

## **POLICY**

### **Board Governance**

#### **1. PURPOSE**

The Governance Policy is intended to clarify the content of the company's constitution by making explicit the underlying principles of governance approved by the company.

This policy does not cover legal issues concerning the role of the Board or its members, which are addressed elsewhere.

The term 'corporate governance' refers to a system by which companies are directed and controlled, ensuring that activities are undertaken with due diligence and accountability. It is the 'framework of rules, relationships, systems and processes within and by which authority is exercised and controlled in companies.

The purpose of this policy is to demonstrate EPIC Support Service's commitment to sound corporate governance and to document how governance is carried out within the company.

Effective governance will:

- enhance company performance
- understand and manage risks to minimise the negative aspects and maximise the opportunities
- strengthen stakeholder and community confidence in a company
- enhance the public reputation of the company through enhanced transparency and accountability
- allow the company to demonstrate how it is discharging its legal and ethical obligations
- provide a mechanism for benchmarking accountability
- assist in the prevention and detection of fraudulent, dishonest and/or unethical behaviour

#### **2. WHAT IS CORPORATE GOVERNANCE?**

Corporate governance is the framework of rules, relationships, systems and processes within and by which authority is exercised and controlled in corporations. It encompasses the mechanisms by which companies, and those in control, are held to account. Corporate governance also provides the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined.

EPIC Support Services has an expectation from participants, stakeholders and governing bodies that it will act ethically and transparently, use resources wisely and perform our duty in the best interests of our children and families.

The following ethical principles underlie corporate governance:

- **Accountability:** The essence of good governance is accountability.
- **Transparency:** All documentation and information is available to Directors.
- **Fairness and balance:** All transactions and decisions should be made in such a way as to minimise inequalities of power.
- **Honesty:** All statements and actions should be made honestly and accurately, so that they may be relied upon. Selective presentation of information or suppression of relevant information is an act of dishonesty.
- **Dignity:** All dealings with others should be characterised by dignity of treatment.
- **Legal:** All board members to have:
  - Respect for the law, and an intent to abide by the law and its intent (whether it be criminal law, corporate law, environmental law, OH&S law etc).
  - Deal honestly with all stakeholders to whom they have a duty of care under the law or accepted conventions of behaviours.

### 3. POLICY

The Board of the company is an elective, representative, and collective body. It is elective, in that the determination of Board members is the prerogative of members through the election process.

It is representative in that no member can be mandated by members to adopt a particular position if they do not believe it to be in the best interests of the company. All members are committed to acting selflessly and making decisions and voting on governance decisions solely in the best interests of the company.

It is collective, in that while each member should put the point of view of members, each member has the right to argue for their own point of view and to vote for that position. Once a collective decision has been taken Board members are required to support that decision. The function of the Board of the company is to collectively ensure the delivery of its objects, to set its strategic direction and to uphold its purpose and values. The Board should collectively be responsible and accountable for ensuring and monitoring that the company is performing well, is solvent, and is complying with all its legal, financial and ethical obligations. The responsibilities of the Board that cannot be delegated to any other person or body include:

### **Compliance monitoring**

- Ensuring compliance with the, purpose, values and objectives of the company, and with its constitution.

### **Company governance**

- Setting or approving policies, plans and budgets to achieve those objectives, and monitoring performance against them.

### **Strategic planning**

- Reviewing and approving strategic direction and initiatives.

### **Regulatory monitoring**

- Ensuring that the company complies with all relevant laws, regulations and regulatory requirements.

### **Financial monitoring**

- Reviewing the company's budget, monitoring management and financial performance to ensure the solvency, financial strength and good performance of the company.

### **Financial reporting**

- Considering and approving annual financial statements and required reports to government.

### **Company structure**

- Setting and maintaining a framework of delegation and internal control.

### **Leadership selection**

- Selecting, evaluating the performance of, and if necessary dismissing the company's Chief Executive Officer (CEO).

### **Succession and remuneration planning**

- Planning for Board, CEO and executive succession, and determining CEO remuneration.

### **Risk management**

- Reviewing and monitoring the effectiveness of risk management and compliance in the company; agreeing or ratifying all policies and decisions on matters which might create significant risk to the company, financial or otherwise.

### **Dispute management**

- Dealing with and managing conflicts that may arise within the company, including conflicts arising between Board members, the CEO, employees, volunteers or service participants.

### **Social responsibility**

- Considering the social, ethical and environmental impact of all activities and operations and ensuring that these are acceptable.

### **Board performance and composition**

- Annually evaluating and improving the performance of the Board.

## **4. RELATIONSHIP WITH MANAGEMENT**

The Board should focus on the strategic direction and the core policies of the company and avoid becoming involved in day-to-day operational decisions. Where individual Board members do need to become involved in operational matters, they should separate their strategic role (where they operate independently of any direction) from their operational role (where they act at the direction of management).

## **5. PROCEDURES Internal Controls**

- The Board should set and maintain standing orders, policies and procedures, and systems of financial control, internal control, and performance reporting. The Board should ensure that there is a system for the regular review of the effectiveness of its financial control, internal control, performance reporting and policies and procedures.

### **Managing Risk**

- The Board should undertake a full risk assessment (either periodically or on a rolling basis) and take appropriate steps to manage the company's exposure to significant risks. The Board must regularly review the risks to which the company is subject and take action to mitigate identified risks.

### **Board Review**

- The Board should ensure that there is a system for the regular review of its own effectiveness in meeting its responsibilities.

## **6. RESPONSIBILITIES**

### **Board**

It shall be the responsibility of the Board to:

- Establish and maintain standing orders, policies and procedures, and systems of financial control, internal control, and performance reporting.
- Clearly demarcate and delegate the functions of committees, officers, the CEO and other employees and agents.

The Board has adopted a formal charter which outlines the Board's roles and responsibilities in detail.

## Board Committees

The Board may delegate any of its powers to committees consisting of any one or more members of the Board.

The following Board committees have been established:

- Audit, Investment and Risk
- Governance

Each committee has adopted a formal term of reference, outlining the responsibilities and functions of each committee.

## Chief Executive Officer

It shall be the responsibility of the CEO to address key management and operational issues within the direction and the policies laid down by the Board including:

- Developing and implementing company strategies and making recommendations to the Board on significant strategic initiatives
- Making recommendations for the appointment of staff, determining terms of appointment, evaluation performance and developing and maintaining succession plans for staff
- Developing the annual budget and managing day-to-day operations within the budget
- Maintaining an effective risk management framework
- Keeping the Board and regulators informed about any developments with a material impact on the company's performance
- Managing day-to-day operations in accordance with agreed standards for social, ethical and environmental practices

## 7. REVIEW

This document is to be reviewed every two years by the Committee to ensure it remains consistent with the Committees' authority, objectives and responsibilities. All amendments to the Policy will be discussed and approved by the Board. A copy of the Governance Policy is available on the EPIC Support Services website:

RELATED DOCUMENTS
Corporate Governance Policy
Financial Management Policy
Code of Conduct

<b>RELATED DOCUMENTS</b>
Company Risk Management Policy
Risk Register
Conflict of Interest Policy
Whistle-blower Policy

<b>RELEVANT LEGISLATION OR STANDARDS</b>
Nil