

# BOARD CHARTER

## 1. INTRODUCTION

The Sax Institute (Institute) was established in 2002 to provide a bridge between researchers, policy makers and health services to maximise the value of health research and its application to policy and resource allocation in the health area.

The Board of the Institute applies sound governance principles to the conduct of the Board and throughout the organisation and its operations, reflecting the belief that sound governance enhances both the reputation of the Institute and its ability to achieve its objectives.

The Institute is principally accountable to its members and its funding partners. It is also accountable to its employees, other key stakeholders and to the community in general.

The charter:

- Sets out the role and responsibilities of the Board and management.
- Provides the overall governance framework for the Institute.

## 2. ROLE OF THE BOARD

The Board of Directors exercises the powers vested in it by Corporations Law and the company Constitution.

The Board is directly responsible to Members and funding partners for the long term viability of the company and for its performance in undertaking its role.

The Board charts the direction and strategy of the Institute and monitors management performance in implementing its approved strategy. Its specific responsibilities include the following:

- 2.1 Setting the vision and strategic direction.
- 2.2 Monitoring key performance indicators to ensure the strategic and operating plans are being implemented effectively and within budget.
- 2.3 Establishing and maintaining an appropriate governance structure, including evaluating its performance.

- 2.4 Selecting, appointing and assessing the performance of the Chief Executive Officer (CEO) and approving annual remuneration.
- 2.5 Ensuring that appropriate financial management is in place including approaches to delegations, expenditure and reporting.
- 2.6 Ensuring that significant risks to the company are identified, assessed and appropriately managed, including those relating to ethical conduct and compliance requirements.
- 2.7 Ensuring that the company maintains appropriate liaison with Members, government, funding partners and relevant professional associations and other bodies and stakeholders.

### **3. ROLE OF THE CHAIR**

The Board elects the Chair who must not be a Director appointed by Ordinary Members, University Members or by the Department of Health, or by the CEO.

The responsibilities of the Chair are as follows:

- 3.1 Ensuring the Board provides leadership and vision to the organisation.
- 3.2 Agreeing the Board agenda for all its meetings.
- 3.3 Presiding over Board meetings and directing Board discussions to effectively use the time available to address the key issues facing the company.
- 3.4 Ensuring Board minutes properly reflect the Board's decisions.
- 3.5 Making certain that the Board has the necessary information to undertake effective decision making and action.
- 3.6 Developing an effective relationship with the CEO and being regularly informed of any material matters that could be of relevance to the Board and key stakeholders.
- 3.7 Guiding the development and ensuring the effectiveness of the Board and of individual Directors.
- 3.8 Representing the Board and the company, as appropriate, to its various stakeholders.

### **4. ROLE OF THE CHIEF EXECUTIVE OFFICER**

The Board delegates responsibility for the day to day management of the company's activities to the CEO. The Chair is the Board's principal formal and ongoing contact with the CEO. However the CEO has unrestricted access to all Board members and all Board members have access to the CEO.

The following are the key responsibilities of the CEO:

- 4.1 Delivering on the vision and mission of the company through the development and implementation of the Board approved strategy, operating plan and policies.
- 4.2 Selecting and retaining senior management and implementing good people and culture policies and processes that create a positive work environment in which staff can realise their full potential.
- 4.3 Assisting the Board in developing, applying and monitoring key performance measures to assess the performance of the company.
- 4.4 Developing and maintaining relationships with Members, government funding parties and all other key stakeholders.
- 4.5 Ensuring that appropriate systems are in place with respect to management processes, delegations, financial management, risk management and intellectual property rights.
- 4.6 Building and promoting the public image of the company.

## **5. ROLE OF INDIVIDUAL DIRECTORS**

Directors, in discharging their duties as directors will:

- 5.1 Act in good faith and honesty in the best interests of the company.
- 5.2 Make reasonable inquiries and assessments to ensure that the company is operating efficiently, effectively and legally towards achieving its goals.
- 5.3 Undertake diligent assessment of all proposals placed before the Board.

## **6. ROLE OF COMPANY SECRETARY**

The company secretary is responsible for carrying out the administrative and legal requirements of the Board and company as follows:

- 6.1 Coordinating, organizing and attending meetings of the Board and ensuring that correct procedures are followed.
- 6.2 Meeting statutory reporting requirements in accordance with relevant legislation and agreements.
- 6.3 Working with the Chair and CEO to establish and deliver high standard governance arrangements.

## **7. BOARD COMPOSITION, SKILLS AND SIZE**

The Institute's constitution provides for a minimum of 9 and a maximum of 13 Directors.

The Directors are appointed by the following means:

- 7.1 Independent chair appointed by the Board.
- 7.2 Three university Members, one each nominated by the University of Sydney, University of New South Wales and the University of Newcastle.
- 7.3 Three ordinary Members, one each elected by research centre Members.
- 7.4 A nominee of the NSW Minister of Health.
- 7.5 The Chief Executive Officer.
- 7.6 Up to four other members appointed by the Board.

All Directors other than the CEO and the Health nominee are appointed for a term of three (3) years and are eligible for reappointment. The specific basis for retirement and reappointment are set out in the Constitution.

The Board shall ensure that collectively, it has the appropriate level and range of skills and experience required to properly carry out its role as well as the personal qualities needed to work as part of an effective team.

Upon appointment, Directors should be provided with induction information on the company, its strategy and its plans and policies.

## **8. AVOIDANCE OF CONFLICTS OF INTEREST OF DIRECTORS**

Directors should seek to avoid any conflict of interest between their roles as Directors and any other interests that they may have. Where a Director becomes aware of a conflict or potential conflict, that Director shall formally declare the conflict and not participate in any deliberations on that matter at any Board meeting.

## **9. REVIEW OF BOARD PERFORMANCE**

The Board shall, at appropriate intervals evaluate itself, covering such matters as the Board's performance, processes and interaction with management and the overall contribution of the Board to the performance of the company.

## **10. BOARD ACCESS TO THE COMPANY AND INDEPENDENT ADVICE**

Directors should, unless specific arrangements have been agreed by the Board, interact with the company through the chair, the CEO and the secretary and not make any representations or commitments on behalf of the company.

The Board and its Directors have the right of access to independent professional advice for reasonable company related matters with specific instances subject to Board approval.

## **11. DIRECTORS' INDEMNITY AND INSURANCE**

The company's constitution provides an indemnity to all Directors, the auditor and the secretary against any liability arising out of the execution of the duties of their office that is incurred by them except for a liability arising out of conduct involving willful breach of duty.

## **12. REMUNERATION AND EXPENSES OF DIRECTORS**

Non executive Directors do not receive remuneration for their role as a director but are entitled to be reimbursed for reasonable expenses incurred in the undertaking of their role.

## **13. MEETINGS OF THE BOARD AND THEIR CONDUCT**

A program of Board meetings will be determined each year for the coming year. Board papers will provide information on the activities of the company for the period in question and details on the financial position of the company, as well as reports of any Board subcommittees and proposals for consideration by the Board.

While all reasonable efforts will be made to achieve consensus on proposals submitted to the Board requiring a Board decision, in the event a vote is required the decision will be determined by a majority of the Board and in the event of an equality of vote the Chair has a second and casting vote. A Director shall not vote on a matter where the Director has an interest.

The quorum for a Board meeting is 7 Directors or such greater number that the Board agrees.

## **14. BOARD COMMITTEES**

The Board may delegate any of its powers to Board Committees whose composition and terms of reference will be determined by the Board. The Committees must prepare written reports on all meetings held, which will be provided to the Board.

## **15. REPORTING**

Proceedings of all meetings of the Board and its Committees are minuted and signed by the Chair of the meeting. Minutes are circulated to members of the Board or the Committee and approved by the Board or Committee at the next meeting.

## **16. REVIEW AND PUBLICATION OF CHARTER**

The Board will review this charter annually to ensure that it remains consistent with the Board's objectives and responsibilities and with good governance practice. The current version of the Charter is available at [www.saxinstitute.org.au](http://www.saxinstitute.org.au)