



GOVERNANCE COMMITTEE CHARTER AND TERMS OF REFERENCE

DIVISION:	Board
AREA/TEAM:	Governance Committee
LAST REVIEWED:	16/06/14
DUE TO BE REVIEWED:	16/06/16



1. CHARTER

The role of the Governance Committee is to ensure that the board fulfils its legal, ethical, and functional responsibilities through:

- adequate governance policy development
- recruitment strategies
- training programs
- monitoring of board activities
- evaluation of board members' performance.

This committee is formally appointed by the Board and is responsible to the Board. It has no authority to implement actions in areas where management has responsibility, or to make decisions on behalf of the Board.

The Committee does not replace or replicate established management responsibilities and delegations, the responsibilities of other executive management groups within Therapy Focus or the reporting lines and responsibilities of external audit functions.

The Committee will provide prompt and constructive reports on its findings directly to the Board, particularly when issues are identified that could present a material risk or threat to Therapy Focus.

2. TERMS OF REFERENCE

The terms of reference for the Governance Committee are set out in this policy. The overall objective of Therapy Focus' corporate governance practices is for the organisation to be transparent in all its dealings and to promote awareness of a dedication to quality in all areas of Therapy Focus business.

2.1. Membership

This committee is formally appointed by the Board and is responsible to the Board. It has no authority to implement actions in areas where management has responsibility, or to make decisions on behalf of the Board.

- 2.1.1. Members of the Committee will be appointed by the Board and will consist of at least three Directors, as well as the CEO.
- 2.1.2. The Chair of this Committee shall not be the Chair of the Board and will be elected by the Committee members.
- 2.1.3. The term of appointment is subject to review by the Board.
- 2.1.4. Changes in membership and responsibilities will be determined by the full Board.
- 2.1.5. The Committee will endeavour to replace members on a staggered basis.

2.2. Duties and Responsibilities

The Governance Committee will ensure that the Board is able to govern the organisation effectively and discharge its duty with regard to its corporate governance responsibilities.

To assist in this outcome The Governance Committee:

- 2.2.1. Advises and monitors Therapy Focus' governance practices and informs the Board as to the level of appropriateness and effectiveness of internal processes for the direction and control of the organisation.

In this regard it will:

- 2.2.2. Review the way in which the Board and its committees work and their evaluation processes.
- 2.2.3. Ensure that the Board, its committees and its members are able to plan their activities with knowledge of the achievements, abilities, strengths and limitations of current directors, staff and volunteers.
- 2.2.4. Ensure that directors are able to discuss, debate, and plan the following from a basis of knowledge:
 - 2.2.4.1. the organisation's purpose, goals, objectives, programs and services;
 - 2.2.4.2. the organisation's budget and financial statements;
 - 2.2.4.3. the roles, duties and responsibilities of the board, committees and individual directors.
- 2.2.5. Review Board composition and succession planning, including sourcing, evaluating and recommending candidates to the Board. In this regard it:
 - 2.2.5.1. reviews annually the size and composition of the Board
 - 2.2.5.2. considers the mix of desired skills of Board members
 - 2.2.5.3. evaluates Board candidates and recommends individuals for Board appointment
 - 2.2.5.4. ensures Directors appointed to the Board understand and agree with the purpose of the organisation and the organisation's Code of Conduct
 - 2.2.5.5. ensures systems are in place to mentor, orientate and educate new Board members by developing and maintaining orientation processes (such as new member orientation kit)
 - 2.2.5.6. ensures elections and appointments to the Board comply with the Constitution and other legal requirements.
- 2.2.6. Review and makes recommendations to the Board on the operation of key management policies/programs.

In this regard it:

 - 2.2.6.1. reviews remuneration packages and conditions applicable to the CEO and Executive staff
 - 2.2.6.2. obtains regular independent advice to assure itself and the Board that remuneration policies are appropriately positioned with respect to comparable industry markets and
 - 2.2.6.3. maintains a system for review of CEO performance and makes recommendations to the Chair for report and recommendation to the Board. The Committee also makes recommendations for CEO succession planning and recruitment.

2.3. Accountability

The Governance Committee is accountable to the Board of Directors for the following tasks:

- 2.3.1.1. creation of annual plan for board development based on the annual board assessment
- 2.3.1.2. annual assessment of the board's strengths and weaknesses
- 2.3.1.3. ongoing recruitment of members who can augment the strengths and build on the weaknesses
- 2.3.1.4. training, coaching, and mentoring for directors to develop their own skills as board members
- 2.3.1.5. monitoring the attendance and contribution of members
- 2.3.1.6. drafting governance policies and budgets for board development

- 2.3.1.7. keeping records of Board recruitment history
- 2.3.1.8. producing and keeping current documents needed for recruitment efforts

2.4. Meetings

- 2.4.1. the Committee will meet at least three times a year or more frequently as required. The schedule of meetings will be agreed in advance
- 2.4.2. Committee members may attend meetings in person or by electronic means
- 2.4.3. a quorum will be at least two thirds of the members
- 2.4.4. should the Chair be absent from a meeting, the members present will choose one of their number to be Chair for that particular meeting
- 2.4.5. in addition to the regular scheduled meetings, the Chair of the Committee will call a meeting of the Committee if so requested by any member of the Committee or by the Chair of the Board
- 2.4.6. the Committee should determine its own agenda. The agenda and relevant papers will be distributed to members at least five business days before the meeting

2.5. Secretary of the meeting

- 2.5.1. the Secretary of the meeting will be either the CEO or as appointed by the Chair of the Board to facilitate the Committee's meetings and reporting duties
- 2.5.2. the Secretary, in consultation with the Chair, will prepare and send notices of meetings and agendas, and accurately transcribe all decisions of the Committee
- 2.5.3. the Secretary will table all correspondence, reports, and other information relevant to the Committee's activities and operations

2.6. Access

The Committee shall have appropriate access to senior management for administrative support, advice and access to the organisation's information.

2.7. Reporting

The committee will report to the Board after each Committee meeting or as specified or requested by the Board. A copy of the Committee's meeting minutes will be provided at the following Board meeting.

2.8. Receipt of Information

- 2.8.1. the Chief Executive Officer will keep the Committee informed of policies and procedures employed by the Organisation relating to corporate governance
- 2.8.2. The Committee will receive relevant information (i.e. within the scope of the Committee's responsibilities) from management as to current developments both within the organisation and externally which may substantially impact on the governance of the organisation
- 2.8.3. The Committee will consider the appropriateness of management's action with respect to 2.8.2 above
- 2.8.4. the Committee shall also have the ability to consult independent experts where it is considered necessary to carry out its duties

3. GOVERNANCE POLICIES, SYSTEMS AND PROCEDURES

The Committee has the responsibility to ensure that adequate governance policies, systems and procedures are maintained and regularly reviewed by management. The Committee will receive from management a copy of governance policies and procedures from time to time for information and review as necessary.

4. INSURANCE LIABILITY AND PROFESSIONAL INDEMNITY COVER

The Committee has the responsibility to ensure that adequate liability and professional indemnity insurance policies and covers are held by the organisation at all times including for Directors and Officers.

The Committee will receive from management on an annual basis a copy of insurance liability and professional indemnity policies for Directors and review them for adequacy.

5. REVIEW

This document is to be reviewed every two years by the Committee to ensure it remains consistent with the Committees' authority, objectives and responsibilities.

All amendments to the Charter and Terms of Reference will be discussed and approved by the Board.

A copy of the Governance Committee Charter is available on Therapy Focus' website www.therapyfocus.org.au