshed.org

AMSA maintains two public websites: www.mensshed.org and www.malehealth.org.au. Through these and other communication channels we communicate to the public and our other stakeholders about various activities, performance and services of the AMSA as well as the achievements of the Men's Shed movement.

Governance Standard 3—Compliance with Australian laws

AMSA recognises that as a registered entity under the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act) the AMSA must comply with Australian laws. As a not-for-profit company Limited by Guarantee AMSA is registered under the Corporations Act 2001 which continues to apply but in a form modified by the ACNC Act. In accordance with the ACNC Act, the ACNC is the lead regulator and the ACNC Act is the main law applicable to us in relation to corporate governance. AMSA holds tax endorsements and concessions and are therefore also subject to the Income Tax Assessment Act administered by the Australian Taxation Office.

All AMSA Directors have been briefed about their duties as ‘responsible entities’ under the ACNC Act. The Board strives to lead by example when it comes to acting ethically and responsibly and specifically charges management with the responsibility for creating a culture which promotes ethical and responsible behaviour.

The AMSA Code of Conduct and our Values apply to the Board and subcommittees, management, the staff of AMSA and our volunteers. It specifies behavioural standards necessary to maintain confidence in AMSA’s integrity and can be accessed at our website. Understanding the Code of Conduct and our Values is an integral part of induction programs for Directors, staff and volunteers and are regularly reminded of the necessity to preserve these values and expectations.

All Board members, senior executives and staff are expected to comply with relevant laws and codes of conduct of relevant professional bodies and to act with integrity, compassion and respect at all times when dealing with colleagues, clients and others involved in our organisation.

The AMSA has applied a range of policies that include overall operational policy, Risk Management, Financial Control, Complaints, Conflict of Interest, Membership as well as Code of Conduct.

Through these policies we seek to uphold our good reputation and aim to safeguard our staff and protect the brand of Men’s Sheds. They are designed to reinforce a culture in which honesty, integrity and business ethics are a part of everyday behaviour.

Governance Standard 4—Suitability of responsible entities (Structure the Board to add value, Remunerate fairly and responsibly)

Board composition

Each Board has an appropriate balance of skills, knowledge, experience and diversity to enable them individually and collectively to exercise their judgment to discharge their duties and responsibilities effectively. AMSA acknowledges that our Directors are ‘responsible entities’ under the ACNC Act and that they must not be persons disqualified from managing a corporation or disqualified by the ACNC from being a responsible entity. The profile of each AMSA Director is available on our website and included in the Annual Report.

The AMSA Board comprises of six (6) elected State-based Directors and up to five (5) appointed skills-based Directors. For the purpose of election of State-based Directors the ACT is treated as part of New South Wales and the Northern Territory is treated as part of South Australia. Skills-based Directors will be recruited to fill identified skill requirements of the Board.

The Board Charter requires the Board to assess whether each Director is sufficiently independent. Each Director supplies the Chairman with all the necessary, requested information that may be relevant to this assessment.

Each of the elected Directors must retire at the second Annual General Meeting after their election and may stand for re-election. Specialist Directors are appointed for a 3 year term. No Director can hold office for more than 6 consecutive years. No employee of AMSA, including the CEO, can be the Chairman or a Director on the Board of AMSA, although they may be Directors of controlled entities of AMSA.

Members of the Board receive a Letter of Appointment detailing the terms and conditions of their appointment and complete an Induction Program when first appointed. Board and Committee members’ knowledge of AMSA is maintained by regular visits to AMSA operations, AMSA Men’s Shed Members, Regional Gatherings and through access to continuing education programs.

The Board evaluates its own performance annually and conducts at least every 3 years an external review. The last external review took place in 2016.

Board Chairman

The Board Chairman’s role is articulated in the Board Corporate Governance Charter. The Chairman has primary responsibility for ensuring the integrity of Board processes. The role includes providing leadership, facilitating effective contribution of all Directors and promoting constructive and respectful relationships between Directors and between the Board and Management.

Board Committees

The Board has delegated some of its functions to Board Committees. For each Committee a detailed 'Terms of Reference' is composed outlining the scope and purpose of the Committee. It is required that the 'Terms of Reference' is approved by the AMSA Board before the Committee becomes operational.

Current committees include

- Board Audit and Risk Committee
- Board Nomination, Remuneration and Succession Committee
- Membership Committee

Independent Advice

The Board Governance Charter enables the Board of Directors to seek independent professional advice in relation to the discharge of their duties as a Director at the expense of AMSA with the agreement of the Chairman.

Remunerate fairly and responsibly

Directors serve on a pro-bono basis and do not receive remuneration for their services as a Director, although reasonable expenses incurred in the course of carrying out their duties as Directors may be reimbursed such as travel, accommodation and meals.

The Board Nomination, Remuneration and Succession Committee is responsible for recommendations to the Board regarding remuneration and other terms and conditions for the CEO and senior executives.

The Committee assists the Board with Board succession planning including reviewing the composition of the Board with the objectives that the Board is composed of Directors who have the skills and experience to fulfil their obligations with diligence and judgement. Skills-based Directors will be recruited to fill identified skill requirements of the Board and detailed position descriptions will be prepared for these positions. Skills-based Directors will be recruited through AMSA's employment policies and will be nationally advertised through an external employment consultant.

We recognise that people who work for AMSA demonstrate a high level of concern for the wellbeing and health of Men, have a strong social conscience and a passionate loyalty to Men's Sheds. AMSA strives to build practises which will attract retain and motivate high quality senior executives and staff and to align their interests with the AMSA purpose.

Diversity

Maintaining a diverse and inclusive organisation is important to AMSA. The principles of equal opportunity for all men and women and other groups in our community are well aligned with our Values. Interview guides for potential new staff and Board Members are designed to ensure all applicants are assessed on a level playing field based on their competencies and not gender or background. A significant proportion (4 of 7) of our workforce is female.

Governance Standard 5—Duties of responsible entities

Foundations for management and oversight

The role of the Board is to ensure AMSA has in place a governance framework which ensures we are operating legally, ethically and responsibly in fulfilling our founding purpose and objectives. The role of the Board is summarised in the Board Charter which can be viewed at our website.

It includes:

- Providing strategic guidance for the AMSA and effective oversight of management;
- Establishing the functions reserved to the Board and those delegated to the CEO;
- Appointing the CEO, approving succession plans, monitoring and evaluating the performance of the CEO and determining the goals and objectives for the setting of senior management remuneration policies and practices;
- Monitoring financial results and the effectiveness of the risk-management system and overseeing policies governing the AMSA operations and sustainability as well as ethics and transparency;
- Evaluating the Board's effectiveness and aspiring to excellence in corporate governance.

The Board oversees and monitors management's performance by:

- Selecting, appointing, guiding and monitoring the performance of the CEO;
- Approving AMSA's annual budget and financial statements;
- Formulating AMSA's Strategic Plan together with the CEO and executive management.

The AMSA Board meets at least six times during the year to:

- Monitor progress in achieving the Strategic Plan and performance against operating and capital budgets;
- Receive detailed financial and other reports and input from Management to verify AMSA's financial performance, viability, solvency and long and short-term sustainability.
- Assign responsibility to Board Committees to oversee particular aspects of AMSA's operations and administration in areas such as membership, finance, audit, risk, insurances, service evaluation and review, Board nominations and executive remuneration. Each Board Committee operates under approved 'Terms of Reference' that are reviewed and updated from time to time as required.
- Monitor internal control, health and safety, risk management, compliance and quality control frameworks and management information systems as well as reviewing delegations, policies and procedures, reporting to stakeholders on a regular basis, including providing financial reports.
- Oversee AMSA's compliance with relevant legislation and regulations.

- Advocate for AMSA, Men's Sheds and Men's Health whenever and wherever appropriate.
- The Board delegates responsibility for AMSA's day-to-day operations and administration to the CEO and Executive management. A schedule of delegated authority within the AMSA 'Employee Policies and Guidelines' sets out staff decision-making responsibilities and financial contractual thresholds for appropriate levels throughout AMSA.

Safeguarding integrity in financial reporting

A Board Audit and Risk Committee is established with three Directors that have accounting or related financial expertise and subject matter specialty who is independent of the Board, executive, Management and staff of AMSA. The other Board Directors, CEO and Business Manager have a standing invitation to attend meetings but are not members of the Committee and cannot chair the Committee or vote. The Committee has a formal 'Terms of Reference' with responsibility to assist the Board to fulfil its corporate governance responsibilities for the AMSA, particularly in relation to oversight of the:

- Maintenance of an effective framework of risk management including compliance and internal controls
- Reliability and integrity of the financial statements and external financial communication
- Effectiveness of the external audit and internal assurance functions.
- Adequacy of AMSA's insurance coverage.

The Committee includes an annual agenda item for the selection and appointment of the external Auditor and considers the rotation of external audit engagement partners.

Under its Charter, the Internal Assurance function reviews the effectiveness and efficiency of AMSA's operations and management control environment, and works collaboratively with Management on potential improvements.

Recognising and managing risk

AMSA is committed to an organisational culture that enables us to achieve our strategic objectives through appropriate management of risk. AMSA also understands that commitment from all levels of the organisation is required to demonstrate behaviours which are consistent with a risk-conscious culture. All staff have a role to play and are made aware of that role in achieving our strategic objectives. The Board has a number of responsibilities specifically relating to risk, including:

- Monitoring the effectiveness of AMSA's risk management systems, including compliance with regulatory requirements
- Satisfying itself through appropriate reporting and oversight that appropriate internal and external control mechanisms are in place and are being implemented

- Approving AMSA's financial statements and monitoring financial performance against approved budget
- Providing oversight and monitoring of workplace health and safety issues in AMSA and considering appropriate WHS reports and information.

In fulfilling these responsibilities, the Board is assisted by the Board Audit and Risk Committee. AMSA has identified its key risks.

These include:

- Securing ongoing funding for our work
- Complying with regulatory, funding and contractual obligations
- Minimising impact of damage to credibility and reputation
- Retaining high-quality skilled staff
- Ensuring staff and volunteer safety
- Ensuring the AMSA has the capacity to respond to social, economic and political change.

The recognition and management of risk is undertaken under the AMSA Risk Management Plan and Risk Management policy with architecture and protocols that are informed by the International Risk Management Standard ISO 31000:2009. AMSA understands there will always be risk associated with the provision of human services and professional advice and that the Risk Management Plan, model and practices must be tailored accordingly.