



ROCpod episode 13 – Good governance in practice: Holding meetings

Speaker Key

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CM Hello, and welcome to episode 13 of ROCpod, and our second instalment in our Good Governance in Practice Series. My name is Carolyn Moloney and I'm an Adviser in the Education and Reporting Team.



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CM Today we are here to talk about meetings in registered organisations – the issues you might want to consider when holding or participating in meetings, and some practical tips for promoting good governance in your organisation.

Meetings are so important. They are the vehicle for decision-making, for sharing information, asking questions and solving problems. Meetings such as the Annual General Meeting help to promote accountability amongst office-holders and engage members by providing a forum for discussion and debate.

To help me explore the significance of applying best practice for holding meetings, and to discuss the key concepts, I am joined today by my colleague, Kinga Dezsi. Kinga is a lawyer in our Investigations and Compliance Team. Welcome Kinga.

KD Thanks for having me, Carolyn.



CM So Kinga, when we say we are talking about meetings in registered organisations, what kind of meetings are we referring to here?



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KD We're referring to all types of meetings, Carolyn. Organisations and their branches hold meetings with members, committee meetings, special and general meetings, and meetings through many different mediums. Everybody will be familiar with the concept of holding meetings, whether that be through the day-to-day business of their organisation, or another workplace. But today we're going to talk about the technicalities of holding meetings, the things you need to get right to ensure it's a valid meeting. We're going to talk about processes you can put into place to encourage best practice meetings.

CM Great! Well, let's start with the basics. The Fair Work (Registered Organisations) Act requires the rules of all organisations to provide a method for summoning certain meetings. So for example, your rules will tell you how meetings for members are to be called, and meetings of the Committee of Management. All organisations and branches have their own unique rules, which may provide for various kinds of meetings of their decision-making bodies.

But you are probably all familiar with the Annual General Meeting (or the 'AGM'), where matters such as the financial report, operating report and the auditors report may be considered.



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CM The AGM may also be the point at which the election of new officers are announced and auditors for the financial year are appointed.

In fact, at the moment, something that might be a consideration for your organisation is whether temporary restrictions imposed on gatherings in some parts of Australia because of the pandemic, has an impact on whether you can hold a meeting. We have received questions about this very issue, so we have published a guidance note about it. You can download that from our website.

KD That's a good point. I am aware that some organisation's rules may prohibit meetings being conducted in a virtual environment, or the rules might be specific about the physical location where the meeting must be held. If this is the case for your organisation, you will not be able to use alternative technology because to do so would be a breach of your rules.

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KD However, where this isn't the case, the ROC supports the holding of meetings using appropriate technology.

Technology has come so far, for instance, we're recording this podcast remotely. But, Carolyn, what are some of the technological options that may be available?

CM So for example, the meeting may take place via video conference, telephone conference or live streaming instead of in a boardroom around a table. You might use Zoom, Skype or some other online platform. Whatever virtual option you do use, you must ensure that the technology allows for social interaction and 'a meeting of minds'. Attendees must have the ability to express their view and ask questions. In this sense, an email exchange for example, is unlikely to facilitate a 'meeting of minds' and should therefore not be used to conduct a meeting.

If you have found yourself with rules that are too prescriptive about how you must conduct your meetings, and you think this might pose a barrier to conducting your meetings, I do suggest that your organisation gives proper consideration to amending your rules, with the help of the Fair Work Commission.

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CM: This will provide greater flexibility for your organisation into the future. And where proposed rule changes are required in order to deal with COVID-related issues, including to facilitate meetings using technology, we have found that the Commission has been considering these matters with a reasonably quick turnaround.

Let's talk about how to prepare for a meeting. What are some of the issues that organisations should turn their mind to, if they are due to hold a meeting, or they want to call a meeting?

KD As you mentioned earlier, your rules will give you some instruction about when meetings are to be scheduled or how they are to be conducted. So be familiar with your rules and make sure that you are acting in accordance with them.

The first important thing to know ... when to have a meeting has two real questions. Do you need to have a meeting to do what you want to do and does that meeting need to be at a particular time.

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KD For many organisation and branches there are certain powers under their rules that can only be used at a meeting or certain bodies that can only make decisions at a meeting. We really can't say it enough, know your rules.

For instance, it isn't uncommon for rule making or certain elections to require a meeting to be held. If you want to do something and your rules say it can only be done at a meeting – then – you need to call a meeting.

CM Okay, so please check the rules to see who is empowered to make decisions between meetings or whether a meeting is required in order to make particular decisions. Do your rules allow proposed resolutions to be circulated and decided via email or for meetings to be held using technology? ...That's a great starting point, Kinga. If certain powers or actions can only be used at meetings then you need to call a meeting. But what did you mean by the meeting may need to be at a particular time?

KD Well some meetings can be called whenever the organisation wants under the rules and we'll get to those in a minute, but some meetings can only be called during certain windows of time. For instance your annual general meeting to consider the financial reports must be within 6 months of the financial year ending, but at least 21 days after the full financial report is provided to members. Some rule books will be very specific and say the AGM must be in September, or branch committee of management meetings are the first Tuesday of each month. So you need to know when you're allowed to schedule the meeting too.

CM And what if the rules don't say when I can hold a meeting?

KD Then you can schedule it any time, provided you comply with the notice provisions.

CM Okay, great. So knowing your rules is important for when to call a meeting. But it might also be relevant to who can be involved in that meeting. It may be the rules say who must give notice, or who must chair a meeting. Or the rules might specify who can attend the meeting or who can vote.

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CM If you are an officer of an organisation, particularly in a leadership position such as a Secretary or President, it is likely that your rules will impose on you some specific responsibilities in relation to the meeting. So, you might be the person in your organisation or branch that is responsible for chairing a meeting, or giving notice of the meeting and it's important that you know this as part of your office.

KD That's right Carolyn. The Registered Organisations Commission has published an Officer Induction Kit, which you can download on our website. It is available for



everybody, but it is especially helpful if you are a new officer of a registered organisation and want to familiarise yourself with your role and responsibilities. On page 12 of the Officer Induction Kit, we have published an activity to assist you to identify the meeting procedures of your organisation that are contained in your rules.

CM Yes and we also have a great fact sheet – “Conducting meetings” which is on our website and in the kit too. Okay, so let’s say, I’m the officer responsible for giving notice under my rules, what do I need to know about giving notice?



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KD If you are responsible for giving notice, there are four things you need to know about giving notice. The first is how much notice needs to be given before a meeting can be held. Your rules would probably specify this and it can change from body to body. For instance a branch executive might be able to call a meeting on two days’ notice, but a whole general meeting of members is likely to require longer, for example 21 days or a month. Or your rules might have a generic period that applies to all meetings. The underlying principle is that it has to be long enough that people can reasonably attend.

CM An interesting fact by the way is that the notice period does not include the day you send it or the day of the meeting – so if your rules say 21 days for instance, then you effectively have to add two more days so the notice has 21 full days to reach the destination.



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KD That’s right, Carolyn!

The second thing is – how do you give notice. Do your rules require the notice to be given in a particular way? For example, must it be in writing and delivered via the post? Can it be an email, a notice on your website? Or is it even more formal like an ad in a newspaper? If your rules don’t say, is there a way that you’ve always given notice that people are expecting? Consider, how do you give notice in a way that reaches all the relevant people. Again, organisations can look at how they give notice and can take steps to change their rules so that they reflect how they want to do things and to make them technology neutral, so as to permit the notice being sent electronically to members.

The third thing – what do you include in the notice? Obviously you need to include what body is meeting, the time, date and where or how they are meeting. That’s the basics. But it may be you want to include an agenda so people know what is being discussed and can prepare questions.

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KD It makes sense to include a proxy paper if your rules allow for proxies. Sometimes people send papers with the notice if there's big items on the agenda that have recommendations or research done or documents that need to be signed off like financial reports.

Again, it's worth checking your rules, because some rules will require you to send these things.

CM That's a pretty complete list – when to send notice, what to send and how to send it. And what was the forth thing?

KD Who to send notice to. Obviously you must send notice to all the people eligible to attend the meeting, but some rule books will require a branch council to be included in the notice or the branch secretary so that they're aware of the details if they want to attend. If notice isn't provided to several members, you might be faced with a situation where members could seek to challenge the meeting's validity, so you really want to make your best efforts to have up-to-date details so that you can reach them all.

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KD This is particularly important if the meeting has restrictions under the rules for financial or unfinancial members or branches, for instance. In many cases the unfinancial member or branch might lose the ability to vote under the rules, but they may still be entitled to notice and agenda so that they can make an informed decision about remaining as financial or unfinancial.

CM Thanks Kinga. You mentioned some organisation's rules require an agenda to be prepared for the meeting and distributed in advance of the meeting. But even if your rules are silent about requiring an agenda for your meetings, it is best practise that an agenda is prepared and distributed to attendees before the meeting. Kinga, did you want to explain to our listeners why a meeting agenda is so important?

KD Certainly, Carolyn. An agenda is essential to ensuring that all important matters are dealt with in good order and in good time. A clear agenda will give everybody time to prepare for the decisions that are to be made, like reading that needs to be done in advance to make considered decisions.

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KD It promotes meaningful contribution to the meeting. This is particularly essential where the purpose of the meeting is to make important decisions like how large amounts of money are spent.

It also stops people being ambushed by issues which might lead to uninformed or bad decision making.

In reality, running purposeful and engaging meetings can be a challenge. Meetings that aren't supported by a clear agenda might experience long discussions with no conclusion, or decision-making that is made on the basis of inadequate information. Meetings then suffer from low attendance, or an unwillingness to ask questions. A meeting agenda, that is prepared and distributed in advance of the meeting, is vitally important for engagement, proper discussion with a sense of direction and ultimately decision-making.

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CM That's right. I will also add that a meeting agenda can protect an organisation against conflicts of interest arising. An agenda which describes the matters to be discussed and the decisions to be made in the meeting, is helpful for officers in considering whether a conflict of interest may arise, and when the officer needs to declare this and to excuse themselves from the meeting.

Now we also know that some organisations have a standing agenda item to ask at the beginning of each meeting for participants to declare conflicts of interest or new material personal interests. This is the kind of process that underpins good governance. It's a great way to bring it to the front of people's minds on a routine basis. Standing items can also be used to keep track of ongoing issues or concerns.

So an agenda is vital to helping a meeting stay on track, for instance a special meeting.

KD That's right. Sometimes rules allow a 'special' meeting to be called for a very particular purpose – for instance to consider the financial reports, a proposed rule change or whether to deregister. It's quite common for the organisation's rules to make it very clear that a special meeting can only discuss the one or two specific items listed in the agenda and that all other business have to wait for a normal meeting.

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CM You mentioned that agendas help people ask questions and I want to spend a minute on asking questions, because asking questions is really important at meetings.

KD It definitely is.

CM A lot of people think that only the senior officers organising the meeting have responsibilities. But really anyone who attends meetings has an obligation to ask questions if they don't understand the decisions they are being asked to make, or the material they are being asked to approve.

So remember, particularly when dealing with financial information, officers have duties to act with care and diligence and in good faith. And that means understanding what you are deciding. Because you are responsible for your decisions.

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CM Now this could include asking questions of someone at the meeting. Let's say for example you have your auditor there and they have written a report that highlights a concern about, for example, the organisations systems, processes or a financial situation. If you don't fully understand what the issue is that has been raised or the potential consequences of this concern, ask. Remember, the responsibility for the decisions made about the organisation rest with the officers and the members, not with the external bodies or consultants such as auditors, who may provide reports, advice and recommendations but they aren't the actual decision makers.

Agendas can help people be prepared to ask questions.

So it may also be worth intentionally opening the floor to questions. This can be recorded in the minutes and can help protect the organisation if someone later states that they weren't given the opportunity to ask questions.

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CM You can also record basic questions in the minutes and their answers, as it indicates that these things were considered, before reaching the decision and this might protect the organisation or branch if someone disputes that decision later on.

So Kinga, can you please explain to our listeners the sorts of issues that people should consider in relation to the recording of the minutes of the meetings?



KD Certainly. The rules of your organisation or branch are again the starting point for determining how your minutes should be recorded and kept. Section 141 of the Registered Organisations Act requires rules of organisations to provide for the keeping of minute books, and to record the proceedings and resolutions of the Committee of Management. Some rules also identify the officer whose responsibility it is to record minutes. And by recording, we don't mean that you're obliged to have an actual voice recording. But you must keep minutes.



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KD Minutes contain vitally important information about the meeting, for example who attended, proxies, the decisions that were made against each agenda item - including the people responsible for implementing those decisions, and voting outcomes.

At the beginning of each meeting, it is also good practice to raise the issue of the previous minutes and confirm their accuracy.

One issue that we have seen in our investigations work is in relation to organisations which have a state association counterpart.

It is always best practice to separate the business of these two entities. What we have seen in practice is that their meetings are often held on the same day, one after the other. The minutes of each meeting must be clearly identifiable, and we strongly advise that you label the minutes, by writing the name of the entity they belong to, and where the names are identical, it is useful to include the ABN and, if need be, words like 'state association' or 'federal branch'.

Remember, where expenses of the federal organisation and the state counterpart are intermingled, resolutions will be required at both the federal organisation meeting and the state association meeting.



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CM So how much detail should be included in the minutes?

KD Well, the minutes should not be scripted. They do not need to say everything that was said in the meeting. But they should capture sufficient information about the decisions that were made and the reasons for those decisions. It is important for minutes to be written in a way so that someone who is not present at the meeting can sufficiently follow the outcomes of the meeting. There is no 'one-size-fits-all' approach for recording minutes. The level of detail is largely a question of judgment and may vary between organisations and branches, and it also depends on the type of meeting taking place. You should, however, give proper consideration to the



importance of, and the level of risk attached to the decision, and any perceived self-interest or conflicts of interest.

For instance, if someone has declared an interest and has excused themselves from a particular section of a meeting, it would be best practice for the minutes to show that the interest was stated and that the person left for the relevant parts.



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CM That's right. You should also ensure that there is proper access to the minutes of meetings. Committees of Management, for example, should be provided with more than a passing glance of the minutes. Good governance practices include that people are afforded reasonable time to read minutes of the previous meeting thoroughly before attending the upcoming meeting so that the minutes can be properly confirmed. Once confirmed, especially if there are corrections, members of the body should be given access to the finalised minutes.

Thanks, Kinga. I think the practical examples you have just provided are really useful for illustrating a clear picture about what best practice looks like when it comes to minute-taking and holding meetings.



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KD Absolutely. Practical examples are important. They help us to learn the details of the requirements.

For instance, sometimes we see that minutes show a meeting included three proxies.

If your rules allow proxies that's well and good and you can use them, but if the rules do not allow proxies, you can't. Be aware of your rules in this area. And if you can use proxies, see what the rules say about how they interact with quorums. Some quorums let proxies count towards the total and some don't.

And remember – a meeting always has to include at least two people. Which means even if your rules allow for proxies and they count towards the quorum, you cannot hold a meeting that is one person holding 4 proxies and say that's a meeting of 5 people. It's not. There's no meeting of the minds. You need at least two people actually attending in whatever form the rules allow attendance.

But quorums are something we do see issues with.

What I mean here is whether your rules require a certain number of people to be present in order to transact business. Carolyn, can you finish today's episode by giving us some practical tips about what you need to consider if you have a quorum requirement in your rules?

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CM For sure. So again, the starting point for ensuring compliance is familiarity with your organisation or branches rules. Quorum rules vary across different organisations and branches, so being knowledgeable about the precise requirements which apply to you is essential. For example, some quorum rules provide a set number that is simple to calculate based on a head count of people. Like, for example it might state that ‘a quorum at a general meeting shall be six’.

Other quorum rules might require a more complex calculation based on the number of currently elected officers and others might be a percentage of the number of people who could be elected to the body – which means officer vacancies on a body like a committee of management might cause you issues in your ability to hold meetings.

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CM And if you don’t have a quorum rule, then everyone has to be there, so quorum rules are valuable to have in your rule book. A cool fact about this is that a meeting has to have a quorum present all the way through, so that if someone leaves - the meeting can only continue if there are enough people left to maintain the quorum.

So returning back to the issue we discussed earlier about recording the minutes of meetings, and to finish this episode today. We’re talking about more than compliance here. We want you to excel at good governance in registered organisations. If you have a quorum rule for your meeting, it is best practice minute-taking to note that you have a quorum present at the meeting. You should avoid leaving it to an assumption that because the meeting took place, that it had a quorum.

Kinga, thank you for finding the time to join me for today’s podcast.

KD Thank you for having me, and you’re welcome.

CM The ROC will release a new episode of ROCpod at the end of September. Stay safe everyone and please join us again soon.

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