

BOARD CHARTER AND CODE OF CONDUCT



An Australian Government Initiative

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Version number	Notes or details of modification	Date approved by Board
1.0	Updated to reflect PHN operations	17 August 2016

1. Introduction

This charter outlines the main corporate governance practices that are in place for Murray PHN Limited and to which both the Board collectively and the Directors individually are committed.

The conduct of the Board is also governed by the Constitution, and, to the extent that the terms of the Constitution are inconsistent with this document, the Constitution is to prevail.

The Board will, in carrying out its function and exercising its powers, at all times fulfill its overriding responsibility to act honestly, conscientiously and fairly, in accordance with the law.

2. The Board

2.1 Composition and role of the Board

The composition of the Board shall be in accordance with the Constitution of the Company.

The role of the Board can be summarised and represented conceptually in the following four responsibilities:

1. key Board functions
2. effective governance
3. improving Board processes
4. defining governance roles



2.2 Powers reserved for the Board

In addition to matters expressly required by law to be approved by the Board, the Board has determined it wishes to retain decision making for certain specific authorities and has documented these into a *Delegated Authority Policy*.

The following powers are specifically reserved for the Board:

- approval for the strategic plan and business plan
- approval for the annual financial statements and Directors report
- appointment, assessing the performance of and, if necessary removing the CEO
- appointment and removal of members to all Board Committees
- creation or abolition of any Board Committee or changes to the membership of any Board Committee
- creating Board Advisory Councils in order to meet both requirements of the Constitution, and population health planning and community engagement
- approval of the terms of reference for all Board Committees and Advisory Councils
- approval of the risk management framework and significant changes to it
- approval of the annual operating and capital budgets
- approval of the delegations of authority
- approval of the Directors' and officers' liability insurance deeds of access and indemnity
- approval of the Board Code of Conduct and
- approval of Murray PHN's subscription or engagement with any other representative body [eg local, state or national association of PHN's].

2.3 Delegations of authority to the Chief Executive Officer (CEO)

To provide clarity in delineating the roles of the Board and management, the Board has delegated some powers to the CEO. Again, this is spelled out in the *Delegated Authority Policy*. The delegations are implicitly exempt from those powers reserved for the Board.

The Board delegates to the CEO the responsibility for the day to day management of the company and also provides appropriate delegations for:

- appropriate powers to ensure the effective operational management of the company and the monitoring of the exercise of these powers
- the approving of all sub delegations to the Executive Directors and operational managers of the company. This delegation is contained in the Operational Instrument of Delegation (OIoD).

2.4 Role of the Chair

The Chair is appointed to the role of Chair by fellow Board members.

The Chair has the following responsibilities:

- acting as an important link between the Board and the Company without inhibiting direct access to fellow Directors
- establishing and maintaining an effective working relationship with the CEO
- setting the tone for the Board including the establishment of a common purpose
- chairing Board meetings efficiently and shaping the agenda in relation to goals, strategy, budget and executive performance
- obtaining appropriate information to present to the Board
- ensuring contributions by all Board members and reaching consensus when making decisions
- facilitating effective decision making by the Board
- providing feedback to Directors on their performance, particularly new Directors, to assist with areas of focus for their personal development plan
- motivating Board members

- dealing with correspondence where appropriate
- overseeing negotiations for the CEO's employment and evaluations of the CEO's performance
- overseeing the planning and succession of the CEO
- assisting with the selection of Board Committee's including Advisory Committee's in association with the Board
- chairing the Annual General Meeting
- when required speaking on behalf of the Board

2.5 Role of the CEO

The CEO is expected to:

- provide leadership of Murray PHN and management team
- create the strategic plan and objectives in conjunction with the Board
- manage the company's performance, including operational performance
- ensure ongoing financial planning and management,
- initiate appropriate business growth and development
- the CEO's position description will be determined by the Board.

2.6 Board Committees and Advisory Councils

The Board has established Committees to assist it in carrying out its role. Each Committee shall be required to adopt a Charter or Terms of Reference approved by the Board, which sets out its composition, responsibilities and other matters relating to its effective operation. The establishment of a Committee in no way reduces the Board's responsibility.

The following sub-committees have been established by the Board and are considered part of the company's governance structure:

- Governance Sub-Committee
- Quality Sub-Committee

The Board has established the Murray PHN advisory framework which contains:

- Clinical Council(s)
- Community Advisory Council(s)
- Population Health Advisory Council(s)

2.7 The Board and senior management

Individual senior managers prepare papers for Board meetings as appropriate, and are available at the request of Directors to present or answer questions relating to their areas of expertise. This provides an opportunity for Board members to have access to senior management.

Subject to the formal delegations of authority referred to above, the Board has delegated responsibility for the operation and management of the Company's business to the CEO and the management team.

The CEO is accountable to the Board and is to fulfill their responsibility through the provision of reports, briefings and presentations on a regular basis throughout the year.

The Board will adopt appropriate structures and procedures to ensure it retains its independence and functions independently of management.

2.8 Media Spokesperson

The CEO will ordinarily be the chief spokesperson for Murray PHN except in certain circumstances where the Chair may elect to speak on behalf of the Company. All press releases shall be in accordance with the company media policy.

2.9 Right to independent advice

Directors are entitled to seek independent advice at the Company's expense, subject to the prior approval of the Board.

A copy of the advice received by the Director will be made available to all members of the Board at the same time as the Director who requested the advice.

2.10 Confidentiality

All information acquired by Directors during their appointment is confidential to the Company and is not to be released, either during the term of a Director's appointment or following their termination, without prior clearance from the Board.

3. Board meetings

3.1 Emerging issues

Emerging issues are defined as issues which have arisen of critical importance since the previous Board meeting. They are considered to be critical because they impact on the ability of the Company to deliver its strategy. Any emerging issues will be included as 'general business' in the monthly Board agenda.

3.2 Disclosure of interest

As required by the Constitution of the Company, all Directors have a legal obligation to disclose to all other Directors, any material personal interest which relates to the business of the Company. When an issue arises at a Board meeting relating to such an interest, the Director will not attend the meeting while that matter is discussed and may not vote on such an issue. The Director will not receive the Board papers or minutes relating to that issue.

Directors have an obligation to disclose to all other Directors, any other interest, which the Director believes is appropriate to disclose in order to ensure there is no actual or perceived conflict of interest.

3.3 Meeting frequency

In accordance with the Constitution of the Company, the Board shall meet when necessary to carry out the efficient operation of the Company.

Board meetings may be conducted in any manner and with any technology permitted by law and a resolution of the Board.

3.4 Recording of Board minutes

The Board will cause minutes to be recorded of all Board meetings. It is the role of the Company Secretary to prepare the Board minutes. The Board minutes shall include:

- a brief reference to the background information relating to the nature of the matter to be discussed
- Directors' declarations of personal interest
- the actual decisions made by the Board
- action plans and responsibilities for implementation

Minutes will also be kept of Board meetings (or parts of Board meetings) that the Board deems confidential but may be retained in a separate section of the minute books.

The minutes shall not paraphrase or record verbatim what was said. If one or more Directors ask that their opinions be noted in the minutes, the Company Secretary is to comply with the request.

Draft minutes are to be provided by the Company Secretary to the Chair for review within three working days following the Board meeting. After review by the Chair, and any amendments having been made, the Company Secretary will circulate the draft minutes to all Directors within two weeks. Minutes of meetings will form part of the Board's papers for the subsequent Board meeting and will be confirmed at that meeting. Once signed by the Chair, the minutes are regarded as an authoritative and accurate record of the decisions taken.

3.5 Agenda

The Chair in conjunction with the Company Secretary shall develop the Board agenda, taking into account suggestions from other Directors and management.

The Company will develop an annual calendar for recurring agenda items, which are required to come before the Board in any one year.

3.6 Meeting procedures

To ensure that Board meetings are constructive, Directors have adopted the following procedures:

- proper and timely notice of meetings is provided to Directors in accordance with the Company's Constitution, with an outline of proposed business
- an action list is maintained to ensure all outstanding items are dealt with, this list is attached to the Board papers
- a quorum is maintained throughout the meeting
- a 'general business' item is on the agenda so that Directors may add items for discussion or information
- the minutes are recorded by the Company Secretary, in such a way that resolutions can be actioned and monitored
- clear decisions and actions are articulated, and
- a register of Board approved documents maintained by the Company Secretary.

4. Directors' induction and training

4.1 Induction

Potential Directors of the Company are to be provided with adequate information in relation to the Company, appropriate for them to conduct a due diligence of the Company. Following their appointment, Directors of the Company shall be given an induction course in relation to the Company, appropriate for them to discharge their responsibilities while in office.

Director induction shall be in accordance with the *Board Induction Procedure*.

4.2 Training

Directors are provided with access to continuing education in relation to the Company extending to its business, the industry in which it operates, and general information required by them to discharge the responsibilities of their office. For further information, refer to the *Board Professional Development Policy*.

5. Board and CEO evaluation

5.1 Board evaluation

The Board will seek to develop an annual review and may engage external consultants to facilitate this process.

The Board evaluation may include the following:

- determination of the Board's objectives for the following year
- comparison of the Board's practices with its Charter requirement
- identification of any enhancements to the Board's Charter
- review and implementation of governance practices designed to enhance the Board's effectiveness, and
- review of the performance of individual Directors.

5.2 CEO evaluation

The Board will determine an appropriate process for the annual review and evaluation of the CEO.

6. Remuneration policy

6.1 Director remuneration

The remuneration of Directors of the Company shall be reviewed annually by the Board , subject to approval by the Members. Details are then recorded in the *Directors' Remuneration Policy*.

6.2 CEO remuneration

The Board will review the remuneration of the CEO in accordance with the CEO employment contract.

7. Corporate culture

The Directors' Code of Conduct shall be in accordance with the Murray PHN *Code of Conduct and Ethics Policy*.

8. Risk Management Policy

The Company has established a risk management framework and process in accordance with the Risk Management Standard (AS/NZS 31000:2009). This has been approved by the Board.

9. Auditing

9.1 External auditor

The Governance Sub-Committee will make recommendations to the Board on the appointment and, where necessary, the removal of the external auditor. At the request of the Sub-Committee, the external auditor will meet with them, and/or the Board without management present.

10. Deed of insurance, indemnity and access

To the extent allowed by law, the Company shall provide a deed of insurance, indemnity and access to insure and indemnify Directors in carrying out their responsibilities, and also to provide Directors with access to Board papers and relevant documents while they are a Director and for a period of seven years after their term as a Director ceases, or any action in which the Director is involved ceases, whichever is the latter. The terms and conditions of the deed will be approved by the Board and then provided to each Director for their acceptance and signature.

11. Policies and procedures

The Board is developing systematically a list of policies and procedures to guide its operations. A register of *Board approved documents* which includes all relevant policies and procedures is available to directors at all times.

The policies and procedures provide management with limits and guidelines within which to make decisions, based on the Board's view of how business is to be conducted.

12. Ethical standards and values

All Directors and all officers of the Company must act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company and, where possible, to act in accordance with the relevant interests of the Company and other stakeholders.

Directors have an obligation to be independent in judgment and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board.

The Directors must comply with the Code of Conduct in the exercise of their duties.

13. Review and publication of the Board Charter

The Company Constitution requires that the Board will review and assess the adequacy of this charter from time to time and make any appropriate revisions.

A copy of the Charter and the Terms of Reference for sub-committees and advisory committees are to be made available on the Murray PHN website.

Adapted from Board of Governance Charters from Australian Institute of Company Directors and Railway and Transport Health Fund (based in Sydney) – framework diagram as sourced within the document

17 August 2016

CODE OF CONDUCT

Every member of the Australian Institute of Company Directors is expected to comply with a Code of Conduct determined by the Company Directors' Board of Directors from time to time.

A member should, in respect of any corporate entity of which the member is a director, comply with the following standards of conduct:

1. The member should act honestly, in good faith and in the best interests of the company as a whole.
2. The member has a duty to use care and diligence in fulfilling the functions of office and exercising the powers attached to that office.
3. The member should use the powers of office for a proper purpose, in the best interests of the company as a whole.
4. The member should recognise that the primary responsibility is to the company as a whole but may, where appropriate, have regard for the interest of other stakeholders of the company.
5. The member should not make improper use of information acquired as a Director.
6. The member should not take improper advantage of the position of Director.
7. The member should properly manage any conflict with the interests of the company.
8. The member has an obligation to be independent in judgment and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board of Directors.
9. Confidential information received by the member in the course of the exercise of directorial duties remains the property of the company from which it was obtained and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by that company, or the person from whom the information is provided, or is required by law.
10. The member should not engage in conduct likely to bring discredit upon the company.
11. The member has an obligation, at all times, to comply with the spirit, as well as the letter, of the law and with the principles of this Code.