

Fiduciary Duties of Board Members



Definition of a Fiduciary

A fiduciary is someone who must act in the best interests of another party. In surf lifesaving clubs, directors are fiduciaries for the club and its members.

Key Duties

- Act in good faith, with due diligence, and in line with statutory duties under the Associations and Corporations Act and ACNC governance standards.
- Focus on the best interests of the club and its members as a whole, even when some members may disagree.

Statutory Duties

- Adherence to the Associations and Corporations Act and ACNC governance standards, particularly Governance Standard 5, is essential.

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Managing Conflicts of Interest

Declaration of Conflicts

Board members must openly declare any conflicts of interest during meetings to ensure transparency.

Managing Conflicts

- Conflicted members should **leave the meeting** during discussions and decisions to maintain impartiality.
- Conflicts should be **documented** and disclosed to members if necessary.

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Informed Decision-Making

Preparation and Awareness

Board members should:

- **Attend meetings** regularly.
- Read all provided papers in advance.
- Have a general knowledge of the club's operations to make informed decisions.

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Legal Implications of Board Decisions

Potential Risks

- Failure to meet fiduciary duties could lead to fines, removal from the board, or in extreme cases, imprisonment.
- Timely and informed decision-making helps mitigate legal risks.

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Communication and Documentation

Key Practices

- Maintain **clear communication** to manage member expectations and reduce misunderstandings.
- Ensure all board actions and decisions are **adequately documented** for accountability.

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Core Principles of Governance

- **Legal Responsibilities:** Act in compliance with governance standards and statutory duties.
- **Awareness of Activities:** Stay informed about club operations and equipment status.
- **Financial Management:** Regularly review financial statements.
- **Transparency:** Ask questions and address unclear issues proactively.

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Governance vs. Management

Defining Roles

- **Governance:** Involves setting strategy and overseeing the club.
- **Management:** Handles day-to-day operations, including staff and volunteer activities.
- **Smaller Clubs:** In smaller clubs, governance and management roles often overlap.

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Best Practices for Boards

- **Meeting Schedules:** Plan meetings around key milestones like AGMs and budgeting.
- **Clear Agendas:** Set structured agendas with prioritization and time limits.
- **Conflicts of Interest Register:** Maintain and review regularly.
- **Financial Reviews:** Monitor financial statements consistently.

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Seeking Help and Support

Board members are encouraged to seek guidance from branch or state centers to address governance challenges and ensure compliance.

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Follow-Up Tasks for Boards

1. Document and manage conflicts of interest during meetings.
2. Attend meetings and review relevant materials to make informed decisions.
3. Communicate decisions and their rationale to members.
4. Define governance and management roles, especially in larger clubs.
5. Set clear agendas and establish action items during meetings.
6. Regularly review financial statements for accountability.
7. Reach out to state or national support when needed.

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