

---

# Board Charter

Country Fire Authority Board Charter



**Corporate Secretariat**



## Revision History

**Version**      **Revision date**      **Summary of changes**

---

---

---

## Approvals

This document requires the following approvals.

<b>Name</b>	<b>Title</b>	<b>Signature</b>	<b>Date of Issue</b>	<b>Version</b>
Greg Smith	Chairperson CFA Board		December 2016	1.0

---

## Distribution

This document has been distributed to:



## Contents

1. Overview.....	4
2. Governance and Authorities.....	4
3. Accountabilities.....	4
4. Role of the Board .....	5
5. Board Sub-committees .....	5
6. Functions of the Board .....	6
6.1 Strategy and Policy .....	6
6.2 Financial Oversight .....	6
6.3 Risk Management and Strategy.....	7
6.4 People and Culture .....	7
6.5 Compliance and Governance.....	7
7. Board Membership, Meetings and Process .....	8
7.1 Composition .....	8
7.2 Technical Expertise .....	8
7.3 Commitment and Engagement .....	8
7.4 Board Secretariat .....	9
7.5 Appointment, Retirement and Termination .....	9
7.6 Board Meeting Requirements .....	9
7.7 Quorum .....	9
7.8 Proxies .....	9
7.9 Voting .....	9
7.10 Agenda, Papers and Minutes.....	9
8. Code of Conduct.....	10
9. Conflict of Interest .....	10
10. Role of the Chair.....	11
11. Board Evaluation .....	11
12. Access to Information and Advisors.....	11
13. Amendment and Review .....	12
14. Appendix: Code of Conduct for Directors.....	12

## 1. Overview

This Board Charter sets out the principles under which the Board of the Country Fire Authority of Victoria (CFA) will operate and describes the role of the Board and its key responsibilities.

## 2. Governance and Authorities

The Minister for Emergency Services (Minister) has overall responsibility to the Parliament of Victoria for the performance of CFA. CFA operates under the *Country Fire Authority Act 1958 Vic* (CFA Act), and legislation as set out in Part 4 of the Governance Framework.

The Board of CFA is accountable to the Minister for the exercise of CFA's functions. The Board is responsible for setting the strategic direction of CFA, establishing goals and objectives for executive management and monitoring the performance in achieving these directions and objectives.

In carrying out its responsibilities and exercising its powers, the Board at all times recognises its overriding responsibility to:

1. act honestly, fairly, diligently and in accordance with the law; and
2. serve the interests of the State of Victoria in pursuing the objectives of CFA and using public funds and the resources of CFA economically, efficiently, effectively, with due propriety in accordance with statutory or other requirements that govern public sector bodies in Victoria.

## 3. Accountabilities

The Board is first and foremost accountable to the Minister and the Victorian Government and must:

1. comply with any lawful direction of the Minister, the Minister administering the *Financial Management Act Vic 1994* (FM Act), or the Premier;
2. inform the Minister and the relevant Department head of known major risks to the effective operation of the entity and of the risk management systems it has in place to control those risks;
3. notify the Minister of any breach of the processes in place to deal with conflicts of interest by Board members;
4. provide the Minister with any information relating to the entity that he or she requests (unless prohibited from doing so by law);
5. ensure appropriate communication with the relevant Department head to assist them in supporting and advising the Minister on any matters related to CFA;
6. ensure all other information is provided to the Government in an accurate and timely manner as required by legislation or Government policy; and
7. adhere to Statements of Expectation as published by the Minister from time to time.



## 4. Role of the Board

The Board's role is to ensure that CFA fulfils its functions effectively and complies with its governance framework. This includes:

1. developing the general policies and strategic direction of CFA;
2. overseeing the performance of CFA Act and activities of CFA;
3. formulating goals for management under the direction of the Chief Executive Officer (CEO) and monitoring achievement of those goals;
4. providing the Minister with any information relating to activities of CFA that the Minister requests;
5. keeping the Minister informed of the general conduct of CFA activities and of any significant development in CFA activities;
6. establishing the corporate governance and risk management framework of CFA to ensure appropriate policies and procedures are in place;
7. establishing sub-committees to ensure effective governance across CFA; and
8. receive advice and consider recommendations from Board sub-committees.

The Board delegates responsibility for the day-to-day management of CFA to the CEO and CFA management team, subject to any limits of such delegated authority as determined by the Board from time to time.

The Board reserves the following matters for its decision:

1. approval of strategy and annual budgets;
2. determinations and approvals other than those formally delegated to management; and
3. responsibilities conferred under CFA Act.

## 5. Board Sub-committees

The Board may from time to time, in accordance with s.11 (2) of the CFA Act establish sub-committees, for the provision of advice and recommendations and to assist it in carrying out its responsibilities. The Board will determine the terms of reference for each sub-committee. The terms of reference will outline each sub-committee's role, authority, composition and responsibilities.

The permanent sub-committees of the Board are:

1. Health, Safety and Environment (HSE);
2. Financial Risk and Audit (FRAC);
3. People and Culture (P&C);
4. Strategy, Planning & Governance (SPG); and
5. Community Engagement (CEC).

These sub-committees will review matters on behalf of the Board and, as determined by the relevant terms of reference;

1. refer matters to the Board for decision, with a recommendation from the sub-committee; or
2. determine matters (where the sub-committee acts with delegated authority), which the sub-committee then reports to the Board.

Sub-committees will have access to sufficient resources to carry out their activities effectively.

## 6. Functions of the Board

### 6.1 Strategy and Policy

The Board will:

1. determine the strategic direction of CFA and monitor the implementation of that strategy by management;
2. develop and approve CFA's Strategic Corporate Plan (Plan) which sets out CFA's vision for the medium to long-term future and monitoring implementation of the Plan;
3. review and approve CFA's Annual Business Plan and budget, developed by executive management, to meet the Statement of Expectations from the Minister and regularly monitor the performance against the plan and budget;
4. provide advice to management, or give direction or make decisions of an extraordinary or strategic nature when required;
5. make decisions in relation to matters that have implications for the overall policy direction and performance of CFA and appoint advisory committees to assist in making these decisions, as required;
6. review CFA's major high risk policies to ensure that each of the governance policies required under the *Public Administration Act (Vic) 2004* (PAA) is in place, endorsed by the Board, followed and annually reviewed; and
7. approve, on the recommendation of the CEO where appropriate, the acquisition, establishment, disposal or cessation of any significant business of CFA.

### 6.2 Financial Oversight

The Board will:

1. monitor and report to the Minister on the financial state and performance of CFA including:
  - a. the integrity and accuracy of the financial reports;
  - b. the financial performance and sustainability of CFA;
  - c. the annual budgeting process; and
  - d. the financial management systems and capability of CFA.
2. approve the Annual Financial Statements;
3. ensure best practice financial management policies and procedures (that comply with the legal requirements of Victorian public sector bodies including obligations under the FM Act and Standing Directions) are established and maintained to provide accurate financial reports and statements and ensure the integrity of the financial function of CFA; and

4. monitor the major capital expenditure, capital management, procurement and disposal practices of CFA and ensure that these comply with Government procurement policies.

### 6.3 Risk Management and Strategy

The Board will:

1. review the management of significant risks facing CFA and approve a risk policy and risk management framework to ensure appropriate internal risk management controls and monitoring processes are in place to identify, assess, monitor and manage significant risks facing CFA;
2. monitor management's performance in endeavouring to ensure all CFA activities are conducted safely and in an environmentally responsible and sustainable manner in compliance with ethical standards, relevant regulatory requirements and CFA values. In particular, ensure compliance with, safety, health and environment (SHE) legal and regulatory requirements;
3. oversee the establishment and maintenance of an independent audit function that is adequately resourced to review CFA's internal controls, risk management process and financial management; and
4. monitor compliance with significant legal, regulatory and contractual obligations.

### 6.4 People and Culture

The Board will:

1. approve the appointment and removal of the CEO, subject to the approval of the Minister, including agreeing appropriate performance indicators, setting appropriate remuneration packages and ensuring adequate succession for that position;
2. determine the goals and objectives relevant to the remuneration of the CEO and executive team and evaluate their performance in light of those objectives;
3. delegate appropriate power, functions and duties to the CEO and CFA executive team, pursuant to s.109B of CFA Act to ensure the effective operation of CFA on a day-to-day basis. The Board will ensure that procedures are in place to enable it to monitor the exercise of delegations and will not abrogate its responsibilities through the use of delegations; and
4. approve, on the recommendation of the CEO where appropriate, significant changes to organisational structure and the appointment of such senior executives as the Board may determine appropriate.

### 6.5 Compliance and Governance

The Board will:

1. ensure appropriate corporate governance practices, policies and procedures are in place and operating effectively;
2. interface with the emergency management sector, external governance and policy committees to ensure that CFA policies and procedures are up-to-date and in line with best practice and Government and community expectations;
3. ensure compliance with all legal, statutory and regulatory reporting requirements;

4. identify an officer as responsible for the compliance program and require senior management within CFA to promote compliance with relevant laws, regulations and standards applying to the activities of the entity;
5. ensure adequate resources are made available to implement the compliance policy by consistent enforcement, remedial measures and continuous training and a system for dealing with complaints arising from compliance failures; and
6. ensure compliance failures are included in internal reporting so that systemic or recurring problems are rectified.

## 7. Board Membership, Meetings and Process

### 7.1 Composition

1. The Board comprises of nine (9) members appointed by the Governor-in-Council.
2. Five (5) members of the Board, including the Chairperson and the Deputy Chairperson, are to be appointed on the recommendation of the Minister.
3. Four (4) members are to be appointed from a panel of names nominated by the Board of Volunteer Fire Brigades Victoria (VFBV) being:
  - a. two (2) volunteer members of brigades predominantly serving urban communities; and
  - b. two (2) volunteer members of brigades predominantly serving rural communities.

### 7.2 Technical Expertise

1. The Board shall comprise Board members with an appropriate balance of skills, expertise and experience to ensure an effective Board.
2. The Board will ensure that CFA makes available resources to ensure each Board member maintains the skills, knowledge and familiarity with the authority necessary to fulfil their duties.
3. Each Board member is to participate in an induction provided by the Corporate Secretariat within three months of appointment and a refresher every 18 months during their appointment.

### 7.3 Commitment and Engagement

1. The Board is collectively accountable to the Minister for its decisions. Each Board member will participate actively in each decision, which will be made in the public interest.
2. Board members must devote the necessary time and attention for the Board to carry out its responsibilities.
3. Board members, in accordance with their individual legal obligations, should be encouraged to question, request any information, raise any issue and fully canvass all aspects of a matter before them and cast their vote according to their judgment.
4. Board members should support the letter and spirit of Board decisions and keep confidential any Board discussions, deliberations and decisions that have not been publicly disclosed.





## 7.4 Board Secretariat

The Board is supported by the Board Secretariat, provided by the CFA administration, responsible for ensuring that Board business is conducted consistent with good governance practice, including:

- a. consultation with the Chairperson and CEO in the preparation of Board agendas, supporting papers, meeting minutes;
- b. facilitating induction of all members; and
- c. providing a point of reference for all dealings between the Board and management.

## 7.5 Appointment, Retirement and Termination

1. Board members shall, subject to the CFA Act, be appointed to hold office for a term not exceeding three years, but a member, upon expiration of the term, shall be eligible for re-appointment if then qualified.
2. The Governor-in-Council may at any time remove any member from office.
3. A member may resign in writing, signed and addressed to the Governor-in-Council.

## 7.6 Board Meeting Requirements

1. Board meetings will be held at least 12 times per year.
2. Meetings of the Board are to be held at the times and places the Chairperson determines.
3. The Chairperson, or a person elected for the purpose by at least five (5) Board members in the absence of the Chairperson, Deputy Chairperson or Acting Deputy Chairperson, may by written notice to each Board Member call a Special Meeting of the Board. The notice must specify the date and time of the meeting and the business to be dealt with at that meeting.

## 7.7 Quorum

Not less than five (5) members will constitute a quorum for the Board meeting.

## 7.8 Proxies

1. Proxies are not permitted for Board or sub-committee meetings.
2. During any vacancy in the Board the continuing members, subject to there being a quorum, may act as if no vacancy existed.

## 7.9 Voting

1. Each question, resolution and decision of the Board is decided by a majority of the votes of the members present.
2. Each member has one vote and if votes are equal the Chairperson has the casting vote.

## 7.10 Agenda, Papers & Minutes

1. The Chairperson and the CEO, establish the agenda for each Board meeting. Each Board member is able to suggest the inclusion of items on the agenda.
2. The Secretariat shall keep minutes of each Board meeting. The minutes will be an accurate record of the meeting including attendance, agenda items and each resolution passed at the meeting.

3. Minutes of a meeting must be signed by the Chairperson within a reasonable time (within 30 days) after the meeting at which the minutes were approved.

## 8. Code of Conduct

4. Board and sub-committee members' conduct will be guided by the spirit and principles of the Victorian Public Service Commission's (VPSC) Code of Conduct for Directors of Victorian Public Entities (the Code).
5. The Code, binding on CFA Board members, exemplifies the public service values of:
  - responsiveness;
  - integrity;
  - impartiality;
  - accountability;
  - respect;
  - leadership; and
  - human rights

## 9. Conflict of Interest

1. Each Board Member has an obligation at Board meetings and concerning CFA generally to reach decisions which he or she believes are in the best interests of the Authority, and free of any actual or possible personal or other business-related conflict of interest.
2. If a member of the Board believes he or she has, or may have, a conflict of interest or duty in relation to a particular matter, the Board member must immediately consult with the Chairperson.
3. The Board must ensure there is a policy and processes in place to deal with conflicts of interest in Board members that apply to both financial and non-financial interests.
4. The Board must ensure there is a policy in place for Board members that prevents Board members from seeking or accepting, for themselves or others, gifts or benefits that could be reasonably perceived as influencing them and must act in accordance with the Victorian Public Sector Commissioner's Gifts, Benefits and Hospitality Framework and CFA policy.
5. The Board shall record Board members' private interest disclosures in the minutes of its meetings and notify the Minister in writing of any breach of process.
6. The Board may seek advice from a disinterested third party such as a probity adviser, lawyer or governance expert when deciding how best to deal with conflict of interest matters.

## 10. Role of the Chair

The Chairperson and Deputy Chair are appointed in accordance with section 7 of the CFA Act. Their principal responsibility is to ensure that the Board fulfils its obligations in accordance with this Charter and relevant legislation.

The role of the Chairperson also includes:

1. ensuring the Board provides leadership and vision to CFA;
2. chairing Board meetings, and ensuring minutes accurately reflect Board decisions;
3. the efficient organisation and conduct of the Board's functions and meetings;
4. ensuring the Board has the necessary information to enable effective decision making;
5. facilitating the effective contribution of all Board members and directing Board discussions so that there is an effective use of time and critical issues are discussed;
6. ensuring that all policies adopted by or relevant to CFA or the Board are provided to all Board members;
7. guiding and promoting the ongoing effectiveness and development of the Board and individual Board members; and
8. keeping the Minister informed, on behalf of the Board, in accordance with the requirements under the CFA Act. In addition, the Chairperson shall provide regular liaison through meetings or informal contact with the Minister to the extent agreed and required by the Minister.

## 11. Board Evaluation

1. The Board will conduct performance evaluations of the Board as a whole, its sub-committees, the Chairperson, individual Board members, and the governance processes which support Board work on an annual basis.
2. This Board evaluation will include an assessment of the extent to which the Board has discharged its responsibilities as set out in this Charter.

## 12. Access to Information and Advisors

In carrying out their responsibilities, Board members must have direct and unfettered access, through the CEO, to senior management of CFA and may:

1. require management or others to attend meetings and to provide any information or advice that the Board requires;
2. access CFA documents and records;
3. access any CFA service provider or consultants; and
4. subject to the prior approval of expenditure by the Chairperson or by resolution of the Board, obtain the advice of special or independent counsel, accountants or other experts, without seeking approval of management. Any external consultants engaged by the Board will be subject to strict confidentiality requirements.

### **13. Amendment and Review**

The Board will review this Charter from time to time to ensure it remains consistent with the objectives, roles, responsibilities and obligations of the Board. The Charter can only be amended with the approval of the Board.

### **14. Appendix: Code of Conduct for Board and Sub-Committee Members**

1. The following list does not attempt to provide an exhaustive list of behaviours expected of Board and sub-committee members, instead it represents a broad framework of ethical conduct that members have an obligation to uphold.
2. Each Board member and Board sub-committee member:
  - is required to act with integrity, impartiality and in the public interest when undertaking his/her duties;
  - will act honestly, in good faith and with respect towards colleagues and staff;
  - will act with probity when undertaking his/her governance role;
  - will conduct themselves with due diligence in fulfilling their roles and will behave in an ethical manner;
  - will not make improper use of information acquired as a result of their role on the Board to gain advantage for themselves or another person or to cause detriment to CFA;
  - will maintain confidentiality, even after their appointment expires or otherwise terminates; and
  - will not use the resources of CFA in connection with candidature for an election to the Parliament of Victoria, the Commonwealth or any other jurisdiction.