

Health Services Union NSW

Governance Principles

This is the Governance Principles adopted on 22 November 2012 by Michael Moore as Administrator of Health Services Union NSW exercising the powers of the Union Council.

GOVERNANCE PRINCIPLES

The Union rules and the provisions of the *Industrial Relations Act 1996 (NSW)* will prevail over the terms of the policy to the extent of any inconsistency.

WHAT IS GOVERNANCE?

'Governance' refers to how the Union is managed and how authority is exercised and controlled within the Union. Governance influences the priorities of the Union and the manner in which they are achieved, as well as how financial and reputational risks are monitored and assessed, and how performance is improved and managed.

WHY IS IT IMPORTANT TO THE UNION?

The Union is a voluntary, democratic association of working people, who join together to achieve certain objectives, such as to protect and advance their rights as employees and to assist other unionists to protect and advance their economic and social rights. Other objects of the Union are set out in the Union Rules. The Union can better achieve its objects if its structures, processes and controls are open and clear.

The Union Rules, together with this policy and the Finance Policy and Procedures, create financial and risk-management processes and controls that are open and clear. These processes and controls also apply to Union structures, such as Union Council, Union Committee and Audit and Compliance Committee, which are accountable, democratic and representative. Union members directly elect Officers and representatives to Union Council.

An Officer or an employee of the Union cannot authorise expenditure that she or he has personally incurred. Such expenditure must be authorised by a more senior employee, Officer or the appropriate Union forum. This includes authorisation for expenditure on travel, accommodation, hospitality and gifts.

1. GOVERNANCE PRINCIPLES

The governance principles listed below are based on the provisions in Rule 39 of the Union Rules. These rules require the Union to develop and put in place internal policies and procedures to control expenditure and encourage good governance, accountability to members and democratic functioning and control of the Union.

- 1.1 Integrity in financial procedures, controls and reporting is established and is safeguarded.
- 1.2 Democratic and ethical decision-making is mandated.
- 1.3 The members are the Union and this is reflected in the Union's structures.
- 1.4 Communication between the Union office and the members is clear, relevant and timely.
- 1.5 Planning and learning is in everything we do.

2. DEFINITIONS

All words in this policy have the same meaning as words in the Union Rules.

Assistant Secretary-Treasurer	The designated Officer in charge of the financial conduct and reporting of the Union and an assistant to the Secretary in regard to the general conduct, administration and business of the Union.
Chief Financial Officer	The designated employee responsible for managing all financial reports and records and the Finance Department.
Councillor	A member of the Union Council.
Employees	All staff, contractors, consultants and temporary workers of the Health Services Union NSW
Gift	A present, benefit, offering or token of appreciation received from a member, employer, vendor, supplier, potential employee, political party, vendor or supplier, and includes, but is not limited to, cash, merchandise, services, hospitality or social invitation, whether offered free or discounted.
Officer	A member of the Union Committee
Paid officers	The Secretary and Assistant Secretary-Treasurer
Secretary	The Chief Executive Officer of the Union. The designated Officer in charge of the general conduct, administration and business of the Union.
Union	Health Services Union NSW
Union Committee	The Union's committee of management, consisting of the President, the Senior Vice-President, the Junior Vice-President, the Secretary, the Assistant Secretary-Treasurer and five (5) ordinary members.
Union Council	The supreme governing body of the Union, consisting of the Officers and twenty-five (25) Councillors.
Union Management	Employees who have financial responsibilities under this policy.
Union Rules	Those rules registered under the <i>Industrial Relations Act 1996</i> as at 21 August 2012.

GOVERNANCE PRINCIPLES EXPANDED

1 Integrity in financial procedures, controls and reporting is established and safeguarded.

- 1.1 Integrity in financial procedures, controls and reporting is safeguarded by mandating delegations of authority for all expenditure. This means that employees and Officers are prohibited from authorising expenditure that they have personally incurred and requires that such expenditure should be authorised by a more senior employee, Officer or in the case of Secretary from Union Committee.
- 1.2 The Assistant Secretary-Treasurer shall be responsible for compliance with financial procedures, controls and reporting. A Chief Financial Officer (CFO) will be employed to assist the Assistant Secretary-Treasurer in overseeing the management of financial procedures, controls and reporting.
- 1.3 The Audit and Compliance Committee will prepare budget and cash forecasts, closely examine financial statements on a regular basis and monitor and protect the funds and property of the Union. It will provide monthly reports to the Union Committee and an annual report to the Union Council, or as required.
- 1.4 Financial training will be provided for all members of the Union Council, Union Committee and Audit and Compliance Committee by an appropriate provider within three (3) months of a member's appointment.
- 1.5 The Secretary and Assistant Secretary-Treasurer must be accountable to members and must report to members on a regular basis about the Union's financial position (including remuneration) and risk profile (including management of conflicts of interest and conduct of compliance audits and investigations).
- 1.6 The Union employs professionals with specific expertise in areas such as finance, law, communications, administration, industrial relations and membership systems to support the work performed by the Secretary, Assistant Secretary-Treasurer, Union Council, Union Committee and Audit and Compliance Committee.
- 1.7 The Union has policies and procedures for financial controls, including financial review and authorisation of expenditure. The policies and procedures will ensure that the truthful and factual presentation of income and expenditure is presented to members.

The following policies contain further details about matters referred to above:

Finance Policy and Procedures – including delegations and disclosures:

- Audit and Compliance Committee Charter (Annexure A)
- Tendering and Procurement Procedure (Annexure B)
- Motor Vehicle Procedure (Annexure C)
- Corporate Credit Card Procedure (Annexure D)
- Business Expense Reimbursement Procedure (Annexure E).

2 Democratic and ethical decision-making is mandated.

- 2.1 No employee or Officer of the Union shall enter into an agreement with any employer or employer representative that affects a member or group of members without first meeting with the member or group of members or taking a ballot of the group of members and through such process obtaining the consent of the member or a majority of the group of members.
- 2.2 The Union Committee may, after considering the views expressed by members, by resolution, determine that a particular agreement is in the interests of Branch members and thus may authorise the employee or Officer of the Union to enter into the agreement, notwithstanding that a particular member or the majority of a group of members does not consent to the agreement.
- 2.3 All employees and Officers of the Union carrying out Union work must comply with the Code of Conduct.
- 2.4 Adverse action shall not be taken against an employee or an official of the Union because that person makes a complaint of unethical practices against the Union or an individual associated with the Union.
- 2.5 Members should report unethical practices to the Union-appointed Ombudsman, who will investigate complaints of impropriety or misdemeanour. The Ombudsman must abide by principles of procedural fairness, both for the person who made the complaint and the person against whom the complaint is made. The Union Ombudsman will report and make recommendations to the Union Council for its prompt consideration. The Union Council is required to ensure there is procedural fairness for both the person who made the complaint and the person against whom the complaint is made, prior to taking action.
- 2.6 There are fair and transparent procedures for the employment and promotion of employees within the Union. Employment and promotion are based on merit that is documented by regular performance reviews.
- 2.7 Any payments arising from the Secretary or the Assistant Secretary-Treasurer being appointed to a board or a committee will be remitted to the Union.
- 2.8 Any part-time employee or Union member appointed to a board or a committee by virtue of his or her Union position may receive some or all of the payments associated with that appointment. This will be determined by the Union Committee, which will minute the decision and the reasons for the decision, and publish it on the Union website.
- 2.9 It is the aspiration of the Union that its employees and Officers reflect the diversity of its membership. The Union Committee will report to Union Council on an annual basis whether this aspiration has been met and outline all steps taken to meet the aspiration.
- 2.10 The following policies contain further details about matters referred to above:
 - Finance Policy and Procedures;
 - Code of Conduct (Schedule to the Governance Principles);
 - Employment Policy.

3. The members are the Union and this is reflected in the Union's structures.

- 3.1 The Union Rules set clear boundaries between the functions of the Audit and Compliance Committee, the Union Committee, the Union Council and the day-to-day activities of the Secretary and the Assistant Secretary-Treasurer.
- 3.2 The Union Secretary and the Assistant Secretary-Treasurer are the only paid, full-time positions elected by members. The President, Senior Vice-President, Junior Vice-President and all other Union Council and Union Committee positions are honorary.
- 3.3 Union delegates are elected by members at workplaces for a fixed term. Union delegates represent members in their workplace in their dealings with management and generally represent the Union in their workplace.
- 3.4 Where there are fifteen (15) or more Union members in a workplace, a Sub Branch Committee will generally be established.

Sub Branch Committee

- 3.5 All members of a Sub Branch Committee must comply with the Code of Conduct.
- 3.6 The Sub Branches of the Union are the committees of management located at workplaces with fifteen (15) or more Union members that act as the conduit between members and the Union Committee and the Union Council.
- 3.7 There may be more than one Sub Branch at a workplace. The Union Council will not unreasonably refuse to establish additional Sub Branches at a workplace where there are functionally distinct or specialist units at a workplace and there are fifteen (15) or more members of the Union.
- 3.8 The Sub Branch President, Vice-President, Secretary and at least five (5) Committee members will be elected by members annually at the Annual General Meeting.
- 3.9 The Sub Union Committee usually meets at least monthly.

Union Committee

- 3.10 All members of the Union Committee must comply with the Code of Conduct.
- 3.11 The Union Committee is the Union's committee of management. It meets at least quarterly. Its role includes the immediate oversight of the Union, by directing the Paid officers in the performance of their duties, investigating grievances and disputes submitted by members and general oversight of the Union. The Union Committee's powers and duties are specified in Rule 17.

Audit and Compliance Committee

- 3.12 All members of the Audit and Compliance Committee must comply with the Code of Conduct.

3.13 The Audit and Compliance Committee is the financial committee of management of the Union. It meets at least monthly. Its role includes preparation of budget and cash forecasts, close examination of financial statements on a regular basis and monitoring and protecting the funds and property of the Union. The Audit and Compliance Committee's duties are specified in Rule 37.

Union Council

3.14 All members of the Union Council must comply with the Code of Conduct.

3.15 The Union Council has an effective composition, size and focus on discharging its responsibilities and duties. It consists of officers from the Union Committee and twenty-five (25) Councillors.

3.16 The Union Council meets at least annually and is the supreme governing body of the Union. The role of the Union Council includes the oversight of the Union Committee, development and implementation of Union policies and procedures, and setting remuneration, terms and conditions of employment for any Officer or employee of the Union. The Union Council's functions are specified in Rule 18(f).

3.17 At the annual meeting of the Union Council, representatives formulate policy recommendations. Sub Branches may submit policy proposals to Union Council for consideration. Councillors are expected to have consulted with members about any proposals that are to be discussed at the Union Council.

3.18 The following policies contain further details about matters referred to above:

- Audit and Compliance Committee Charter (Annexure A);
- Code of Conduct (Schedule to the Governance Principles).

4. Communication between the Union and members is clear, relevant and timely.

4.1 As a matter of common practice, communication between the Union and members takes place through Union delegates. Members are encouraged to contact their Union delegate as a first port of call. Communications about organising and industrial matters will be distributed to members by workplace delegates. The Union office facilitates communication by providing workplace delegates with current membership lists as required.

4.2 All employees, the Union Secretary and Assistant Secretary-Treasurer will respond to any question or complaint from a member in a prompt manner. Usually this will involve an immediate confirmation of the communication and a reply within seven (7) business days.

4.3 The Union will use electronic communications effectively, such as its website and email, to communicate with members. The Union will investigate technologies by which communication between members and the Union office can be conducted in an open and secure manner.

4.4 The Union will publish the following information on its website:

- Newsletters;
- Annual Financial Reports;
- Auditor's Reports;
- Reports of the Audit and Compliance Committee on at least a quarterly basis (in whole unless strategic, private or confidential);
- Reports of the Union Committee on at least a quarterly basis (in whole unless strategic, private or confidential);
- Reports of the Union Council (in whole unless strategic, private or confidential);
- Minutes of Union Committees (in whole unless strategic, private or confidential);
- Meeting attendance record of the Union Committee on an annual basis;
- Job vacancies;
- Casual vacancies of Officials;
- Any donation or 'ex gratia' payment to a person or an association, charity, political organisation or a public or private body over the amount of \$100 per annum;
- Any payment made by the Union to a related party of the Union or to a declared person or body of the Union;
- Register of Related-Party Transactions;
- Gift Register;
- Union Rules; and
- The most recent amendments to the Union Rules.

4.5 Minutes of important meetings such as Union Council and Union Committee and documents discussed at such meetings will generally be published on the Union website. Documents that are strategic, private or confidential in nature will not be publicly available. Union members must not misuse any information gained from the Union.

4.6 Members will bring important and relevant information to the attention of a Union representative in a timely manner.

4.7 If a document is requested by a member, including a document referred to in clause 4.4 above, but is deemed to be strategic, private or confidential, and therefore unable to be released, the Union Secretary will provide the reason in writing for the decision.

- 4.8 The following information is not deemed to be confidential or private:
- 4.8.1 Any earnings (including non-financial benefits like motor vehicles) from all sources for work performed by the Secretary and Assistant Secretary-Treasurer.
 - 4.8.2 Any severance or termination pay made by the Union to the Secretary and/or Assistant Secretary-Treasurer.
 - 4.8.3 Any payment by the Union to any consultant or employee above the set remuneration rate.
- 4.9 The total remuneration, including non cash benefits, of the Secretary and Assistant Secretary-Treasurer has been and will continue to be disclosed to members.
- 4.10 Financial members have certain rights to inspect Union books and documents according to the Union Rules and legislation. This right must be exercised in good faith and consistent with the interests of members of the Union, not for some ulterior or extraneous purpose. Allowing members to inspect Union books and documents that are not private or confidential ensures that the Union is accountable to its members and is able to operate effectively.
- 4.11 The Union, by the nature of its activities, collects information from and about individuals that may be of a personal and sensitive nature. The Union will not disclose personal information unless such disclosure is directly associated with the conduct of approved Union activities or is required by law.
- 4.12 In case of a dispute regarding access to documents or inspection of Union books and documents, the person unsatisfied with the decision may make a complaint to the Union Ombudsman.
- 5. Planning and learning is in everything we do.**
- 5.1 The Union Council will develop and maintain a Strategic Plan that will outline the direction for the Union for a one to four-year period.
- 5.2 The Union Committee will develop job descriptions for all staff, a performance appraisal system and a comprehensive staff agreement with terms and conditions of employment and policies on occupational health and safety, harassment and discrimination, information technology, use of social media, diversity and other issues of relevance. The Union Committee will ensure that levels of remuneration are sufficient and reasonable, and that employees' duties and responsibilities are clear.
- 5.3 The Secretary will formally seek feedback from members, Union Councillors and members of the Union Committee on an annual basis. The feedback sought will be about the Union's operation in general and about the standards and quality of service it provides. The purpose of the feedback is to improve the Union's capacity to serve its members. The Secretary will publish the results on the Union website in a timely manner.
- 5.4 At the Union Council, Councillors will provide feedback on the content, structure and quality of conference proceedings, venue, facilities etc.
- 5.5 The Union Council will review the content and operation of Rule 39 policies on an annual basis.

- 5.6 The Union Council will develop the following policies:
- 5.6.1 Making a complaint to the Union Ombudsman;
 - 5.6.2 Allocation of legal-service resources for individual members and for collective disputes;
 - 5.6.3 Privacy;
 - 5.6.4 Disclosure and management of conflicts of interest;
 - 5.6.5 Membership fees, payments and recovery of overdue membership fees.

SCHEDULE TO GOVERNANCE PRINCIPLES

The Code of Conduct

All employees and Officers, in the course of carrying out union work, shall adhere to the Code of Conduct.

The Code of Conduct requires that all employees and Officers:

1. Behave honestly and with integrity.
2. Act with care and diligence.
3. Treat everyone with respect and courtesy, and without harassment.
4. Comply with all applicable laws.
5. Maintain appropriate confidentiality.
6. Disclose, and take reasonable steps to avoid, any conflict of interest (real or apparent).
7. Use Union resources in a proper manner.
8. Provide true and helpful information to members.
9. Not make improper use of inside information, or of power or authority in order to gain, or seek to gain, a benefit or advantage for themselves or any other person/s.
10. At all times behave in a way that upholds the Union's values and the integrity and good reputation of the Union.