

National Institute of Organisation Dynamics Australia Ltd Board Charter

Approved by Board on	14 April 2020	Version	1
		Scheduled review date	April 2023

1.BACKGROUND

The Board Charter sets out the role, composition and responsibilities of the Board of Directors (“the Board”) of National Institute of Organisation Dynamics Australia Ltd

The conduct of the Board is also governed by the Constitution of National Institute of Organisation Dynamics Australia Ltd .

A number of operational matters relating to the Board such as number of meetings per year, notification of interests, and election of directors are governed by the Constitution and are not reproduced here.

2. PURPOSE OF THE BOARD

The Board has two broad purposes, compliance and performance:

COMPLIANCE: to comply with all relevant legal requirements

Legal

- oversee and monitor compliance with the company’s constitution
- comply with directors’ duties and responsibilities
- comply with all relevant laws
- oversee and monitor insurance requirements

Accountability

- oversee and monitor the company’s budget and financial position
- oversee compliance audits

PERFORMANCE: assist the organisation to perform to its best potential

Strategy and policy

- set and approve the company’s purpose and vision and ensure they are embedded into the organisation’s operations
- set and approve the Strategic Plan and board policies and monitor regularly

Accountability

- monitor overall performance of the organisation
- undertake board performance evaluation, and succession planning
- report outcomes to stakeholders
- supervise and manage the CEO

Public Relations

- represent the company and participate in its activities
- 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 defines in writing all of its policies including performance expectations and results, practices, delegation style and discipline that make up the means by which the Board takes up these responsibilities.

The Board, while meeting its responsibilities, is mindful of the organisation's mission and the objects of the organisation as embodied in its Constitution.

3. ROLES AND RESPONSIBILITIES

The Board oversees and monitors the operations and administration of the organisation by the Chief Executive Officer (CEO).

The functions of the Board are to:

provide effective leadership by overseeing and directing the CEO in:

- articulating the organisation's values, vision, and strategies
- developing strategic (direction) plans and ordering strategic priorities
- maintaining open lines of communication and promulgating through the organisation and with external stakeholders the purpose, values, vision, and strategies
- developing and maintaining an organisation structure to support the achievement of agreed strategic objectives.

Monitor, oversee and evaluate the performance of the CEO against agreed performance indicators.

Review and approve the business plans and annual budget recommended to the Board by the CEO.

Monitor, evaluate and oversee the company's 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 the Board committees, that compliance obligations and functions are effectively discharged .

Ensure a Board self-evaluation program and follow-up action to deal with issues arising and arrange for directors 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 organisation to run effectively, efficiently, and meet all legal and contractual requirements.

Ensure that all significant risks are adequately considered and accounted for by the Executive Management team.

Ensure that organisation has appropriate corporate governance structures in place including standards of ethical behaviour and promoting a culture of corporate and social responsibility.

The Board has no operational involvement in the conduct of organisation's business activities and delivery of services.

4. MEMBERSHIP AND TERM

The Constitution provides for a maximum of nine directors and a minimum of three directors (so that a quorum can be formed to transact business at meetings).

The Board consists of non-executive directors, all of whom are independent; that is, the members are not paid staff of the organisation.

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

Membership of the Board shall be disclosed in the annual report including whether a director is independent or not independent.

Board Members have a maximum tenure of nine years. Board Members may only be re-appointed or re-elected after this tenure by a special resolution. Each director must be re-elected by the membership after three years on the Board.

5. BOARD/CEO relationship

The roles of the Board and CEO are strictly separated.

The CEO is responsible for:

- recommending strategy and policy direction to the Board
- the efficient and effective operation of the organisation
- bringing material and other relevant matters to the attention of the Board in an accurate and timely manner.

The CEO is an ex-officio member of the Board.

6. BOARD CULTURE

The Board actively seeks to have an 'engaged culture' which is characterised by candour and a willingness to challenge. The following parameters are 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."

Values

- the Board serves the community by actively participating in governance.
- the Board, through the operations, is responsible to various stakeholders.
- Board members are accountable for what goes on in the organisation.
- the Board is responsible for maintaining the organisation's stature in the sector.
- Board members respect each other.

7. REPORTING

Proceedings of all meetings are minuted

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

Resolutions are first put to the Board in draft form and, once passed, are recorded in the minutes of the meeting

8. REVIEW OF CHARTER

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

9. PUBLICATION OF THE CHARTER

Key features of the charter are outlined in the organisation Annual Report. A copy of the charter is available on the NIODA website

10. RELATED DOCUMENTS

- Constitution of National Institute of Organisation Dynamics Australia Ltd
- Governance Model Policy
- Statement of Purpose Policy
- Organisational Values Policy
- Role of the Board Policy
- Board Office-Bearer and Portfolio Policy and Role Descriptions