
Board of Management Charter

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Charter for Board of Management

The *Epworth Foundation Act 1980 (Vic)* (“the Act”) establishes Epworth Foundation and its objects, and governs the composition of the Board of Management (“Board”).

This Charter has been developed to support the relevant sections of the Act and by outlining procedural aspects of the Board’s discharge of its responsibilities and to reflect the Board’s commitment to contemporary standards of corporate governance.

Together the Act and this Charter form the terms of reference of the Board of Management of Epworth Foundation.

1 Responsibilities of the Board

The powers of the Board of Management are set out in the Act.¹ Procedural aspects of Board functions are not prescribed. Members of the Board must act in the best interests of Epworth Foundation, and must use their best efforts to ensure that Epworth Foundation is properly managed and strives to continuously improve the quality of health services it provides.

The principal responsibilities of the Board are to:

- Oversee, approve and monitor strategy;
- Oversee the implementation of business plans;
- Approve the Annual Budget and monitor performance against budgets;
- Appoint and evaluate the performance of the Group Chief Executive;
- Affirm Epworth’s Values and Behaviours²;
- Monitor culture and staff engagement;
- Monitor the integrity of financial reports;
- Monitor maintenance of licences to operate and improve performance within the scope of those licences;
- Oversee risk management and legal compliance;
- Oversee stakeholder communications;
- Provide a safe, diverse and inclusive place of work;
- Monitor statutory and regulatory reporting;

To discharge its responsibilities, and to facilitate ongoing oversight, the Board may choose to delegate the exercise of any of its powers to one or more of Committees or to the Group Chief Executive through management delegations.

¹ Section 13.

² http://www.epworth.org.au/About-Us/Quality-of-Care/Documents/Values_and_Behaviours_2015_no_signature.pdf

2 Relationship between the Board and Executive

Subject to the formal delegations of authority, the Board delegates responsibility for the operation and management of Epworth Foundation to the Group Chief Executive.

The Group Chief Executive is accountable to the Board, and must fulfil this responsibility through the provision of reports, briefings and presentations on a regular basis throughout the year. The Group Chief Executive may discharge responsibilities of the role through delegation to members of the Executive.

As the Group Chief Executive is the only executive member of the Board, the Board may adopt appropriate structures and procedures to ensure it functions independently of the Group Chief Executive. This will include the ability for the non-executive members of the Board to meet *in camera* in the absence of the Group Chief Executive at the commencement of Board meetings. As the Group Chief Executive is a member of the Board, resolutions of the Board should not be passed in camera in the absence of the Group Chief Executive unless the resolutions relate to or give rise to a conflict of interest for the Group Chief Executive (for example, salary reviews and performance assessments for the Group Chief Executive).

Communications between the non-executive Board members and members of the Executive should be through the office of the Group Chief Executive and with the prior knowledge and approval of the President, unless the matter relates to the operation of Board Committees, or the duties of the Board Administration Officer, in the ordinary course of business.

3 The President

The President is elected by the Board of Management and holds office until the conclusion of the meeting following the Annual General Meeting next following that appointment.³

In the absence of the President, the Vice President shall Chair all meetings of the Board.

The role of the President is to facilitate the efficient and effective functioning of the Board. The President will:

- Chair Board meetings;
- Establish the agenda for, and frequency of Board meetings, together with the Group Chief Executive and the Board Administration Officer;
- Chair the Annual General Meeting;
- Monitor that Board decisions have been implemented;
- Liaise with the Group Chief Executive/Senior Management;
- Develop a performance agreement with short-term and long-term key performance indicators (“KPIs”) and a position description for the Group Chief Executive and review performance against the KPIs and position description in consultation with the Remuneration and Nominations Committee and the Board;
- Provide guidance and mentoring to the Group Chief Executive.

³ Section 11 of the Act

4 **Composition**

As prescribed under the Act, the Board has eleven (11) members of whom one is the Chief Executive Officer (or equivalent)⁴, one (1) shall be the person who for the time being is the Chair of the Medical Advisory Council (“GMAC”)⁵, six (6) shall be appointed by the Synod of the Uniting Church (“Synod”) after consultation with the Board of Management, and three (3) shall be appointed by the Board of Management.

There is no provision under the Act for the number of Board members to exceed eleven (11) and the Act does not prescribe a minimum number of Board members. The Act prescribes the process for filling a casual vacancy on the Board, and the term of appointment for a Board member appointed to fill a casual vacancy.⁶

Nominations, Appointments and Reappointments to the Board

Composition of the Board is based on documented internal policy and protocols in relation to the nomination, appointment and reappointment of Board members. The policy and protocols are revised at the discretion of the Board in consultation with the Synod in so far as the policy and protocols relate to appointments made to the Board by the Synod.

5 **Performance**

Remuneration

Members of the Board will be remunerated the level designed to attract and maintain talented and motivated members.

Performance Assessment

The Board recognises that regular reviews of its effectiveness and performance are key to the improvement of the corporate and clinical governance of Epworth Foundation. The Board reviews, evaluates and seeks feedback from the Executive on Board performance and the performance of Board Committees at least biennially. Meeting evaluations are undertaken at the conclusion of Board meetings.

Disclosure of Interests

Notifications of standing interests are maintained on behalf of each Board member, and are updated by the Board Administration Officer as changes in standing interests are disclosed. Board members are requested to review their notifications of standing interests on an annual basis.

Board members have an opportunity to declare material personal interests at each Board meeting, whether or not an interest would amount to a conflict of interest that requires the relevant Board member not to vote on any associated resolution of the Board.⁷

6 **Board Committees**

The Board may from time to time establish appropriate Committees of the Board, advisory committees and other committees of independent review to assist in the discharge of its responsibilities.⁸

⁴ Section 14 of the Act

⁵ Section 17 of the Act

⁶ Section 9(6) of the Act

⁷ Section 18 of the Act.

⁸ Section 17 of the Act.

The Board currently has the following Board Committees to assist the Board with oversight of areas of strategic priority:

- Audit and Risk Committee (ARC);
- Remuneration and Nominations Committee (RNC);
- Patient Care Committee (PCC); and
- Finance Committee.

Each formally constituted Board Committee has written terms of reference, approved by and amended at the discretion of the Board. Where authority to exercise any powers of the Board has been delegated by the Board to a Committee, the delegated authority is expressly stated in the terms of reference of the relevant Committee.

Formal minutes of each Board Committee meeting will be prepared and circulated to the Board, together with a list of Board Committee recommendations for consideration of the full Board at its next meeting, to the extent that the exercise of any powers of the Board remains reserved to the Board.

The Board also has an advisory medical committee as contemplated by the Act, namely the GMAC.

7 Meetings

The Act prescribes timing of the Annual General Meeting of Epworth Foundation.

The Act provides that meetings of the Board shall be held at such times and places as the Board determines or the President directs.

Board calendar

Board meetings are held on a regular basis as determined annually in advance by the Board. The agenda for each meeting is dictated by the strategic priorities of Epworth Foundation, the reporting responsibilities of the Group Chief Executive, items requiring approval reserved to the Board and other matters of annual business set out in the annual Board Calendar for attention at a particular meeting.

In camera sessions

The Board may open the Board meeting in a closed (in camera) session in the presence of non-executive members only, or with the Group Chief Executive present but in the absence of all other Executives. Minutes of in camera sessions will be taken by the President or, by the Board Administration Officer on request by the President with the support of the Board. Minutes of in camera meetings will be approved and filed separately from the minutes of open session meetings of the Board.

Open sessions

The Executive Director Finance and Commercial Services has a standing invitation to attend open sessions of Board meetings.

Other members of the Executive may attend Board meetings from time to time at the invitation of the Group Chief Executive in consultation with the President, or to present particular papers under delegated responsibility from the Group Chief Executive. Annual presentations by some members of the Executive are scheduled in the annual Board Calendar.

Board Meeting Papers

Board papers should be available to Board members six days prior to the Board meeting. Board members will be notified by email when Board papers are available for access in electronic format. Hardcopy papers are not provided and papers will not be emailed to personal

email addresses of Board members. Board members may request the Board Administration Officer to email softcopy Board papers to their Epworth email addresses if they are not able to access the electronically stored Board papers.

Minutes of meeting

Minutes of open session meetings of the Board will be prepared by the Board Administration Officer and included with the papers for the next monthly meeting of the Board for approval by the Board.

Draft minutes should be prepared and circulated to the Board by the Board Administration Officer for review (not approval) within one week of the meeting. Where more than one month will elapse between Board meetings, the draft minutes will be circulated to the Board for both review and approval by circular resolution within one month of the meeting.

Board members are expected to diligently consider the draft minutes to confirm they accurately reflect the outcomes of the meeting and record any substantive deliberations during the meeting.

The minutes are not intended to provide a verbatim transcript of the meeting or to note questions and commentary of individuals. The minutes should evidence that the Board exercised due care and diligence in considering the business of the meeting, provide a record of the decisions of the Board and capture actions arising from the meeting to be reported on at subsequent meetings of the Board.

Notes and annotations

Minutes are the official record of deliberations of the Board.

Notes and annotations of Board members are often made prior to meetings, to reflect individual questions or thoughts rather than the discussions at the meeting. Board members and invitees who make notes and annotations in relation to Board papers or discussions of meetings should reflect on their meeting notes once the minutes of the meeting have been approved, to ensure that any notes do not inadvertently create a record of the meeting inconsistent with the approved minutes. Any such notes should be destroyed.

Board members who work from hardcopy material may provide Board papers to the Board Administration Officer for secure destruction following meetings. There is no requirement for Board members to retain personal copies of Board papers.

Direct electronic access to past Board papers, materials tabled in Board meetings and minutes is available for current Board members at all times. Past Board members may request access to copies of Board papers and meeting minutes following their retirement from the Board, for the purposes of any matters relating to the activities of the Board during the tenure of the relevant Board member.

Quorum

Six members of the Board in attendance on reasonable notice, whether in person or by teleconference or other means of communication, shall constitute a quorum capable of exercising the authorities of the Board.⁹

Circulating resolutions

Requests for circulating resolutions may be distributed by email or in hardcopy by or on behalf of the Group Chief Executive, and allow at least one business day from the time of expected receipt for response from Board members. Requests may be approved by Board members

⁹ Section 12(3) of the Act

either by return of a signature on the hardcopy request or by return email from the relevant Board member confirming approval, whether or not with an electronic signature attached.

Circulating resolutions approved by the Board by a special majority of 75%¹⁰ will be considered immediately approved and can be relied on by the Group Chief Executive in taking any executive action in reliance on the approval. Any such approvals will be subsequently endorsed by the Board at the next meeting of the Board, so that the approval is recorded in Board meeting minutes. Board members who have been granted a leave of absence at the time the request is made can be disregarded for the purposes of determining the special majority requirement.

In order to allow the Board the opportunity for proper consideration and debate on matters requiring the exercise of the Board's non-delegated powers, circulating resolutions should only be requested of the Board by the Group Chief Executive in circumstances where the items of business cannot reasonably wait until the next Board meeting and the subject matter of the proposed resolution is not expected to be contentious.

8 Publication of the Board Charter and Board Committee Terms of Reference

This Charter will be publically available on the website www.epworth.org.au.

Terms of reference of Board Committees will be available to staff on the intranet.

9 Review of the Board Charter

The Board will review this Charter and the terms of reference of its Board Committees annually and make any necessary or desirable amendments to ensure they remain consistent with the Act and corporate governance standards.

To the extent that there is inconsistency between this Charter and the Act, the Act will prevail.

Revision History

Date Issued:

Date of Last Review: 24 June 2020

Date of Next Review: 31 January 2022

Approved by: Board of Management

Unit Manager: Group Chief Executive

¹⁰ The Board may determine the voting requirement for decisions made by circulating resolution, as the *Corporations Act 2001* (Cth) does not apply to Epworth Foundation.