



## Board Charter

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### 1. Purpose of the Charter

The Board Charter sets out the role, composition and responsibilities of members of the Board ("the Board") of Families ACT (FACT).

The conduct of the Board is governed by the *Associations Incorporation Act 1991* (ACT) and the Constitution of Families ACT (FACT) Inc, a copy of which is located at ([www.familiesact.org.au](http://www.familiesact.org.au)).

A number of strategic and operational matters relating to the Board, such as number of meetings per year, notification and management of conflicts of interests, election of directors and delegations to the EO are governed by the Constitution and Board policies and are not reproduced here. A register of Board policies is available from the EO.

### 2. Purpose of the Board

The Board has two broad purposes, compliance and performance:

**COMPLIANCE:** conform with or exceed all legal requirements

#### Legal

- monitor constitution
- comply with directors' responsibilities
- comply with laws
- monitor insurance requirements.

#### Accountability

- monitor financials
- compliance audits
- ensure sound governance arrangements
- ensure confidentiality of Board deliberations.

**PERFORMANCE:** assist the organization to perform to its best potential

**Strategy and policy**

- approve Vision/mission and ensure it is embedded into the organizations operations
- approve strategic plan and policies and monitor regularly.

**Accountability**

- overall performance of the organization
- board evaluation, succession planning
- report outcomes to stakeholders
- manage the Executive Officer (EO).

**Public Relations & Communications**

- represent and participate
- keep stakeholders informed
- project a strong and positive image
- promote the vision
- facilitate cohesion
- protect the interests of stakeholders
- speak with one voice regarding Board decisions.

**Risk management**

- ensure up-to-date and effective risk profile and management strategy
- monitor critical risks.

The Board, while meeting its responsibilities, is mindful of the organizations values and the objects of the organization as embodied in its Constitution.

### **3. Board roles and responsibilities**

The Board has delegated authority for the operations and administration of the organization to the EO.

The functions of the Board are to:

- Provide effective leadership and collaborate with the EO in:
  - articulating the organization's values, vision and strategies
  - developing strategic (direction) plans and ordering strategic priorities
  - maintaining open lines of communication and promulgating through the organization and with external stakeholders the values, vision and strategies
  - developing and maintaining an organization structure to support the achievement of agreed strategic objectives.
- Monitor the performance of the EO against agreed performance indicators as detailed in the Employment Agreement
- Review and agree on the policies, business (action) plans and annual budget proposed by the EO
- Monitor the achievement of the strategic and business plans and annual budget outcomes

- Establish such committees, policies and procedures as will facilitate the more effective discharge of the Board's roles and responsibilities
- Ensure, through Board Committees and others as appropriate, compliance obligations and functions are effectively discharged
- Initiate a Board self-evaluation program and follow-up action to deal with issues arising and arrange for members to attend courses, seminars and participate in development programs as the Board judges appropriate
- Ensure that all significant systems and procedures are in place for the organization to run effectively, efficiently, and meet all legal and contractual requirements
- Ensure that all significant risks are adequately considered and accounted for by the EO
- Ensure that organization has appropriate corporate governance structures in place including standards of ethical behaviour and promoting a culture of corporate and social responsibility
- Hold such meetings of the Board to ensure the effective discharge of its duties.

The Board has no operational involvement in the conduct of organization's business activities and delivery of services. Its role is confined to setting and reviewing policy. Members of the Board act in a personal capacity and not in the interests of any organisation for which they may work.

#### **4. Roles and responsibilities of office holders**

As well as bearing all the general responsibilities of being a member of the Board, there are a number of tasks for which office bearers have responsibility.

##### **The Role of the President**

The President plays a key role in ensuring the overall health and functioning of the organisation. Tasks of the President include:

- Chairing Meetings of the Board and signing the minutes as a true record of events.
- In consultation with the Executive Officer, planning the Agenda of the Board and ensuring sufficient information has been given to Board members
- Acting as the spokesperson or representative of the Board to outside parties
- Acting as the "supervisor" of the Executive Officer, and providing the link between the Board and staff through this relationship
- Mediating or otherwise resolving conflict between board members, or staff conflicts unable to be resolved by the Executive Officer
- Assessing the quality, reliability and timeliness of information provided to the Board, particularly where it concerns the organisation's deteriorating financial position
- Ensuring that the Board adequately, properly and promptly understand and address serious financial concerns of the organisation, if they arise.

##### **The Role of the Vice-President**

The role of the Vice-President is to support the President in particular assuming and performing the duties and responsibilities of the President during the President's absence.

### **The Role of the Finance Officer**

The role of the Finance Officer is to ensure that financial processes and reporting requirements are met openly and accountably; providing oversight of the ongoing financial viability of the organisation to the Board.

Tasks of the Finance Officer include:

- Ensuring that the finances of the organisation are managed appropriately
- Making recommendations to the board about income and expenditure, investments and debts
- Reviewing the profit and loss, and balance sheets
- Preparing the annual budget in consultation with the Executive Officer
- Ensuring that sufficient funds are available at all times to support the organisation's liabilities.

### **The Role of the Public Officer**

The Public Officer:

- Is the person with whom the Registrar General corresponds;
- Is responsible for compliance with the Act;
- Is the person on whom documents are served;
- Has the power to sign documents on behalf of the Association.

The Public Officer's role is covered in detail in the *Associations Incorporation Act*. The Public Officer must:

- Reside in the Territory
- Be at least 18 years of age
- Notify the Registrar General within one month of the appointment of a new Public Officer
- Notify the Registrar General of his or her change of address within one month.

The Act restricts certain persons from being appointed to the position, including any person who:

- has been convicted of offences in the promotion, formation or management of a body corporate
- has been convicted of offences involving fraud or dishonesty punishable by imprisonment of three months or more or
- is insolvent under administration for the purposes of the *Corporations Act 2001*.

If the position of Public Officer becomes vacant for any reason, the Board must appoint a replacement within fourteen days of the vacancy.

## **5. Membership and term**

The Constitution provides for a maximum of 9 Board members with a quorum of 4 required to transact business at meetings.

The Board consists only of non-executive members, the majority of whom are independent. That is, no member of the Board may be a member of the paid staff of the organization.

Board members must be free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the member's ability to act in the best interests of the organization.

The Board has not adopted a tenure policy, but according to the Constitution, each member must be re-elected by the membership after 2 years on the Board.

## 6. Board/CEO relationship

The roles of the President and EO are strictly separated. The Board will approve a delegations policy to enable the EO to manage the day-to-day affairs of the organization.

The EO is responsible for:

- policy direction of the operations of the organization
- the efficient and effective operation of the organization
- bringing material and other relevant matters to the attention of the Board in an accurate and timely manner
- representing the organization in a professional manner .

The EO is not a member of the Board.

## 7. Board culture

The Board actively seeks to have an 'engaged culture' which is characterised by candour and a willingness to challenge. The following table is used to provide evidence of an engaged culture [taken from Increasing Director Performance (Australian Company Director, Vol 20 No 8 2004)]:

### Agendas

- The agendas of the Board limit presentation time and maximise discussion time.
- There are lots of opportunities for informal interactions among Board members.

### Norms

- Board members are honest yet constructive.
- Members are ready to ask questions and willing to challenge leadership.
- Members actively seek out other members' views and contributions.
- Members spend appropriate time on important issues.

### Beliefs

- "If I don't come prepared, I will be embarrassed."
- "If I don't actively participate, I won't be fulfilling my responsibility."
- "I'll earn the respect of fellow Board members by making valuable contributions and taking responsibility for what I do."
- "If I can't carry my load, or if I can't agree with what's going on, I should resign."

### Values

- The Board serves the community by actively participating in governance.
- The Board is responsible to various stakeholders.
- Board members are personally accountable for what goes on at the organization.
- The Board is responsible for maintaining the organization's stature in the sector.
- Board members respect each other.

## **8. Reporting**

Proceedings of all meetings are minuted and signed by the President or the chairperson of the meeting.

Minutes of all Board meetings are circulated to members and approved by the Board at the subsequent meeting.

## **9. Review of charter**

The Board will review this charter annually to ensure it remains consistent with the Board's objectives and responsibilities.

## **10. Publication of the charter**

Key features of the charter are to be outlined in the organization Annual Report. A copy of the charter is available at ([www.familiesact.org.au](http://www.familiesact.org.au)).