

EASTERN VICTORIA GP TRAINING LIMITED

ACN 606 903 306/ABN 27 606 903 306

An Australian public company limited by guarantee under the *Corporations Act 2001* (Cth) for the charitable purpose of providing general practice education and training.

15 Cato Street, Hawthorn Victoria 3122

BOARD GOVERNANCE CHARTER

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1. Overview

This Charter sets out the roles, responsibilities and authorities of the Board and management in setting the direction, management and control of Eastern Victoria GP Training Limited (EV).

The Board is responsible for ensuring that EV has a strong corporate governance structure with appropriate accountability and control systems in place.

This Charter explains EV's commitment to endeavour to ensure good corporate governance underpins and guides the operations of the company.

The Charter supports the Constitution of EV. The Constitution takes precedence in the event of any inconsistency.

2. The Governance Framework

The Board is responsible for ensuring that EV has an appropriate corporate governance structure and culture in place. The Charter is founded on:

- The Guiding principles of good governance by the Australian Institute of Company Directors
- The *Corporations Act 2001*

2.1 Definition of governance

The role of the EV Board involves controlling and directing to:

- Realise the objectives of EV as defined in the Constitution
- Fulfil EV's obligations and maximise its potential
- Be in the best interests of those the organisation serves

To meet their requirements, EV Directors are given powers in respect of their appointment together with duties and responsibilities when performing their function.

Governance involves more than legal expectation and includes a range of practices, principles and systems, plus the culture of the Board and commitment from those involved in exercising authority throughout EV.

Officers play a major role in good governance as they are directly involved in promoting and protecting the best interests of the company on a daily basis.

In practice, the control and direction of EV are separate but entwined functions and involve the Board and the Chief Executive Officer (CEO) exercising adequate controls as they pursue the potential of EV as it seeks to realise its objectives.

2.2 Compliance with Laws and Statutes

As a Public Company Limited by Guarantee, EV must comply with the *Corporations Act 2001* as well as other applicable laws and statutes.

Examples of applicable areas of regulation include, but are not limited to the then-current versions of:

- Occupational health and safety legislation
- Employment related laws
- Environmental protection legislation
- Anti-discrimination legislation
- Privacy Act 1988 (Commonwealth)
- Australian Privacy Principles (2014)
- Criminal Code
- Legislation and regulations relating specifically to EV business

In addition to complying with laws and statutes, EV will also endeavour to ensure that it complies with and meets the contractual requirements and obligations placed upon it for the receipt of funding from external organisations.

2.3 As a Company

Legally EV has three elements:

- 1) The company, which is a legal entity
- 2) Directors and Officers of the company who are responsible for the company and accountable to the members as a whole
- 3) The Members of the company

Once Appointed:

- Directors have the power to govern the company as detailed by law or constitution, and to amend this Charter without seeking approval from the members
- Directors serve the company and act in the interest of the company.

Members approve changes to the constitution.

3. Constitution

EV's Constitution is its key governance document.

The Board must endeavour to ensure that it and EV comply with the provisions of the Constitution. The Constitution states the principal purpose of the Company is to “promote the prevention and control of diseases in human beings, in particular to provide general practice education and training and related services, principally in the eastern regions of Victoria.”

(Refer: GOV-SD-1.1 EV Constitution)

As an organisation, our mission is to “provide high quality education, training and support for GP registrars, supervisors and training practices across Eastern Victoria” to enable the achievement of its strategic objectives.

4. Board Composition and Independent Directors

The Board will comprise of the number, range of expertise, skills, diversity and experience required by its Constitution.

All Directors must disclose any conflicts of interest and any business or other relationship which could reasonably be perceived to materially interfere with the Director's ability to act independently and in the best interest of EV.

4.1 Boards Governance roles

The Board is responsible to members for the overall governance of EV including but not limited to ensuring the continuity of the business and the long term viability of the company. The business of EV is managed under the direction of the Board of Directors who are accountable for the performance and financial position of the company.

Directors will endeavour to ensure that they devote sufficient time to properly perform their duties to EV by carrying out their governance role through, but not limited to, the following functions:

- Acquire an understanding of the business of EV
- Exercise care, diligence, take an interest in and understand the information available
- Apply an enquiring mind to the responsibilities as a Director
- Keep informed about the activities of EV and monitor its performance, affairs and policies
- Take all reasonable steps to be satisfied as to the soundness of all decisions made by the Board
- Not use their position to allow the improper use of information of EV
- At all times act in good faith in the best interests of EV

4.2 Board Meetings

Meetings will be formally structured and held as prescribed by the Constitution. All Directors are entitled to be heard at meetings and should bring independent judgement to decision making.

Directors are expected to attend all scheduled meetings of the Board and the Committees and if they are unable to attend they are expected to submit a prior apology. Failure to attend three successive meetings will result in a review of the Director's position and where appropriate, possible removal from the Board.

(Refer: GOV-Gov-1.6 Board Meetings, Committees and Annual General Meeting Policy)

The CEO must attend all meetings of the Board, unless excused or requested not to by the Board. The Board may require officers of EV to attend meetings for special purposes.

The main purpose of EV Board meetings are to:

- Monitor performance against the strategic objectives
- Approve operational goals for management including the annual operating plan and budget
- Monitor performance of operational plans including financial results
- Confirm the effectiveness of risk management and compliance processes and practices
- Develop, monitor, review and approve policies and also endeavour to ensure systems exist to monitor adherence
- Review CEO performance and undertake an annual formal review
- Set remuneration for the CEO
- Vote on decisions as per the constitution

4.2.1 Board papers

The Company Secretary is responsible for preparing agendas and meeting papers that are to be distributed no less than five business days before each Board or Board Committee meeting.

The Company Secretary will also take minutes of each meeting, which will be circulated no more than five business days after the Board meetings (subject to Chair approval).

Directors are required to commit adequate time to review papers and minutes thoroughly.

4.2.2 Recording out of session discussions and decisions

Where the Board or a Board Committee meets via teleconference or 'in camera' at a properly constituted and convened meeting, the Board Chair or nominee will endeavour to ensure the meeting is recorded in minutes, and any actions or resolutions minuted.

4.2.3 Confidential information

Confidential information received by a Director in the course of the exercise of the Directors' duties must not be used or disclosed outside a Board or Committee meeting, without appropriate authorisation.

(Refer: GOV-Form-1.2 Consent to act as a Director and Confidentiality Statement)

4.2.4 Conflict of interest

Any business or personal matter which could lead to a real or perceived conflict of interest of a material nature involving a Director and relationship with EV must be declared and registered. Disclosure of interests/conflicts of interest will be a standing agenda item for all Board and Board committee meetings.

(Refer: GOV-Gov-1.3 Board Disclosure of Interests and Conflict of Interest Policy, GOV-Form-1.3 Board Declaration of Personal Interest form and Probity)

4.2.5 Committees

The Board as a whole is responsible for determining the extent of powers delegated to each committee and is ultimately responsible for accepting, modifying or rejecting committee recommendations. The Board can establish Committees to undertake specified delegated tasks, and will endeavour to ensure all Board Committees have their own Terms of Reference.

EV has established the following committees:

- Finance, Audit and Risk Management (FARM) Committee
- Training, Education and Quality (TEQ) Committee
- Nominations and Remuneration Committee (NaRC).

(Refer: GOV-SD-1.3 FARM Committee Terms of Reference, GOV-SD-1.4 CGEQ Committee Terms of Reference, GOV-SD-1.5 NaR Committee Terms of Reference)

4.2.6 Advisory groups

The Board can approve the establishment of advisory groups as agreed by the Board. Terms of Reference will be created for each group, and members will be drawn from sources as agreed by the Board.

EV has established one advisory group called the Regional Interests Advisory Group (RIAG).

(Refer: GOV-SD-1.9 Regional Interests Advisory Group Terms of Reference)

4.2.7 Access to information and independent advice

The Board must be provided with the information they need to efficiently fulfil their duties and responsibilities. All Directors are to receive or have access to copies of Committee minutes and papers.

Any Director may request independent legal, financial or other advice he/she considers necessary (at EV's expense), provided the advice is in writing or minuted, is directly relevant to EV's affairs, and the Chair has approved the request. Consent of the Chair shall not be withheld unreasonably. Any advice received which is relevant to other Board Members shall be provided to the Board.

4.3 Role of the Chair

The Chair is responsible for:

- Leadership of the Board
- Approving meeting agendas
- Confirming meeting minutes prior to distribution and signing after being confirmed
- Overseeing the Board in the effective discharge of its role
- Efficiently organising and conducting the Board's function and meetings, including the Annual General Meeting of the Company Members
- Facilitating effective contribution of all Directors
- Communicating with Directors and seeking feedback
- Promoting respectful and constructive relations between Directors and management and regular liaison with the CEO
- Committing the time necessary to effectively fulfil their role as Chair

4.4 Stakeholder communication

The Board has the responsibility of communicating with members, funders and key public and private sector stakeholders to promote strong partnerships and develop strategic links. It may delegate certain aspects of this function to the CEO under an appropriate delegation of authority.

5. Board Role Statement

5.1 Chief Executive Officer (CEO)

The CEO is responsible for the day to day management and operations of EV with powers, discretions and delegations authorised by the Board.

The Board and CEO are responsible for forging a strong and productive mutually trusting and supportive relationship for the benefit of the organisation by ensuring:

- Openness and honesty is encouraged in all matters between the Board and CEO
- The relationship is fostered through a close working relationship between the Chair and CEO
- Clear written terms of appointment, position description and delegations exist for the CEO
- An annual performance review for the CEO is completed by the Board delegates and presented to the Board
- Regular ongoing reporting to the Board from the CEO which is meaningful and relevant
- A CEO succession plan is in place.

(Refer: GOV-Gov-1.5 Board/CEO Relationship and Limitations Policy)

5.2 Accountability

The Board provides accountability by ensuring:

- Expenditure of money and use of resources are consistent with appropriately balanced competing interests of stakeholders
- Appropriate transparent management reporting systems exist
- Regular effective communication with key stakeholders
- Adequate avenues exist for people seeking bona fide communication with the organisation
- Active monitoring of viability and activities of the organisation
- Statutory and formal obligations (regulators, funding bodies etc.) are met
- Relevant and meaningful professional development is provided for Board and senior management

5.3 Strategy

The Board is responsible for ensuring that the organisation pursues appropriate strategy by ensuring:

- Delegation of responsibility to the CEO for driving the implementation of strategy
- Determining with the CEO the annual cycle for strategic planning
- Board engagement in the strategic planning and review processes
- Inclusion in strategic planning of consideration of risks and opportunities
- Inclusion of clear measurable financial and other objectives in strategic plans
- Preparation of business plans and budgets consistent with and to support agreed strategic plans
- Monitoring and reviewing performance of the organisation against approved strategic plans and goals.

(Refer: GOV-Gov-1.8 Board Strategic Planning Policy)

5.4 Monitoring and supervising

The Board is responsible for monitoring and supervising the governance and operational performance of the organisation by ensuring:

- It actively monitors implementation of agreed strategies and policies (including budgets)
- It regularly receives and reviews management reports
- Development of a documented risk management framework which is regularly monitored, reviewed and updated to protect the company's interests
- Appropriate use of Board committees for more detailed attention as necessary.

(Refer: GOV-Gov-1.7 Board Performance, Evaluation and Development Policy)

5.5 Policy

The Board is responsible for the development of policy by ensuring:

- Key governance policies are in place and in keeping with best practice in corporate governance and legal compliance
- The CEO has in place appropriate operational policies
- Operational policies can be reviewed by the Board where appropriate, and the Board is aware of them
- There is clear delineation between governance policy and operational policy which is the responsibility of the CEO to develop and monitor
- Active monitoring and review of all Board approved policies

6. Board effectiveness

6.1 Board Code of Conduct

The EV's Board is committed to building a reputation based on good governance and recognises the importance of upholding high standards of conduct. This creates a positive example and culture for staff and business outcomes.

(Refer: GOV-Gov-1.4 Board Code of Ethics and Proper Practice Policy)

6.2 Board evaluation

The Board will have an evaluation of its performance annually to determine whether it is functioning effectively by reference to current best practice or regulatory obligations.

(Refer: GOV-Gov-1.7 Board Performance, Evaluation and Development Policy)

Relevant Documents

- Consent to act as a Director and confidentiality statement (GOV-Form-1.2)
- Board - Declaration of personal interest form and probity (GOV-Form-1.3)
- Constitution of EV Limited (GOV- SD-1.1)
- Governance policies index (Section 1)
- EV Strategic Directions 2019-2021