

Purpose

This Guideline provides all RANZCP Fellows with information on the Elected Director criteria. It also outlines the obligations of a RANZCP Director, the role of the Board, and the duties of a Company Director.

Background

The RANZCP is committed to a Board which is diverse and inclusive and to good governance through the election of Board members who are skilled in the duties and responsibilities of Company Directors.

To support these commitments, in 2023 the Elected Director selection criteria was updated to reflect that members are no longer required to hold Fellowship for a minimum of three years to be eligible to apply for an Elected Director position. To ensure good governance, the Board approved an additional criterion to the Elected Director Selection Criteria.

Role of the Board

The RANZCP is a Company limited by guarantee under the *Corporations Act 2001* (Cth) (the Corporations Act) and a registered Charity under the Australian Charity and Not-for-Profit Commission (ACNC).

The role of the Board is to supervise the RANZCP's business in two broad areas:

- **Overall business performance** - ensuring the RANZCP develops and implements strategies and supporting policies to enable it to fulfil the objectives set out in the RANZCP's Constitution. The Board delegates the day-to-day management of the RANZCP but remains accountable to the members for the RANZCP's performance. The Board monitors and supports management in an ongoing way.
- **Overall compliance performance** - ensuring the RANZCP develops and implements systems to enable it to comply with its legal and policy obligations (complying with statutes such as the Corporations Act, adhering to accounting standards) and ensure the RANZCP's assets are protected through appropriate risk management.

Section 8.1.1 of the RANZCP Constitution confers broad powers on the Board to govern the RANZCP according to its overarching purposes. This includes matters relating to RANZCP governance, such as the implementation of mechanisms to improve the effectiveness of the Board.

Duties of Board Directors

As a registered charity, the RANZCP must meet the ACNC Governance Standards including;

[Governance Standard 4](#) requires the RANZCP to ensure its Board members are suitable i.e., have not been disqualified from managing a corporation under the Corporations Act, or from being a "Responsible Person" by the ACNC Commissioner within the previous 12 months.

[Governance Standard 5](#) requires the RANZCP ensures its Board members are aware of their duties and that they comply with them. These duties are to;

- act with reasonable care and diligence
- act honestly and fairly in the best interests of the charity and for its charitable purposes
- not misuse their position or information they gain as a Responsible Person

- disclose actual or potential conflicts of interest
- ensure that the financial affairs of the charity are managed responsibly, and
- not allow the charity to operate while it is insolvent.

More information on the duties under Governance Standard 5 are available [here](#).

Revised Board Director Election from 2024

To ensure that the RANZCP meets its obligations under the ACNC and to reflect good governance practice, the Board determined that from 2024 a third criterion would be added to the Elected Director Position Description. The selection criteria are:

- a) Fellowship of the RANZCP.
- b) Meets the basic requirements for a director of a company (see [Governance Standard 4](#)), incorporated under the Corporations Act.
- c) Undertaken Board governance education, by way of:
 - i. Completion of an appropriate governance education course (**see list below**); or
 - ii. Equivalent Board Director experience on a Board regulated under the Corporations Act, ACNC, or Australian Securities & Investments Commission (ASIC) in Australia, and their equivalent in New Zealand.

To allow Fellows the opportunity to meet the eligibility criteria of completing a board governance course, this requirement will come into effect for the 2024 Elected Director Elections.

It is important for all Elected Directors of the RANZCP to demonstrate the appropriate skills, experience, and knowledge to join a Board, prior to commencing in a Board position. Board members are also required to maintain their governance knowledge of the changing regulatory environment in which registered charities operate and the evolving fiduciary requirements of Company Directors.

It is important that candidates have an understanding of the position for which they are standing and have an appropriate level of skill, knowledge, and experience prior to commencing their term. The voting process remains unchanged.

Governance Courses

The [Australian Institute of Company Directors \(AICD\) Directors Course](#) provides an in-depth look at the responsibilities and expectations of directors. Topics covered in the course include:

- Governance and the practice of directorship.
- The legal environment.
- Risk and strategy.
- Financial literacy and performance.
- Achieving board effectiveness.

The [Institute of Company Directors New Zealand \(IOD NZ\) Company Directors Course](#) “provides a comprehensive understanding of the role, duties, skills and knowledge required to perform competently as a director.” Topics covered in the course include:

- Best practice corporate governance.
- Strategy in the boardroom.
- Finance and the board’s role.
- Directors and the law.
- Board dynamics and culture.
- Risk governance.

Examples of comparable courses that are acceptable to the RANZCP include:

- Australian Institute of Company Directors (AICD) Foundations of a Directorship program, 3 day course: [Foundations of Directorship™](#)
- Deakin University Being Board Savvy, 8 week online masterclass: [Being Board Savvy | Deakin](#)

- The Australian Institute of Management (AIM) Director Certificate, 2 days on campus or in house: [AIM Director Certificate](#)
- AIM Western Australia Governance for NFP Board Directors and Officers, 5 x 90 minute modules: [Governance for NFP Board Directors and Officers](#)
- Get on Board Australia Boardroom Bootcamp, online: [Boardroom Bootcamp](#)
- Institute of Community Directors Australia (ICDA) Diploma of Governance, online weekly workshops for 6 weeks: [Overview](#)
- Governance Institute Australia (GIA) Effective Director Course, 3 days in person: [Effective Director Course](#)
- Royal Australasian College of Medical Administrators (RACMA) Fellowship - [Fellowship Training Program \(FTP\)](#)
- Governance New Zealand The Effective Director Series, 3-day course: [The Effective Director Series](#)
- Centre for Social Impact: Not for Profit Board Directors Course, 2-day course: [Not-For-Profit Board Directors Course | CSI](#)
- Mayfield Group Governance Fundamentals, 1- and 2-day workshops: [Board Member Training - Governance Fundamentals](#)

Other courses that cover the core learning objectives of the AICD or IOD NZ Directors Course may be acceptable to the RANZCP and will be determined on a case-by-case basis. For example, completion of Master of Business Administration (MBA) where governance was a core module.

Related documents

- Elected Director Position Description

REVISION RECORD

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