



**Early Childhood
Intervention Australia**

Board Charter

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1. Introduction

This Board Charter sets out the functions and responsibilities of the Board of directors (the Board) and management of Early Childhood Intervention Australia (ECIA) Ltd.

ECIA is the peak national organisation promoting the interests of young children up to eight years of age with disability or a development learning delay and their families.

ECIA provides a national focus and forum for early childhood Intervention, promoting the public profile of early childhood Intervention, facilitating effective liaison and collaboration in the community and with other peak and government bodies, and fostering quality information and service provision. Services include the organisation of seminars and workshops for professionals and families, and a national conference every two years, as well as advocacy activities such as development of submissions to government and Early Childhood Intervention Awareness Week.

2. Role of the Board

The Board and management

The Board's role is to govern ECIA rather than to manage it. In governing the company, the directors act in the best interests of ECIA as a whole. It is the role of senior management to manage the company in accordance with the direction and delegations of the Board and it is the responsibility of the Board to oversee the activities of management in carrying out these delegated duties. Thus, except when dealing with specific management delegations of individual directors, it is misleading to refer to the management function of the Board.

The role of the Board

The direction and control of ECIA, including its business and affairs, is vested in the Board as a whole. The Board's authority to govern the company comes via the Constitution, Clause [TBA]. Under the Constitution, the Directors may delegate any of their powers to one or more committees of one or more directors.

The Board has the final responsibility for the successful operations of ECIA. In general, it is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the company. It is required to do all things that may be necessary to be done in order to carry out the objectives of the company. In carrying out its governance role, the main task of the Board is to drive the performance of the company. The Board must also ensure that the company complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body such as the Australian Charities and Not-for-profits Commission (ACNC).

Without intending to limit this general role of the Board, its principal functions and responsibilities include the following:

- Providing leadership to the company by:
 - Guiding the development of an appropriate culture and values for the company through the establishment and review of codes of conduct, policies, rules and procedures to enforce ethical behavior and provide guidance on appropriate work methods;
 - Always acting in a manner consistent with the company’s culture and code of conduct;
- Overseeing the development and implementation of an appropriate strategy by:
 - Annually approving the overall process of strategic planning;
 - Approving the structure of plans used by the organisation;
 - Working with the senior management team to ensure that an appropriate strategic direction and goals are in place;
 - Regularly reviewing and updating the company’s strategic direction and goals;
 - Ensuring that an appropriate set of strategic internal controls are implemented and reviewed regularly;
 - Overseeing planning activities including the development and approval of strategic plans, annual plans, annual corporate budgets and long-term budgets including operating budgets, capital expenditure budgets and cash flow budgets;
 - Reviewing the progress and performance of the company in meeting these plans and corporate objectives, including reporting the outcome of such reviews on at least an annual basis;
- Ensuring corporate accountability to members primarily through adopting an effective stakeholder communications policy, encouraging effective participation at general meetings and, through the chairperson, being the key interface between the company and its members;
- Overseeing the control and accountability systems that ensure the company is progressing towards the goals set by the Board and in line with the company’s purpose, the agreed corporate strategy, legislative requirements and community expectations;
- Ensuring robust and effective risk management, compliance and control systems (including legal compliance) are in place and operating effectively;
- Being responsible for the company’s CEO including:
 - Directly managing the CEO by:
 - appointing the CEO;
 - annually determining the remuneration of the CEO;
 - providing advice and counsel to the CEO including formal reviews and feedback on the CEO’s performance;
 - overseeing the development of the CEO;

- removing the CEO, where necessary;
- Ratifying the appointment, the terms and conditions of the appointment and, where appropriate, the removal of the company secretary, as determined by the Board;
- Ensuring that an appropriate succession plan for the CEO and company secretary, as determined by the Board, is in place;
- Ensuring appropriate human resource systems (including WHS systems) are in place to ensure the well-being and effective contribution of all employees;
- Promoting diversity within all levels of the company including:
 - Approving the company’s policies in relation to diversity at all levels of the company including the Board;
 - Establishing measurable objectives for achieving diversity at all levels of the company including the Board;
 - Assessing annually the measurable objectives set by the Board in relation to diversity at all levels of the company including the Board and the progress in achieving them, including a review of the relative proportion of women and men in the workforce at all levels of the company;
- Delegating appropriate powers to the CEO committees to ensure the effective day-to-day management of the business and monitoring the exercise of these powers; and
- Making all decisions outside the scope of these delegated powers.

Board committees

The detail of some Board functions is handled through Board committees. However, the Board as a whole is responsible for determining the extent of powers residing in each committee and is ultimately responsible for accepting, modifying, or rejecting committee recommendations.

Each committee has a written terms of reference, approved by the Board, defining its duties, reporting requirements and authority.

The Board has created the Finance, Audit, Compliance and Risk Management (FARM) Committee and the Advisory Committee.

Delegations of authority

The Board has reserved all powers for itself. Delegated authorities to management are set out in the Delegations Manual. Where a delegation is not specified in the Delegations Manual, the Board retains the authority and approval to act must be sought from the Board.

A summary list of delegations and authorities is provided to all business units, while a complete list is held in the company’s safe custody at ECIA’s head office.

3. Board Structure

Number of directors

The Board consists of not less than five, or more than nine, persons.

There shall be a maximum of three co-opted directors with all other directors being elected. Should there be not enough nominations to fill elected director positions, or should the total number of director's fall below five, the vacant positions may be filled by co-opted directors as per clause 44.3 of the constitution.

Director independence

All directors are independent, non-executive directors.

The Board regularly reviews the independence of each director. The Board only considers directors to be independent where they are independent of management and free from any business or other relationship that could materially interfere with the exercise of their independent judgment.

Board skills and diversity

In the opinion of the Board, all directors should bring specific skills and experience that add value to the company. The balance of skills, experience, and diversity of the board is to be regularly reviewed by the Board.

Persons nominating for election must fulfil the requirements of the Corporations Act 2001 to serve on the Board of a company limited by guarantee.

All persons nominating for a position on the Board should have skills and experience commensurate with governing a company limited by guarantee.

Eligibility requirements for elected directors

Elected directors must be financial individual 'Engaged' level members of ECIA as at the time their nomination is received, and must maintain this level of membership for the duration of their time on the board.

Persons who are members solely as part of an Organisational membership, or are members at an 'Online' or 'Informed' level of membership, are ineligible to nominate for election.

The elected directors must be representative of the early childhood intervention sector. This will be demonstrated by the members being –

- Employed by an early childhood intervention service;
- A private practitioner providing early childhood intervention services;
- An academic in the field of early childhood intervention; and / or
- Other persons with skills, experience and knowledge in early childhood intervention.

Elected directors will be geographically diverse and must ensure they represent the company in the best interests of all states and territories, regardless of their place of residence or work.

Nominations and elections

As a guide the nomination and election process will be as follows:

1. At the appropriate time ECIA will call for nominations from persons meeting the elected director eligibility criteria.
2. Eligible candidate nominations and statements will be provided to all members of ECIA.
3. A national election will be held at which point members eligible to vote will be invited to vote for their preferred candidate/s.
To be clear a member is *not required* to vote for only candidate/s from their state of residence, but are to vote for the candidate/s that they believe will best represent ECIA nationally.
4. The candidate from each state or territory with the most number of votes will be taken as elected. There will be a maximum of 6 persons elected to the board as per the constitution.
5. A candidate's state, for the purposes of an election process, will be taken as their place of residence.
6. Should there be no nomination received from three or more states or territories, the next candidate with the most votes *overall* will be taken as elected, with not more than two persons elected per state or territory.
7. Should there be less than six directors elected in total, vacant positions may be filled by co-opted directors.

Terms and conditions of appointment

The terms and conditions of the appointment of new directors are contained in a letter of appointment which sets out, among other things:

- Term of appointment;
- Expectations in connection with meetings and committees;
- Classification as an independent director and expectations in this regard;
- Compliance with corporate governance policies including the code of conduct and conflict of interest policy;
- Outside directorships; and
- Indemnification and insurance.

All directors have access to company information, management and the company secretary to enable them to carry out their responsibilities.

Directors may also call on independent, professional advice at the expense of ECIA with the permission of the Board.

4. The Role of Individual Directors

Director's general roles

ECIA directors have ultimate responsibility for the overall successful operations of the company. Their duties relate to:

- the strategic direction of the company;
- financial operations and solvency;
- all matters as prescribed by law including, but not limited to, safety and the environment; and
- all major policy issues including but not limited to, industrial relations and quality assurance.

In particular, under Standard 5 of the *Australian Charities and Not-for-profits Commission Regulation 2013* (Cth), a director must act in the best interests of the company.

Directors' code of conduct

In accordance with legal requirements and agreed ethical standards, ECIA directors;

- owe a fiduciary duty to the company as a whole;
- use the powers of the office for a proper purpose;
- discharge their duties in good faith and honestly;
- act with the level of skill, care and diligence expected of a director of a company;
- demonstrate commercial reasonableness in their decisions;
- act for the benefit of the company;
- do not make improper use of information gained through their position as a director;
- do not take improper advantage of the position of director;
- do not allow personal interests, or the interest of any associated person, to conflict with the interests of the company;
- make reasonable enquiries to ensure that the company is operating efficiently, effectively and legally towards achieving its goals;
- undertake diligent analysis of all proposals placed before the Board;
- do not engage in conduct likely to bring discredit upon the company;
- give of their specific expertise generously to the company; and
- comply with the spirit, as well as the letter, of the law and with the principles of this Charter.

5. The Role of the Chairperson

In accordance with the Constitution, the Board appoints one of its number to be the chairperson of the Board. The chairperson will be selected on the basis of the person's achievements and his or her record as a leader.

The chairperson's role is a key one within ECIA. The chairperson is considered the "lead" director and utilises their experience, skills and leadership abilities to facilitate the governance process.

The Board will determine the period for which the chairperson will hold office.

A director may also be appointed as a deputy chairperson.

6. The Role of the Secretary (Company)

The company secretary is accountable to the Board.

The company secretary facilitates the company's corporate governance processes and is responsible for the coordination of Board meetings, including agendas, Board papers and minutes, for communication with the ACNC, other regulatory bodies, and for all statutory and other filings.

7. The Role of the Chief Executive Officer

The chief executive officer (CEO) is appointed by the Board and holds office until removal, resignation or retirement.

The CEO is responsible for the attainment of the company's goals and vision for the future, in accordance with the strategies, policies, programs and performance requirements approved by the Board. The CEO reports directly to the Board.

The CEO manages a team of executives responsible for all functions contributing to the success of the company.

The CEO's performance is assessed annually in light of the achievement of goals, targets and other key performance indicators as determined by the Board.

The Board maintains a succession plan for the CEO.

The CEO is responsible for the appointment of specific management roles and with ensuring appropriate succession plans are in place for his or her direct reports. The CEO is also responsible for appointing, changes to remuneration arrangements, performance targets, assessments of performance for, and termination of his or her direct reports.

8. Compliance, Risk Management and Internal Controls

Compliance

The Board is charged with overseeing, reviewing and ensuring the reliability and effectiveness of ECIA's compliance systems. As such, compliance is a quality control system that is part of a proactive risk management strategy.

The compliance management system at ECIA is based on the Australian Standard, AS/NZS ISO 19600 Compliance Management Systems – Guidelines.

To carry out its compliance function, the Board commits to the following.

- The Board has established a FARM Committee that is responsible for overseeing ECIA's compliance systems and reporting to the board on those systems.
- A Code of Conduct for the company ensures the highest of ethical standards and business behaviours are maintained.
- The Board complies with its reporting requirements and with funding agreements.

The Board views compliance as an integral function and recognises that for the compliance system to succeed, it must be championed by the Board along with management.

Risk management

Since risk management is a critical component of ECIA governance, the Board has established the FARM Committee to oversee and guide the detail of this topic. The CEO is charged with implementing appropriate risk management systems within ECIA. Aspects of this process may be delegated.

The risk management system at ECIA is based on the Australian Standard, AS/NZS ISO 31000. The primary objectives of the system are to ensure:

- Business decisions throughout ECIA appropriately balance the risk and reward trade-off.
- Regulatory compliance and accuracy in reporting are achieved.
- The Board and management understand the risk profile of ECIA.

The company undertakes an annual review of strategy and operations to update its risk profile in line with the risk appetite set by the Board in conjunction with management.

While the responsibility for risk lies with the Board, oversight of the processes to manage risk within the organisation is delegated to the FARM Committee.

Internal controls

The Board has a process for review and authorisation to ensure the truthful and factual representation of the company's financial position and adherence to policies and procedures. This process includes:

- External audit;
- Internal audit;
- Review of the company's financial statements by the FARM Committee.

The Board is responsible for recommending the appointment of a qualified external auditor, with appropriate skills, knowledge and experience which is subject to members' approval at the company's annual general meeting.

The CEO will provide a statement to the Board with the half yearly and annual financial report to the effect that the company's risk management and internal compliance and control system is operating efficiently and effectively in all material aspects.

9. Board Meetings

The Board will normally meet at least three times each year.

The chairperson may convene other meetings of the Board if, in the chairperson's opinion, these meetings are necessary for the efficient performance of the organisation.

The Board will either meet at the company's headquarters located in Sydney (but may opt to hold regional board meetings throughout the year) or via teleconference.

The meeting agenda and Board papers are provided to directors no less than five working days prior to a scheduled meeting.

Meetings are conducted to allow a full and frank exchange of views by the directors while at the same time ensuring that a positive board culture is maintained.

A full set of minutes is kept by the company secretary.

In order to provide an even distribution of work over each financial year, the Board has adopted a twelve month Board calendar, which includes all scheduled Board and committee meetings as well as major corporate and Board activities.

Disclosure of interest

As required by the constitution of ECIA, all directors have a legal obligation to disclose to the Board, any material personal interest which relates to the business of the company. When an issue arises at a Board meeting, relating to such an interest, the director will not attend the meeting while that matter is discussed and may not vote on such an issue, unless the non-conflicted directors pass a resolution that the director may either remain for the discussion but not vote or remain for the discussion and vote. The non-conflicted directors will only pass such a resolution when they are strongly of the view that the nature of the conflict does not inhibit the conflicted director from making a decision in the best interest of the company.

Directors have an obligation to disclose to the Board any other interest which the director believes is appropriate to disclose in order to ensure there is no actual or perceived conflict of interest. The company maintains a Register of Conflicts of interest.

10. Board and CEO Evaluation

Board evaluation

The Board recognises its responsibility to conduct regular evaluations of the performance of the Board and individual directors. There is an annual performance evaluation of the Board having regard to the requirements of this Charter and leading practice principles of good governance.

The board engages an independent advisory firm with expertise in board assessment to facilitate the process at least once in every three years. The external review includes a review of the performance of the chairperson, individual directors and Board committees.

The processes are regularly reviewed to ensure they meet contemporary good practice guidelines for board and director assessment.

CEO evaluation

CEO evaluation is undertaken by the full Board. The CEO evaluation processes are regularly reviewed by the Board to ensure they meet contemporary good practice guidelines for CEO assessment.

11. Remuneration

Director remuneration

ECIA directors are not remunerated for their services. However, a director is entitled to be reimbursed out of the funds of the company for their reasonable travelling, accommodation and other expenses incurred when travelling to and from general meetings of members, meetings of the directors or a committee or when otherwise engaged in the business of the company, as detailed in the Travel policy.

Non-executive directors receive statutory superannuation, have their directors' and officers' insurance premiums paid and are indemnified by ECIA as permitted by law.

Executive remuneration

The company's aim in rewarding the CEO and key executives is to provide base pay plus performance-linked rewards and other benefits what will attract and retain key executives and align their financial interests with those of members.

The CEO Remuneration Policy sets out the board's philosophy with respect to executive remuneration, the structure of executive remuneration packages and the means by which remuneration is set. This policy is developed and reviewed by the Board annually to ensure it meets contemporary good practice guidelines for executive remuneration.

12. Director Induction and Development

New directors undergo a full induction into their role on the Board. The Board allocates an annual budget to encourage directors to participate in training and professional development programs.

13. Advisory Committee

ECIA is committed to retaining the knowledge and harnessing the commitment of its former Chapter volunteer base, as well as attracting persons interested in early childhood intervention who may wish to act in an advisory capacity.

To this end an Advisory Committee will consist of (but not be limited to) –

- former Chapter committee members;
- persons with skills, experience and knowledge in early childhood intervention;
- parents of children living with developmental delay or disability;
- persons with skills, experience and knowledge in governing a company limited by guarantee;
- persons with skills, experience and knowledge in government, policy and associated forums.

The Advisory Committee will hold no powers or standing delegated authority and will exist simply to provide advice on any matter as seen fit by the Board or its delegated officers, such as the CEO.

14. Review

This Charter will be reviewed annually or as required.

15. Publication of Charter

The latest version of the charter is made available on the ECIA website.