

GOV-Gov-1.5 Board/CEO Relationship and Limitations Policy



Policy

EV GP Training (EV) will have clear delegations, responsibilities and limitations defined between the Board and the CEO. This will ensure certainty for the CEO of the expectations of the Board and will assist the Board in its role of monitoring performance of EV and its associated accountability to stakeholders:

1. The Board/CEO relationship is a partnership approach in the spirit of mutual respect and support for the interdependent but separate roles of governance and operations.
2. The CEO is responsible for the day-to-day management of EV with all powers, discretions and delegations authorised, from time to time by the Board.
3. The CEO is the Board's only direct employee in whom is vested accountability for the operation of the organisation and management of all other staff.
4. The Board's sole connection with the operations of the organisation, its achievements and its conduct is through the CEO.
5. The interface between the Board and the Senior Management Team (SMT) is only through the CEO.
6. Where the position of the Company Secretary is held by an employee other than the CEO, the Board and Company Secretary will also interface on matters relevant to the Company Secretary role.
7. Only decisions of the Board acting as a whole are binding on the CEO.
8. The Board does not give directions to staff nor will the Board evaluate either formally or informally, any staff member, other than the CEO.
9. The CEO is not restricted from using the expert knowledge of individual Board members.
10. The Board's assessment of the CEO performance is based on the work plan and performance indicators agreed at the commencement of a performance period as negotiated.
11. The Board and CEO must maintain the good standing of the organisation and not bring EV into disrepute.

Limitation on the delegation of the CEO

While the CEO is entrusted with delegations from the Board, the following limitations apply to the CEO who must not:

1. Cause or allow the development of financial harm or material deviation of actual expenditures from Board priorities.
2. Cause EV to incur debt without Board approval that cannot reasonably be funded from unencumbered revenues within a period agreed to by the Board.
3. Use any organisational funds, or enter into any contracts or accept other liabilities, other than for the furtherance of EV purposes and priorities as approved by the Board.
4. Permit invoices from suppliers of goods and services to EV to remain unpaid beyond trade credit terms agreed with those suppliers.
5. Use or permit the use of restricted funds or contributions for any purposes other than those designated.
6. Fail to pay staff on time.
7. Act outside of the *Instrument of Delegation*.
8. Permit tax payments or other government ordered payments and filing to be overdue or inaccurately filed.
9. Cause non-compliance with *Australian Accounting Standards*.
10. Acquire, encumber or dispose of real estate without the authority of the Board.
11. Neglect to ensure that there are limitations on expenditure and adequate controls on the use of debit cards by staff.
12. Fail to take all reasonable steps to secure monies owed to EV.
13. Fail to protect the assets of EV.

Communication and support to the Board

The CEO will keep the Board informed of the true and accurate financial position and performance of EV, the outcomes of policy implementation and CEO responsibilities and limitations. The Board will be informed of significant operational issues that have real or potential legal implications or damage to reputation for the organisation.

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The CEO will:

1. Submit data and reports in a timely, accurate, complete and understandable fashion addressing the various issues to be monitored by the Board.
2. Inform the Board of significant trends, implications of Board decisions, issues arising from policy matters or changes in basic assumptions upon which the Board's policies are based.
3. Inform the Board when for any reason there is an actual or anticipated non-compliance with legislation, contract or organisational policy.
4. Inform the Board of any actual or potential serious legal conflict or dispute that has or may arise in relation to EV .
5. Ensure the Board is fully informed on relevant points of view to allow the Board to determine a matter.
6. Inform the Board of such occasions when it violates one of its own policies.

Performance assessment of the CEO and remuneration

1. The Chair and the Nominations and Remuneration Committee (NaRC) of the Board are responsible for reviewing the performance and remuneration of the CEO. They will make recommendations to the Board.
2. The CEO will have an annual Performance Review utilising Performance Review Tool. It will be signed by both the CEO and the Board Chair.
3. The Board's evaluation of the CEO performance will be rigorously assessed against agreed CEO key result areas, objectives and outputs including but not limited to achievement of the Board's Strategic Objectives and compliance with CEO responsibilities and limitations.
4. The timing, format and process for the performance review meeting will be negotiated and agreed upon between the CEO, the Chair and the NaRC.
5. Prior to the review meeting the CEO will complete a self-assessment using the Performance Review Tool regarding overall performance and achievement against key result areas. This will be used to inform the review.
6. Where there is a difference of opinion, the CEO and Chair and/or NaRC representative/s will attempt to come to an agreement. Where agreement cannot be reached the views of both parties will be noted.
7. Following the performance review meeting the Chair will complete their section of the Performance Review Tool. The finalised document will be provided to the Board and discussed during an in-camera session. Both the CEO and the Chair (or committee delegate) will sign the document which will be placed on the CEO's personnel file.
8. The Board at any time may involve an outside evaluator to conduct an assessment of the CEO performance.
9. The Board will determine the remuneration of the CEO and may do this taking into account a performance assessment. The final decision as to the level of remuneration is that of the Board.

CEO emergency succession

To ensure business continuity as a result of the sudden or unexpected loss of the CEO, the CEO will ensure that a member of the SMT is capable of assuming the role and tasks on a temporary basis and is familiar with Board issues and priorities.

The CEO will nominate a member of the SMT to act in the CEO position in the case of extended planned leave or an emergency. Acceptance of this nomination will be subject to Chair approval.

Definitions

Nil

Additional Information

- Performance Review Tool

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Relevant Legislation

Nil

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