**1.0 POLICY: Executive Limitations**

* 1. ***Global Executive Limitations***

*The CEO shall not cause or allow any practice, activity, decision, or organisational circumstance that is unlawful, imprudent, inconsistent with, or in violation of commonly accepted business and professional ethics and practices.*

***1.2 Treatment of clients***

*With respect to interactions with clients and potential clients the CEO will not cause or allow conditions, services, or decisions that are unfair, unsafe, nor fail to reflect our formal values.*

The CEO will not fail:

1. To ensure that client expectations and obligations are detailed in formal service level agreements and that these agreements are fulfilled (Policy to be in effect by January 2013)
2. To assess client satisfaction in terms of their service level agreements at least annually and to proactively address any concerns
3. To protect client information and data in keeping with the provisions of the Privacy Act
4. To produce a safe, effective, and quality service when used in accordance with intended usage.
5. To provide timely and consistent delivery of service.
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***1.3 Treatment of staff and contractors***

*With respect to the treatment of staff, the CEO will not cause or allow conditions that are unsafe, unfair, undignified, disorganised or unclear.*

The CEO will not:

1. Operate without written Human Resource (HR) policies that, as a minimum: clarify employment rules for staff; address safety & staff welfare; emergency planning, address ICT & IP; Protected Disclosures and provide for effective handling of grievances.
2. Prevent staff from taking a grievance to the Board when (i) internal procedures have been exhausted; and (ii) the staff member alleges either that; (a) Board policy has been violated (especially to his or her detriment); or (b) Board policy does not adequately protect his or her rights.
3. Fail to acquaint staff with their rights under this policy.

***1.4 Financial Planning and Budgeting***

*Financial planning for any financial year or the remaining part of any financial year shall not differ substantially from the Board’s Ends priorities, risk financial jeopardy, or fail to take account of a multiyear plan.*

The CEO will not allow budgeting that:

1. Risks incurring those situations or conditions described as unacceptable in the Board policy “Financial Condition and Activities”
2. Omits credible projection of revenues and expenses, cash flow, and notes of planning assumptions.
3. Provides less for Board spending during the year than is set forth in the Cost of Governance policy.

***1.5 Financial Condition and Activities***

*With respect to the actual, on-going financial condition and activities, the CEO will not cause or allow the development of financial jeopardy or a substantial difference of actual expenditures from Board priorities established in Ends policies.*

The CEO will not:

1. Exceed the budgeted deficit of $120k in the 2012 financial year.
2. Borrow money.
3. Use any long-term reserves.
4. Fail to settle payroll and debts in a timely manner.
5. Allow tax payments or other government ordered payments or filings to be overdue or inaccurately filed.
6. Make a single unbudgeted purchase or commitment that is greater than $10,000. Splitting orders to avoid this limit is unacceptable.
7. Fail to actively pursue receivables after a reasonable grace period.

***1.6 Emergency CEO Succession***

*In order to protect the Board from sudden loss of CEO services, the Society must not be without another employee with knowledge of the Board’s governance policies and processes to enable them to take over with reasonable proficiency as an interim CEO successor.*

***1.7 Asset Protection***

*The CEO will not cause or allow the assets to be unprotected, inadequately maintained, or unnecessarily risked.*

The CEO will not:

1. Fail to insure adequately Board members, employees and the Society itself.
2. Allow staff loans.
3. Expose the organisation, its Board, or its staff to claims of liability.
4. Make any purchase: (a) without reasonable protections for identifying and managing conflicts of interest; (b) of over $10,000 without having obtained comparative information on price and quality.
5. Fail to protectintellectual property, sensitive information, texts, files, data, and on-line content from loss, significant damage or misuse (nor fail to observe the Privacy Act).
   1. allow the Society to operate without a business continuity plan.
   2. fail to consider and act on all applicable standards in the xxx IT Business Continuity Guide.
   3. fail to advise clients of any significant implications of the plan.
   4. The Busines Coninuity Plan is to be in place by end October 2012
6. Receive, process, or disburse funds under controls that are insufficient to meet the Board appointed auditor’s standards.
7. Compromise the independence of the Board’s audit or other external monitoring or advice. Engaging parties already chosen by the Board as consultants or advisers is unacceptable.
8. Invest or hold operating capital in insecure instruments, or in non-interest bearing accounts except where necessary to facilitate ease in operational transactions.
   1. Invest more than 50% in one bank account
9. Endanger the organisation’s public image or credibility, or its ability to accomplish Ends.
10. Change the organisation’s name or substantially alter its identity in the community.
11. Create, purchase or sell any subsidiary entity or significant asset.

***1.8 Communication and Support to the Board***

*The CEO will not permit the Board to be uninformed or unsupported in its work.*

The CEO will not:

1. Withhold, impede, or confound information relevant to the Board’s informed accomplishment of its job.
   1. Neglect to submit monitoring data required by the Board in Board-Management Delegation policy “*Monitoring CEO Performance*” in a timely, accurate, and understandable fashion, directly addressing provisions of Board policies being monitored, and including CEO interpretations consistent with Board-Management Delegation policy “*Delegation to the CEO*” as well as relevant data.
   2. Allow the Board to be unaware of any actual or anticipated noncompliance with any Ends or Executive Limitations policy, regardless of the Board’s monitoring schedule.
   3. Allow the Board to be without decision information required periodically by the Board or let the Board be unaware of relevant trends.
   4. Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and other.
   5. Let the Board be unaware of any incidental information it requires including anticipated media coverage, threatened or pending legal action and material internal changes.
   6. Fail to inform the Board if, in the CEO’s opinion, the Board is not in compliance with its own policies on Governance Process and Board-CEO Linkage, particularly in the case of Board behaviour that is detrimental to the work relationship between the Board and the CEO.
2. Withhold from the Board and its processes logistical and clerical assistance.
3. Impede the Board’s collective authority, misrepresent its processes and role, or impede its lawful obligations.
   1. Deal with the Board in a way that favours or privileges certain Board members over others except when (i) fulfilling individual requests for information or (ii) responding to officers or committees with respect of duties charged to them by the Board.
   2. Fail to submit for the Board’s consent agenda items delegated to the CEO yet required by law, regulation or contract to be Board-approved, along with applicable monitoring information.

***1.9 Ends Focus of Contracts***   
  
*The CEO will not enter into any contract that fails to further the production of Ends and the avoidance of unacceptable means.*

The CEO will not:

1. Enter into any contract without having formal requirements in place that provide protection from funding being used in imprudent, unlawful or unethical ways.
2. Fail to assess and consider an applicant’s or contractor’s capability to produce appropriately targeted, efficient results.
3. Fail to inform the Board of any anticipated or actual deviation from contracts.

***1.10 Compensation and Benefits***

*With respect to the employment, compensation and benefits of employees and contract workers, the CEO shall not cause or allow jeopardy to financial integrity or to stakeholder image.*

The CEO will not:

1.    Change the CEO’s own compensation and benefits.

2.    Promise or imply on-going employment where this has not been specified in a Board approved staff establishment plan.

3.   Establish current compensation and benefits that deviate materially from the geographic or sector market for the skills employed.

4.    Create compensation expectations over a longer term than revenues can be safely projected.

5.   Establish or change benefits without Board approval or without an equitable benefits policy being in place.