

# Board charter 2018



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## The charter

This is the board's central document. It outlines the role of the board, individual directors and the chair. It describes how the board intends to approach its work and how it will connect with the chief executive.

This charter reflects an approach to governance outlined in John Carver's Policy Governance® model. This makes clear that it is the board's role to determine organisational ends and largely management's to determine means. The charter expresses at a high level a framework of limitations, noting any boundaries on the chief executive's freedom of choice.

The charter is grouped into five areas:

- Role of the board and directors
- Governance process
- Chief executive interrelationship
- Delegation to the chief executive
- Governance sub-committee terms of reference.

## A note on ends

The Policy Governance® approach presumes that the board has done its work in making clear intent or ends to be achieved. Without that the framework does not work.

## Sample clause

By way of example here is a section related to expectations placed on the chief executive.

### Communication and support to the board

The board must not be allowed to be uninformed about issues and concerns, an awareness of which is essential to meeting its legal duties, discharging its moral responsibilities and meeting its accountabilities to stakeholders. Without limiting this scope of requirement, the Chief Executive must not allow situations and circumstances in which:

1. The board is uninformed about matters critical to its timely and effective governance of the organisation.
2. Financial reports lack adequate detail to enable the board to interpret and assess the significance of:
  - a. significant trends
  - b. data relevant to agreed benchmarks and board-agreed measures
  - c. data and information relating to all further financial matters as determined by the board from time to time.
3. The board is placed in the position of being uninformed about significant external environmental trends, breaches of Acts relating to the organisation's performance and the board's duties and responsibilities, significant internal issues, adverse media publicity, achievement of, or progress towards the achievement of, the organisational outcomes as stated in the statement of strategic direction or changes in the basic assumptions upon which the board's policies are based.
4. Directors are uninformed when, for any reason, there is actual or anticipated non-compliance with a board policy.
5. The board is uninformed about health and safety in the workplace matters that fall within the directors' duties and responsibilities, or about any related matter the board has made clear it wishes to be informed of, including the results of all internal and external health and safety audits.
6. The board is uninformed of any serious legal conflict or dispute or potential serious legal conflict or dispute that has arisen or might arise in relation to matters affecting (Name of organisation).
7. The board is unaware of any occasion, action or decision that results in it being in breach of its Governance Process policies particularly when this relates to the Chief Executive's ability to carry out their responsibilities.

Board members are treated as individuals rather than as part of the board-as-a-single-entity, except when responding to individual requests for information or requests from board committees or working parties.