

Council Charter



1. PURPOSE OF CHARTER

- 1.1. This Council Charter (**Charter**) sets out the role, composition and responsibilities of the National Council (**Council**), which is the Board of Directors of The Royal Australian Institute of Architects, trading as Australian Institute of Architects (**Institute**).
- 1.2. The conduct of the Council is also governed by the Memorandum and Articles of Association (**Constitution**), a copy of which is available at architecture.com.au/about-us/governance.
- 1.3. Various operational matters relating to the Council, such as number of meetings per year, notification of interests, and election of directors are governed by the Constitution and are not reproduced here.

2. COMPANY LIMITED BY GUARANTEE

- 2.1. The Institute is an incorporated company limited by guarantee.
- 2.2. Corporations law defines 'company limited by guarantee' as 'a company formed on the principle of having the liability of its members limited to the respective amounts that the members undertake to contribute to the property of the company if it is wound up.'
- 2.3. Directors of a company limited by guarantee are subject to the same statutory duties regardless of whether the company is for profit or not-for-profit.

3. PURPOSE OF THE COUNCIL

- 3.1. The Council, while meeting its responsibilities, is mindful of the Institute's mission and the objects of the organisation as embodied in its Constitution.
- 3.2. The Council has two broad purposes, *compliance* and *performance*:

COMPLIANCE: conform with or exceed all legal requirements

Legal

- monitor and comply with Constitution
- comply with directors' responsibilities (refer Section 6)
- comply with laws

Accountability

- monitor financial performance
- compliance audits

PERFORMANCE: assist the organisation to perform to its best potential

Strategy and policy

- approve Vision/Mission and ensure it is embedded into the organisation's operations
- approve strategic plan and monitor regularly
- set and review policies

Accountability

- overall performance of the organisation
- Council performance evaluation and succession planning
- report outcomes to stakeholders
- CEO delegation

Public Relations

- represent and participate
- keep stakeholders informed
- project a strong and positive image
- promote the Vision
- facilitate cohesion
- protect the interests of stakeholders
- speak with one voice regarding Council decisions

Risk management

- Ensure up-to-date and effective risk profile and management strategy
- monitor and review strategies to mitigate critical risks
- monitor insurance requirements

4. ROLES AND RESPONSIBILITIES

- 4.1. The Council has delegated authority for the operations and administration of the organisation to the Chief Executive Officer (**CEO**) who has in place an Executive Management Team (**Management Team**).
- 4.2. The Council is not required to conduct the Institute's business activities or be involved in the delivery of services. The CEO and Institute staff are responsible for the delivery of activities and services.
- 4.3. The primary functions of the Council are to:
 - 4.3.1. Provide effective and strategic leadership and collaborate with the Management Team in:
 - articulating and promulgating the organisation's values, vision, mission and strategies;
 - protecting the interests of members and other stakeholders
 - developing strategic plans and ordering strategic priorities;
 - maintaining open lines of communication within the organisation and with members and other stakeholders, and
 - developing and maintaining an organisation structure to support the achievement of agreed strategic objectives
 - 4.3.2. Monitor and assess the performance of the CEO against agreed performance indicators.
 - 4.3.3. Review and agree the operational (business) plans and annual budget proposed by the Management Team.
 - 4.3.4. Monitor the achievement of the strategic and operational plans and annual budget outcomes.
 - 4.3.5. Establish such committees, policies and procedures as will facilitate the most effective discharge of the Council's roles and responsibilities.
 - 4.3.6. Ensure, through the Council committees and others as appropriate, compliance obligations and functions are effectively discharged.
 - 4.3.7. Initiate a Council self-evaluation program and follow-up action to deal with issues arising including arranging for directors to attend courses, seminars and participate in development programs as the Council considers appropriate.

Attachment A

- 4.3.8. Ensure that all significant systems and procedures are in place for the organisation to run effectively, efficiently, and meet all legal and contractual requirements.
- 4.3.9. Ensure that all significant risks are adequately considered and accounted for by the Management Team.
- 4.3.10. Ensure that the organisation has appropriate corporate governance structures in place including standards of ethical behaviour and promotion of a culture of corporate and social responsibility.

5. MEMBERSHIP AND TERM

- 5.1. The Constitution provides for the Council to comprise the directors; comprising the President, President-elect, Immediate Past-President, 8 Councillors (Chapter-elected), 4 Councillors (Nationally-elected) and student and emerging architect representatives (generally the current Presidents of SONA and EmAGN).
- 5.2. The Constitution requires a quorum of 8 directors (including at least 2 Nationally-elected Councillors) for a meeting of Council to transact business that is authorised under the Constitution.
- 5.3. As required by the Constitution, the Council consists only of non-executive directors. No member of the Council may be a member of the paid staff of the Institute. The Constitution provides that Councillors generally will not serve on Council for more than 2 years before they must retire or seek re-election.

6. DIRECTORS' DUTIES

- 6.1. Directors have a statutory duty to act with loyalty and in good faith, including:
 - Acting in good faith in the best interests of the organisation and its members, and for a proper purpose
 - Not to misuse their position
 - Not to misuse information
 - To avoid conflicts of interest (refer Section 7).
- 6.2. Directors have a statutory duty of care and diligence, including:
 - Acting with a degree of care and diligence that a reasonable person would exercise.
- 6.3. Directors have other specific statutory duties in accordance with Corporations law in Australia, including:
 - To prevent insolvent trading
 - A duty of continuous disclosure
 - Disclosure of related party transactions
 - Disclosure of director's interests

7. INTEREST AND DECLARATION OF INTEREST

- 7.1. An Interest is a business or other relationship which could, or could reasonably be perceived by others, to now or in the future materially interfere with the director's ability to act in the best interests of the Institute and not in the director's own or another person's interests.
- 7.2. An Interest under this Charter includes non-financial interests that might not be considered "material" at law.

Attachment A

- 7.3. Councillors must be free from any Interest when discussing and deliberating on any Council business, except where such Interest has been formally declared and recorded as follows:
 - 7.3.1. Councillors must declare an ongoing Interest, which is to be recorded regularly in the Minutes of any meeting of Council. If recorded, a Councillor may without explanation withdraw during discussion of or deliberation on any matter where that Interest may operate.
 - 7.3.2. Councillors must also declare any Interest that arises in particular circumstances or in the context of business being considered by Council, and the declaration is to be recorded in the Minutes.
 - 7.3.3. An Interest or possible Interest may be raised by the Chair, another Councillor or the Company Secretary in writing or verbally during a discussion or deliberation by Council. The Councillor may then withdraw. If the Councillor has not withdrawn, Council must decide before discussion continues whether the Interest is operative and if so, require the Councillor to withdraw. Alternatively, Council may decide to allow the Councillor to remain present but not take part in discussion and if a vote is required, abstain from voting. If Council decides that an Interest is operative, the Minutes must record the details of Council's decision.
- 7.4. The provisions of this clause of the Charter extend to the members and procedures of any Institute committee, including a Chapter Council, Standing Committee, Taskforce, or ad hoc committee of the Institute, except that where applicable, the relevant Institute staff member supporting the Committee may also raise an Interest or possible Interest for determination by the committee.

8. EXECUTIVE COMMITTEE

- 8.1. The Executive Committee (**Executive**) of the Council comprises the President, President-elect, Immediate Past-President, Honorary Secretary and Honorary Treasurer.
- 8.2. The Executive has power to act between meetings of Council, subject to any specific directions from Council.
- 8.3. The Executive's role is to:
 - 8.3.1. advise the Management Team in the development and implementation of policy and the development and prioritisation of strategy;
 - 8.3.2. set the agenda for Council meetings, ensuring that only policy and strategic issues go forward to Council;
 - 8.3.3. report to Council on Executive actions and decisions and, only where required to inform Councillors for the purposes of their corporate responsibility, on routine, commercial and external relationship matters considered by Executive;
 - 8.3.4. advise, encourage and guide Council in the development of policy;
 - 8.3.5. openly and transparently declare all submissions considered by it, to enable Council to understand the nature, direction and priorities of policy development.
- 8.4. A quorum of 3 members of the Executive is required for an Executive meeting to formally transact business.

9. COUNCIL/CEO RELATIONSHIP

- 9.1. The roles of the President and CEO are strictly separated. The President represents the Council in its dealings with the CEO and staff, and the CEO represents the staff in communicating and collaborating with the Council.
- 9.2. The CEO is not a member of the Council.
- 9.3. The CEO is responsible for management of the organisation and its operations. The Council can give strategic advice or an order to the CEO but must not undermine the authority of the CEO by instructing a staff member without permission of the CEO.
- 9.4. The CEO helps set the agenda, assembles the information and makes recommendations that underpin the Council's deliberations. Specifically, the CEO's responsibilities include:
 - 9.4.1. **Human resources:** recruitment, talent management, terminations and regulatory compliance.
 - 9.4.2. **Planning:** strategic planning (in collaboration with Council), operational planning and performance evaluation.
 - 9.4.3. **Financial and physical resources management:** budget development and monitoring (for high level review by Council), and risk management.
 - 9.4.4. **Fundraising:** research, planning and implementation of required fundraising activities.
 - 9.4.5. **Representation:** presenting the Institute's mission, programs, policies, products and services to relevant stakeholders.
 - 9.4.6. **Standards:** in collaboration with Council, setting and exemplifying standards for ethical behaviour, commitment, effectiveness and efficiency.
 - 9.4.7. **Vision:** articulating the Institute vision to staff and members.
 - 9.4.8. **Meeting support:** in collaboration with the President, empowering the Council through well organised agendas, clear and logical recommendations for action, including options where practical, and effective recording of meeting outcomes.
- 9.5. The Council oversees the CEO. An important role of Council is the selection and monitoring of the CEO, including:
 - 9.5.1. CEO recruitment, which Council delegates to the President and Immediate Past-President.
 - 9.5.2. Setting and reviewing the CEO's salary and employment contract, which Council also delegates to the President and Immediate Past-President.
 - 9.5.3. Monitoring and reviewing the CEO's performance. Formal reviews are based on the CEO's position description and objectives included in it and are delegated by Council to the President and Immediate Past-President.

10. COUNCIL CULTURE

- 10.1. The Council actively seeks to promote an 'engaged culture' which is characterised by candour, respect and a willingness to challenge.
- 10.2. Council meeting agendas limit presentation time in order to maximise discussion time, and allow plentiful opportunities for informal Councillor interaction.
- 10.3. Councillors expect their fellow Councillors to:
 - be honest but constructive
 - be ready to ask questions and willing to challenge the status quo

Attachment A

- actively seek out other Councillors' views and contributions
- spend time on an issue commensurate with its importance
- share their views, ideas and criticisms without bias or favour

10.4. Councillors conduct themselves so that they:

- always come prepared to contribute
- participate actively in the affairs of the Council
- respect their fellow Councillors and the members and staff of the Institute
- take responsibility and carry a fair share of the load

10.5. In meeting the needs of all stakeholders the Council will operate in ways that embody the Institute's core values:

- **One community**, embracing *diversity* and open communication
- **Innovation**, demonstrating *leadership with courage and creativity*
- **Accountability**, acting with *integrity, responsibility and sustainability*
- **Respect**, relating with *empathy and recognition of effort*
- **Collaboration**, working together with *trust, transparency and fun*

11. MEETINGS AND REPORTING

11.1. Proceedings of all Council and Executive meetings are minuted and signed by the President (or the Chair of the meeting if the President was not present).

11.2. Resolutions are first put in draft form and, once passed, are recorded in a Resolutions Register. Passing of resolutions is generally by consensus but where necessary a vote may be taken by a show of hands. "Moving and seconding" of proposed resolutions is not required. Moving into "committee" to discuss a proposed resolution is also not required.

11.3. Decisions of Council or Executive, whether resolutions or less formal guidance to the CEO, are reported as 'one voice' unless a Councillor requests that abstention from voting, or a negative vote, is recorded in the Minutes.

11.4. Digital or other recordings of meeting proceedings are for the benefit of the minute taker and are not retained following endorsement of the meeting minutes.

11.5. Minutes will be distributed to the Council or Executive for comment within 30 days of the meeting, then ratified by the President within a further 30 days, after which the recording will be destroyed. The period between the meeting and destruction of the recording must not exceed 60 days.

11.6. Key outcomes of Council meetings, but not the full, formal minutes, will be reported through an appropriate channel to members.

12. REVIEW OF CHARTER

12.1. The Council will review this Charter annually to ensure it remains consistent with the Council's objectives and responsibilities.

13. PUBLICATION OF THE CHARTER

13.1. Key features of the Charter may be outlined in the Annual Report.

13.2. A copy of the Charter is to be available at www.architecture.com.au.