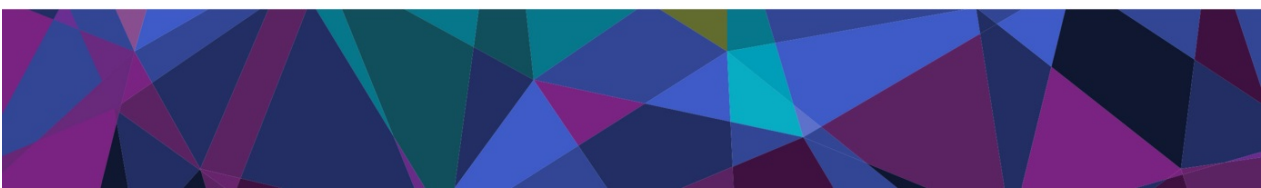


**Palmerston**  
Improving your wellbeing

# Board Charter



## **FOREWORD FROM THE CHAIRMAN**

All Board members feel that it is a privilege to be appointed to the Board of Palmerston Association. In agreeing to become a member, we all assume the responsibility for collectively overseeing the interests of Palmerston including the legal and ethical duties that are attached to being on a Board of a charitable not for profit organisation, receiving public funds.

As Members, we agree to act in the best interests of the Association and to uphold our fiduciary duties to the best of our abilities, on behalf of our funders, our dedicated staff and the thousands of individuals and their families who come to Palmerston for support.

This Board Charter is intended to assist us fulfil our corporate responsibilities. It also makes it clear to our stakeholders that we take our responsibilities seriously and in an accountable manner. It is a public declaration of the Board's understanding and acceptance of its role and responsibilities.

The members of the Palmerston Association Board are committed to the four core values that guide the organisation:

- Compassion
- Acceptance
- Respect
- Excellence

Each Board member collectively and individually aims to meet his or her obligations to Palmerston in accordance with its values and this Charter, and the legislation that sets out the duties of a Board Member.

## **BOARD CHARTER**

The Board of Palmerston has formally adopted this Board Charter, detailing the role and responsibilities of the Board and delegated authority to management. It complements and should be read in conjunction with the Constitution and the Governance and Risk Policy.

Palmerston Association is an incorporated Body registered under the Associations Incorporation Act (2015). The Constitution lists the objects of the organisation, its legal powers, composition of the Board, office bearers, conduct of elections, AGMs and general meetings.

### **Introduction of the Board Charter**

This Charter sets out the principles governing the Board of Palmerston Association.

#### **Board Approval**

The Board has approved the Charter and may approve amendments from time to time.

#### **Definition**

Unless stated otherwise, the following terms (when used in the Charter) have the following meaning:

- “Board” means the Board of Palmerston Association appointed in accordance with the Constitution.
- “Organisation” means Palmerston Association as incorporated under the Associations Incorporation Act (2015).

### **Role of the Board**

The primary responsibility of the Board is to guide and monitor the business and affairs of the organisation, including compliance with the organisation’s corporate governance objectives and setting the strategic directions of the organisation.

### **Duties and Responsibilities of the Board**

#### **Strategic and financial objectives**

The Board will:

- approve and monitor the strategic and financial plans of the organisation
- approve and monitor the annual budget and measure performance.

#### **Appointment and performance of the Chief Executive Officer**

The Board appoints and removes the CEO, as well as approving her/his terms of employment and reviews the performance of the CEO. The Board will also manage succession planning for the CEO.

## **Risk Management**

The Board approves and monitors Palmerston's risk management strategy, internal controls and reporting systems. The Board receives reports from the CEO on compliance with policies, and legal and regulatory requirements. The Board will also deal with sensitive or unusual matters of a material nature, referred by the CEO.

## **Role of the Chairman**

The chairman's principal role is to provide leadership to the Board and the organisation and to ensure the Board effectively discharges its responsibilities.

The chairman's main responsibilities are to:

- chair Board meetings
- foster a positive boardroom dynamic, enabling open and informed debate
- ensure the Board receives the information it requires for informed debate
- maintain ongoing communication with the CEO, serving as a conduit between the Board and management
- facilitate a performance evaluation of the Board and members
- assume the role of spokesperson on Board matters.

## **Duties of individual Board Members**

The Board Members of Palmerston Association will have empathy with the purpose and values of the organisation. They will have the abilities and skills which will be of use in the leadership of the Association and its ongoing growth and development.

Board Members are expected to be fully prepared for each meeting and to participate effectively in Board discussions. Members are expected to make every effort to attend each meeting and committee meeting on which they serve. Attendance in person is preferred, however, participation by electronic means is permitted.

Board Members commit to the collective decision making of the Board.

Each member has a fiduciary duty and will at all times act honestly, fairly, diligently and in all respects in accordance with the law applicable to Palmerston Association.

A Board member must

- act honestly
- exercise reasonable care and skill
- be diligent
- be aware of and understand the fiduciary responsibilities of the position
- avoid conflicts of interest and
- act in the best interests of the organisation as a whole.

Specifically, Board Members are required by legislation (The Associations Incorporation Act and the Australian Charities and Not for Profit Commission Act) to ensure they abide by their:

- duty of care and diligence
- duty of good faith and proper purpose
- duty to avoid conflict of interest by not improperly using their position to gain an advantage for themselves or another person
- the duty to avoid conflicts of interest by not improperly using information to gain an advantage for themselves or another person.

Each Board Member is required to provide a current national police record (current is three months or less from the date of appointment to the Board). It is the responsibility of the Board Member to inform the Chairman of any changes to the record.

There is a requirement under the Charitable Collections Act that the responsible officers provide a national police record every three (3) years in order to maintain our Charitable Collections licence. Therefore in the case of the Chairman and Treasurer, and the CEO, police records will be provided on a triennial basis.

## **Relationship with the Board**

### **The CEO's Role**

- the CEO is accountable to the Board for the overall management and performance of the organisation.
- the CEO manages in accordance with the authority delegated by the Board, strategy, business plans, resources and policies approved by the Board.
- The CEO's role, among other issues and without limiting the CEO's job description, includes the following:
  - commitment to the organisation's vision and purpose, consumers, staff and stakeholders
  - responsibility for the effective performance of Palmerston Association
  - ensuring a culture that promotes a productive working atmosphere and effective staff relations
  - communicating in a thorough and timely manner with the Board on financial, strategic and other matters
  - effectively representing the organisation in the community and commitment to enhancing its public image

### **Communication with the CEO**

The CEO prepares a written report for the Board meetings, documenting key activities as they relate to strategy, organisational performance and opportunity. The CEO will brief the Board periodically on broad sector and governance issues of interest that have a general impact on the operations and sustainability of the organisation. The Chairman and the CEO will communicate regularly to seek advice or canvass matters of concern and provide a platform of support for the CEO. Where individual Board Members have requests for information, they are to raise these via the CEO who will ensure a timely and appropriate response. Board Members are encouraged to visit Palmerston branch sites and visits will be arranged via the CEO.

## **Performance Evaluation of the CEO**

The CEO's performance is evaluated annually by the Board against the achievement of agreed goals and performance indicators. In undertaking the annual review, the Board Chairman, the treasurer, and deputy chairman acting as the evaluation committee will seek the latest benchmarking data on remuneration of NFP CEOs and other relevant opinion from sources such as Lester Blades. The evaluation committee will review this advice and consider the CEO's annual performance report prepared in line with the CEO's contract, annual KPIs and Board feedback. Following confidential discussions between the chairman and the CEO, the chairman will make a recommendation(s) to the Board in camera in respect of the annual review. The board makes the final decision in relation to the outcome of annual review.

## **Composition of the Board**

The Board will be constituted in accordance with the Constitution of the organisation.

The Board will ensure a mix of appropriate skills is represented in the membership of the Board, and will specifically consider this as part of the Board annual assessment.

Board Members will be non executive appointments, and Board Members give their time freely without remuneration.

Staff will not be members of the Board.

Members remain on the Board until required to vacate the office as required by the Constitution.

## **Meetings of the Board**

The Board will meet in accordance with the Constitution.

The Chairman will take reasonable measures to ensure a quorum is formed for each meeting.

Board Members will receive Board papers in reasonable time before each meeting.

The Chairman may request the attendance of any person at a meeting who is responsible for, or associated with a matter before the Board as an agenda item.

The key items that the Board considers at each meeting are set out in attachment one.

The CEO and CFO will attend every meeting and participate in discussions but do not have voting rights. The Board, under the direction of the Chair, may elect to meet with only Board members present.

## **Board Committees**

The Board may establish committees to assist in the discharge of its responsibilities.

The Board will adopt the committee charter, addressing the role, duties and responsibilities, composition and structure, administration and any other matters the Board determines relevant to the committee.

The Board will appoint committee membership.

Each committee reports to the Board on the outcomes of its work and where appropriate makes recommendations to the Board.

The Board will regularly review the operations of the committees and will receive copies of committee minutes and a Board member may attend meetings of committees of which they are not a member.

## **Delegation**

There are some matters reserved for the Board decision. They are contained in the attached 'matters reserved for the Board'.

The Board delegates carriage of the operation of the organisation to the CEO, in accordance with the Delegation of Authority Policy and Schedule.

## **Independent External Advice**

The Board, an individual member or a committee may engage an independent external adviser in relation to any Board matter at the expense of the organisation. Before the advice is sought, consent must be obtained from the Chairman. Should the chairman wish to seek such advice, consent must be sought from the Board as a whole. The chairman may determine that any external advice be circulated to the Board.

## **Disclosure of Interest**

The Board will at the beginning of each financial year complete a disclosure of interest form and at each meeting disclose any interest in relation to any agenda item.

## **Board Evaluation**

The Board Members will periodically and at least once a year, complete a performance evaluation of the Board and individual members to ascertain skills development needs and performance.

Periodically, the Board will review Board Member skills mix, and at all times ensure that Members commit to the organisation's values. To facilitate this, the Chairman will conduct regular annual one on one interviews with members. Among other matters, the chairman will discuss and acknowledge

the contribution made by each Board Member and assess ongoing fit and contribution to Board Membership.

## **Directors and Officers Liability**

Palmerston Association holds insurance policies to protect staff and Board Members and to appropriately manage risk. This specifically includes Directors and Officers Liability.

## **Induction of new Board Members**

New Board Members are provided with a letter of engagement, and handbook which includes the Board Charter, the Association's strategic plan, the Constitution, disclosure of interest form and other relevant documentation, including key governance and strategic policies. The Board acknowledges that new Board Members have differing skills and expertise and may require training in Board fiduciary and financial duties and governance, or in the not for profit sector or specifically the alcohol and other drugs sector.

An induction program will be tailored for each new Board Member and will include visits to service branches and residential services with the CEO.



## Attachment one

### Agenda

1. Apologies
2. Declarations of interest
3. Operational reports (bi monthly)
4. Minutes of meetings (Board and committees)
5. Financial report
6. Matters for decision
7. Matters for discussion
8. Matters for noting
9. Policies
10. Correspondence in/out
11. Any other business
12. Evaluation of meeting
13. Next Board meeting

**Matters Reserved for the Board of Palmerston Association Inc**

1. **Board**
  - Membership and terms of reference of board committees
  - Delegations of authority to the CEO
  - Ratification of any structural change
  - Overseas visit approvals
  - Approval of succession plans
  - Disclosure of conflicts of interest
  - Assessment of the Organisation's performance
  - Assessment of Board performance
  - Matters concerning the governance of the organisation
2. **CEO**
  - Appointment of the CEO
  - CEO remuneration review
  - CEO Performance review
  - Termination of CEO
3. **Relations with the members and stakeholders**
  - AGM and other members' meetings (if any)
  - Matters relating to reports as required by the Law
4. **Financial Matters**
  - Approval of budgets
  - Variations to approved budgets
  - Approval of annual accounts and directors' reports
  - Approval of accounting policies
  - Any question of borrowing or giving security over asset
  - Bank accounts and signatories
  - Acceptance of audit reports including management letters
  - Major transactions outside budget or the ordinary course of business
  - Approval of non funded or non budgeted capital items
  - New lease or purchase of buildings
  - Oversight of insurance policies
5. **Organisational Strategy**
  - Approval of strategic objectives
  - Approval of strategic plan
  - Approval of proposals for major expansion or closures
  - Approval of priorities and performance indicators
  - Actions or transactions which might involve questions of legality or propriety
6. **Internal controls and reporting systems**
  - Risk management policy and review
  - Approval of new organisational policies, including compliance with the law
  - Approval of reporting systems
7. **Use of the Common Seal**