



CORPORATE GOVERNANCE – POLICIES AND PROCEDURES

Preface

Hills Radio Incorporated (HR) aims to be an effective organisation. The development, implementation and maintenance of a system of governance, with mechanisms to promote an ethical culture and establish and monitor organisational performance is one way to achieve this aim.

This Corporate Governance policy does not supersede any other policy.

Related policies are noted in the Policies and Procedures manual.

Purpose

The purpose of this policy is to demonstrate HR's commitment to effective governance and to document how governance is managed within the organisation. Effective governance will strengthen confidence in the organisation by assisting the Management Committee, Sub-Committees, members, volunteers and staff to:

- enhance the performance of the office
- understand and manage risks
- ensure transparency and accountability
- show how we discharge our legal, social and ethical obligations
- provide a mechanism for benchmarking accountability
- better prevent and detect fraudulent, dishonest and/or unethical behaviour by anyone involved in the operations of HR.

This policy is supported by the Corporate Governance Framework, which identifies a number of existing policies that support the governance strategies of HR.

Responsibility

The Management Committee is responsible for corporate governance strategies within the community radio station. However, on a day to day basis, all persons involved in the running of the station have a responsibility to ensure that this and other policies referred to in this document are implemented. Specific responsibilities are clearly identified in the documents.



Legislative/policy framework

- Broadcasting Services Act 1992 (BSA 1992) and Regulations
- Incorporated Associations Act 2009 (IAA 2009) and Regulations

Definitions

Corporate governance refers to the processes by which organisations are managed, directed, controlled and held to account. It encompasses authority, accountability, stewardship, leadership, direction and control exercised in the organisation.

Policy statement

HR is committed to the good governance of this organisation and the community radio service it provides. Good governance requires:

- management appropriately guiding and monitoring our work
- management and staff disclosing all material matters in a timely and accurate manner
- policies to manage our relationship with our stakeholders including people, groups and organisations of the community from within the licensed broadcast area, our members and volunteers, our sponsors, our employees, our governance bodies (especially the Australian Communications and Media Authority (ACMA) and the Office of Fair Trading (OFT)) and our support organisations (such as, the Community Broadcasting Foundation (CBF), the Community Broadcasting Association of Australia (CBAA) and the Australian Performing Rights Association (APRA/AMCOS)).

The corporate governance framework developed under this policy details the systems, policies and procedures we have to ensure good governance. It shows our commitment to effective governance, improved performance and accountability. It is expected that the management, members, volunteers and all staff promote good governance not only within our office but also in our dealings with people, groups and organisations within our local community.

CORPORATE GOVERNANCE FRAMEWORK

Introduction

The function of our organisation is summarised in our Mission Statement and Vision Statement :

Mission Statement: Hills Radio Incorporated through the process of ongoing evaluation will foster an environment of harmony, be active and vocal in the community, and create a voice that is authentic, unique and accessible to all.



Vision Statement: Hills Radio Incorporated will strive to be outstanding , uplifting , and a community radio station for all in the Adelaide Hills and Mount Barker regions.

HR prides itself on the quality and the standard of our service.

We must maintain a reputation for having high standards of administrative conduct and for being experts in this field.

A robust system of corporate governance can give assurance to governing Authorities, our members, volunteers, broadcasters and staff, and especially the local community, that our limited resources are being effectively used and that stated outcomes are being achieved and that we can be held accountable for our decisions.

Corporate governance and community radio stations

Most literature on good corporate governance systems is focused on the role of boards and responsibilities to shareholders and thus corporate governance frameworks have not been readily adapted to community radio stations. In preparing this document, we have adapted general governance principles into the context of the community radio station sector.

Australian standard on good governance principles

The Australian standard on good governance principles (AS 8000-2003) provides a blueprint for the development and implementation of a generic system of governance for a variety of entities – but not for community radio stations. However, most of the elements and principles outlined in the standard can be adapted for community radio station organisations.

HR is commencing a program of review and consolidation following the development of our Business Plan. Our focus is to ensure that what we do and how we do it is providing the maximum results for the local community.

The work we need to do to implement our Business Plan will give us the opportunity to consider and integrate the following corporate governance elements into our existing framework. This will result in a strengthened and improved corporate governance system for HR.

Hills Radio's governance framework

HR has in place systems, policies and procedures to provide appropriate levels of disclosure and accountability. They can be classified under the following headings:



1. Legal Framework

HR's governance practices derive principally from the provisions of the following legislation:

- Broadcasting Services Act 1992 (BSA 1992)
- Incorporated Associations Act 2009 (IAA 2009)

2. Federal and State Government Policy Framework

HR takes the view that the organisation should implement government policy wherever appropriate. For example, the government policy of multiculturalism is to be respected.

3. Hills Radio Policy Framework

To assist in fulfilling our corporate goals and to ensure consistency of work practices throughout the organisation, the HR Management Committee has developed a number of policies, including policies and procedures relevant to the "Community Radio Broadcasting Codes Of Practice". A policy is a statement or instruction from HR that sets the way particular issues are to be addressed or particular decisions are to be made. Policies set the Management Committee's views on how HR should fulfil its mission, vision and goals.

Policies relating to conditions of work for volunteers and staff carrying out the day-to-day operations of HR outline our commitment to maintaining certain conditions of work as a best practice employer. Where required these policies are to be further developed in consultation with volunteers and staff.

Volunteers, broadcasters and staff are kept informed of our policies through induction, information sessions at meetings or via email and newsletter updates. All policies are accessible via our electronic document management system (website: www.2bacr.com).

4. Management By Committee

HR is focused on the mission to be fulfilled for the local community.

The control, direction and decision making vests in Management Committee. The Management Committee is the governing committee of HR. The Sub-Committees are responsible for the review and implementation of their functions and for reporting outcomes and recommendations to the Management Committee for final decision making.



Current and proposed Sub-Committees are:

- Broadcast Program
- Finance (includes Grants and Sponsorship)
- Technical (includes audio and computer)
- Membership (including Volunteers)
- Multicultural (includes Ethnic Broadcasters')
- Training

Each HR Sub-Committee is to consist of a Chairperson and have 3 – 5 persons in total.

if there are less than 3 persons available to fill a Sub-Committee due to attrition, resignation and other factors, the functions and responsibilities of that Sub-Committee return to the Management Committee to perform until at least 3 people join the Sub-Committee.

Legislative requirements, Policies & Procedures Manuals and Role Statements guide the work of the Sub-Committees. The Management Committee and the sub-committees must adhere to the Constitution (Rules) of the organisation and all relevant legislations. The Management Committee and each sub-committee is responsible for assisting to implement its part of the Business Plan and for the timely performance of its specialised roles and tasks.

See attachment 1 for a diagram of HR Corporate Governance.

5. Organisational Performance

Information about the quantity, quality, timeliness and impact of our work is essential to achieving our goals. The implementation of the objectives of the Business Plan are essential to sustainability of our community organisation. Performance benchmarks measuring these factors are established at the Committee and individual staff level.

Some major measurements of progress are:

- Feedback from listeners, broadcasters, members, volunteers, sponsors, and especially the Committee Chairpersons, is used to monitor progress and possible ineffectiveness. We welcome oral and written input from all stakeholders.
- We consult with the CBAA and ask them to review our community radio station with a view to find ways to improve our services and our standards of performance.
- We engage consultants (financial, legal, technical, etc) to inform us of progress in specific critical areas of organisational and radio station performance.
- We monitor cash funds at bank as a guide to progress and ensuring our sustainability.
- The number of members and volunteers in the operations of the service.



- The amount of funds from sponsorship received by the radio station.
- The number of broadcasters presenting programs on the radio station.
- The number of complaints from stakeholders.

The Management Committee periodically reviews these matters and, in conjunction with our sub-committees, expert consultant and advisors, develop strategies to address any issues that may be causing problems and delays. Through the sub-committees, hired expert consultants and advisors (such as, the CBAA) we have systems in place for consultation and discussion to ensure that the appropriate decision is made at the outset.

It is also important that any correspondence and reports we send out are factually accurate and properly reasoned. The Management Committee supervises, checks and authorises these correspondences before they are released by our members, volunteers, staff and consultants.

6. External accountability

Our organisation is accountable to and under the scrutiny of the ACMA, Office of Fair Trading and other government bodies. These bodies essentially ensure that we maintain legal and community standards.

We have accountability to the community of the licensed broadcast area, our members, our program presenters and our sponsors. These stakeholders help ensure we have a harmonious, diverse, broad, high quality, equitable and sustainable community radio service.

7. Risk Management

Risk assessment is part of the decision making framework for our organisation, for example, whether to accept or reject an applicant to present a program, whether to accept or reject an application for membership, whether the studio equipment will continue to function well, whether conflict will arise within the organisation due to a variety of issues, etc. In addition, we must decide whether to conduct an investigation, a project, or to develop a new internal policy to better deal with these risk issues.

Much risk assessment is intuitive and informal and is part of the unspoken process of making decisions. Sometimes there is a need to document the risk assessment of an individual case or issue to be solved or even the process of risk assessment to be used by our Management Committee or volunteers/staff engaged in the operation of the radio station.

In core activities, the risk identification, measurement and the development of mitigation strategies is the responsibility of the Management Committee.



There are guidelines available to volunteers/staff engaged in the operations of the radio station, principally that any issue likely to impact negatively on the organisation must be immediately referred to the President of the Management Committee who in turn shall refer the matter to a meeting of the Management Committee.

The potentially adverse financial impact associated with certain risk exposures (e.g., fire and theft) are limited by the purchase of appropriate insurance coverage.

We are subject to independent reviews by external bodies, such as, we must report financial results to the Office Of Fair Trading each year.

We have volunteers and consultants to contact to quickly deal with equipment failure. The installation of the antenna atop the studio site, in addition to improving the quality of the sound transmitted to the licence area, eliminated incidents of transmission breakdown caused by the previously used telephone transmission system.

To reduce risks of litigation, broadcasters are educated in detail on matters that could lead to litigation against our community radio station and are required to sign contracts before beginning to broadcast.

These contracts between broadcasters and BACR involve commitments by broadcasters to avoid defamation, avoid broadcasting/sponsorship of prohibited goods or services (such as, tobacco products), ensure maintenance of community standards (no swearing), etc, and shift the liability for such litigation to the broadcaster. Training is the direct responsibility of the Management Committee that appoints a person or persons to provide training for a specific purpose or for a specific person.

Sponsorship contracts between entities and HR are evidenced in writing.

8. Reviews

The Management Committee, as part of its ongoing duties, reviews to what extent BACR continues to comply with the HR Constitution, the BSA 1992, the IAA 2009 and legislation administered by other authorities.

HR uses an external accounting firm to undertake the financial based internal audit function. This internal audit consists of an audit of internal controls within the accounting and other financial functions and addresses a range of risk management issues including internal control, fraud control and office financial security issues. We use suitably qualified external consultants to advise and supply services to HR on the development and preventative maintenance of equipment. The organisation uses a suitably qualified and accredited legal advocate for legal matters should they occur.



9. Additional Procedures

Additional corporate governance procedures are contained in the HR Constitution (Rules of Association issued Sept 2014) and in the policy document called "Roles and Responsibilities of the HR Management Committee, Sub-Committees and Station Manager" approved by the Management Committee 2014.

The HR Inc constitution includes procedures for –

- The principles of financial membership
- The rights and obligations of financial members within the organisation
- The rights and responsibilities of the organisation to financial members
- Other matters (for example, disciplining members)

APPROVED BY THE MANAGEMENT COMMITTEE 2014