

Board Code of Conduct

INTRODUCTION

The Purpose of this Code of Conduct

The board of the South Metro Junior Football League is ultimately responsible for the proper management, administration and success of the league, both in its own right and as a contributor to the strength of football in Victoria.

As the controlling body of the league, the board recognizes and acknowledges its obligations to members and employees of the league and to football and to the community generally, to ensure that the league conducts its activities in accordance with the highest professional standards.

This Code of Conduct is intended to provide guidance to board members to assist them in carrying out their duties and responsibilities effectively and in accordance with the best professional standards. It sets out the standard of conduct expected from all board members, with the particular objective of ensuring that the South Metro Junior Football League inspires the utmost faith, confidence and support of all of its members and of other participants in Victorian football.

Board members, by adopting this Code of Conduct, affirm their commitment to the principles of this code, which seek to uphold and promote the values of honesty, integrity, enterprise, excellence, accountability, justice, independence and equality of opportunity.

Interpretation

In this Code of Conduct:

“Board” means the board (executive committee) of the South Metro Junior Football League

“League” means the South Metro Junior Football League

“Rules” means the rules of the South Metro Junior Football League

This Code of Conduct is intended to apply according to its spirit and intent, and not according to any rigid or overly legalistic interpretation.

Structure of this Code of Conduct

This Code of Conduct has three sections:

- (a) a brief description of the role of the board
- (b) the Code of Conduct for board members and,
- (c) guidelines to assist board members in complying with the core principles of the code.

THE ROLE OF THE BOARD

Governance of the League

The league is to be governed by the board in accordance with the highest standards of professionalism, probity, diligence and excellence.

The members of the league have, under the Rules, delegated many of their responsibilities as members of the league to the board members, who oversee the management of the activities and affairs of the league on behalf of all members of the league.

Board members are accordingly accountable to the members of the league, whose participation through general meetings of the league is necessary to make that accountability effective.

The Role of the Board

The primary role of the board is to ensure that the management of the league continuously and effectively strives to meet the goals and objectives of the league, including its responsibilities to Victorian football.

In particular, the board's role is to:

- set the goals and objectives of the league as an active participant in Victorian football;
- appoint the league's general manager
- ensure that there are adequate plans for the acquisition and organization of financial and human resources towards the attainment of the league's goals;
- review, at reasonable intervals, the league's progress to obtaining its goals; and
- report to the league's members on the activities and operations of the league.

The Functions of the Board

The particular functions of the board include:

- Adopting a strategic plan for the league, including general and specific goals and comparing actual results with the plan.
- Adopting an annual budget for the financial performance of the League and monitoring results on a regular basis.
- Ensuring clear performance indicators are adopted, and are understood by the league's administration function.
- Selecting the chief executive officer, if necessary replacing him or her, and ensuring adequate succession planning.
- Adopting clearly defined delegations of authority from the board to the chief executive officer.
- Determining that the league has instituted adequate reporting systems and internal controls (both operational and financial), together with appropriate monitoring of the league's compliance with its obligations.
- Establishing and monitoring policies that will ensure that the league complies with the law and conforms to the highest standards of financial and ethical behaviour.

- Determining that the league's accounts are in conformity with Australian Accounting Standards and are true and fair, and ensuring that the satisfactory arrangements are in place for auditing the league's financial affairs, and that the scope of the external audit is adequate.
- Ensuring adequate processes for the selection of the new board members for the consideration of members of the league at general meetings, with adequate information to allow members of the league to make informed decisions regarding the membership of the board.
- Reviewing the board's own processes and effectiveness, and ensuring that the balance of skills and experience on the board is adequate to all the board to properly perform its role. In particular, the board should be satisfied that it has, or has access to, the appropriate levels of skill in all relevant areas of the law and in relation to the affairs and operation of the league.

Role of the Chairman

The chairman plays a crucial leadership role in ensuring that the board works effectively.

The chairman's responsibilities include:

- Ensuring that the board has the necessary skills and experience, subject to the approval of the board and the members of the league.
- Ensuring the full participation of all board members in the board's deliberation and decisions.
- Ensuring that all relevant issues are on the agenda and that board members receive timely, relevant information to enable them to actively and effectively contribute to the performance of the board of its responsibilities.

CODE OF CONDUCT FOR BOARD MEMBERS

Attendance to Duties

Board members will carefully and diligently attend to the performance of their duties and the exercise of their powers as board members.

Board members will use their skills and experience to the best advantage of the league.

Board members will use their best efforts to ensure that the league is properly managed and constantly improved to best meet its objectives.

Board members should attend all board meetings. Where attendance at meetings is not possible, appropriate steps should be taken wherever possible to obtain leave of absence.

Board members will ensure that they are fully informed about the activities and affairs of the league and football generally, including relevant statutory and regulatory

requirements, and the physical, political and social environment in which Victorian football is conducted.

Board members will be independent in their judgments and actions, and will not act in the interests only of any sectional interest.

Interests of the league and league members

Board members will perform their duties and exercise their powers in the best interests of the league and all of its members, while at the same time having proper regard for the interests of all participants of football in Victoria.

Board members will perform their role effectively and impartially, to ensure that all members of the league are treated fairly and equitably according to their rights as between each other.

Board members will ensure that they do not act in any manner that may reasonably be expected to have adverse implications for the league or its members.

Confidentiality

Board members will maintain the confidentiality of matters discussed at board meetings, and of information acquired by virtue of their position as a board member.

Board members will refrain from any public comment regarding the considerations and determinations of the board, unless authorized by the board to do so.

Use of Information or Position

Board members will not make improper use of information acquired by virtue of their position as a board member. This prohibition applies irrespective of whether the board member would gain, directly or indirectly, a personal advantage or advantage to any associated person, or might cause detriment to the league or Victorian football.

Board members will not take any improper use of their position as a board member to gain, directly or indirectly, a personal advantage or an advantage for any associated person, or which might cause detriment to the league or Victorian football.

Conflicts of Interest

Board members will at all times give primacy to the interests of the league, and will not allow their personal interests, or the interests of any associated person, to conflict with those of the league.

Board members will ensure that in any circumstances where a conflict between their personal interests and those of the league may arise, the affected board member will:

- immediately disclose the nature of that conflict to the chairman; and
- accept the directions of the board in respect of the resolution of the conflict.

Maintenance and Promotion of Public Confidence

Board members will not engage in conduct likely to bring discredit upon the league or Victorian football, or otherwise diminish the confidence of the public generally, or of

participants in Victorian football in particular, in the fairness, integrity or professionalism of the league.

Board members will not make any public comment or statement that is critical of, or otherwise calls into question, any decision made by any official of Football Victoria.

Board members will report to the chairman any actions by others that may adversely affect, either directly or indirectly, the public confidence in the integrity of the league or Victorian football in general.

Disclosure of Interests

Each board member will, no later than the first meeting of the board after the board member is appointed, provide the chairman a complete listing of the board member's interest in any business that may have dealings with the league or with Victorian football generally.

The listing will include indirect interests such as those of the board member's immediate family, and interests held by companies, trusts and partnerships in which the board member or the board member's family has an interest. The listing will be kept up-to-date.

GUIDELINES FOR INTERPRATION OF THE CODE OF CONDUCT

Board members have an obligation to comply, at all times, with the spirit and the letter of this Code of Conduct.

The following guidelines are intended to assist board members in complying with the core principles and spirit of the Code of Conduct.

Duties of a Board Member

The general duties of board members come from the common law. At the most fundamental level these duties are:

- The fiduciary duty of loyalty, which is usually expressed as a duty to act in good faith and in the interests of the league and its members: and
- The duty to use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office.
- The fiduciary duty of loyalty is owed to the league as a whole, meaning the league itself and all of its members. The board member's duty of loyalty to the league as a whole is a "fiduciary" duty that imposes the highest standard of fidelity, because the board member occupies a position of trust vis-à-vis the league. The nature of the duty is similar to that of the trustee towards the beneficiaries of a trust. This duty requires every board member to:
 - Act bona fide in the best interests of the league as a whole;
 - Exercise the powers of office for the proper purposes of the league and not for any extraneous purpose; and

- Avoid being placed in a position where his or her duty to the league conflicts or may conflict with any personal interest, and if such a possibility arises disclosing the matter and handling it in the interests of the league as a whole.

Loyalty to the league requires board members to:

- support the decisions of the board and the league at properly constituted meetings, even if the board member did not (and perhaps still does not) personally support the decision;
- be frank and honest in their official dealings with each other;
- ensure proper management of the league's scarce resources so that the objectives of the league are met in a timely manner; and
- deal impartially, and without self-interest or outside influences, with the interest of all parties with whom the league deals.

Obtaining adequate information

To enable board members to be fully effective they need access to sufficient, reliable information.

Board members should insist that sufficient detail is made available to them ahead of time to allow proper consideration before meetings of the board.

A board member who is not satisfied that sufficient information is being brought forward to enable his or her duty of care to be exercised must take positive action to persuade a majority of the board to require additional information to be provided. What is required should be specified. If he or she cannot persuade his or her fellow board members that further information is required, then the steps set out below in relation to "Dissent" apply. If the board agrees that further information is required, then it may request that information from either the general manager or, in rare cases, an outside party.

To enable board members to discharge their fiduciary duties properly it may be necessary for them to be provided with expert advice. Such advice should be as objective and independent as possible.

Given the varying backgrounds, qualifications and experience of board members it is desirable that they should expect a proper process of induction to the board, its Rules and legislative environment. It is desirable that board members with no previous board experience should undertake suitable internal or external training.

Dissent

Board members should recognize that their responsibilities to their colleagues and the league require that, where disagreement occurs, every effort must be made to resolve the issue and avoid dissension.

Nevertheless, there may be times when a board member feels so strongly about a matter of principle that the board member is unable to acquiesce in a decision of the board. In such cases the board member should consider taking some of all of the following steps:

Making the extent of the dissent and its possible consequences clear to the board as a means of seeking to influence the decision.

Asking for additional legal, accounting or other professional advice.

Asking that the decision be postponed to the next meeting to allow for further consideration and informed discussion.

Recording of dissent in the Minutes. Tabling a statement of dissent and asking that it be minuted. Writing to the chairman, or to all board members, and asking that the letter be filed with the Minutes. Board members do not have the right to ignore or attempt to frustrate decisions of the board, nor to pursue a private agenda, when they do not agree with the majority decision.

Confidentiality

Board members have an obligation to maintain the confidentiality of information provided to board members in their capacity as board members.

Board members must not disclose or allow to be disclosed to any other person any such information which is not already known to the other person unless the disclosure has first been authorized by the board.

Where confidential information is provided to a board member, care must be taken to ensure that the information is kept secure. If such information is to be disposed of by a board member, it must be destroyed.

A board member whose appointment to the board terminates must return to the league any documents, items or things gained at any time as a result, direct or indirect, of membership of the board.

Confidential information available to board members must be used only in ways which are consistent with the obligations of board members to act impartially, with integrity and in the public interest, and must not be used to obtain any advantage, whether direct or indirect, for themselves or any other person or body.

Media comment is restricted to the chairman or chief executive officer.

Conflicts of Interest

The common law sets high standards for removing conflicts of interest.

Under the Code of Conduct conflicts of interest are to be assessed in terms of the likelihood that board members possessing a particular interest could be influenced, or might appear to be influenced, in the performance of their duties or in respect of any other matter.

At all times a board member must be able to act in the interests of the league as a whole. The interests of associates, affiliates, other football interests and personal interests of the board member or the board member's family must not be allowed to prevail over those of the league.

The pursuit of self-interest or representation of a factional interest above the interest of the league is a breach of a board member's fiduciary duties.

Where a conflict or apparent or potential conflict does arise, the board member must immediately advise the board (through the chairman) of the nature of the conflict or apparent or potential conflict, and follow the instruction of the board regarding whether to refrain from participating in the debate or from voting on the matter. In an extreme case, the board member should consider whether to resign from the board. The chairman is available to discuss potential conflicts of interest with board members.

Full disclosure of conflicts or apparent or potential conflicts must be made to the board meeting at which the conflicting matter arises.

After a board member has disclosed an interest, the board member shall not, unless the board otherwise determines, be present during any deliberation of the board or take part in any decision of the board with respect to the matter.

Maintenance of Public Confidence

Board members must not allow themselves to be subject to conduct by persons elsewhere that may adversely affect, either directly or indirectly, the honest and impartial exercise of their official functions.

Board members must avoid giving the indication that gifts, gratuities or hospitality relating to their membership of the board will be accepted, either for themselves or any other person or body, or that these may influence decisions.

Board members may accept only token gifts and modest hospitality. Hospitality is modest when it is not more than the board with similar responsibilities would provide in return to that company or those individuals.

If any gift, gratuity or hospitality of other than a token kind is offered, full and prompt disclosure must be made to the chairman or board.

If board members are uncertain as to whether actions by others may constitute suspected corruption they should contact the chairman or the chief executive officer directly.

All reasonably suspected cases of conduct that could directly or indirectly affect the honest or impartial exercise of their official functions, as a board member must be reported promptly in writing to the chairman.

Disclosure of Interests

The disclosure of board member's interests in businesses that have dealing with the league or with football generally is an important positive demonstration of the commitment of the board members to avoiding conflicts of interest, and of their dedication to the best interests of football.

The chairman will review the listing of board member's interest, but shall keep that listing confidential, including from the board, unless the chairman believes that a matter has come before the board that involves a conflict of interest.

In that circumstance, the chairman should speak to the board member, and advise the board member to disclose that interest to the meeting. The chairman should not disclose the information to the board unless the chairman believes that the board member has a conflict of interest that the board member has not disclosed.

The list of disclosures of interest is not to be made available for inspection by members of the league or the public generally, but is to remain confidential to the chairman and, except in the unusual circumstances outline above, the board.

