

## Directors Guide

Occupational Therapy Australia Limited (OTA) is committed to supporting occupational therapists in their communities, fostering evidence-based practice and lifelong learning, and promoting the value of occupational therapy and its wide application.

Given OTA's expectation of evidence-based practice and lifelong learning by its members, OTA is committed to ensuring that we apply these principles to its own governance. OTA wishes to not only comply with but exceed legislative requirements, ensuring transparency and accountability to our members. The role of the Board of Directors is critical to OTA's governance, and nominees for Director vacancies need to be cognisant of the both the role and duties of a Director. This guide is intended to be high level in nature and candidates are encourage to complete further research before nominating for a directorship with OTA.

*A Director is someone who is validly appointed to be Director of an organisation. Together, the Directors of an organisation form the organisation's Board and collectively have ultimate responsibility for the organisation.*

### Role of the Board

The Board is responsible for the overall governance, management and strategic direction of OTA and for delivering accountable corporate performance in accordance with OTA's goals and objectives. This responsibility is set out in OTA's Constitution, By-Laws and associated governing documents.

The Board is accountable primarily to members for the exercise of OTA's functions. By extension of being a not-for-profit organisation, the Board is also accountable to stakeholders, partners, consumers and the community in pursuit of its purpose and use of its members funds.

The responsibilities of the Board broadly include:

- *Strategic Direction:* Sets the strategic direction, and oversees, monitors and reviews corporate planning;
- *Finance and Accounting:* Ensure appropriate financial policies and procedures are in place;
- *Risk Management:* Monitor the social, ethical and environmental impacts of activities;
- *Reporting and Monitoring:* Approve financial statements and monitor financial and organisational performance;
- *Corporate Governance:* Oversee, review and update corporate governance practices as well as setting key policy positions governing OTA and its members; and
- *Appointments:* Appoint and monitor the performance of the Chief Executive Officer (CEO).

### Composition

The Board of Directors is elected by members and / or through the Nominations Committee. There can be up to 10 Board Directors, including provision for two external non-members and non-occupational therapists as Directors. Currently, the Board consists of eight Directors.

The President, Vice President and Vice President – Finance positions are appointed annually by the Board following the Annual General Meeting.

The Constitution provides that a Director (excepting the WFOT Director) be elected for a term of two years and may serve for a maximum of 5 terms (10 years).

### **Director's Duties**

OTA is regulated by the [Australian Charities and Not-for-profits Commission](#) (ACNC) and as such must comply with its [Governance Standards](#). This includes Governance Standard 5 which requires organisations to take reasonable steps to make sure that the following duties apply to its Directors and that they follow them:

- to act with reasonable care and diligence
- to act honestly and fairly in the best interests of OTA and for its purposes
- not to misuse their position or information they gain as a Director
- to disclose conflicts of interest
- to ensure that the financial affairs of OTA are managed responsibly, and
- not to allow OTA to operate while it is insolvent.

### **OTA's Expectations**

Beyond legislative requirements, the Board of Directors has determined standards of conduct and expectations on contribution to the leadership of OTA for Directors.

### **Code of Conduct**

The Board has determined standards of conduct required of its Directors and the various Board Committees and its Divisional Councils. This is outlined in the [Code of Conduct](#) and acknowledges the requirements and standards of the regulatory regime as well as the objects of the profession.

### **Induction**

If appointed to the Board, Directors are expected to engage in the induction process to develop an understanding of the responsibilities, functions and authority of the Board and its Committees. Directors are also expected to familiarise and abide by the policies, strategy and governing documents of OTA.

### **Board Committees**

The Board is responsible for monitoring and overseeing many aspects of OTA. To help cope with the scope of work and the technical complexities of some of these aspects, the Board has created committees of its members to review issues and make recommendations to the Board for collective decision making. It is an expectation that each Director sit on at least one Board Committee. The current Committees and their roles are outlined in the By-Laws.

## ***Representation & Stakeholder Engagement***

Directors may also be asked to represent OTA as part of its representative, advocacy and stakeholder engagement on behalf of the profession. This may occur in various ways. For example, you may:

- Represent OTA at a ceremony or other activity;
- Chair a forum or workshop on a key issue; or
- Attend meetings with ministers or departments where there is a policy implication for occupational therapists.

It is important to understand that when you undertake such activities you are representing OTA. You must know and understand the position that OTA has on an issue and be able to uphold this at the event. You will be supported in preparing for any meeting or representation activity by the relevant staff within OTA.

## ***Time Commitment***

The Board and its Committees generally meet quarterly or more frequently as required. The expected time commitment is one day per quarter for a board meeting with pre-reading of board papers in the lead up to meetings. Decisions may also be sought out of session between meetings. The Board has an annual strategy session which takes two days. All meetings are generally held out of hours.

Directors are expected to contribute to at least one Board Committee as well as attend the National Forum. Committee meetings require between 2-4 hours per quarter for evening meetings with required pre-reading and preparation. Some Committees may meet more frequently.

## **Eligibility Criteria**

Under Constitutional Rule 7.2 Qualification for Elected and Appointed Directors, each candidate for appointment must be:

- Eligible under the Relevant Law to be a Director, that is
  - at least 18 years of age
  - not disqualified from managing a corporation under the Corporations Act 2001 or being a Responsible Person by the ACNC Commissioner; and
- Give their prior written consent to be a Director and to abide by the Constitution.

Except where the Nominations Committee has the ability to recommend skilled Directors, all candidates must also be a Fellow, General Member or Honorary Life Member.

## **Other Useful Resources**

Some information from respected entities to further understand the role and responsibilities of Directors:

- the Australian Institute of Company Directors [Role of the Board Guide](#)
- the Australian Institute of Company Directors [NFP Principles](#)
- Australian Charities and Not-for-profits Commission [Governance for Good](#)
- the Australian Institute of Company Directors [General Duties of Directors](#)

## Key Questions

Before applying for a position as a Director, it is a good idea to ask:

- Do I understand the responsibilities of this role, including my legal duties?
- Am I prepared to dedicate the time and energy to perform this role in the way required?
- Do I have the skills and experience to discharge the responsibilities of directorship?

Only if the answer to these questions is 'yes' should a person accept the responsibilities of directorship.

*The information reflected in this document remains true and accurate as of May 2024.*