

Changes to the Australasian College of Dermatologist's Governance

Following increasing concern about the appropriateness of articles of association adopted in 1966 to guide the College, a leading corporate governance consultant, Kate Costello, was appointed in 2003 to review the College's governance processes. She presented a report to the College in May 2004 which recommended a number of reforms. Key recommendations included:

- Adopting a new constitution to comply with current corporations legislation;
- Replacing the College Council of around 20 members that met three times each year with a Board of a minimum of 8 and maximum of 10 members that would meet monthly;
- Implementing a review of College committees to identify essential standing committees;
- Using time limited task forces to undertake projects as an alternative to establishing standing committees of the Board;
- Reducing the role of some office-bearers and increasing and formalising the responsibilities of the CEO.

This report was reviewed by a task force chaired by Dr Anne Howard who was then the President elect of the College. The task force had representatives from all Faculties of the College. The task force consulted widely amongst the membership to seek feedback on the Costello recommendations and opinions about the most appropriate structure for the College's governance.

The recommendations of the task force were reviewed by the College Council on several occasions and were amended in the light of further comments from individual members. The President at that time, Dr John Auld, and Dr Anne Howard presented the recommendations to meetings of members in all Faculties in March 2005. College members also had the opportunity to participate in further discussion of the task force's final report at the College Annual General Meeting on 17 May 2005.

The Council resolved at its meeting held on 18 May 2005 that the final report of the governance task force be adopted by Council. In accordance with Articles 34 and 35 of the then Memorandum and Articles of Association of the College, members were required to vote on the following resolution proposed by Council:

That the changes to governance of the College proposed in the report of the Governance task force, which have been adopted by Council, be approved; and that the College Solicitor be asked to prepare a new constitution for College, based on the recommendations of the task force, for approval by members at a further postal ballot.

A postal ballot to vote on this resolution was conducted in August 2005. Ninety five percent (95%) of members who voted, voted in favour of the resolution.

The College solicitor was then asked to draft a new constitution for the College based on the task force's recommendations. The draft Constitution was further reviewed by the Council.

Members were then asked whether or not they wished to adopt the new constitution and voted in a second postal ballot held in November 2005. Ninety two percent (92%) of the members who voted (approximately two-thirds of those members eligible), approved the new constitution.

A copy of the constitution is attached (Attachment 1a).

The new Board comprises 9 members: the President, President Elect, Honorary Secretary, Chief Censor and a Director elected by each Faculty. The Honorary Treasurer is appointed from one of the Directors elected by the Faculties.

The new constitution took effect on 1 April 2006. The Directors who held office met for the first time by teleconference on 11 April 2006 and resolved that the Directors elected by the Faculties be appointed to casual vacancies on the Board pending officially becoming Directors at the Annual General Meeting on 16 May 2006. At the meeting on 11 April 2006 it was also resolved that each Director be assigned a portfolio of responsibilities. The following education portfolios were established:

Chief Censor	Responsible for examinations
One Elected Director	Overseeing educational development for Fellows, including the professional development program, working with the Professional Development Subcommittee, considering scientific meeting content and overseeing training for OTSs
One Elected Director	Overseeing the implementation of the training program at Faculty level, including liaison with Directors of Training, Heads of Departments, Supervisors of Training and the Trainee Representative Committee.

At its second meeting on 12 May 2006 the full Board of Directors resolved that:

...the Board of Censors would be a standing committee of the Board of Directors and should be authorised to exercise greater autonomy on matters that are not of major political, policy or financial consequence to College, rather than referring all such matters to the Board for decision.

At subsequent meetings, the Board of Directors has adopted a restructuring of educational responsibilities. There is an overarching Education Committee, to which the following committees are responsible:

- Board of Censors (primarily concerned with assessment of trainees in the registrar training program)
- Curriculum Subcommittee (which it is expected will become a full committee)
- Training Committee (concerned with the selection of trainees)
- Professional Development Committee
- Overseas Trained Specialists and Area of Need Assessment Committee
- Education Committee (which overarches all educational activities);
- Professional Development Committee;
- Training Committee;
- Board of Censors;
- Overseas Trained Specialists/Area of Need Assessment Committee;
- Curriculum sub-committee (expected to become a full committee).

PROPOSALS FOR CHANGES IN THE GOVERNANCE OF THE AUSTRALASIAN COLLEGE OF DERMATOLOGISTS

The principal objectives of the College are:

1. Training of dermatologists.
2. Continuing professional development.
3. Supporting scientific research
4. Educating the public and general practitioners about dermatological matters
5. Providing advice to governments and engaging in medico-politics
6. Liaising with other colleges

RECOMMENDATIONS:

1. A charter to be developed defining the role and functions of the governing body of the College, to be adopted as policy by the governing body.
2. The Council to be renamed the Board. The Executive to be abolished.
3. The Board to be made up of the President, President-Elect, Chief Censor and Honorary Secretary as well as one director elected by each Faculty. The directors can be members of their local Faculty Executive, but must note they represent the whole College, not their Faculty, on the Board.
4. The Honorary Secretary will be nominated and elected by the Board as happens at present. The Honorary Secretary will be elected every two years, with a maximum term of two consecutive terms.
5. The Honorary Treasurer will be elected by the Board from one of the Directors and will chair the Audit Committee.
6. There should be flexibility to co-opt other directors in the future.
7. The Immediate Past President to be an advisor to the board.

8. The Directors are to be assigned portfolios by the Board.
9. There will be two-year terms for the President and President-Elect as now.
10. There will be three year terms for the other directors and the Chief Censor; directors' terms to be staggered if possible. There should be a possibility of re-election of directors for a second term, but no more than this.
11. Board Policy: The Board is to prepare and endorse a board policy, clearly outlining matters reserved for the board.
12. The Board and CEO are to annually review the Strategic Plan for College, including measures of its success.
13. CEO: The Board will agree annual and long-term objectives for CEO. An annual performance review is to be performed.
14. State Faculty Committees will remain as they are. There will be more interaction between these committees and the Board, with feedback after each Board meeting.
15. Other Committees: There should be ongoing annual review of these. Members of committees will be elected for three year terms, apart from the Board of Censors which will be five years. Committee members can be re-elected.
16. Process for member election to a committee must be transparent, with nominations called for well in advance (including the Board of Censors).
17. Audit Committee to be chaired by a Director (the Honorary Treasurer) and should include an external person with financial skills.
18. All committees are to have a clear charter and report to the board.

19. Committees are to meet at least 3 times per year, at least once face to face.
20. Election of President-elect:
 - (i) Nominations from the members
 - (ii) Experience desirable: prior Council / Board / Committee experience.
 - (iii) Mission statement to be circulated to Fellows
 - (iv) Election by postal vote prior to the AGM
 - (v) If more than two candidates are nominated, there will be a two-stage process unless one candidate achieves more than 50% of the vote at the first ballot – a “run-off” election process.
21. Chief Censor: nominations from the Board of Censors; election by Board.
22. Board to meet monthly by teleconference and face-to-face at least 4 times per year: twice at the ASM, once at the Spring meeting, then rotating to other States with the aim of meeting in each State every two years ie: 2 at the AGM; 1 at Spring meeting; 1 at a State capital, rotating.
23. These meeting will be preceded if possible with a meeting with the Faculty in whose State the meeting is held.
24. Directors of College are to undergo a two-day training course in Governance / Finance offered by the Australian Institute of Company Directors
25. The Board is to adopt a ‘Statement of Behaviours’ signed by each director.
26. The Board is to evaluate its performance annually and inform members.

MEMORANDUM

TO: All Fellows

FROM: Stephen Shumack
Honorary Secretary

DATE: 22 July 2005

SUBJECT: **PROPOSALS TO CHANGE COLLEGE GOVERNANCE: POSTAL VOTE**

1. Introduction

As all members will be aware, the governance structure of College has been under review for some three years. Most members recognise that the constitution established in 1966 by our founding Fellows no longer fully meets the requirements of the College in the medico-political environment of the 21st century. A leading corporate governance consultant, Kate Costello, was appointed to undertake a review of our governance processes and she recommended a number of reforms. Subsequently, her report was reviewed by a task force chaired by Anne Howard, with representatives from all Faculties. The task force consulted widely amongst the membership to seek opinions about the most appropriate structure for the College's governance.

The recommendations of the task force have been reviewed by Council on several occasions and have been amended in the light of further comments from individual members. John Auld as President and Anne Howard as President-Elect presented the recommendations to meetings of members in all Faculties in March this year. Those of you who attended the Annual General Meeting in Perth on 17 May 2005 also had the opportunity to participate in further discussion of the task force's final report. As a result of the AGM, Council agreed to a further change in the recommendations of the task force.

2. Recommendations

The final version of the report is attached.

The major change is that Council has agreed that the Board should comprise nine members, being the President, President Elect, Chief Censor and Honorary Secretary all ex officio, and one Director elected by each Faculty.

The Honorary Secretary will be elected by the Board, as happens at present. The Chief Censor will also continue to be elected in the present way by the Board.

The President Elect will be directly elected by all members.

3. Next Step

At the First Council Meeting 2005/06 held on 18 May 2005, Council resolved that the final report of the task force, as adopted by Council, should be sent to all members for approval in principle, by means of a postal vote in accordance with Articles 34 and 35 of the Articles of Association.

If a majority of members approves the resolution, the College Solicitor will be asked to draft a new constitution for the College. **Members will then be asked to vote in a second postal ballot, whether or not they wish to adopt the new constitution.**

Not all of the recommendations in the attached report will necessarily require constitutional changes. Some of the recommendations can be adopted by policy of the Board/Council, or as Bylaws or Regulations of the College. The College Solicitor will be asked to prepare only those necessary changes to the Constitution, that are required to give effect to the recommendations. He estimates that the total cost involved will be approximately \$5,000.

The Council, the governance task force, the Constitution Committee and a wide range of members, have been involved in developing the proposed new governance structure for College. We believe that a smaller Board which meets more frequently, can be more effective in managing the considerable workload of business now facing College. The Council commends this proposal to you for your serious consideration.

Please complete the ballot paper in accordance with the instructions and return it to College by **4.00pm** on **Monday 29 August 2005**.

STEPHEN SHUMACK
Honorary Secretary

THE AUSTRALASIAN COLLEGE OF DERMATOLOGISTS

POSTAL VOTE OF FELLOWS

In accordance with Articles 34 and 35 of the Memorandum and Articles of Association of the Australasian College of Dermatologists, members of the College are required to vote on the following resolution proposed by the Council:

“That the changes to governance of the College proposed in the attached report of the Governance task force, which have been adopted by Council, be approved; and that the College Solicitor be asked to prepare a new constitution for College, based on the recommendations of the task force, for approval by members at a further postal ballot.”

Please vote by marking the appropriate box with a cross (X). Only one box should be so marked.

[] **IN SUPPORT OF THE RESOLUTION**

[] **AGAINST THE RESOLUTION**

After you have voted, please sign and fold this ballot paper and seal it in the accompanying envelope for returning to the Honorary Secretary at the Australasian College of Dermatologists, PO Box 2065, Boronia Park NSW 2111 or 136 Pittwater Road, Gladesville NSW 2111.

The signed postal vote must be received by the Honorary Secretary at the Australasian College of Dermatologists no later than **4.00pm on Monday 29 August 2005**. Postal votes received at the office of the College after the polling date will be null and void.

NAME OF MEMBER (please print):

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SIGNED:

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DATE:

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