

# Initiatives of Change Australia

## Charter of the Board

18 May 2020

### 1. Introduction

The Initiatives of Change Australia (IofCA) Board of Directors carries the authority to oversee the not-for-profit organisation of IofCA on behalf of its membership and to that end has to work in the best interests of the organisation as a whole. The Board will be cognisant of individual member interests but these are treated in the context of the best outcomes for the collective.

The Board may choose to establish committees that serve the Board in any special investigation it considers appropriate and may consult with members, staff and any independent expert it considers appropriate to carry out its duties. The Company bears the costs of any such investigation or consultations.

The Board is entitled to call on and use any employee of the Company to the extent that it is considered appropriate to carry out the Board's roles and responsibilities.

The following Charter gives guidance to the Council on their responsibilities, however, should it be in conflict with the Constitution, Federal or State regulations, then the intent of these take precedence.

This document sets out the **structure**, tenure and performance expectations for IofCA and its directors. The purpose of this policy is to ensure the Board is at all times operating in a coordinated and effective manner so as to best fulfil IofCA's Principal Purpose and to ensure the achievement of the Principal Purpose is fulfilled through effective functioning of the organisation.

### 2. Purpose

#### 2.1 Context:

The building blocks of IofCA's vision and action are thousands of individuals in Australia and around the world who live out its mission and message. In many different ways, they work together in local and regional teams, national and international programmes, through conferences and a variety of initiatives.

To act effectively on national issues, the movement of Initiatives of Change in Australia depends upon a core group of staff and an extensive network of volunteers. The Council of IofC Australia will therefore discern and articulate a common vision, define priorities, and form strategic partnerships around those situations and people where Initiatives of Change can best make its contribution.

#### 2.2 Function of the Board:

The function of the Board is to ensure sound governance of lofC Australia in the above context and in the best interests of the membership with special consideration to the following:

- Determining, reviewing and maintaining the vision, purpose and values of the organisation
  - articulating & holding the values and ethics of the organisation
  - clarify the legacy/essence lofC Australia, and ensure its continuity
- Ensure strategic opportunities are identified and aligned with the calling and values and the establishment of a Strategic Plan and planning process. These needs to be cognisant of the economic, social and environmental/spiritual as well as the fellowship context of lofCA as an organisation and as a movement.
- Oversight of all risks associated with the strategic direction taken by the organisation and the wider oversight of risks associated with its economic, social, environmental and fellowship context;
- Ensure effective use and stewardship of all the organisation's assets in accordance with our purpose and maintaining an oversight of the activities of the organisation
- Ensuring full compliance with any legislative obligations of the sector the Board is operating within and any other legislative frameworks that govern the organisation.
- Ensure all risks are appropriately managed and compliance processes are in place
- Ensure policies are developed and implemented
- Provide oversight of all Fiduciary responsibilities including the preparation of appropriate audit and financial reporting, budget approval, and processes of good financial oversight, ensuring long term sustainability.
- Ensure appropriate Board composition and succession planning for office bearers.
- The recruitment, appointment, review of performance and succession of the Executive Officer (EO);
- The remuneration of the EO;
- Ensure effective engagement with key stakeholders
  - *(members, fellowship, staff, volunteers and partners, and others)*

### **Individual Board Member's Responsibilities**

- Be ambassadors of the organisation
- Maintain awareness of the organisational activities in order to represent the organisation and identify opportunities

## **3. Responsibilities of the lofCA Board**

### **3.1 Executive Officer and Senior Managers Succession & Remuneration:**

- Selection of the appropriate EO for the organisation's strategic direction and manage the succession planning of Executive Officer role.
- Take responsibility for the employment, performance evaluation, and termination of key officers

- Consider and administer the specific remuneration for the EO and key Senior Managers and operational staff with key responsibilities.
- Review and set suitable key performance indicators for the EO with an understanding and management of any associated risks
- Review the performance of the EO, and evaluate any appropriate salary increase.
- Review key performance indicators and any associated risks for senior management as set by the EO
- A succession plan is in place for the EO and senior managers especially managing the risk of any eventuality and should include any 'key flight risk' analysis.
- A development plan for the EO that encourages ongoing development in areas where the organisation is gaining strength.

### **3.2 Strategic Planning**

- An annual review of the Strategic plan that allows for consideration of the context, economic and general landscape with a six-monthly assessment of the plan.
- Routines that allow for consideration of the strategic relevance of the strategy at every Board meeting
- Execution of the strategic plan to be monitored through the operational performance and decision-making of the Board.

### **3.3 Compliance**

- The Board calendar will include regular reviews of key compliance indicators, including regulatory obligations, policies and procedures, annual audit and reporting cycles and management controls
- Any changes to the regulatory framework will be incorporated into the governance approach
- Financial controls and timelines, including tax and legal requirements will be routinely managed and reviewed.

### **3.4 Financial**

- In addition to financial controls, appropriate to the lofCA organisation model, the Board will ensure proper accounts are kept and managed.
- The accounts will be presented annually, at each AGM, with an audited report.
- The Board will ensure the appointment and management of auditors.
- All accounts will meet the applicable Accounting standards.

### **3.5 Risk Oversight**

- Define the areas of risk specific to lofCA, such as:
  - the current organisation model of funding of staff from legacy funds,
  - where staff activities are not generating income,
  - where programs are funded by internal funds, and

- where the organisation is mainly funded by dividends and income from investments.
- The Board will therefore ensure that in the above high risk context there is risk identification, monitoring and controls in place for the organisation and actively oversee the key risks to ensure the organisation does not overspend and risk asset sales to fund its expenditures.
- A risk profile ('heat map') will be presented at every Board meeting identifying the extent of the above organisation model and any risk movements associated with it.
- Appropriate management of identified risks will include annual reviews of organisational health and steps taken to ensure the risk management method, policies and procedures are followed through.
- All decisions of the Board will be accompanied by an annual evaluation of the financial health of the IofCA organisation and containing, reducing or growing the organisation accordingly.

### **3.6 Policies and Practices**

- Ensure employment policies and practices are in place to manage key risks and comply with the Company's legal obligations.
- Ensure that policies support and inform the behavioural and culture alignment of the organisation
- Monitor the policies and practices of the organisation
- Review the Code of Conduct annually

## **4. Composition of the Board**

The Company's Board of Directors will be comprised of not less than seven non-executive directors. It will include such other Board members as are deemed appropriate by the Board, but not greater than twelve non-executive directors. Non-executive directors are independent directors who are not allied with the interests of management or other key stakeholders and can bring an independent judgement to bear on issues before the board.

Each of these members should, where required, equip themselves with the necessary advice in order that they can adequately fulfil the Board charter. Board members must be free, and, be seen to be free, of any affiliation or relationship that could create a conflict of interest.

The Board may appoint any member of the association to the Board but this must be ratified by the membership at the next Ordinary General meeting of IofCA. Only a member of the association can be a Board member.

### **Quorum:**

A quorum of the Board for all decision-making meetings is a minimum of three (3) directors of which two (2), as a minimum, must be non-executive directors (those two non-executive directors upholding independence of decision making).

## **Voting**

Each member will have one vote of equal weight. In the event of a deadlock, the Chair will have a deciding vote for resolution. Any decision is arrived at by a simple majority, with the chairperson having a second casting vote in the event of an equality of votes.

### **4.1 Chair, Deputy Chair and Committee Chairs**

The Chair and Deputy Chair are elected by the Board and not by the membership. The roles of Chair and Deputy Chair are non-executive.

Board maximum every two years. In the absence of the Chair at a meeting the Board may elect one for the meeting.

Committee Chairs are appointed by Board and their reappointment will be discussed at the Board after each AGM. Reappointment of the Chair and Deputy Chair roles will be discussed by the Board at the lapsing of their 3-year appointment

### **4.2 Company Secretary**

A Company Secretary will be appointed by the Board to serve the Board through an open recruitment process. A Board member may be the Company Secretary.

The Board will ensure that the Company Secretary meets the obligations of the role for IofCA and fulfils the role as outlined in the Position Description developed for the Company Secretary's role. This will remain current and relevant.

The Board will ensure that there are minutes provided, and signed by the Chairperson, as a true record of each Board meeting.

### **4.3 Term of Office**

Directors are appointed to the Board annually through a natural rotation of the Board with each director being elected for three years and serving a maximum of nine years unless otherwise explicitly approved by the Board.

One third of the members of the Board, being the longest serving members, since election or re-election will retire from office every year and may offer themselves up for re-election. *(as required by the Constitution)*

The Chair has no limitations on the number of times they may be elected as Chair of the Board within the constraints of the maximum term of tenure on the Board. The Chair and the Deputy Chair are required to be non-executive directors.

The Board is responsible for the election of both, the Chair and Deputy Chair, and Committee chairs. All of these should be affirmed after each annual AGM.

### **4.5 Appointment to the Board**

New directors are appointed to the Board annually in accordance with the natural rotation of directors. These directors should be selected to fulfil the missing skills required on the Board and according to the skills matrix that assesses the needs of the Board.

The Board skills matrix identifies the skills needed on the Board for the current position of the company and assesses the existing skill set of the current Board to identify any missing skills. Directors are then sought with the requisite skills to support the company.

The process for selection of new Board members will take the path outlined in the Committee structure document. This document provides detail on the current committees of the Board and their roles and responsibilities. Refer to Section 11 of the Committees of the Board for selection process of new Board members.

#### **4.6 Removal or resignation**

Upon resignation or removal from the Board, the Board will appoint a successor in accordance with the principles for appointment outlined above.

Directors cannot be removed by Board resolution. IofCA Members may resolve to remove directors in accordance with the Corporations Act, at a meeting convened by members or by directors.

The Chair and Deputy Chair can be removed from their leadership role by the Board, as a collective (which elects them in the 1st place).

Directors cease to hold office under the constitution if they resign, become of unsound mind, or if they fail to attend Board meetings for three months without leave.

Directors may resign at any time by notice to the Company Secretary.

#### **4.7 Performance of Directors**

IofCA members and the Board expect directors to:

- contribute effectively to the performance of IofCA and the Board
- stay up-to-date with and comply with all relevant legal obligations
- inform themselves of best practice guidelines applicable to the operating of the organisation of IofCA and the fulfilment of IofCA's Principal Purpose, that may include publications by relevant authorities or industry/professional bodies
- comply with all applicable IofCA policies and documents (*including the Code of Conduct and Constitution*)
- maintain the highest levels of personal and professional integrity and ethics
- conduct themselves in a civil manner, respectful of the contributions of all Board members, and the need for co-operation.

#### **4.8 Performance Review procedures**

The Board will undertake a formal annual review of the performance of the Board, its committees and individual directors.

The Board review process aims to ensure that the individual directors continue to contribute effectively to the Board's performance and that the Board as a whole and its committees continue to function effectively.

Individual directors are also expected to consider ongoing self-assessment.

The Board Chair will conduct a performance conversation with each Board member once a year.

The performance of the Chair is reviewed by Board annually.

#### **4.9 Regular Invitees**

Standing invitees to the Board (*unless otherwise advised by the Board*) will be as follows:

- Executive Officer
- Company Secretary

From time to time the Board may invite other members of management or individuals with particular expertise to attend. The Board may meet with any external advisers without management being present.

## **5. Conduct of Meetings**

### **5.1 Frequency**

The Board will meet eight times per year or as frequently as required.

Additional meetings may be convened by any member of the Board or where the Board is required to meet its obligations.

### **5.2 Notice of Meetings**

Notice of each meeting, containing information about the date, time, venue and agenda will be distributed to each member within a reasonable time (*at least a week*) prior to the date of the meeting.

### **5.3 Minutes**

The Board Secretary will keep minutes of any resolutions and general discussion throughout the meeting. Within five (5) working days of each Board meeting a copy of the minutes will be distributed to the Board Chair for review.

The draft minutes as reviewed by the Chair will be distributed to the Board and put forward for ratification at the next meeting. Any non-material changes should be notified to the minute secretary before the meeting and any material changes shared with the Board for ratification at the next meeting.

The Board will ensure that there are minutes provided, and signed by the Chair, as a true record of each Board meeting. A copy of the signed minutes will be kept in the Board minute book.

Where there is no suggestion of a conflict of interest, the draft minutes as reviewed by the Chair will be distributed to all Directors of the Company in the following set of Board papers.

## **6. Board Review**

The Board will undertake an annual review of its own performance and report the results of that review and any recommendations to the Board.

An annual assessment to be undertaken of the skills on the Board and an evaluation of those necessary for the best performance of the company. A comparison of these will inform the selection of additional members to the Board.

### **6.1 Preparation**

Board members are expected to have read and understood the materials provided in the Agenda prior to the meeting.

### **6.2 Board Membership Review**

The Board's membership will be reviewed annually as part of the Board's review process and membership rotated as necessary so as to:

- ensure the right board skills are on the Board
- these are aligned to the strategic objectives
- relevance in relation to the Board charter

This review will be informed by the recommendations of the Board.

**Approved** by the Board as a governance document

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**Chair**

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**Dated**