
National Academy of Professional Studies (NAPS)

Voluntary Code of Governance

NAPS Board of Directors and Council decided to adopt and modify this code created by Universities Australia, rather than create a new one, as it epitomises best practice in this area. The main modification is that items that only related to universities, not to higher education providers, have not been included.

The Code

- 1: NAPS should have its objectives and/or functions specified in its Constitution and supporting documents.
- 2: NAPS' governing body should adopt a statement of its primary responsibilities, to include:
 - (a) appointing the President of the Academy and monitoring his/her performance;
 - (b) appointing other senior officers of NAPS as considered appropriate;
 - (c) approving the mission and strategic direction of NAPS, as well as the annual budget and business plan;
 - (d) overseeing and reviewing the management of NAPS and its performance;
 - (e) establishing policy and procedural principles, consistent with legal requirements and community expectations;
 - (f) approving and monitoring systems of control and accountability, including a general overview of any controlled entities. A controlled entity is one that satisfies the test of control in s.50AA of the *Corporations Act*;
 - (g) overseeing and monitoring the assessment and management of risk across NAPS;
 - (h) overseeing and monitoring the academic activities of NAPS; and
 - (i) approving significant commercial activities of NAPS.

NAPS Board of Directors and Council, while retaining its ultimate governance responsibilities, may have an appropriate system of delegations to ensure the effective discharge of these responsibilities.

- 3: NAPS should have the duties of the members of its governing body and sanctions for the breach of these duties specified in its Constitution. All members of the governing body should be responsible and accountable to the governing body. When exercising the functions of a member of the governing body, a member of the governing body should always act in the best interests of NAPS.

Duties of members should include the requirements to:

- (a) act always in the best interests of NAPS as a whole, with this obligation to be observed in priority to any duty a member may owe to those electing or appointing him or her;
- (b) act in good faith, honestly and for a proper purpose;
- (c) exercise appropriate care and diligence;
- (d) not improperly use the position to gain an advantage for themselves or someone else; and
- (e) disclose and avoid conflicts of interest (with appropriate procedures for that purpose similar to those for public companies).

There should be safeguards, exemptions and protections for members of NAPS' governing body for matters or things done or omitted in good faith in pursuance of the relevant legislation. Without limitation, this should include such safeguards, exemptions and protections as are the equivalent of those that would be available were the member a director under the *Corporations Act*.

A Board of Directors and Council member should be required, automatically, to vacate the office if he or she is, or becomes, disqualified from acting as a Director of a company or managing corporations under Part 2D.6 of the *Corporations Act*.

4: If permitted by its enabling legislation, NAPS should develop procedures;

- (a) to provide that the President and the CEO hold office subject to retaining the confidence of the governing body; and
- (b) to deal with removal from office if the governing body determines that such confidence is no longer held.

5: NAPS' Board of Directors and Council and Academic Board should make available a programme of induction and professional development for members to build the expertise of the governing body and to ensure that all members are aware of the nature of their duties and responsibilities.

6: On a regular basis, at least once each two years, the governing body should assess its performance, the performance of its members and the performance of its committees. The Chair of Board of Directors and Council should have responsibility for organising the assessment process, drawing on external resources if required. On an annual basis, the governing body should also review its conformance with Code of Best Practice and identify needed skills and expertise for the future.

7: One member with financial expertise and one with commercial expertise should be on the governing body. There should be at least two external independent members who are neither enrolled as a student nor employed full time by NAPS.

8: NAPS should adopt systematic procedures for the nomination of prospective members of the governing body.

Members so appointed should be selected on the basis of their ability to contribute to the effective working of the governing body by having needed skills, knowledge and experience, an appreciation of the values of NAPS and its core activities of teaching and scholarship/research, its independence and academic freedom and the capacity to appreciate what NAPS' stakeholders, including the professional community, expects from it.

To provide for the introduction of new members consistent with maintaining continuity and experience, members' terms should generally overlap and governing bodies should establish a maximum continuous period to be served. This should not generally exceed 12 years unless otherwise specifically agreed by the majority of the governing body.

9: NAPS should codify its internal grievance procedures and publish them where appropriate. 10: The annual report of NAPS should be used for reporting on high-level outcomes.

11: The annual report of NAPS should include a report on risk management within the organisation.

12: The governing body should oversee any controlled entities by:

- (a) ensuring that the entity's board possesses the skills, knowledge and experience necessary to provide proper stewardship and control of the entity;
- (b) appointing some directors to the board of the entity who are not members of the governing body or officers or students of NAP;
- (c) ensuring that the board of the entity adopts and regularly evaluates a written statement of its own governance principles;
- (d) ensuring that the board documents a clear corporate and business strategy which reports on and updates annually the entity's long-term objectives and includes an annual business plan containing achievable and measurable performance targets and milestones; and
- (e) establishing and documenting clear expectations of reporting to the governing body, such as a draft business plan for consideration and approval before the commencement of each financial year and at least quarterly reports against the business plan.

13: NAPS should assess the risk arising from its involvement in the ownership of any entity (including an associated company as defined in the Accounting Standards issued by the Australian Accounting Standards Board), partnership and joint venture. The NAPS Board of Directors and Council should, where appropriate in light of the risk assessment, use its best endeavours to obtain an auditor's report (including audit certification and management letter) of the entity by a State, Territory or Commonwealth Auditor-General or by an external auditor.

14: NAPS should disclose in its Annual Report its compliance with this modified Code of Best Practice and provide reasons for any areas of non-compliance.

Acknowledgement

With thanks to Universities Australia; Voluntary Code of Best Practice for the Governance of Australian Universities – August 2013. [NAPS](#)