

CHARTER

Introduction

This Board Charter sets out the functions and responsibilities of the Board in order to facilitate Board and management accountability for Playgroup NSW's performance and strategic direction.

Functions and Responsibilities of the Board

The Playgroup NSW Constitution establishes the powers of the Board which include:

- '9.2 The Board has responsibility to establish the organisational purpose and strategic direction, develop and monitor policies, work closely with employed staff to ensure that the Association's objectives are met and to ensure the survival of the Association over time.
- 9.3 The Board ensures that the organisation supports members appropriately, and meets the responsibilities of all legal, financial and contractual obligations.
- 9.4.1 The Board shall control and manage the affairs of the Association....'

This Charter sets out the role and responsibility of the Board which is to oversee, direct and manage Playgroup NSW's strategic goals.

Specifically this involves:

- Providing strategic direction and approval for Playgroup NSW's business, strategies and objectives;
- Monitoring the operational and financial position and performance of Playgroup NSW;
- Identifying the principal risks and ensuring appropriate internal control and monitoring systems are in place by management to manage and, to the extent possible, reduce the impact of these risks;
- Taking all reasonable steps to ensure that Playgroup NSW's financial and other internal reporting mechanisms result in adequate, accurate and timely information being provided to the Board;
- Ensuring stakeholders are fully informed of material developments;
- Appointing, and where appropriate, removing, the CEO and planning for CEO succession;
- Ensuring that appropriate recruitment, retention, termination, remuneration, performance assessment and succession policies and processes are in place for staff;
- Overseeing and evaluating the performance of the CEO in the context of the organisation's strategies and objectives;
- Reviewing and approving senior executive remuneration;

- Approving budgets and business plans;
- Ensuring that financial results are appropriately and accurately reported on a timely basis;
- Reviewing and approving Playgroup NSW's internal compliance and control systems and codes of conduct and taking all reasonable steps to ensure that the business is conducted openly and ethically in accordance with such codes and
- Taking all reasonable steps to ensure compliance with all laws, government regulations and accounting standards.

The Role of the Board Chair

The Board Chair is responsible for providing leadership, ensuring the effective functioning of the Board and communicating the views of the Board to the public. In particular the Board Chair is responsible for:

- Setting the agenda;
- Managing the conduct, frequency and length of Board meetings to ensure that the Board maintains an in-depth understanding of the Association's financial and strategic performance and the opportunities and challenges facing the organisation;
- Facilitating open and constructive communications between Board members and encouraging their contribution to Board deliberations;
- Facilitating open and constructive communications between the CEO and the Board.
- Mentoring the CEO – providing guidance and counsel;
- Respecting confidentiality unless the matter needs the Board's attention;
- Helping the CEO to sell difficult decisions;
- Safeguarding the CEO from unfair Board demands;
- Ensuring that the CEO obtains peer support;
- Maintaining Board discipline.

Structure and Composition

Number of Directors

Playgroup NSW's Constitution specifies that eleven Directors will be appointed.

Terms of Office

The Constitution specifies that Board members shall be appointed for a term of one year and specifies the maximum number of consecutive terms which may be served by Board members. For the President this is no more than three consecutive terms as President but a total of five consecutive terms in all positions on the Board where those terms include three terms as President. The Vice President, Secretary and Treasurer positions are limited two consecutive terms and all other members are limited to four consecutive terms. Extensions may be granted with the approval of the majority of the Board.

Board Composition

The Board shall review the composition of the Board on an annual basis to determine the optimum number of directors subject to the limits imposed by the Constitution.

In determining the number of directors and the composition of the Board, the Board shall be structured to allow the Board:

- To have a proper understanding of and competence to deal with current and emerging issues for Playgroup NSW;
- To effectively review and challenge the performance of management and exercise independent judgement.

The policy and process of selection shall be described in a document and posted on Playgroup NSW's website.

Skills and Competencies of Directors of the Board

The Board shall bring a variety of perspectives and skills to matters before the Board and in particular:

- Non-executive directors should have a working familiarity with basic financial and accounting practices;
- At least one non-executive director should have accounting or related financial management expertise and
- At least one non-executive director should have an understanding of the child and family sector in which Playgroup NSW operates.

In addition to these specific skills Directors shall bring the following core competencies to the Board:

- A strategic and results orientation;
- Collaborative orientation (welcome diversity of opinions and abide by group decisions);
- Integrity;
- Independence;
- An understanding and ability to carry out the Board's task of assessing performance at arms length from operations through setting expectations (outcomes) and values, delegating to the CEO and monitoring performance.

The Board shall develop plans for identifying, assessing and enhancing the skills, expertise, experience and competencies of directors and the Board which shall be reviewed and revised (if necessary) on an ongoing basis.

The Board shall ensure that appropriate induction processes are in place for new directors and review the effectiveness of induction training on a regular basis.

Board Performance

The Board shall evaluate their own performance annually.

The process by which the Board evaluates its own performance shall be described in a document and posted on Playgroup NSW's website (See Attachment 1).

Appointment and Retirement of Directors

The Board shall apply formal and transparent procedures for the selection of new non-executive directors to fill causal vacancies on the Board or as additions to the Board.

Corporate Governance and Ethical Standards

Conduct of Board Members

The Board shall ensure that Board members act in accordance with the Association's Code of Conduct (see Attachment 3) and that those Board members:

- Have a vision for Playgroup NSW and provide leadership to realise that vision into the future;
- Are proactive in identifying issues which will impact upon the governance of the Association and apply their skills and understanding to ensure the movement's success;
- Demonstrate respect, tolerance and integrity and undertake to prepare for each meeting and, if necessary, seek clarification of matters prior to meetings;
- Behave honestly with respect to governance of Playgroup NSW and declare any conflict or potential conflict of interest;
- Support each other and respect difference in view points;
- Respect the confidentiality of the Board Room and the Board's decision making processes and remain committed to the Board's decisions and deliberations in public.

In addition Board members shall:

- Act in good faith and in the best interest of Playgroup NSW organisation as a whole;
- Take responsibility for understanding the context in which Playgroup NSW operates;
- Understand the need for change to happen (not just talk about it) and make way for fresh blood if unable to accept changes;
- Be results or outcome focussed.

Conduct of the Board as a Whole

All Board members shall ensure that the Board:

- Invests in Board selection and training;
- Has clearly defined Board/staff relations;
- Assesses CEO and Board performance;
- Know on whose behalf they are acting;
- Understand what the CEO wants from the Board;
- Not allow funding to divert from core business and listen to the CEO's advice on rejecting non-core business activities;

- Understand that difficult decisions are part of the job and communicate those decisions responsibly in a way that does not threaten confidence in the Board;
- Not leave the CEO to deal with questions about Board decisions which have not been clearly communicated;
- Ensure that appropriate appointment, induction, continuing education, performance assessment and succession policies and processes are in place for directors.

Board Staff Communication

The Board shall ensure that all Board members act in accordance with the Association's Board and Staff Communication Policy (see Attachment Four). In essence this policy requires that all communication between the Board and staff and vice versa shall take place through the CEO.

Authority Delegated To Senior Management

The Board has delegated authority over the day to day management of Playgroup NSW and its operations to the CEO who in turn may delegate to senior management. Delegation of authority includes responsibility for:

- Developing business plans, budgets and organisational strategies for consideration by the Board and implementing Board approved plans, budgets and strategies;
- Identifying and managing operational risks and where they could have material impact, formulating strategies for minimising these risks for consideration by the Board;
- Managing the organisation's current financial and other reporting mechanisms and control and monitoring of those systems to ensure that they capture all relevant material information on a timely basis and are functioning effectively;
- Ensuring the Board is provided with sufficient information on a timely basis in regard to the organisation's business and in particular the organisation's performance, financial condition, operating results and prospects, to position the Board to fulfil its governance responsibilities;
- Implementing the policy processes and codes of conduct approved by the Board;
- Where proposed transactions, commitments or arrangements exceed the limits authorised by the Board, referring the matter to the Board for its consideration and approval.

Management's Reporting to the Board

The Board shall specify its reporting requirements on an annual basis. These shall be related to the overall purpose and outcomes of the organisation and agreed critical success factors and measures.

The Board shall, at least on an annual basis, review the quality and timeliness of management reporting to the Board to ensure that appropriate information is being provided to the Board.

Board Committees

The Board shall specify any committees it may establish.

The Board may establish ad hoc committees from time to time.

The Board shall establish a Committee Charter for any committee it establishes which sets out the composition of and powers delegated to such committee(s) by the Board. Such a Charter will also specify the reporting requirements (on what and how often) of the Committee back to the Board.

Review of Board and Committee Charter

There shall be no changes made to the Board or Committee Charters without the majority approval of the Board.

The Board shall review its Charter at three year intervals or shorter intervals if the Board so determines.

Such Committee Charters shall include the requirement that all Committees be reviewed annually.

Publication

The Board's Charter shall be posted on Playgroup NSW's website.

Attachment 1: Questionnaire for Effective Board Functioning

Duties of Board Members

Does the Board have a job description?

Does this job description ensure links to your members and their input into strategic priorities?

Do Board Members have a job description?

On whose behalf are you acting?

What are you trying to achieve on their behalf?

How do you know that this is what they want and need?

What are the outcomes you are aiming for and how will you know when you have got there?

How are you ensuring the quality of your results?

Governance Policies

Do you have governing policies on?

The results you are aiming for?

Board/staff relationships?

How the Board governs eg a Code of Conduct?

How to ensure accountability of the CEO?

How do you ensure compliance with Vision and Mission?

How do you ensure compliance with statutory obligations?

How do you understand the context?

Results

What results does Playgroup NSW want to achieve?

How will you measure success?

What information do you need to ensure you achieve?

Board selection and training

What selection criteria do you use in recruitment of Board members?

Are they appropriate?

What selection criteria do you use in the recruitment of your Chair/President?

Are they appropriate?

What induction processes does the Board have?

Are they successful?

Board/staff relationships

How and what do you delegate?

What is the CEO's role?

Do you know what your CEO wants from the Board?

How and when do you assess Board and CEO performance?

Attachment 2: Suggested Board Skills Matrix

SKILLS	BOARD MEMBERS										
Basic financial & accounting practices											
Financial management											
Understanding of Early Childhood Development Industry											
COMPETENCIES											
Results & Strategic Orientation											
Collaborative Approach											
Integrity											
Independence, i.e. not representing the interests of another organisation or a particular group											
Understanding of Board's direction setting, rather than management role											

Attachment 3 Code of Conduct Policy

This Code of Conduct is a statement of values to which the Board, staff and volunteers of Playgroup NSW shall subscribe in the governance and operation of the Association.

The Board and Volunteers will:

- Have a vision for Playgroup NSW and provide leadership to realize that vision into the future
- Be proactive in identifying issues which will impact upon the governance of the Association and apply their skills and understanding to ensure the movement's success
- Demonstrate respect, tolerance and integrity and undertake to prepare for each meeting and, if necessary, seek clarification of matters prior to meetings
- Behave honestly with respect to governance of Playgroup NSW and declare any conflict or potential conflict of interest
- Support each other and respect difference in view points
- Respect the confidentiality of the Board Room and the Board's decision making processes and remain committed to the Board's decisions and deliberations in public

The Chief Executive Officer and Staff will:

- Conduct themselves professionally in accordance with the Board's protocols, policies and procedures in respect to the management and operation of Playgroup NSW
- Act at all times in the best interest of the movement
- Subscribe to continuous improvement and aspire to best practice
- Strive at all times to understand and respect each other's roles and responsibilities and the contribution each person makes
- Respect and value difference
- Respect the privacy and confidentiality of members

Attachment 4: BOARD AND STAFF COMMUNICATION POLICY

The Board of Management of Playgroup NSW is ultimately responsible for managing the affairs of the Association, but delegates most of their responsibility for the day-to-day running of the organisation to the Chief Executive Officer.

In order for both Board Members and staff to operate effectively and efficiently, the Chief Executive Officer operates as a conduit between the Board and staff. It is the role of the Chief Executive Officer to relay issues/policies/directives of the Board to the staff, and also to relay any issues/concerns/suggestions/recommendations from the staff to the Board.

The Chief Executive Officer is to ensure that an open line of communication exists between the Board and the staff, and also to ensure that information flows freely throughout the Association.

PROTOCOL FOR COMMUNICATION

The following protocol is to be observed by both parties:

1. A Board Member will take any issues relating to the day-to-day running of the organisation to the Chief Executive Officer for discussion
2. A staff member will take any issues relating to the day-to-day running of the organisation and/or their role to the Chief Executive Officer for discussion
3. A staff member will not contact a Board Member directly, unless they are responding to a request from the Chief Executive Officer.

Attachment Five: Reporting Framework

TOPIC	FREQUENCY
Governance	
Review matters reserved for the Board	Every 2 years
Review and update delegations	Every 2 years
Review committee charters, structure & reporting requirements	Annually
Board evaluation	Annually
Review Board reporting requirements	Annually
Evaluation of CEO performance	Annually
Risk Management Plan updated & reviewed	Annually
Board Charter reviewed	Every 3 years
Strategic Plan	
Review	Annually
Revise/Develop	Triennially
Report on implementation	Every 6 months
HR	
Appropriate Position Descriptions are in place	Annually
Performance review process in place	Annually
Working conditions requirements in place	Every 2 years
Recruitment policies & practices reviewed	Every 2 years
Staff induction policies & procedures reviewed	Annually
Appropriate termination policies and procedures are in place	Every 2 years
Safety at work policies and procedures are in place	Annually
Code of Conduct policies and procedures are in place	Annually
Appropriate recruitment, training, management and induction policies & procedures are in place	Annually
Financial Management	
Review nationally consistent reporting framework	Every 3 years
Review accounting policies and procedures	Every 3 years
Review application of accounting policies and procedures	Annual Audit
Review delegations	Every 3 years
Approve budget	Annually
Report Profit and Loss against budgeted expenditure	Monthly
Report Profit & Loss, Balance Sheet and Cash Flow Statement	Quarterly
Review fees and charges	Annually
Compliance against award entitlements	Annually
Review of membership applications	Monthly
Long term assets re-valued	Annually
Building assets independently valued	Every 3 years

Board sets maximum levels of cash kept on premises and in operating accounts	Annually
Investments reviewed	On advice of investment advisor/accountant
Approval of grants funding strategy	Annually
Acquittal of grants & sponsorships	Quarterly
Advance approval of fundraising activities	As required
Check that all staff are operating within documented delegations	Quarterly
Audit	Annually