

SECTION 5

GUIDELINES FOR ESTABLISHMENT OF A CATHOLIC BOARD CHARTER

1 INTRODUCTION

These guidelines have been adopted by Catholic Health Australia, the Australian Catholic Bishops Conference and Catholic Religious Australia as a guide for boards and committees of trustees, governance or associations that exercise canonical, corporations, associations or civil law responsibility for Catholic health and aged care ministries. For the purpose of drafting, the term “board”, where used in this model charter, includes reference to committees, trustees and any other relevant body of governance.

Different Catholic organisations have different types of boards, committees and advisory structures. Some exercise purely canonical responsibility. Others exercise corporate law responsibility. Accordingly, this model board charter is designed to guide Catholic boards, trustees and committees on what essential behaviours, where appropriate, they should seek to achieve.

These guidelines are designed to be adapted by boards or committees to best suit their own purposes in circumstances where a board may not already have in place a charter that broadly achieves the aims of this model charter. It is hoped that by 2013, all boards or committees of Catholic health and aged care services will have in place a board charter of some type that draws on the themes and content adopted by Catholic Health Australia, the Australian Catholic Bishops Conference and Catholic Religious Australia in this model charter.

2 OBJECTIVES

A Catholic board has five key governance objectives:

1. Determine and monitor how a Catholic health and aged care service is operated in fulfilment of Catholic Social Teaching, including:

Dignity of the Human Person:

Life is a gift from God and each person is a reflection of God. This means that all life is sacred and each person has an intrinsic value from the time of conception to the time of natural death. It implies inalienable rights that must be preserved.

Solidarity and Service:

Through God our Father, we share a relationship with one another that leads to the principle of solidarity. We are responsible for each other and our interdependence calls us to commit to working to ensure each person is able to reach their potential. The provision of health care is conducted out of a spirit of service and solidarity with those in need and in gratitude for the opportunity to serve.

Common Good:

Based on our fundamentally relational nature and connection to one another, we have an obligation towards not only our own good but the good of others. The rights and duties of individuals and groups must be harmonised so that all may share in the gifts of creation.

Preference for the Poor:

The poor and vulnerable have a special place in the heart of God. Following the example of Jesus, we have a special obligation to defend and promote the dignity of the marginalised and powerless, making the needs of the disadvantaged our first concern. All decisions must be made through the lens of this concern.

Stewardship of Resources:

Everything we have received is gift and we are called to manage this gift wisely for the benefit of current and future generations. This includes care of the earth and other material resources, as well as wise management and development of people and their talents. Health resources must likewise be prudently developed, maintained and shared in the interests of all. Economic discipline, realistic control on expenditure and efficient use of resources characterise sound health management.

Subsidiarity:

The people or groups most directly affected by a decision or policy should have a key decision-making role. This principle guides the distribution of authority, responsibility and accountability within an organisation. It implies structures that ensure participation is devolved to the lowest practical level and that training and development be provided to enable this.

2. Determine and monitor the operations in fulfilment of the formal rules or requirements, tradition, heritage or charism of the organisation and its services;
3. Determine and monitor the operations in fulfilment of the *Code of Canon Law* as it specifically applies to the nature of an organisation and its services, and in accordance with the teachings of the Catholic Church in relation to Catholic doctrine;
4. Determine and monitor the operation of services in fulfilment of the *Code of Ethical Standards for Catholic Health and Aged Care Services in Australia* as endorsed by Catholic Health Australia and the Australian Catholic Bishops Conference, and receive an annual report on compliance with the *Code*;
5. Determine and monitor the operations in fulfilment of legislative requirements.

3 RESPONSIBILITIES

The responsibilities of the board are, through the application of the appropriate discernment processes⁴⁹, to:

- Make decisions with regard to the best interests of fulfilling the healing ministry of Jesus.
- Review and approve strategies to ensure compliance with canon law obligations as applicable to the organisation and, where necessary, obtain canon law advice to ensure fulfilment of canonical obligations.
- Review and approve strategies, goals, annual budgets and financial plans.
- Oversee and monitor organisational performance and the achievement of strategic goals and objectives.
- Monitor financial performance, including approval of the annual financial report. Establish and support a finance committee to advise the board on financial matters.
- Oversee and monitor compliance with the *Code of Ethical Standards for Catholic Hospitals and Aged Care Services in Australia* by all staff, contractors and volunteers working within the organisation.
- Ensure risks are identified and appropriate control, monitoring and reporting mechanisms are in place.
- Determine the desired culture for the organisation by reviewing and approving mission strategies and performance.
- Ensure the formation of the board, staff and volunteers to ensure all services are delivered in communion with the mission and in accordance with the teaching of the Church. The chairperson has a particular role in ensuring the formation of the board and its sub-committees, especially the ethics committee, is attended to.
- Enhance the reputation of the organisation within the Church and the community, and strengthen the reputation of the Church in the community.
- Actively participate and encourage organisational participation in Catholic Health Australia as a method of sustaining and growing all Church health and aged care ministries into the future.
- Assess the board's own performance in communion with mission.
- Ensure appropriate succession planning for the board.

⁴⁹ The soon to be published CHA Mission Discernment Framework is suggested as an option.

4 RELATIONSHIPS

The board will ensure:

- All services of the organisation respect and promote the sacredness of the human person from conception until natural death.
- All staff and contractors are treated with fairness and justice in accordance with Catholic social teaching.
- The organisation builds strong ties with local parishes and other Catholic bodies operating within the area of the organisation.
- Regular liaison with the bishops of the dioceses within which the organisation operates services.
- The organisation builds ties with and relates to other Catholic health and aged care organisations as partners in Jesus' ministry of healing.