

47 008 479 936



Brain Foundation

ABN 47 008 479 936

Governance, Structure

And

Operational Standards

For

State Committees

Introduction

PREAMBLE

HISTORY

The Brain Foundation was established as an Australia-wide body in 1970, with a brief to operate in every state and have a national presence. At that time, due to the wishes of the founders, operating power resided in the states with the national body supplying merely a coordinating role.

The National Constitution was adopted by the subsidiary companies in Victoria and Tasmania in 1995. The Constitution provides that committees of the National Board (the Board) may be formed under delegations from directors. However, to this date such delegations have never been specified.

PRESENT SITUATION

In early 2006, the Board reconsidered the above position for a number of reasons including the fact that Queensland and Western Australia had been wound up some years ago. There had been extreme dysfunction in the subsidiary companies in Tasmania and Victoria since 2004 and significant restructures were completed by December, 2006. The result was the development of a centralised structure in which current and future state operations would be delivered by committees of the National Board (the Board) even where incorporated structures were still being maintained as is the case in Victoria and Tasmania. These committees would be in a line relationship to the Board under delegations from the Board of Directors. Central to that review, a new organisation structure was adopted by the Board in mid 2006.

The background below restates the new organisation structure that defines and delivers governance to avoid any future difficulties such as were experienced in Tasmania and Victoria. Experience with the structure to date, indicates that it is necessary to clearly define the delegations from the Board under which the State Branches and Committees operate.

The Brain Foundation can only grow and achieve its goals through a cohesive national approach in all that is undertaken. The 2006 national organisation structure facilitates this outcome.

Background

The premise of the new structure is that the only way to ensure survival, and growth, is for the Foundation to recompose itself as a truly national organisation. Clearly, major corporations and the federal government, and probably many testators willing

to make bequests to it, would favour a national body. The Foundation does not operate in Western Australia, Queensland, Australian Capital Territory or the Northern Territory, and it should. The only way its franchise could be extended to those jurisdictions is for action to be taken on a national scale.

To set a solid foundation for the future, the Brain Foundation is now ready to draw upon its resources and the goodwill that can be drawn to the reaffirmed aim to deliver funds for leading edge research into biomedical, neuroscientific and neurosurgical areas.

Agreed Approach to a National Remit:

1. It should be accepted by its members that the Brain Foundation is a national organisation established for the purpose of carrying out the objectives which have been published and are supported by all. No change needs to be made to them.
2. The Brain Foundation will operate partly through state branches which will be set up as committees under delegations from the Board. Each State Manager will be appointed by the CEO after consultation with the relevant state committee.
3. The Brain Foundation will conduct its business through a board of Directors representative of its national remit and will operate through a Secretary General who will be its Chief Executive Officer (CEO) and will have an office and appropriate staff. The CEO will be responsible for coordinating activities of the national office with those of the state branches. The state managers will work with the state committees to achieve the set goals and report directly to the CEO.
4. The chairman of each state branch will be an ex officio member of the board of the Brain Foundation and the Secretary General will be an ex officio member of the state committees.
5. Each year the CEO will prepare a business plan, which will be submitted to the Brain Foundation Board for approval. In it the CEO will outline the forthcoming activities of the national office and the state committees and how the activities will be coordinated.

GOVERNANCE

The arrangements agreed by the Board after the restructures of Victoria and Tasmania are outlined above. It is easier to keep the company shells in those states than to wind them up as the Brain Foundation retains the majority presence on the Boards and the Boards have agreed to participate fully in the national programmes.

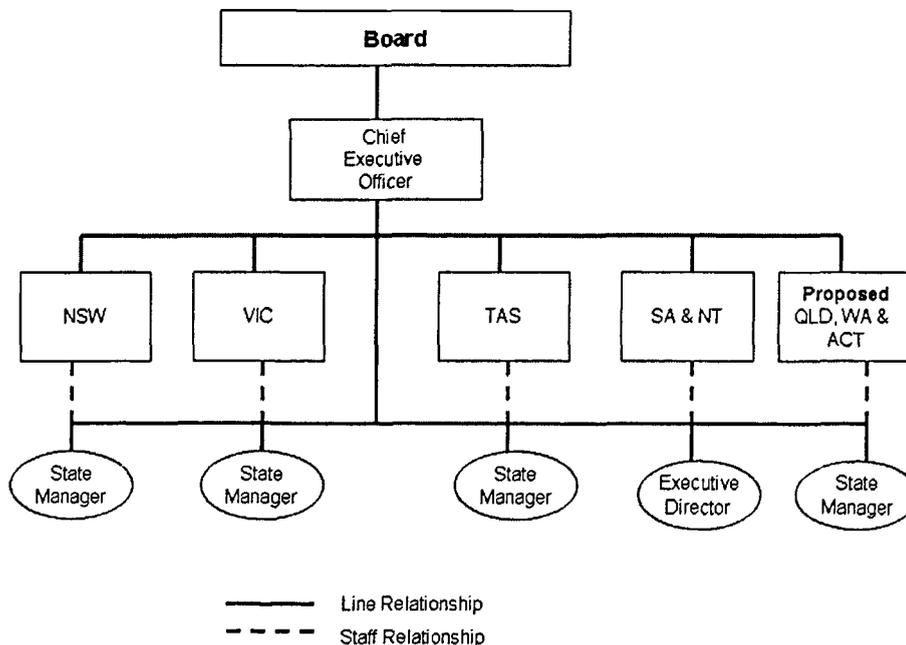
Now, when the Board meets, there is a segment for States subsidiary companies (Victoria and Tasmania) and State committees so that all Board members are kept fully informed. The subsidiary companies will establish committees and operate any

business through those committees. Efficient and effective integrated national and local business plans will ensure that national goals are achieved.

There will be monthly financial reporting to Directors with four planned Board meetings a year. There should be a review meeting of the Board's Executive Committee and available interstate representatives prior to the AGM to review the Business Plan and for the CEO to report back to the Board meeting preceding the AGM.

The new management structure will support this integrated structure and will protect against the demonstrated tendency for local perspectives to disconnect from the national agenda. Therefore, a national management team will be developed with the national office acting as a management company to employ locally-based state subsidiary and committee managers reporting to the CEO. This will maintain the national focus for without a specific structure and regular meetings, local management has been found to focus on local issues only.

The new model is to be an integrated one with some common and some separate elements and is illustrated below:



The structure above shows the line authority and reporting structure between the National Board, CEO, State Committees and State Managers. This will maintain co-ordination of the national focus and delivery of national programmes at state level.

There will be a staff authority based relationship between each state manager and their state committee in which the National Board devolves functional authority through the CEO for the state manager to implement state programmes.

Board Delegations to Committees

Section 49 of the Articles of Association of the Brain Foundation refers to Committees. It states:

The Directors may delegate any of their powers to Committees consisting of such member or members of their body as they think fit: any Committee so formed shall in the exercise of the powers so delegated, conform to any regulations that may be imposed on them by the Directors.

After the original constitution was agreed in May 1970, the Board resolved to increase the number of directors to 18 in May 1997. This was to provide sufficient places so that there could be at least one director in every State. Taken with Clause 49, that meant a Committee could be established and led by one director if necessary.

Committees must conform to the following regulations and operational standards set by the Directors.

Current Committees will be reviewed to ensure that they conform to the following regulations. Future Committees will adopt the regulations as Standing Orders to guide their operations.

There will be only one State Committee in each State and Territory. Subject to circumstances, that Committee may establish regional sub-committees that will be bound by the same regulations from the Board. The chairman of a State Committee will be an ex-officio member of the Board.

A committee will consist of up to nine members, one of whom should be nominated as treasurer. They must meet the same standards as Directors for fiduciary duty and conflicts of interest and be admitted as members of the Brain Foundation under the terms of Clauses 2 to 5 of the Articles. New Committee members will be provided with information to ensure understanding of their roles and responsibilities as Committee members.

The Chairman of a State Committee may be a Director resident in that State. If there is more than one nominee, then a ballot will be held with the Directors. The CEO will be an ex-officio member of all committees.

If at any meeting the Chairman is not present within five minutes after the nominated starting time, the members present may choose one of their number to be Chairman of the meeting.

Questions arising at any meeting will be determined by a majority of votes of the members present, and in case of a tied vote the Chairman will have a second, casting vote.

Committees should meet at least four times each year. The meetings to be timed at least two weeks before National Board meetings to facilitate reporting.

The Board reserves the right to withdraw the authority from Committees to operate.

All contracts, for whatever purpose, must be submitted to the Board or its delegate for approval.

Subject to financial circumstances, State Committees will be supported by a full-time or part-time manager. That manager will be appointed by and report to the CEO.

Roles and Responsibilities

Committees

The main purpose of State Committees is to raise funds for the national research programme. In doing so, the staff and members must exercise due diligence to know and only operate within appropriate State Regulations and Statutes. The proportion of surplus income that will be contributed to the national research programme will be determined by recommendations from the National Treasurer to the Board.

The State Committees will be part of the national community education programme and dissemination of information at the local level and work to maintain and enhance the profile of the Brain Foundation within the State. In particular, emphasis should be given to promoting the work of the Foundation within the specialist and GP medical communities and to engage them as members of the national body.

The state committees will provide input into the national strategic plan through the CEO. Once the national strategic plan is adopted by the Board, each state committee will develop its business plan in consultation with the CEO and will aim to achieve the state objectives that contribute to the national objectives.

State Committees will also support the local delivery of all national programmes.

CEO

The CEO reports directly to the Board and has overall responsibility for the performance of all Brain Foundation programmes. The key areas are:

- Strategic Planning;
- Investment Strategies;
- Fundraising;
- Public Relations and Promotions;
- Liaison with specialist professional organisations;
- Bequest Programmes;
- National Research Awards;
- Headache Australia;
- National Headache Awareness Week;
- The Healthy Brain Programme;
- Brain Awareness Week;
- National Publications and Materials;
- Web Sites;
- Coordinating State Activities;
- Managing the performance of state managers;

- Board Secretariat;
- Administration and Staff Management; and
- Financial Management of all subsidiaries, divisions and committees including collation of state budgets into the annual national plan.

State Managers

The state managers will be part of the National Management Group led by the CEO as required by the Board's governance model. This will establish the line and functional management structures necessary for the national organisation. At the state level, the role of the manager will include:

- Input into the national strategic plan;
- State Business Planning;
- State Fundraising within national policy;
- Promotion of State Events;
- Secretariat for the State Committee, including keeping minutes of all meetings and to make them available to the CEO for the Board;
- Distribution of Brain Foundation Information;
- Local programmes for Brain Awareness Week;
- Distribution of Headache Australia Information;
- Local programmes for Headache Australia Week;
- State Delivery of National Programmes;
- Liaising with Medical Professionals and Media within the State;
- Administration of State Finances and quarterly reporting to the Board through the CEO; and
- Other duties as required.

Each manager will develop Key Performance Indicators for the above (KPIs) in consultation with the CEO. These KPIs will form the basis for an annual review.