



January 2025

# ClubED

## Bite-Sized Learning

CEI Monthly Newsletter



Club Education Institute

### Welcome to the January edition of our Bite-Sized Learning newsletter.

We commence the new year focusing on the very important relationship between a CEO and the Board of Directors, which is pivotal for effective governance, strategic alignment and club success.

Below, we answer five essential questions about this key relationship.

### Strengthening the CEO/Board Relationship

#### 1 Should the CEO Attend All Board Meetings?

The CEO's attendance at Board meetings is typically expected, as input is often critical for informed decision making — unless the Board determines otherwise for specific agenda items, such as closed sessions or 'in-camera' sessions that involve matters relating to the CEO's performance.

##### Best Practice

Clearly outline the CEO's role in attending meetings in the club's governance framework.

#### 2 Does the CEO Have Access to Board Minutes?

The *Corporations Act* stipulates that companies must

Leadership is the art of giving people a platform for spreading ideas that work.

Seth Godwin  
*Author & Speaker*

keep accurate minutes of director meetings. Board minutes are a formal record of discussions and decisions made during meetings. The CEO's access to these minutes is essential for operational alignment.

##### Best Practice

Establish clear policies on who can access Board minutes and under what conditions, maintaining confidentiality and operational requirements.

#### 3 What Information Can the Board Request from the CEO?

Boards rely on accurate and timely information from the CEO to fulfill their governance duties. Directors have the right to request any information necessary to make informed decisions. The CEO must provide information that aligns with the company's operational and strategic goals.

The *Registered Clubs Act* reinforces the importance

of providing financial, operational and compliance-related updates.

### **Best Practice**

Develop a structured reporting framework where the CEO regularly provides updates on key performance indicators, risks and opportunities.

## **4 How Should Constitutional Requirements Address Conflicts of Interest?**

Conflicts of interest can undermine governance integrity. Both the CEO and Board members must manage conflicts transparently. *Corporations Act*, Section 191 mandates directors to disclose any material personal interest. While not directly applied to CEOs, the principle of transparency is relevant. The *Registered Clubs Act* also highlights that conflicts must be disclosed and managed according to the club's constitution.

### **Best Practice**

Ensure the constitution includes robust conflict of interest policies applicable to both directors and the CEO. Regularly review these policies and provide training.

## **5 What Are the Best Practices for a CEO's Annual Performance Review?**

Annual performance reviews are critical for evaluating a CEO's contributions and aligning their performance with strategic objectives. While not explicitly required, performance reviews align with the duty of directors to ensure effective leadership.

### **Best Practice**

The Board should set clear performance metrics, conduct reviews against these metrics annually and provide constructive feedback. The process should involve a combination of quantitative KPIs and qualitative assessments of leadership and governance.

### **Conclusion**

The CEO's relationship with the Board is vital for governance and operational success. By addressing attendance, access to minutes, information sharing, constitutional requirements and performance reviews, clubs can foster a collaborative and transparent partnership. Aligning practices with the *Corporations Act* and *Registered Clubs Act* ensures compliance and promotes good governance.



## **Upcoming CEI Seminars Round 1**

### **AML/CTF Legislation Updates**

Understand how recent changes impact your club's compliance obligations.

### **Cybersecurity Beyond Policies**

Discover what you need to do to ensure a robust approach to protect against evolving threats.

### **Governance Audit for 2024-26**

Explore Liquor and Gaming compliance strategies to ensure responsible governance, integrity and financial accountability.

Ensure that members of your board attend. View upcoming dates and register [here](#).