This sample unit outline is provided by CHC for prospective and current students to assist with unit selection.

Elements of this outline which may change with subsequent offerings of the unit include Content, Required Texts, Recommended Readings and details of the Assessment Tasks.

Students who are currently enrolled in this unit should obtain the outline for the relevant semester from the unit lecturer.
Corporate governance is the system by which companies are directed and managed and is of particular relevance in non-profit organisations. It has been defined as the coming together of a group of elected or appointed individuals, to act as one for the purpose of guiding the organisation of which they hold trusteeship toward the accomplishment of its end, while watching for irregularities along the way. It influences how the objectives of the company are set and achieved, how risk is monitored and assessed and how performance is optimised. Issues of incorrectly operated governance are the most commonly cited impediments to success and effectiveness of non-profit and profit organisations.

Organisations have obligations to behave according to legal standards, which exist to prevent fraud, preserve justice and protect the community as well as the organisation. As every business decision has an element of uncertainly and carries a risk that can be managed through effective oversight and internal control, good corporate governance structures must be adopted to encourage companies to create value (through entrepreneurship, innovation, development and exploration) and provide accountability and control systems commensurate with the risks involved.


A Book of Readings will be supplied.

On completion of this unit, students will have provided evidence that they are able to:
1. Understand the nature of governance in the current legal environment.
2. Discuss available legal structures and attributes of nonprofit organisations.
3. Describe the functional and legal role of those in governance.
4. Demonstrate an understanding of the tax laws related to nonprofit organisations.

1. Introduction and overview
2. Why do non-profit organisations have boards and how do you recruit members?
3. What are the responsibilities of boards?
4. The legal nature of governance
5. Policy, Planning and moderating the organisation
6. The roles of boards, committees, chief executives and senior staff
7. Board processes – effective meetings, committee structures and the role of the chair
8. Legal structures – Charitable trusts and foundations, associations, co-operatives, churches
Assessment

Assessment Task #1 – Essay (Relates to Outcomes 1-4)

This task is to select an organisation (profit or non-profit) which you know and/or can interview the members of the Board of Directors. Considering the nature of the organisation prepare a short response for each of the following questions:

1. What is the intended governance model and does it appear used in the organisation?
2. How do the Board members perceive their legal responsibilities as directors?
3. What is the legal structure of the organisation?
4. How well do the Board and the members of the organisation understand the law relating to their company structure and function?

Weighting: 40% Length: 500-800 words (each topic)

Due Date: Week 10

Assessment Task #2 – Final Exam (Relates to Outcomes 1-4)

The exam will consist of multiple choice and short answer questions and will assess understanding of all aspects of Corporate Governance and the legal environment. The questions, in part, will be drawn from the readings for this unit.

Weighting: 60% Length: 3 hours

Due Date: Week 16 (Examination Week)

Academic & General Resource Requirements

Andringa, R & Engstrom, T 2002, Nonprofit Answer Book: Practical Guidelines for Board Members and Chief Executive Officers, BoardSource, Virginia, VA.


Baxt, B 2006, Duties and Responsibilities of Directors and Officers, 18th edn, Australian Institute of Company Directors, Sydney.


Unit Summary

This unit aims to explore critical issues of corporate governance, taxation and the legal environment of organisations. Modern managers of organisations have obligations to behave according to legal standards, which exist to prevent fraud, preserve justice and protect the community as well as the organisation. As every business decision has an element of uncertainty and carries a risk that can be managed through effective oversight and internal control, good corporate governance structures must be adopted to encourage companies to create value (through entrepreneurship, innovation, development and exploration) and provide accountability and control systems commensurate with the risks involved.