



## **Legal and Ethical Duties**

**Jan 11, 2015**

In Victoria the Association Incorporation Reform Act 2012 (Vic) places certain duties on the members of committees (and boards) of organisations incorporated under it:

1. Improper use of information or position – you must not use your position or information gained as a result of holding that position, to the advantage of yourself or anyone else, or to cause damage to the organisation.
2. Duty or care and diligence – you need to take reasonable care of the work you do on behalf of the organisation. Do your homework – don't make hasty, poorly thought through decisions on behalf of the organisation.
3. Good faith and proper purpose – you must act honestly and with good intentions. You must be mindful of and declare any potential conflict of interest and where you are unsure, also declare – let your fellow committee members decide if it is or isn't a conflict.

Other legal and ethical duties of governors relate to:

1. Insolvent trading – your organisation must be able to pay its bills when they are due.
2. Fiduciary duty – you need to put the best interests of the group above your own or anyone else's interests.
3. Abuse of opportunity – you must not take personal advantage of opportunities that become available to the organisation.
4. Fraud and other wrongs – you must not engage in fraud, negligence, default, or a breach of trust or duty.

Breaches of these duties can attract penalties, so make sure you are mindful of them and that you abide by them, when going about your activities as a committee or board member.