

A Guide to Directors' Handbook

What Should A Board Directors' Handbook Contain?

A comprehensive Board Director's Handbook is an invaluable resource, providing new and existing directors with essential information to perform their roles effectively and responsibly. It serves as a single point of reference for governance, operations, and strategic context.

Key topics a Board Director's Handbook should cover:

I. Welcome and Introduction

- Welcome message from the Chair or CEO.
- Purpose of the Handbook.
- Importance of the Board and its role.

II. Organisational Overview

- Mission, Vision, Values: The core purpose and guiding principles.
- Strategic Plan Summary: Key objectives and priorities (often a condensed version with a link to the full plan).
- Organisational History: Key milestones and evolution.
- Organisational Structure: Chart showing reporting lines (Board, CEO, management team, committees).
- Key Programs/Services/Activities: What the organisation does.
- Stakeholders: Who the organisation serves and interacts with (members, clients, funders, community, government).

III. Governance Framework

- Legal Structure: E.g., Company Limited by Guarantee (CLG), Incorporated Association.
- Governing Documents:
 - Constitution: Full copy or key extracts outlining purpose, membership, board composition, powers, meetings, etc.
 - By-laws/Rules (if applicable).
- Regulatory Environment (Australian Context):
 - Corporations Act 2001 (Cth): Key relevant sections for directors (e.g., duties).
 - ACNC Act (for Charities): Governance Standards, reporting obligations.
 - Relevant industry-specific legislation or regulations.

- Not-for-Profit (NFP) Status & Obligations: What it means for governance and finances.

IV. Director's Role and Responsibilities

- Fiduciary Duties: Duty of care and diligence, good faith, proper purpose, avoiding conflicts of interest.
- Strategic Role: Setting direction, approving strategy.
- Oversight Role: Monitoring performance, risk management, financial stewardship.
- Accountability: To members, regulators, stakeholders.
- Individual Director Responsibilities: Attendance, preparation, participation, confidentiality.
- Role of the Chair, Treasurer, Secretary: Specific duties of officers.
- Relationship with the CEO/Management: Clear delineation of roles and responsibilities.

V. Board Operations and Meetings

- Board Calendar: Schedule of regular meetings, key events, reporting deadlines.
- Meeting Logistics:
 - Notice of meetings, agenda preparation, papers distribution (deadlines, format).
 - Protocols for virtual/hybrid meetings.
 - Board minutes: Purpose, content, approval process.
- Decision-Making Process: How resolutions are passed.
- Committees of the Board: Terms of Reference, composition, reporting lines (e.g., Finance, Governance, Audit, Nominations).
- Board Effectiveness and Review: Board evaluations, individual director assessments.

VI. Financial Oversight

- Financial Reports: Types of reports received, how to read them, key financial metrics.
- Budgeting Process: Board's role in approving and monitoring.
- Audit Process: Internal and external audit functions.
- Financial Policies: e.g., Investment Policy, Reserves Policy.

VII. Risk Management

- Risk Management Framework: Organisation's approach to identifying, assessing, and mitigating risks.
- Key Risk Register: Overview of major risks (financial, operational, reputational, legal, WHS).
- Compliance Framework: How the organisation ensures adherence to all laws and regulations.

VIII. Ethical Conduct and Conflicts of Interest

- Code of Conduct/Ethics: Expectations for director behaviour.
- Conflict of Interest Policy: Procedures for identification, disclosure, and management of conflicts (personal, professional, financial).
- Confidentiality Policy: Rules regarding sensitive information.

IX. Director Development and Succession

- Director Induction Program: What new directors can expect.
- Ongoing Professional Development: Opportunities and expectations for continuous learning.
- Director Recruitment and Succession Planning: How the board ensures future leadership.

X. Key Policies and Procedures (Referenced or Summarised)

- Whistleblower Policy
- Privacy Policy
- Work Health and Safety (WHS) Policy
- Delegation of Authority Policy
- Communication Policy
- Expense Reimbursement Policy (including per diem guidelines)

XI. Appendices (Referenced or Summarised)

- Current Annual Report.
- Organisational Chart.
- Contact List for Board, Senior Management, and Key Advisors.
- Glossary of Terms.
- Relevant legislative extracts.

The handbook should be a living document, **reviewed and updated regularly** to reflect changes in the organisation, its strategy, and the regulatory environment.

Please Note: This is practical advice from Associations Forum based on our work with associations and charities.