

Be aware of Director Obligations & Liability

Non Government organisations would be well equipped to be aware of issues concerning a director or acting director's liability and make steps to cover themselves or seek legal advice on the issue. While you may not have been officially appointed as director, your responsibility for the management and direction of the company would imply you are fulfilling the role of a director.

A director is defined by Corporations Law as a person who is appointed to the position of a director or is acting in the position of a director of the company. The Law says that directors are responsible for the management and the direction of the company. If directors of your organisation are deemed to have personal liability for debts incurred it is likely that directors would be subject to the same liability issues.

It would be advised to seek legal advice on the best method to avoid liability or seek appropriate insurance to cover the organisation and yourself. You may be advised to ensure that you always act with full authorisation of the Board and have staff and suppliers aware of this advice. Unfortunately, changing your title is unlikely to be sufficient to address the issue as the responsibility remains with the person who has the initial or primary decision making position before the board.