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# What do Not for Profit & For Profit boards need to consider

ACCPA NSW/ACT Conference

Thomson Geer

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# Issues

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- Governing Body - Board / group persons responsible for executive decisions.
- Majority *independent non executive members* – not defined, but ACQSC Guidance and Royal Commission comments:
  - *free of any interests that might influence, or be reasonably perceived to influence, their capacity to bring an independent judgement to issues and act in the best interests of the organisation – RC report*
  - *Have relationships that may mean they are influenced by other factors (family in care, shares in company)*
  - *Able to act objectively and independently in best interests of care recipients rather than interests of another party*

# Issues

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- Parent companies – AP must act in best interests of AP, must not have provision in constitution such as s187 Corporations Act that subsidiary can act in interests of parent. Who is parent company?
- Skills matrix – skills of staff must be recorded and updated.
- Advisory Body
- Consumer advisory body
- Accountability standards, reporting – financial support statement, declarations in quarterly reports

# Questions for panel

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- Do the reforms concern you as to who has control of the approved provider?
- What mechanisms are you considering in addressing the issue?
- How will you go about finding board members?
- Will you pay them? How much?
- Who will sign off on the financial reports about solvency?
- Do you think AP's assets are at risk of being sold or put into administration by a majority board?
- What are examples of NFP AP structures?
- How will an AP address capital and liquidity issues?
- Will the reforms make you review your current organisation and financial structure?
- How do NFP achieve their mission if there are competing issues with Advisory Body or other charitable purposes in their constitution?
- What does it mean if I also run a village?
- What do you do if the Advisory Body recommends the AP to spend more but the AP is moving to a tight solvency position.
- Can a NFP AP have a parent company?



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