



10. Facilitated development session: **Legal compliance**





Introduction

The aim of this working session is to review the organisation's legal obligations and the processes that the board or management committee have in place for ensuring compliance with legal requirements.

Ideally, this development session should be facilitated by a person with a good understanding of the legal responsibilities relating to the governance role. This may be an experienced person within the organisation or an external facilitator.

Timing of this program: 1 hour

FACILITATOR'S NOTES

30 min

1. Overview of legal requirements

Using the *Info sheet: Legalities and insurances*, review the key areas of law that the board or management committee need to be aware of:

The board or management committee has a particular responsibility to ensure that the organisation:

- works within the law at all times
- meets any legal obligations that it has
- meets its contractual obligations.

Members of boards or management committees need to:

- **know the basics:** All board or management committee members should be aware of the areas where laws have to be taken into account in making decisions or taking action.
- **act with due care:** Where laws might apply, seek advice and information before acting.

Generally, courts do not expect individual members of boards or management committees to be experts in legal matters, only to act in a responsible manner.

On the whole, courts do not expect members of boards or management committees to know more than their staff or other advisors, but they do expect them to 'make proper inquiry', checking information or advice they are given.

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Key areas of legislation:

- **the organisation** — incorporation legislation
- **employees** — laws that cover industrial relations and employment practices, working conditions, safety in the workplace, the applications of anti-discrimination, wages, taxation and insurance, blue card or police checks for staff working with children, people with a disability or aged people
- **services and activities** — laws that cover how clients should be treated, the service they are entitled to, and their safety, including anti-discrimination legislation, duty of care, consumer protection, and protection of children and young people
- **buildings and premises** — laws and regulations that cover safety of buildings and approval for changes of use or renovation, including public liability and local government regulations
- **contracts** — laws that apply to contracts and agreements, including funding agreements, leasing arrangements on goods, leases on premises, and contracts with trades people to supply goods or services
- **fundraising** — laws and regulations that control how funds may be raised from the public, how some types of fundraising activities should be conducted, and tax deductibility for donors.

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30 min

2. Legal compliance

Ask the group how compliance with legal requirements is currently monitored. Is the board or management committee confident that they know the legal obligations of the board or management committee and the organisation?

Review *Tool: Legal audit checklist* and work through which items apply to this organisation. Check whether they would find this tool useful and, if so, who will take responsibility for completing and maintaining the register.

How will the board or management committee monitor legal compliance? For example, will they receive a copy of the completed register annually or delegate an office bearer to sight register periodically?

Materials

- *Info sheet: Legalities and insurances*
- *Tool: Legal audit checklist*
- *Tool: Insurance checklist*