

## **Governance Committee Terms of Reference**

### **1. Role, Purpose and Responsibilities**

The Governance Committee is a Committee of the Board of Lifeline Mid Coast from which it derives its authority and to which it regularly reports.

Its purpose is to ensure that there is a robust and effective process for evaluation the performance of the Board, Board Committees, and individual directors and to ensure that the Board fulfils its legal, ethical and functional responsibilities. These include:

- Conduct at Board meetings.
- Member engagement and Member Governance issues.
- Governance and ethics issues arising from the Board, Management, Volunteers and Members.
- Review of the Constitution and key governance instruments.

The Governance Committee is responsible for advising the Board on effective governance of the organisation through:

- Developing and reviewing governance policies and procedures.
- Assisting in the review and development of organizational policies and procedures such as HR, Work Health & Safety and the Ethics Section of Lifeline Mid Coast's Policies.
- Recruiting suitable Board Members.
- Providing induction and training programs for Board Members.
- Regularly reviewing the performance of the Board as a whole and evaluating the contribution of individual Board Members.

### **2. Governance Policy Development**

The Governance Committee will ensure that policies are created and periodically reviewed which define:

- Drafting Board recruitment policies and procedures.
- The roles and responsibility of the Board.
- Duties and responsibility of Directors and Officers.
- Director's standard of conduct and ethics.
- Procedures for ensuring the organisation's legal and regulatory compliance.
- Conflict of interest policy and procedures.
- Whistle Blower policy and procedures.
- Public Statement policy
- Complaints policy
- Other policies deemed by the Board to be enhanced by the Governance Committee's review.
- Procedures for the nomination, selection and removal of officers.
- Director's expenses policies.

Any matters pertaining to any of the key items above, should be approved, or at a minimum, be provided for information to the Finance, Audit & Risk Committee before it is presented to the Board for action.

### **3. Accountability**

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

- Annual assessment of the Board's performance, including strengths, weaknesses and skills of the Board as a whole.
- The Board's skill's matrix based on the above findings.
- Board, Standing Committees and CEO succession planning.
- Annual Board election process.
- Recommending plans for Board development based on the strategic plan and annual Board assessment.
- Ongoing recruitment of Board members who can augment the Board's strengths and build in its weaknesses.
- Mentoring new Board Members in order to develop their skills as Board Members.
- Monitoring attendance and contribution of Board Members.
- Drafting governance policies and procedures.
- Supporting the CEO in drafting non-operational policies and procedures.
- Keeping and up-dating records of recruitment history and other relevant recruitment documents.

The Committee conducts regular discussions with:

- The CEO and Business Manager.
- External legal bodies regarding any legal matters that may have a material impact on the financial statements and/or our compliance with financial reporting and related regulatory policies.

### **4. CEO Recruitment**

The Governance Committee has the authority to do the following with the assistance of Human Resources:

- Engage an executive recruitment company.
- Conduct a salary package review for the CEO role and prepare a recommendation.
- Prepare recruitment budget.
- Review the CEO's position description.
- Approve short list of candidates as provided by recruitment company.
- Interview short list.
- The Committee may apply any additional selection process that it considers to be appropriate.
- Prepare a recommendation report to the Board.
- Prepare an employment contract for the new CEO.
- Oversee CEO's induction.
- All the above must be approved by the Board of Lifeline Mid Coast.

The Governance Committee Chair is to:

- Conduct negotiations with the preferred candidate.
- Execute contract on behalf of the Board.

## **5. CEO Performance Appraisal**

The Governance Committee will design and oversee the CEO performance appraisal process. The Committee is responsible for:

- Annual and six-monthly CEO performance appraisal, including scheduled reporting to the Board.
- Annual evaluation of the performance and effectiveness of the Board its Committees and individual Directors, including a review of mutual communication between Board and CEO.

Any matters pertaining to any of the key items above, should be approved, or at a minimum, be provided for information to the Governance Committee before it is present to the Board for action.

## **6. Education**

The Governance Committee will ensure that there are effective induction and mentoring processes for Board Members and that they have the necessary knowledge to be able to discuss, debate and plan the following:

- Lifeline Mid Coast's mission, goals, objectives, programs and services.
- The organisation's budget and financial statements.
- The roles, responsibilities of the Board, Committees, individual Board Members and he CEO.

## **7. Evaluation**

The Governance Committee will be responsible for arranging the annual Board review/performance assessment to ensure that the Board, its Committees and Members are able to plan their activities with knowledge of the achievements, abilities, strengths and limitations of current Board Members, Staff and Volunteers.

## **8. Scope of Authority, Extent of Power & Decision Making Abilities**

- The Board is not bound by the Committee decisions.
- Take any actions to enable the Governance Committee to fulfil its responsibilities.
- Seek independent advice to perform its duties where necessary.
- The Committee's scope of authority is determined by the Terms of Reference (TOR) as detailed in the Lifeline Mid Coast Board Charter.

## **9. Membership**

- The Board shall appoint a maximum of 4 Board Members to each Committee based on individual skills, insights and expertise.
- The Chair of the Governance Committee will be appointed by the Board.
- The Committee may nominate individuals to be co-opted as additional members with suitable expertise to assist it in its work – the Board, in conjunction with the Governance Committee Chair, shall grant approval for all appointment of co-opted members.
- The Governance Committee is to consist of a majority of independent directors.
- The CEO and/or Business Manager may be appointed to the Committee.

## **10. Conduct of Meetings**

- A quorum of Committee meetings shall be one half of the membership.

- Committee meetings are to declare any actual or perceived conflicts of interest.
- The Committee Chair, in consultation with other Committee members, will determine how conflicts of interest will be addressed.
- The Committee should consult the Board Chair if appropriate regarding conflicts of interest.

#### **11. Frequency of Meetings**

- The Governance Committee shall meet 4 times a year or as required.

#### **12. Terms of Access to Internal & External Resources and Management of Information**

- The CEO is to arrange for information, reports, advice and comment as required by the Committee in undertaking its role.
- Advice from legal representation or other profession as required.
- All Committee papers are to be regarded as confidential documents. Disclosure of documents or third contents to external parties must not occur without Board approval.

#### **13. Requirements for Reporting to the Board**

- The Committee Chair shall be responsible for the preparation of policies and procedures and reports to the Board, in the form of the Committee Minutes.
- The Committee Minutes will include Committee activities, any advice or recommendations for the Board's endorsement or approval.
- The Committee is to provide all Committee Minutes to be entered into the Lifeline Board packets or as required by the Board.
- The Committee must report both majority and minority (or dissenting) views relating to its advice or recommendations.

#### **14. Powers of the Committee Chair**

- The Board appoints the Chair of the Committee.
- The Committee Chair shall determine the frequency and method of Committee meetings.
- The Committee Chair shall determine the meeting agendas and the business program for the Committee, in consultation with Committee Members.
- The Committee Chair shall be responsible for the effective conduct of Committee Meetings.

#### **15. Tenure**

The Committee is a Standing Board Committee and the Board reviews Committee composition annually.