

# Board Charter

03 May 2018

## Purpose

1. This Board Charter (Charter) sets out the role, responsibilities, structure and process of the Board of the Artists' Foundation of Western Australia Limited (Artsource)

## Role and Responsibilities

2. The role of the Board is to provide leadership and strategic guidance for Artsource in addition to overseeing management's implementation of Artsource's strategic initiatives. The Board is accountable to members and funders for the performance of the organisation. In performing its role, the Board aspires to excellence in governance standards.
3. This requires the Board to work as a team and meet on a regular basis.
4. The key responsibilities of the Board are:
  - a. Approving the strategic direction of Artsource and significant operational initiatives
  - b. Approving Artsource's annual target and financial statement and monitoring financial performance against forecast and prior periods.
  - c. Consider and approve Artsource's risk management plan and monitor its effectiveness.
  - d. Selecting, appointing and terminating the external auditor.
  - e. Ensuring appropriate accounting and auditing procedures are in place and followed.
  - f. Considering the social, ethical and environmental impact of Artsource's activities, setting standards and monitoring compliance with Artsource's sustainability policies and practices.
  - g. Overseeing the evaluation of the Board Risk, Audit and Finance Committee evaluation of auditor's performance and ongoing independence.
  - h. Selecting, appointing and determining terms of appointment of the Executive Director (ED).
  - i. Determining the corporate goal and objectives relevant to the remuneration of the ED and evaluating the ED in light of these objectives.
  - j. Conducting and documenting annual review of the ED's performance.
  - k. Approving the remuneration levels and policy for the organisation.

- l. Considering and approving the Artsource Board Renewal Policy.
- m. Provide oversight and monitoring of Occupational Safety and Health (OSH) issues.

## **Role and Delegation to Management**

- 5. The ED is responsible for the development of the strategic objectives for the business and the achievement of the planned results for Artsource.
- 6. Management of Artsource's day-to-day operations is undertaken by the ED, subject to specified delegation of authority approved by the Board.
- 7. Any matters or transactions outside the delegations of authority must be referred to the Artsource Board or appropriate Board Committee for approval.

## **Board Size and Composition**

- 8. The Board is responsible for:
  - a. Ensuring Director appointments occur in accordance with the Artsource constitution and by-laws.
  - b. Identifying and evaluating possible casual vacancies for Directors to Artsource Board;
  - c. Appointing Directors to fill casual vacancies and co-options on the Artsource Board
  - d. Making recommendations to Artsource's members for the removal of Directors.
- 9. The Board will comprise a majority of independent Non-executive Directors who are members of Artsource.
- 10. The size of the Board will be determined in accordance with Artsource's Constitution.
- 11. Collectively, the Board members should have a broad range of financial and other skills, experience and knowledge necessary to guide the business of Artsource.
- 12. The Board will determine and regularly review the composition of the Board having regard to the optimum number and skill mix of Directors, subject to the limits imposed by Artsource's Constitution and the terms service by existing Non-executive Directors.
- 13. Non-executive Directors will be appointed through a letter of appointment.

## Chair

14. The Board will appoint one of its members to be the Chair in accordance with Artsource's Constitution.
15. The Chair represents the Board to the members and communicates the Board's position.
16. The Chair must be an independent Non-executive Director.
17. The Chair cannot have been the CEO or ED of Artsource at any time during the previous three years.

## Company Secretary

18. The Company Secretary is responsible for the coordination of all Board business, including agendas, board papers, minutes, communication with regulatory and funding bodies as well as all statutory filings.
19. The Board will appoint at least one Company Secretary. Appointment and removal of a Company Secretary will be subject to Board approval.
20. All Directors shall have direct access to the Company Secretary.

## Induction and continuing training

21. All Board members will undertake a mandatory induction program upon commencement with appropriate documentation provided.
22. All Board members must commit to ongoing professional development for their role as a Director and to improve the efficiency and effectiveness of Board operations.

## Board Committees

23. The Board can establish Committees to assist the Board in exercising its authority, including responsibilities set out in paragraph 4.
24. The standing Board Committees are:
  - a. Board Risk, Audit and Finance Committee
  - b. Board Nomination and Remuneration Committee
25. The Board may establish ad hoc Board Committees from time to time to consider matters of special important or to exercise the delegated authority of the Board.

26. The Board will determine the charters of standing and ad hoc Board Committee, which will be set out the roles and responsibilities of each Committee.
27. The Board will determine the membership and composition of Board Committees, have regard to workload, skills and experience, and any regulatory requirements

## **Board Meetings**

28. The Chair is responsible, in consultation with the ED and the Company Secretary, for the conduct of all Board meetings. This includes being satisfied that the agendas are comprehensive, that all agenda items are appropriate and that recommendations fit within the broad strategic direction set by the Board.
29. Members of the management are invited to attend all Board meetings and the executive management are available to be contacted by Directors between meetings.
30. The Board will regularly meet without executive management, including at the conclusion of each meeting.
31. The Chair and other members of the Board will be available to meet with regulatory and funding bodies on request.

## **Director Independence**

32. The Board has adopted a position requiring the setting out of the interests and relationships to be considered by the Board in assessing the dependence of each Director in accordance with Section 3.11 of the Constitution.
33. The Board assess independence of Directors upon appointment and annually through an attestation by each Director.
34. The Board collective, and each Director individually, has the right to seek independent professional advice, subject to the approval of the Chair, or in the Chair's absence, the Board.

## **Board Performance**

35. The Board will undertake ongoing assessment and review of performance of the Board, its Committees and individual Directors annually.

## **Ethical Standards**

36. Board members are expected to observe the highest standard of ethical behaviour.
37. The Board supports and encourages policies within Artsource which require Director and employees to observe high standards of personal integrity and display honesty in their dealings.

## **Conflicts of Interest**

38. Directors are expected to avoid any action, position or interest that conflicts with an interest of Artsource, or gives the appearance of a conflict.
39. A Director that material personal interest in a matter that relates to the affairs of Artsource must give the other Directors notice of such interest.
40. The Company Secretary will maintain a register of dealing in declarations of interest by Directors and report them to the Board as necessary.

## **Charter Review**

41. The Board shall review this Charter every two years or as required, after the annual Board performance assessment.
42. Any modifications to or replacements of this charter must be approved by the Board.