

Conference Convenor - Duty of Care

Whilst we acknowledge that conference committees are generally made up of volunteers motivated to provide benefits to members and third parties, the committee members need to be aware that they have an underlying duty of care to the organisation and members they are representing. Failure to meet the necessary duty of care could in extreme circumstances lead to the association and even committee members being held liable for negligence should the organisation or its members suffer harm or financial loss as a result of that negligence.

As a guide to committee members we thought it might assist if we were able to highlight areas where we as a Professional Conference Organiser would advise committee members to focus their attention to ensure they have exercised a reasonable duty of care. These are listed below along with some guidelines concerning each item:

1) Safeguarding of Conference Funds:

Every conference generates at times significant cash reserves. Committee members should take adequate steps to ensure such funds are not at risk, or the level of risk has been minimised. For instance the following questions need to be considered:

- a) Where are funds deposited and who has effective control of these funds (signatories?)
- b) If these funds are not under the effective control of the committee what happens to such funds if the controller absconds with the money or goes into receivership?
- c) Are sufficient controls in place to ensure that any monies "at risk" are kept to a minimum (transfer of surplus funds)?
- d) Are surplus funds being used to maximize returns to the event (interest bearing accounts)?

Ideally all funds should be retained in a bank account under the ABN of the conference convening organisation. A minimum of two signatories should be required for all financial transactions relating to the conference funds.

2) Speakers / Presenters

The committee member's duty of care fits into two areas with regard to presenters and potential liability. Firstly, there is a need to ensure that anything the speaker says does not come back to become a liability of the committee or host organisation. This can be overcome by issuing a suitably worded disclaimer in the conference programme. The second duty of care is to ensure that proper permissions have been obtained when replicating any speaker information (copyright protection).

3) Privacy:

As you may be aware there are now significant guidelines to be followed under the Privacy Act of 1988 relating to the safeguarding and use of information regarding individuals. It is important to ensure that you or your appointed contractors have followed the rules relating to the Privacy Act.

4) Conference Organisers:

When exercising a duty of care there are a number of things to consider when appointing a conference organiser:

- a) Principal or Agent – when contracting with a conference organiser you need to be sure whether the relationship you are agreeing to is that of Principal or Agent. If Principal then you are effectively waiving all management rights and control of your event and the risk and rewards are fully transferred to the conference organiser. If Agent then you are transferring many decision-making rights to the conference organiser but you are retaining all the risks and rewards. It is up to you to balance these accordingly on behalf of your organisation and to make sure you are satisfied that the best interests of your organisation are being looked after. This choice also impacts on the GST treatment of receipts.
- b) Safeguarding of Funds – it is important as noted in 1) above to ensure you are fully appraised of all risks regarding your event's finances. Many conference organisers retain the funds relating to a conference until completion of the event at which point any surplus / loss is transferred. You need to be sure your funds are safeguarded in this instance.
- c) Conflict of Interest – many conference organisers negotiate and receive commissions, rebates, kick-backs or mark-up invoices from third party suppliers. You need to make sure that the conference organiser you are dealing with makes full disclosure to you regarding such inducements. By definition if an organiser is receiving such inducements they have an inherent conflict of interest which should be disclosed to you.
- d) Loss of Financial Control – if an organiser is receiving financial inducements separate to the fees you are paying this will diminish your ability to manage the work being done by the organiser. Quite simply if the fees you are being charged are significantly less than those being quoted by other reputable organisers then you should ask if the organiser is supplementing income by way of supplier inducements. These should be fully disclosed to you in advance. Without the ability to withhold payment you lose the financial muscle to control the organiser's work practices. In addition you no longer have any certainty over the amount you are effectively paying the organiser which could place your event at significant financial risk. You have a duty of care to request full disclosure of any such inducements and you should make the organiser fully aware that non-disclosure would be a breach of trust.

- e) Third Party Supplier Payments – if the organiser is receiving inducements from the third party suppliers then it is highly probable that these inducements will be passed on to your event in the form of higher charges. You need to ensure that you receive independent quotes for all major items of expenditure on your conference. In addition you should ensure you retain the right to use your preferred suppliers. This is often difficult if you transfer the right of Principal to the organiser.
- f) MEA Code of Ethics – the meetings industry association (Meetings and Events Australia) has a Code of Ethics for all members. One element is that a member must “declare any commissions, remuneration or additional benefit received from a third party that directly arises out of work performed for the client”. You should ensure this is being adhered to. This can be done simply by asking the organiser to request suppliers to declare in writing any financial inducements paid to the organiser.

5) Promotional Material:

At various times during your event you will produce promotional / advertising information featuring such things as speaker biographies, sponsor and exhibitor logos and general information relating to the host organisation. There is a duty of care to ensure these items are not misrepresented thus potentially opening the organisation to legal issues.

6) Contracts:

The conference committee will at various times be responsible for the approval of contracts which may by their nature create pose significant financial risk to the host organisation. Such contracts might include venue contracts, accommodation contracts, speaker contracts, exhibition build contracts and audio visual contracts. The committee has a general duty of care to ensure that these contracts have been scrutinized and are fully understood prior to signature. Such signatures should only be instigated with the correct authorities.

7) Insurance:

The committee must ensure that adequate insurance is in place to cover all major risks. Typically this would include Public Liability at the event, Loss of Earnings due to unforeseen events and insurance for all suppliers including the conference organiser (professional indemnity and public liability).

8) Budget:

The preparation and approval of a budget for the event prior to the commitment of expenses is a fundamental necessity to ensure a duty of care is being taken. Regular review of progress against this budget should enable a committee to make reasonable decisions through out the event cycle.

9) Intellectual Property:

Committee members need to make sure that the intellectual property relating to an event is retained exclusively for the benefit of the host organisation. No third party (including conference organisers) should be entitled to ownership (or use) of intellectual property relating to the event including the creation of databases, promotional material and financial reports.

