

BOARD CHARTER AND CODE OF CONDUCT

August 2019



Leadership



Collaboration



Knowledge



Innovation



Accountability

Approved by: Board

Maintained by: Governance Lead

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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 fulfil 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 requirements of the Constitution, the Commonwealth Department of Health 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
- approval of Murray PHN's subscription or engagement with any other representative body e.g. local, state or national association of PHNs.

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 Relationship of Board with Management

Management of the day to day operations of Murray PHN is to be conducted by or under the supervision of the CEO appointed by the Board, and by those other officers and employees to whom the management function is properly delegated by the CEO.

Communication between Directors and Executive team members will be through the Office of the CEO.

2.5 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
- informing Board members
- providing feedback to Directors on their performance, particularly new Directors, to assist with areas of focus for their personal development plan
- 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

2.6 Role of the CEO

The CEO is expected to:

- provide leadership of Murray PHN and executive team
- appoint the Executive 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

2.7 Role of the Company Secretary

The Company Secretary is accountable to the Board, through the Chair, on all governance matters, with all Directors having access to the Company Secretary for advice or assistance on governance matters. The Company Secretary supports the effectiveness of the Board by monitoring that board policy and procedures are followed.

The Company Secretary is responsible for driving and advising on best practice in governance, and execution of the compliance framework to ensure the integrity of the organisation and compliance with all legislative requirements from governing bodies.

2.8 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 Terms of Reference approved by the Board, which sets out its composition, responsibilities and other matters relating to its effective operation. Committees are "recommending bodies" only and the establishment of a Committee in no way reduces the Board's responsibility.

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

- Governance Committee
- Programs & Quality Committee

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

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

2.9 The Board and Executive management

Individual Executive members 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 Executive 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 Executive management team.

The CEO is accountable to the Board and is to fulfil 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.

2.10 Media Spokesperson

Media liaison is centrally coordinated through the company's Communications team. The CEO is the usual spokesperson for Murray PHN. Senior staff members of Murray PHN can be permitted to be a media spokesperson for specific and relevant topics. As explained in the company's Communications and Media Policy, no staff members or directors are permitted to represent themselves as spokespersons for the company, even if approached directly for comment. Media enquiries can be directed to the CEO, or in his absence, the Communications team.

2.11 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.

2.12 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 ACNC Governance Standard 5, Sec. 191 of the Corporations Act, Commonwealth Department of Health Conflict of Interest and Related Party Policy and rule 15.10 of 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. The company has a Conflict of Interest Policy which describes the definition, identification and management of conflicts.

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 Work Plan 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
- 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 annually review its performance and the procedure how this review is undertaken is described in the Board Performance Review Procedure.

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
- review of the performance of individual Directors.

5.2 CEO evaluation

The Board will annually review the performance of the company CEO. The procedure how this review is undertaken is described in the CEO Performance Review Procedure.

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 Framework

The Company has established an Enterprise-wide Risk Management Framework and process in accordance with the Risk Management Standard (AS/NZS 31000:2018). This has been approved by the Board.

9. Auditing

9.1 External auditor

The Governance 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.

9.2 Internal audit

The Governance Committee will regularly review the Internal Audit Work Program with reference to the Internal Audit Policy and provide recommendations to the Board for consideration and approval.

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.

Directors must comply with this Board Charter and Code of Conduct in the exercise of their duties. A breach of this by a Director will result in disciplinary action by the Board.

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 committees and advisory committees are to be made available on the Murray PHN website.

Relevant Legislation

Risk Management Standard (AS/NZS 31000:2018)

Related Documents and Forms

Title	Location
<i>Delegated Authority Policy</i>	Murray HUB
<i>Governance Committee Terms of Reference</i>	Murray HUB
<i>Programs and Quality Committee Terms of Reference</i>	Murray HUB
<i>Murray PHN Constitution</i>	Murray HUB
<i>Communications and Media Policy</i>	Murray HUB
<i>Conflict of Interest Policy</i>	Murray HUB
<i>Board Induction Procedure</i>	Murray HUB
<i>Board Professional Development Policy</i>	Murray HUB
<i>Board Performance Review procedure</i>	Murray HUB
<i>CEO Performance Review Procedure</i>	Murray HUB
<i>Director's Remuneration Policy</i>	Murray HUB
<i>Code of Conduct and Ethics Policy</i>	Murray HUB
<i>Enterprise-wide Risk Management Framework</i>	Murray HUB

Document Control

Date	Author	Modification	Version
17 August 2016	Company Secretary	Created to reflect PHN operations	1.0
20 September 2017	Company Secretary	Updated to reflect policy references and minor changes recommended by Governance SC	2.0
July 2018	Company Secretary	Minor formatting changes; update name of Programs & Quality committee	2a
August 2019	Governance Lead	Review against new Constitution and ACNC Compliance. New sections Relationship of Board with Management and Role of Company Secretary from Board review of draft 2b	3

CODE OF CONDUCT

Every Director of Murray PHN Limited is expected to comply with the Code of Conduct determined by the company's Board of Directors from time to time. A breach of this by a Director will result in disciplinary action by the Board.

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 in furthering its charitable purpose.
2. The member has a duty to act with reasonable 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 in furthering its charitable purpose.
4. The member has a duty to ensure that the financial affairs of the Company are managed responsibly in the best interests of the company and for its charitable purpose.
5. 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.
6. The member should not make improper use of information acquired as a Director.
7. The member should not take improper advantage of the position of Director.
8. The member should properly manage any conflict with the interests of the company.
9. 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.
10. 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.
11. The member should not engage in conduct likely to bring discredit upon the company.
12. 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.

Adapted from:

Australian Institute of Company Directors Not-For-Profit Governance Principles 2nd Ed January 2019

Australian Charities and Not-for-profits Commission Governance Standard 5: Duties of Responsible Persons