



ADVISORY BOARD TERMS OF REFERENCE & EXECUTIVE LIMITATIONS

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A. ADVISORY BOARD JOB DESCRIPTION

1 PURPOSE:

The purpose of the Advisory Board, on behalf of the Pacific Organic and Ethical Trade Community (POETCom) affiliates, is to see that POETCom:

- 1.1** Fulfills its social compact with the community, including its host organization the Secretariat of the Pacific Community (SPC) and ensures POETCom's goals and objectives are met;
- 1.2** In doing so, serves as a wise steward of its resources and values while preventing unacceptable actions and situations.

2 TASKS:

- 2.1** The Advisory Board is responsible for maintaining the connection between the POETCom and its affiliates.
- 2.2** The Advisory Board will produce written governing policies in the following areas:
 - (i)** Mission-based outcomes, which describe what good (results), for whom (recipients) and at what cost.
 - (ii)** Organizational health, which defines expectations of, and limits the framework for, executive actions and decision-making.
 - (iii)** Advisory Board Governance process, which specifies how the Advisory Board will ensure excellence in governance and monitor its own performance.
 - (iv)** Advisory Board-Coordinating Officer linkage, which describes the relationship between the Advisory Board and the Coordinating Officer and describes the Coordinating Officers role, authority and accountability.
 - (v)** POETCom - SPC linkage, which describes the relationship between POETCom and SPC including reporting and accountability.

3 GOVERNING STYLE

The Advisory Board provides strategic leadership to POETCom. In order to do this, the Advisory Board will:

- 3.1** Look to the future and keep informed of issues and trends that may affect the mission and organizational health of POETCom.
- 3.2** Make decisions based on knowledge of community needs and best practices and in accordance with the mission.
- 3.3** Be proactive and visionary in its thinking.
- 3.4** Encourage thoughtful deliberation, incorporating a diversity of viewpoints.
- 3.5** Work together as colleagues, encouraging mutual support and good humor.
- 3.6** Have the courage to lead and make difficult decisions.
- 3.7** Commit to excellence in governance, including regularly monitoring, assessing and improving its own performance.
- 3.8** Monitor and discuss the Advisory Board's process and performance at each meeting.

In governing, the Advisory Board will fulfill its responsibilities of:

- The Duty of Obedience that requires Advisory Board members to be faithful to the mission of POETCom in its policies and actions.
- The Duty of Care that requires that in fulfillment of his/her duties, an Advisory Board member owes POETCom the care that an ordinarily prudent person would exercise in a like position and under similar circumstances.
- The Duty of Loyalty that requires Advisory Board members to always put the best interest of POETCom first when making decisions affecting the organization.

4 | CODE OF CONDUCT

- 4.1 The Advisory Board commits itself and its members to ethical, businesslike, and lawful conduct, including proper use of authority and professional decorum when acting as Advisory Board members.
- 4.2 In their capacity as governors, Advisory Board members must demonstrate unconflicted loyalty to the interests of the membership of POETCom.
- 4.3 Advisory Board members must avoid conflicts of interest with respect to their fiduciary responsibility.
- 4.4 Members will annually disclose their involvement with other organizations, vendors, or any other associations that currently do business or may do business with POETCom.
- 4.5 Annually, all members will sign a full disclosure and conflict of interest statement.
- 4.6 Information exclusive to POETCom shall not be used by Advisory Board members for personal gain or the gain of a family member or associate.
- 4.7 It is the Advisory Board member's obligation to immediately disclose to the Advisory Board any and all impending conflict of interest. That member shall absent herself or himself without comment from both the deliberation and final decision-making.
- 4.8 Advisory Board members must not use their positions to obtain employment or special considerations at POETCom or agencies with whom POETCom has formal contracts for themselves, family members or close associates. If an Advisory Board member desires employment at POETCom, he or she must first resign from the Advisory Board.
- 4.9 There will be no self-dealing or any conduct of private business or personal services between any Advisory Board member and POETCom. Once procedures are established by the Advisory Board, then an exception may apply for arrangements which meet established procedures for openness, competitive opportunity and equal access to inside information.
- 4.10 Members will respect the confidentiality appropriate to issues of a sensitive nature and all those relating to staff and staff management.
- 4.11 Advisory Board members are expected to attend every regularly scheduled meeting. A member with more than two (2) consecutive absences from regularly scheduled meetings is automatically dismissed from the Advisory Board. The Advisory Board may consider reinstating the member.

5 | DECISION-MAKING PROCESS

- 5.1 The Advisory Board will make decisions by a process of careful deliberation, seeking out the wisdom and experience of as many voices as appropriate, which may include its members, consumers, staff, volunteers, Advisory Board members and others with knowledge of its mission.
- 5.2 The Advisory Board will strive for consensus of opinion in its decision-making.
- 5.3 If consensus isn't reached after a reasonable period of deliberation, to be determined by the chair, then a majority of members present for a quorum will make the final decision.

6 | ROLE OF THE ADVISORY BOARD CHAIR

- 6.1** The Chair assures the integrity and fulfillment of the Advisory Board's process.
- 6.2** The Chair assures that the Advisory Board conducts business consistent with its own rules.
- 6.3** The Chair will assure that deliberations will be fair, open, thorough, timely, orderly and to the point.
- 6.4** The Chair is empowered to chair Advisory Board meetings and exercise the commonly accepted power of that position.

7 | REPRESENTATION

- 7.1** Advisory Board members may represent the Advisory Board and POETCom in outside forums and meetings as requested by the Coordinating Officer.
- 7.2** All requests for Advisory Board representation on behalf of POETCom are to be referred to the Coordinating Officer for coordination and monitoring.
- 7.3** All statements and presentations made by Advisory Board members on behalf of the organization must be endorsed by the Coordinating Officer.
- 7.4** On completion of term on the Advisory Board all representative duties, invitations and other delegated matters are to be referred back to the current Advisory Board or the Coordinating Officer as appropriate for re assigning.

8 | ADVISORY BOARD COMMITTEE PRINCIPLES

Advisory Board committees are created to do Advisory Board work and should never interfere with delegation from Advisory Board to Coordinating Officer.

- 8.1** Committees will be used sparingly and ordinarily in an ad hoc capacity.
- 8.2** Committees will assist the Advisory Board by preparing policy alternatives and implications for Advisory Board deliberation.
- 8.3** Advisory Board committees may not speak or act for the Advisory Board except when formally given such authority. Expectations and authority will be carefully stated in order not to conflict with authority delegated to the Coordinating Officer.
- 8.4** Advisory Board committees cannot exercise authority over staff.
- 8.5** No majority of members of an Advisory Board committee that has helped the Advisory Board create policy on some topic shall be used to monitor organizational performance on that same topic.

9 | COST OF GOVERNANCE

- 9.1** The Advisory Board will invest in and develop its governance capacity.
- 9.2** This investment may include training, third-party monitoring (e.g. audit), administrative costs, and other activities as needed to ensure the Advisory Board's ability to fulfill its moral and legal obligations and to represent and link to the membership.
- 9.3** The cost of governance will be integrated into strategic planning and annual budgeting.

10 | REPORTING TO SECRETARIAT OF THE PACIFIC COMMUNITY

The Advisory Board through the Coordinating Officer will keep its host organization SPC fully informed of its actions and progress through:

- 10.1** Provision of copies of Advisory Board and committee minutes,
- 10.2** Annual discussion with SPC/LRD at an agreed Advisory Board meeting,
- 10.3** Provision of an annual report to the Chair of HOAFs (through Director LRD),
- 10.4** Coordinating Officer reports through agreed SPC line management as per SPC policy and procedure on work plan and implementation issues.

B. EXECUTIVE LIMITATIONS

1 STAFF RECRUITMENT, COMPENSATION AND BENEFITS

With respect to employment, compensation and benefits to employees, consultants, contract workers and volunteers, the Advisory Board and Coordinating Officer shall operate POETCom in a manner which is legal, ethical, nondiscriminatory and protects POETCom's public image and integrity and complies with the rules, policy and procedure of SPC. Recruitment, compensation and benefits will be in line with SPC policy guidelines.

2 TREATMENT OF STAFF AND VOLUNTEERS

All staff and volunteers of POETCom will receive fair and dignified treatment and shall be afforded all rights guaranteed under SPC policy.

3 TREATMENT OF MEMBERS AND CLIENTS

3.1 POETCom shall establish in writing and implement procedures, conditions and practices in which all affiliates or those applying to be affiliates are treated in a manner which is fair, legal, ethical, appropriately protects confidentiality or privacy, and is not unnecessarily intrusive.

3.2 The only information solicited from members and clients should be information necessary for POETCom to best serve their needs.

3.3 POETCom shall ensure that affiliates have a clear understanding of what may be expected and what may not be expected from the services provided.

Treatment of Members and Clients Policy will be monitored through internal reporting from Coordinating Officer by review of routine evaluations.

4 FINANCIAL CONDITION AND ACTIVITIES

4.1 With respect to the actual, ongoing financial condition and activities, the Coordinating Officer will operate POETCom in a sound and prudent fiscal manner for short- and long-term financial health, not deviating materially from Advisory Board-stated priorities. The Coordinating Officer will ensure all SPC financial policies are adhered to.

4.2 All financial activities are carried out within SPCs regulations and are managed through SPCs finance and administrative services. In some cases POETCom affiliates may source funds to support POETCom core activities in this case those funds will be managed by the POETCom affiliates.

4.3 With regard to funds sourced specifically for POETCom projects through SPC the Coordinating Officer will maintain internal financial reports sufficient to monitor the financial activity of POETCom in accordance with all other financial policies. The Coordinating Officer will:

- ensure expense are in-line with approved budget lines
- prepare a bi-monthly financial statement as defined by the Advisory Board
- prepare monthly balance and income statements compared to budget.

Financial Condition and Activities Policies will be monitored:

Financial report, prepared by Coordinating Officer and presented to Advisory Board bi-monthly

5 FINANCIAL PLANNING AND BUDGETING1

The Coordinating Officer will prepare financial plans and annual operating and capital budgets that achieve approved policies and promote the long-term stability and sustainability of POETCom.

5.1 Accordingly, the Coordinating Officer will prepare an annual budget:

- (i)** In which expenses do not exceed the amount of funds which are conservatively expected to be received in that period.
- (ii)** In which temporarily and permanently restricted assets will be segregated to ensure that POETCom complies with donor restrictions and requests.
- (iii)** Which includes an operating reserve at no less than three months of operating expenses.
- (iv)** Which funds depreciation.
- (v)** Which includes a capital expenditure budget.
- (vi)** In addition, the Coordinating Officer will prepare and maintain a long-term financial plan.

Financial Planning and Budgeting policies will be monitored through:

- Annual budget & internal report prepared for April Advisory Board meeting
- Long-term financial plan: Internal report, annually during budget preparation

1V. Financial Planning and Budgeting will be implemented in year 3 of the IACT project for sourcing post IACT funding and planning

6 GRANTS AND CONTRACTS

Grant funds must be used in prudent, lawful and ethical ways and in accordance with donor restrictions. In addition, the Coordinating Officer shall:

- 6.1** Only request SPC to enter into those grant arrangements in which POETCom has a reasonable expectation of delivering the promised activities and results.
- 6.2** Any subcontractors must also be reasonably expected to deliver promised activities and results and to use funds in prudent, lawful and ethical ways.
- 6.3** Assure that temporarily restricted and permanently restricted assets are appropriately segregated to ensure compliance with donor restrictions.
- 6.4** Seek approval by the Advisory Board of Directors for any grant request which alters the priorities set by the Advisory Board or which affects any Advisory Board governance prerogatives.

Grants and Contracts Policies will be monitored: Through regular reports from Coordinating Officer to the Advisory Board and through SPC line management.

7 FUND RAISING

The Coordinating Officer will operate any fund raising, lobbying or managerial activity not discussed elsewhere in a manner which is legal, ethical, prudent and embodies sound business practices.

7.1 POETCom shall comply with all applicable SPC regulations regulating fund raising.

7.2 POETCom shall, to the best of its ability, ensure that general contributions are used in accordance with donors' wishes or POETCom's stated purposes. Restricted gifts will be used in accordance with donors' specific requirements. Donor gifts shall be acknowledged on a timely basis.

7.3 POETCom will establish and exercise adequate controls over fund raising activities conducted by staff, volunteers, consultants, and contractors, including commitment to writing of all fund raising contracts and agreements.

7.4 POETCom will honor donor requests for confidentiality and shall not publicize the identity of donors without prior permission.

C. ADVISORY BOARD-COORDINATING OFFICER LINKAGE

1 TRANSITION POLICY

All existing policies remain in place until amended by the Advisory Board.

2 EXECUTIVE CONSTRAINT

- 2.1 The Coordinating Officer shall operate POETCom in a manner which is lawful, prudent, and in accordance with commonly accepted POETCom business practices and professional ethics.
- 2.2 The Advisory Board's official connection to the host organization will be through the Coordinating Officer.
- 2.3 Only decisions of the Advisory Board acting as a body and which are in line with SPC policy are binding on the Coordinating Officer.

3 ACCOUNTABILITY OF THE COORDINATING OFFICER

The Coordinating Officer reports to the Advisory Board on all operational and delegated matters and fulfills a dual reporting and accountability relationship through the SPC line management with regard to the positions job description and key performance indicators. The Coordinating Officer is accountable to both POETCom and SPC Codes of Conduct and professional expectations.

4 DELEGATION TO THE COORDINATING OFFICER

- 4.1 The Advisory Board will instruct the Coordinating Officer through written policies.
- 4.2 From time to time, the Advisory Board may change its Executive Limitations policies, thereby shifting the boundaries between Advisory Board and Coordinating Officer responsibilities. Any changes will remain in line with SPC Policy.
- 4.3 As long as the Coordinating Officer uses any reasonable interpretation of the Advisory Board's Executive Limitations and SPCs' policies, the Coordinating Officer is authorized to establish all further policies, make all decisions, take all actions, establish all practices, and develop all activities.

5 MONITORING COORDINATING OFFICER PERFORMANCE

- 5.1 The Coordinating Officer will be subject to SPC Performance and Review policy and procedure. The Advisory Board will also provide systematic and rigorous monitoring of Coordinating Officers job performance through SPCs 360Degree review process once implemented by SPC.
- 5.2 Coordinating Officer monitoring will be based on expected outcomes as expressed in the Coordinating Officer job description.
- 5.3 The Advisory Board will acquire monitoring data by any of the following methods:
 - Reports prepared by the Coordinating Officer,
 - External reports prepared by a third-party,
 - Direct inspection by a designated member or members of the Advisory Board, including inputs from selected Focal Points.
- 5.4 All policies that instruct the Coordinating Officer will be monitored at a frequency and by a method chosen by the Advisory Board. The Advisory Board can monitor any policy at any time by any method, but will ordinarily depend on a routine schedule.

6 | COMMUNICATION & SUPPORT TO THE ADVISORY BOARD

- 6.1** The Coordinating Officer shall communicate with the Advisory Board in a timely and sufficient manner to keep the Advisory Board informed and prepared for its work.
- 6.2** The Coordinating Officer shall submit monitoring information required by the Advisory Board in a timely, accurate, and understandable fashion, directly addressing the Advisory Board policies being monitored.
- 6.3** The Coordinating Officer shall report and prepare recommendations and suggest corrective action in a timely manner on any actual or anticipated non-compliance with any policy of the Advisory Board allowing sufficient time for the Advisory Board to consider corrective action.
- 6.4** The Coordinating Officer shall keep the Advisory Board informed of relevant trends, anticipated adverse media coverage, material external and internal changes, particularly changes in assumptions upon which any Advisory Board policy has been or is being established.