



Board Charter

Epworth Foundation Board of Management

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Board of Management Charter

The *Epworth Foundation Act 1980 (Vic)* (**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 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 (GCE);
- Affirm, uphold and exemplify Epworth's Values and Behaviours;
- Monitor that Epworth provides a safe, diverse and inclusive place of work;
- Monitor culture and staff engagement;
- Monitor workplace health and safety;
- Monitor the integrity of financial reports;
- Monitor maintenance of licences to operate;
- Oversee risk management and legal compliance;
- Monitor statutory and regulatory reporting;
- Approve annual Financial Statements;
- Approve the long-term and short-term KPI's for the GCE;
- Approve the annual Executive bonus pool;
- Approve and monitor the Board's Risk Appetite;
- Approve and monitor compliance with Board policies.

¹ Section 13 of the Act.

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.

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 Secretary, in the ordinary course of business.

3 The President

The President is elected by the Board and holds office until the conclusion of the Board meeting immediately following the Annual General Meeting following that appointment.²

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

- Chair Board meetings³;
- Establish the agenda for, and frequency of Board meetings, together with the Group Chief Executive and the Board Secretary;
- Chair the Annual General Meeting;
- Monitor that Board decisions have been implemented;
- Ensure that the Board is upholding and exemplifying Epworth's Values and Behaviours;
- 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

² Section 11 of the Act

³ In the absence of the President, the Vice President will Chair meetings of the Board.

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.

4 Composition, Nominations, Appointments and Reappointments

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 be increased or decreased. 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

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 Remuneration

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

6 Performance

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.

7 Disclosure of Interests

Notifications of standing interests are maintained on behalf of each Board member and are updated by the Board Secretary as changes in standing interests are disclosed. Board members are required to make disclosures as soon as practicable and to review their notifications of standing interests at least 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

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 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

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.

9 Meetings

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

The Act provides that meetings of the Board will be held at such times and places as the Board determines or the President directs. Board meetings will be held on a regular basis as determined annually in advance by the Board.

The conduct and procedural aspects of Board meetings will be carried out in accordance with the Board and Board Committee Meetings Protocol.

10 Publication

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

11 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.

⁸ Section 17 of the Act.

Revision History

Date Issued:
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Approved by: Board of Management
Unit Manager: Group Chief Executive