



# A QUICK GUIDE TO EFFECTIVE FINANCIAL GOVERNANCE

Please note: Aboriginal and Torres Strait Islander people should be aware that this content may contain images of deceased people.



## Acknowledgment of Traditional Owners

Westpac and its representatives acknowledge the traditional owners and people of the land on which we meet, paying our respects to elders both past and present.

We also acknowledge and pay our respects to those who identify as being Aboriginal and Torres Strait Islander and recognise the diversity of Indigenous peoples, countries and cultures in Australia.

As Australia's 1st bank, we acknowledge our role in supporting an inclusive and diverse nation where all our cultural backgrounds are recognised and respected.

## Acknowledgement to Sir Alfred Davidson

This guide is from Westpac's financial education specialists, continuing the legacy of Sir Alfred Davidson in helping you create a better financial future.

A pioneer of financial education, Davidson was the General Manager of the Bank of New South Wales (now Westpac) from 1929 to 1945.

His forward-thinking approach helped form Australia's economic policies which supported many people through the Depression.



**Governance is the framework under which an organisation is run. In most cases, an organisation's board is responsible for corporate governance under guidance from the organisation's rule book, and the support of management, members and other stakeholders.**

The financial governance of most Indigenous organisations uses the following framework to make decisions. The bank may need to review these if you're changing or updating bank details.

### 1. Rule book

Your rule book explains how your organisation operates. It is a good idea to assess the rule book regularly. Reviewing it before your Annual General Meeting (AGM) will allow any changes to be voted on via a special resolution at the AGM.

### 2. Making decisions

#### Resolutions:

##### Ordinary resolution

You should ensure a majority of votes have been received in favour of the resolution for it to pass (unless the rule book says otherwise).

##### Special resolution

Typically, these are raised at the AGM when the organisation needs to make major decisions. Often these resolutions require 75% of the votes to be in favour of the resolution to pass. Special resolutions are required when:

- The rule book is amended.
- A corporation's name changes.
- There is a merger with another corporation or when registering a new corporation.
- In some cases, cancelling a member's membership.

All directors must be aware of their legal obligations. Refer to CATSI Act 2006.

### 3. Good meeting practice

- Set a date, time and venue.
- Give directors and or members notice to prepare (at least 21 days).
- Set an agenda.
- Nominate a chair for the meeting.
- Keep minutes of the meeting.
- Ensure there is a sufficient quorum for the meeting. The quorum is the minimum number of people required to be present to vote on resolutions. The number is determined by the CATSI Act or your organisation's rule book.

## Updating signatories on a bank account

### Complete a Notice of Authority – New/Replacement

	Westpac requires	Additional requirements
<b>Company</b>	Any two directors or the sole director, or a director and company secretary	
<b>Association / Club</b>	Two office bearers (president and secretary)	Most recent endorsed meeting minutes confirming the changes
<b>Indigenous corporations</b>	Any two directors	Most recent endorsed meeting minutes confirming the changes


### Additional requirements

All signatories need to be identified by the bank by providing appropriate details.

## 4. Updating Online Banking access

Westpac Online Banking allows an organisation's administrator to add, remove or suspend a person from accessing the organisation's account details.

It's the organisation's responsibility to add or remove an administrator. This can be done by completing an **Administrator form – Online Banking**, which can be found on the Westpac website or at a Westpac branch.

 **Tip:** It is best practice to have more than one administrator in the organisation.

### We're here to help.

 [westpac.com.au](http://westpac.com.au)

 1300 655 505

### Additional resources.

#### ATO:

[ato.gov.au/Non-profit/Your-organisation/In-detail/Checklists/Handover-checklist-for-Not-for-Profit-administrators](http://ato.gov.au/Non-profit/Your-organisation/In-detail/Checklists/Handover-checklist-for-Not-for-Profit-administrators)

#### ORIC:

[oric.gov.au](http://oric.gov.au)

#### Westpac Online Banking guides:

[westpac.com.au/business-banking/online-banking/support-faqs/how-to-guides](http://westpac.com.au/business-banking/online-banking/support-faqs/how-to-guides)

## Changes in the board or executive management team.

When there is a change in the board or executive management team, you'll need to make sure the organisation's details are correct with banks and other regulatory bodies. This will help protect the organisation and ensure it continues to operate with good financial governance.

Good financial governance means there is relevant and secure access to your organisation's finances and an adherence to its rule book and operational requirements.

To ensure consistent access to your organisation's finances through the bank, you'll need to consider the following:

- The organisation's bank account details are correct, including appropriate contact details.
- Update signatories on the account when there is a change.
- Update Online Banking details including users, account and Security Token/SMS Protect™ access.
- Check details of credit card or spending authorisations. Ensure any director or staff member that has left, returns any outstanding chequebooks, debit cards or credit cards related to the organisation.
- Update authorised contacts on merchant facilities i.e. terminals or e-commerce.

