

# Corporate Governance Statement

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This document outlines the main Corporate Governance practices of Blue Mountains Regional Business Chamber Inc. (the 'Chamber').

## 1. Board of Directors and its Committees

### 1.1 Role of the Board

The Board of Directors (the 'Board') acknowledges its mission is to lead a dynamic business chamber which supports and advocates for business in the Blue Mountains.

To fulfil this role, the Board has overall responsibility for the corporate governance of the Chamber including:

- strategic direction
- the establishment of objectives and monitoring the achievement of those objectives
- the review of Executive General Manager performance
- establishing a framework for the management of business risks, and
- ensuring that policies and procedures are in place to satisfy the Chamber's legal and ethical responsibilities.

### 1.2 Board processes

The powers of the Board are determined by the Chamber's constitution and the Associations Incorporation Act 2001.

The directors meet as a Board each month throughout the year. The directors also participate in additional strategic planning meetings and various committee meetings. The number of meetings of the Board and of each Board committee held during a financial year, and the number of meetings attended by each director are disclosed in the Annual Report of the Chamber.

The following committees are currently in place:

- **Strategic Positioning** – Sets direction of Chamber and identifies and recommends new initiatives, products and services to meet Partner and Member requirements aligned to future business trends
- **Member Engagement** - Manages member engagement initiatives and activities. Receives advice on new products and service requirements from SP and implements those requirements based on feedback from Board and members.
- **Governance** - Provides risk management service on new initiatives, services and products while advising on governance for existing Chamber activities against Constitutional requirements.

These committees operate under the Charters approved by the Board. The Board has also established a

special purpose Governance and Nomination Committee which meets as required.

The Executive General Manager, in consultation with the President, prepares the agenda for each Board meeting and papers are circulated in advance of each meeting.

The Board undertakes a review of its own performance and processes on a regular basis. Periodically, non-executive directors provide feedback to the President.

## 1.3 Composition of the Board

In accordance with the Constitution, the Board shall consist of not less than five and not more than thirteen persons.

Currently there are thirteen directors on the Board all of whom, including the President, are independent non-executive directors who act in a voluntary capacity.

Details of the members of the Board, their qualifications, experience and expertise are set out in the Directors' Report in the Annual Report of the Chamber, as well as the Chamber's website.

The following matters are relevant when considering the composition of the Board:

- Board members are elected for periods of two years
- The Board elects the President, Vice President, Secretary and Treasurer;
- Board committees

All committee chairs report to the Board subsequent to each committee meeting.

## 1.4 Conflict of interest

Directors have an obligation to keep the Board advised, on an ongoing basis, of any interests that could potentially conflict with those of the Chamber. The Board has adopted procedures covering disclosure of interests by directors which establish how actual or potential conflicts of interest are to be addressed. In any instance where the Board believes that a conflict exists, the director concerned would not participate in that part of the meeting where the item is considered.

# 2. Risk management and internal control framework

## 2.1 Financial risk management

The Board acknowledges that it is responsible for the overall internal control and risk management framework of the Chamber. To assist in discharging this responsibility, the Board has put in place a control framework that can be described as follows:

### **Financial reporting**

A comprehensive budget is prepared annually by the Treasurer and Executive General Manager and is approved by the Board. Management reports are prepared monthly and compared against that budget. Revised forecasts are prepared as necessary. The Chamber reports annually to the NSW Office of Fair Trading.

### **Business risk management, compliance and control**

Management of risk is an essential component of the Chamber's strategy and a comprehensive Risk Management Strategy has been developed. This involves management of operational, financial and business risks.

Comprehensive practices are in place to ensure:

- business transactions are properly authorised and executed;
- appropriate internal compliance and control procedures are operating effectively;
- retention of corporate knowledge and appropriate succession planning;
- trade practices and fair trading regulation compliance.

### **Ethical standards**

The directors acknowledge the imperative of maintaining the highest standards of ethical conduct and legal compliance by all directors and employees of the Chamber. The Chamber has in place a Code of Conduct as well as other policies to deal with issues such as complaints, 'whistleblowers' and conflicts of interests.

### **Environment and sustainability**

Blue Mountains Regional Business Chamber Inc. is committed to the protection of the environment, to the health and safety of its employees, members, customers and the public at large, and compliance with all applicable laws, rules and regulations in the region in which it conducts its business.

The Chamber acknowledges the unique location of its operations, being in a city within a World Heritage Area. As such, the Chamber has committed to compliance with all relevant environmental legislation.