



Australian Institute of
Project Management

Governance and Ethics Committee Charter

DOCUMENT CONTROL CERTIFICATE

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Definitions and Meanings

Board Charter	The governance structure and outline procedures that determine the running of the board of the Company.
Business Judgement Rule	“Business judgement” means any decision to take or not to take action in respect of a matter relevant to the business of the Company.
Chair of the Board	A director of the company elected by the board of directors as the Chair of the board of the Company.
Chief Executive Officer	The senior executive responsible for the day to day management of the Company and the Institute it manages.
Company	Is the legal entity of the AIPM and as such must follow the rules and regulations as imposed upon it by the Corporations Act.
Constitution	AIPM Constitution is the overarching document that defines the structure and purpose of the AIPM.
Director	A natural person elected as a director of the Company through the Institute and accountable for the actions of the Company.
Independent Director	A natural person selected through due process and doesn’t have membership of the AIPM and as such acts independently
Institute	Is the operational side of the AIPM and its governance is reflected in the Constitution of the AIPM and in the Institute Charter.
Institute Charter	The governance structure of the Institute relating to Chapters and other management structures of the members.
Material Conflict of Interest	A Material conflict of interest is one where the independence of a director can be questioned and as such will be asked to not take part in discussions and board resolutions.
Member	A paid up subscriber to the AIPM.
Quorum	At least 51% of the eligible board members.

1. INTRODUCTION

The purpose of the charter is to document the objectives, responsibilities, and administration of the Governance & Ethics Committee (“the Committee”) which are delegated to the Committee by the Australian Institute of Project Management’ (“AIPM”) Board (“the Board”).

The hierarchy of documents is:

- Constitution of the AIPM
- Board Charters
- Committee Charters
- Policies
- Procedures and Guidelines

2. OBJECTIVES

The Governance and Ethics Committee shall be primarily responsible for developing, implementing and monitoring a system that will achieve good governance at board level and become the overarching governance standard of the Institute as a whole. The company expects high standards of ethical behaviour and as such Directors, employees, contractors and members are to observe good standards of personal integrity and display honesty in their dealings.

3. RESPONSIBILITIES

The major responsibilities of the Governance and Ethics Committee is to provide support and guidance to the board and the organisation by:

- i. Providing a governance and ethics framework for the board and the company and can be transposed to the Institute via the Chapters and members.
- ii. The selection and appointment of the Chief Executive Officer (CEO) in association with the Chairman of the Board.
- iii. The setting of key performance indicators (KPI’s) and bonus structure for CEO and the executive team.
- iv. Keep under close review all corporate governance developments that might affect the company, and ensure the Directors are fully briefed on these so they may have regard to them when making decisions
- v. To provide the process for nominees for election to the Board, by identifying and recommending the process for selecting candidates to fill vacancies or for the appointment of Independent Directors,
- vi. To advise individual Directors on best practice corporate governance
- vii. To advise new Directors of their roles and responsibilities with the Institute and to develop and oversee a new Director induction programme
- viii. To receive disclosures of conflict of interest from individual Directors
- ix. To receive all requests from individual Directors and determine the right to obtain independent professional advice at the expense of the company
- x. To assist the Directors in the development of policies
- xi. To develop and review the Board and overarching Ethical standards and Code of Conduct

- xii. To oversee and make recommendations to the Board on any breach or alleged breach by Members of the Constitution, Code of Conduct or relevant governance requirements

3.1. Governance and Ethics Framework

The Governance and Ethics Committee shall oversee, determine and recommend to the board the structure of the company that best suits the needs of the business and as such provide a suitable framework. It shall advise the Board about operational strategies including relevant amendments to the organisation's bylaws to strengthen the organization and empower the Board in meeting its obligations related to good governance principles and abide by the organisation's mission. With ethics central to our business it will consider different ethics models and determine a suitable Code of Conduct for the Board as well as the Institute as a whole. As such the framework, as a minimum is as follows:

- i. Recommend changes to the company constitution in accordance with best practice and to provide the most suitable structure applicable to the running of the business and the institute.
- ii. Ensure the Charters are suitably drafted and reflect the governance and ethical framework within the company.
- iii. Develop and recommend the ethical standards for the company and develop a suitable Code of Conduct and process for misconduct.
- iv. Review and make recommendations to the charters regularly so that the company maintains high governance and ethical standards that consider changes to public policy and the workings of the Institute.

3.2. Appointment of Directors and the CEO

One of the key roles of the Governance and Ethics Committee is to assist the company in the appointment of new directors and also to make recommendations on the selection of a new Chief Executive Officer (CEO). Directors may be chosen via the membership of the Institute and also from the general market.

For non-executive director appointments via the membership the Governance and Ethics Committee will ensure that the process for selection, election and appointment are in accordance with the Institute Charter. The committee will review the selection standards and ensure that the best and most appropriate candidates are selected without bias or nepotism emanating from the existing board or executive team.

For Independent directors, the Governance and Ethics Committee will ensure that the advertising of candidates is undertaken through suitable channels to get the best candidates and most appropriate applicants.

Expectations for the appointment of directors:

- i. The board has a policy on gender diversity consistent with the AICD that we aim for at least 30% of the directors to be female.

- ii. The Board has an expectation that the directors are qualified as directors and so expect directors to be GAICD or equivalent. For suitable candidates without appropriate qualifications, the company through best endeavours shall support directors acquiring suitable qualifications.
- iii. Reference checks covering financial competence, leadership, honesty and strong ethical standards will be undertaken.

The appointment of a suitable CEO is critical to the management of any business. It is the responsibility of the Board to appoint a new CEO, and the Governance and Ethics Committee shall ensure that the appointment follows an appropriate, fair and transparent process. The Chair of the Board shall select the committee members responsible for the appointment and arrange suitable interviews are undertaken. The Chair of the Governance and Ethics Committee will oversee and ensure the company is compliant to the recruitment process including reference checking.

3.3. Continuous Improvement

The AIPM highly values continuous improvement in the membership and with its directors and executives. To maintain standards the performance and effectiveness of the Board, its Committees and individual Directors will be regularly reviewed. The Governance and Ethics Committee will:

- i. Annually review the composition of each Board Committee and present recommendations for Board Committee memberships to the Board as needed.
- ii. Lead and facilitate periodic board self-assessments to ensure superior board performance and overall trust in effectiveness.
- iii. Arrange that all Board Meetings are reviewed on closure for performance and make recommendations for improvements.
- iv. Review the Board's individual Board Directors at the end of each of their board terms as part of the re-election process to ensure that they continue to have the appropriate skills and engagement level to continue serving on the Board.

3.4. Oversight of Ethics and Code of Conduct

The Governance and Ethics Committee is responsible for the drafting and management of the Code of Conduct and Ethics for the company as a whole. It shall develop a structured approach to levels of misconduct whereby the Code of Conduct and Ethics Policy has been breached. We expect the highest possible level in ethical behaviour from our membership, executive and directors and the executive and these will be enforced without fear or favour.

The AIPM recognises free speech and religious freedoms but does not condone behaviour or language that may be viewed as inappropriate or prejudice towards any person or group of people. Any action by a director, executive or member that brings the organisation into disrepute and undermines the organisation in the market will be regarded as misconduct and may result in dismissal and/or other penalties.

The Governance and Ethics Committee shall:

- i. Ensure that an appropriate and transparent process is in place for effective disciplinary hearings and reviews of breaches by Directors, CEO and Members.
- ii. To hear, report and make recommendations to the Board on any reported breach or alleged breach of the code.
- iii. To determine the level of misconduct and make recommendations to the Board.
- iv. Act where appropriate as the Disciplinary Hearings Committee if called upon by the Board.

4. COMMITTEE MEMBERSHIP

The Committee Chairman is appointed by the Board. The Committee comprises at least two directors, the CEO and the company secretary, who will act as Secretary to the Committee. Chair of the Committee should be an Independent director or a non-executive director with at least a GAICD qualification. A quorum requires both directors as a minimum are in attendance.

4.1. Meetings of the committee

Meetings are held not less than twice a year, and special meetings may be convened as required to fulfil the Committee's Responsibilities. Meetings may be held in person, by telephone or by video conference, or by any combination of these media. The Secretary, or other person nominated by the Committee Chair, takes minutes of the proceedings of all meetings of the Committee.

4.2. Authority

The Governance and Ethics Committee can only make recommendations to the board and has no executive responsibility. If undertaking a review on Misconduct, the Committee shall undertake a review and report its findings and recommendations to the Chair and Board of directors. It is up to the Board to accept, modify or reject the recommendations.

4.3. Board reporting

The Chair of the Governance and Ethics Committee via the Secretary reports to the Board after each meeting of the Committee. The report should cover the findings and recommendations of the Committee. The minutes of each meeting will be circulated to the Board as soon as practicable.

4.4. Review of charter and constitution

The Governance and Ethics Committee shall on at least an annual basis review the company Constitution and the various Charters as part of its normal Committee activity and make recommendation to the board regarding any changes.