



Nathalia District Hospital

GOVERNANCE HANDBOOK

INDEX

WELCOME	3
HISTORY OF THE HOSPITAL	3
THE HOSPITAL TODAY	3
GOVERNANCE HANDBOOK PURPOSE STATEMENT	4
OVERVIEW	5
Board Appointment	5
Selection Criteria	5
Role of Chair	6
Remuneration	6
Professional Development	6
Induction & Orientation	7
Board Meetings	8
Board Agenda	8
Board Meeting Process	9
Quorum	9
Voting on the Board	9
In Camera Meeting	10
Annual General Meeting	10
Open Access Board Meeting	10
Directors' Duties and Responsibilities	11
Removal and resignation	11
Disclosure of Interest	12
Protected Disclosures Act	12
Board Evaluation & Assessment	13
Board Annual Workplan 2015	14
Nathalia District Hospital By-laws	14
Board Annual Meeting Workplan 2015	15
Nathalia District Hospital By-Laws	17
Board Duties And Responsibilities	25
Set Strategic Direction	25
Determine the Risk Management and Resource Management Framework (Clinical and Financial)	26
Ensure Appropriate Relationships with Stakeholders	29
Enhance the Reputation of the Organisation	29
Monitor and Evaluate Performance	30
Adopt the Appropriate Governance Policies	36
DIRECTORS' LIABILITY INSURANCE	38
Scope of Cover	38
TERMS OF REFERENCE BOARD OF DIRECTORS	41
BOARD COMMITTEES	47
TERMS OF REFERENCE	48
Audit Committee	42
Patient Care Review Committee	44
Medical Appointments Advisory Committee	46
Board of Directors' Committee Membership 2014/15	48
Board of Directors' Committee Meeting Calendar 2015	49

WELCOME

Congratulations on your appointment to the Nathalia District Hospital Board of Directors.

HISTORY OF THE HOSPITAL

In response to an advertisement placed in the Nathalia Herald on 14th December 1888, about 30 gentlemen gathered to consider the advisableness or otherwise of erecting a hospital in Nathalia on 21st December 1888. The opinion of this meeting was that 'the time has now arrived, when a hospital should be erected in Nathalia'. The meeting did not decide to build a hospital, but only affirmed that it was a necessity, and that if the promised support warranted, a further meeting would be called.

Whilst it would be many years before a public hospital would be established in Nathalia, during the early 1900's a hospital service was represented by a succession of midwives who delivered babies in the home and several lying-in homes and private hospitals.

In 1892-93 Dr F Keyes built a private residence known as 'Mayo' on the corner of Elizabeth and North Streets in Nathalia. In 1939 the then current owner of the house Dr N Harbison closed the 6 bed private hospital he ran at 42 Fraser Street and converted 'Mayo' into a private hospital.

In 1951 the Hospital & Charities Commission and the Hospital Committee of Management purchased 'Mayo'. The hospital became known as Nathalia District Hospital and was officially opened by the Hon. E P Cameron MLC Minister of Health in December 1955.

THE HOSPITAL TODAY

The Nathalia District Hospital was relocated in November 2009 with the completion of a new purpose built facility that encompasses the medical clinic, day care and district nursing service under the one roof. The new facility has six acute beds and twenty high level residential aged care beds

The hospital services the residents of Nathalia and District, which encompasses the small townships and districts of Waaia, Picola, Barmah, Kaarimba, Kotupna, Bearii, Yielima and Yalca.

Nathalia District Hospital operates under the Small Rural Health Services Program. This program allows us to deliver a wide range of preventative health and community based services as well as inpatient services, whilst offering a high degree of flexibility for our organisation to decide the balance of services to be provided. These programs are reviewed annually to meet the changing needs of our community.

Nathalia District Hospital offers a wide range of services: physiotherapy, occupational therapy, dietetics, optometry, radiology, pathology, counselling, and numerous community health activities.

GOVERNANCE HANDBOOK PURPOSE STATEMENT

This handbook is designed as a governance resource for Board Directors of Nathalia District Hospital. It has been developed from “best practice” governance standards and current thinking about the role and responsibilities of boards in the not-for-profit, corporate and public sectors.

Across all governance writing there is agreement that successful governance relies first and foremost upon the good sense and the sound judgement of the people involved. This handbook is premised on that view.

A primary aim of producing this handbook is to acknowledge best practice governance standards as a key tool in ensuring that the Board is able to contribute to the delivery of high quality health services to the community.

Nathalia District Hospital is incorporated as a public health service pursuant to the provisions of the Health Services Act 1988 (as amended). It operates within the By-Laws for the organisation, as adopted by the Board and approved by the Department of Health.

Nathalia District Hospital Board is responsible for the governance practices of the organisation and is committed to continuous improvement in governance.

Governance is about how a public entity is controlled and managed. It includes the relationships between the entity's Minister, Board, senior management and stakeholders and the administrative arrangements that support these relationships.

Good governance provides the foundation for high performance. It strengthens community confidence in a public entity, and helps ensure the organisation's reputations are maintained and enhanced. Good governance enables entities to perform efficiently and effectively, and to respond strategically to changing demands.

The Board shall provide strategic direction and effective oversight of Nathalia District Hospital. It shall govern in alignment with current corporate governance best practices.

The Board is responsible for ensuring the four main principles of effective governance are adhered to:

- Building a culture of trust and honesty through open disclosure in partnership with consumers and community;
- Fostering organisational commitment to continuous improvement;
- Establishing rigorous monitoring reporting and response systems;
- Evaluating and responding to key aspects of organisational performance.

To facilitate “Best Practice Governance”, the Board will:

- Govern with an outward vision and provide strategic leadership;
- Encourage diversity of views but make collective rather than individual decisions;
- Define the respective roles of the Board and the Chief Executive;
- Initiate written policies that reflect Nathalia District Hospital's values and perspectives on outcomes to be achieved and will direct, control and inspire Nathalia District Hospital;
- Ensure continuing Board development and self-monitoring.

The Board shall review annually its governance performance in conjunction with reviews of Directors and executive management performance.

OVERVIEW

Board Appointment

Directors are appointed by the Governor in Council on the recommendation of the Minister for Health.

Section 65T of the Health Services Act requires that the Board of Nathalia District Hospital shall consist of not less than 6 and not more than 9 persons.

Directors are appointed for a three year term but are eligible for reappointment. Appointments align to financial years.

The Health Services Act 1988 requires the Minister to ensure that women and men are adequately represented on the Board and that the Board includes at least one person who is able to reflect the perspectives of users of health services. In considering a recommendation for this appointment, the Minister must give preference to a person:

- who is not a registered provider within the meaning of the Health Services Act; and
- who is not currently or has not recently been employed or engaged in the provision of health services.

Vacancies for Board Directors will be advertised in local newspapers.

Probity checks must be undertaken for all appointments and reappointments. Appointments and reappointments are contingent upon the nominees completing a Declaration of Private Interests to the satisfaction of the Minister.

Directors may resign by notice in writing to the Governor in Council. The Governor in Council, on the recommendation of the Minister for Health, may remove a Director or all Directors of the Board of a public hospital.

The Minister may also appoint up to two delegates to the Board of a public hospital if the Minister considers such appointment will assist the Board to improve the organisation. The delegate(s) may be appointed with or without a request from the Board. A delegate is not a Director of the Board. The functions of a delegate and the obligations of the Board to delegate are prescribed by the Act.

Selection Criteria

The criteria for selection of board members and chairs will include:

- Continuing high levels of performance in significant fields of endeavour;
- The integrity of the individual – a high standing in the community would be essential;
- A clear understanding of the objectives, roles, duties and obligations of non-executive directors – especially under the Corporations Act;
- Experience in, or knowledge of, general management or a specialist field which may be relevant;
- Availability and a good working knowledge and an understanding of accountability relationships;
- Relevant experience;
- Capacity to think and act strategically, and
- Any legislative requirements.

To achieve a “balance of expertise” on individual boards, emphasis may also need to be given to qualities such as special technical expertise, sensitivity to the political context and industrial relations experience. These additional qualities will be determined by the Minister and the appointment advisory panel.

In addition, in the selection of the chair, emphasis should be placed on a person who is:

- Able to exhibit clear leadership talents; and
- Able to work effectively with:
 - The portfolio Minister where applicable;
 - Other members of the Board; and
 - The Chief Executive and Senior Staff.

Role of Chair

The Board Chair is appointed by the Board.

The role of the Board Chair is to lead and develops its members as an effective team. The Board Chair assures the integrity of the Board's processes and represents the Board to outside parties as required.

Accordingly:

- The Chair ensures that the Board behaves consistently with its own rules and those legitimately imposed upon it from outside Nathalia District Hospital.
- Meeting decisions will be made only on those issues, which, according to Board policy, clearly belong to the Board to decide.
- Deliberation will be fair, open and thorough but also timely, orderly and kept to the point.
- The authority of the Chair consists in making decisions within the Governance Process and Board/Chief Executive Officer Linkage priorities, except where the Board specifically delegates portions of this authority to others.
- The Chair has no authority to make decisions that conflict with Board policies. Therefore, the Chair has no authority to personally supervise or direct the Chief Executive Officer.
- The Chair may represent the Board to outside parties.
- The Chair may delegate this authority but remains accountable for its use.
- The Chair may choose to conduct Board business in an informal consensus style but in the event of any dispute shall conduct the meeting as described in the By Laws

Remuneration

A Board Director is entitled to be paid expenses incurred in holding office under Section 65U(3)(b) of the Act.

Reasonable expenses will be paid in accordance with the "Guidelines of the Provision of allowances for Travelling and Personal Expenses in the Victorian Public Sector."

There are no leave provisions for Directors.

Professional Development

Board Directors will take responsibility for engaging in board development activities that will assist in carrying out their duties.

Nathalia District Hospital supports the continuing professional development of Board Directors and encourages competency based training by attendance at training courses, conferences and seminars.

A budget for board professional development will be established annually.

There are several levels of board development:

- new member orientation
- development of the Board as a whole
- individual Director development

An orientation program will be organised for newly appointed Directors.

Ongoing education is provided to Directors as part of regular board meetings and as part of board retreats.

Individual Directors are encouraged to identify other educational opportunities. Participation is to be approved by the Chair in advance.

Induction & Orientation

Nathalia District Hospital will assist the orientation of new Board Directors in their role through the provision of an induction process. The Board Chair will act as a mentor to new Directors and will ensure that an appropriate induction process is provided and completed within three months of the new Director's appointment. The Board Induction Process will include:

1. A meeting with the Chair to provide the broader context of the role of the Board. A follow up meeting with the Chair to occur after the first Board meeting.
2. A meeting with the Board's Chief Executive Officer and/or delegate or Director of Nursing to discuss Board processes and the way in which the Chief Executive Officer and/or delegate or Director of Nursing can provide support to the Director.
3. An opportunity at the earliest convenience to meet other Board Directors and the Chief Executive outside of the structured meetings and visits.
4. A briefing by the and/or delegate or Director of Nursing on current projects, key objectives for the next year, how Nathalia District Hospital compares to other health services and any significant issues of which Board Directors should be aware.

Presentations should incorporate key governance matters including:

- financial management and reporting at Nathalia District Hospital (including WIES pricing and management) and Board Director Obligations (Chief Financial Officer);
 - attestation requirements of Victorian Health Services (Chief Financial Officer); and
 - How Nathalia District Hospital manages human resources and ensures compliance with all relevant legislative obligations, specifically including occupational health and safety requirements, clinical governance and reporting at Nathalia District Hospital and the role of the Board.
5. The Chair will decide if it is appropriate for a Board Director is to be appointed to act as Mentor or contact person for a new Director and the and/or delegate or Director of Nursing will decide if it is appropriate for an Executive to also be appointed to act as mentor or contact person for a new Board Director.
 6. Visits to Nathalia District Hospital. The visits to be facilitated by the Chief Executive Officer and/or delegate or Director of Nursing
 7. Provision of a New Board Directors Pack that includes:
 - Names and contact details of all Directors;

- Board Manual;
 - Letter of welcome from Chair and Chief Executive;
 - Copies of Minutes and agenda papers of the two most recent Board Meetings;
 - Statement of Priorities, Strategic Plan, Business Plan, Strategic Risk Register;
 - Annual and Quality Reports;
 - Promotional Material;
 - Other documents as required (eg recent relevant audit reports, the audit program and reviews of management and/or governance);
 - Key stakeholder organisations;
 - Information on Director training and development expectations (DOH Governance training, AICD courses etc.); and
8. New Directors are to be encouraged to attend one meeting of all Board Committees in the first 18 months after appointment.

Board Meetings

The Board shall meet not less than six times per year. A schedule of Board meeting is determined annually by the Board.

Special meetings of the Board can be called by the Chair with two days' notice. Failure by a Director to receive due notice of the meeting shall not invalidate the proceedings of that meeting.

Board Directors are required to make every reasonable effort to attend each meeting of the Board and Committee(s) of which they are a member, and to remain in attendance for the full duration of such meetings.

The Nathalia District Hospital Board preferred approach will be to:

- manage Board meetings in a manner designed to encourage diversity of opinion and to ensure all Board Directors are able to contribute actively and effectively;
- build on the strengths and diversity amongst Board Directors, work as a team and canvas the range of ideas and experiences to ensure the best decisions are made;
- recognise the need for Board meetings to reflect a balanced focus between compliance with statutory and other requirements, monitoring organisational performance and discussing future strategic priorities and issues;
- ensure that each meeting agenda is based on an annual Board work program that identifies and schedules key strategic issues for Board consideration and deliberation and allows opportunities to review and monitor Board processes and policies; and
- meet as often as is required to conduct its governance duties effectively.

Board Agenda

The agenda for the Board of Directors meeting will be prepared by the Governance & Projects Officer under the direction of the Chair following consultation with the Chief Executive Officer and/or delegate and Director of Nursing.

The agenda and relevant documentation will normally be distributed seven days before the scheduled Board meeting. Directors should be in receipt of documentation at least 48 hours before a special or ordinary meeting except in extraordinary circumstances. Documentation will be forwarded to Directors electronically.

All recommendations to the Board will be accompanied with an explanatory document.

Reports and reviews provided to Board for information or action should have an executive summary.

No papers tabled at the meeting will be considered without the approval of the Chair.

Board Meeting Process

At the commencement of the meeting, the Chair will:

- request that Directors advise of any conflicts of interest in respect of matters due to be considered at the meeting.

Decisions of the Board shall be by majority vote of the members at any meeting where a quorum is present. These decisions will be reflected in the minutes and, where necessary, any dissenting views that a Director has specifically stipulated will be recorded.

If there is a requirement for a decision/approval outside a Board meeting, then the appropriate documentation with recommendation included will be forwarded to Directors by the Governance & Projects Officer in conjunction with the Chief Executive Officer and or Delegate on the authority of the Chair. The decision will be ratified by the Board at their next meeting and recorded in the Minutes.

Resolutions from Board Meetings each month will be recorded and filed separate to the minutes.

Minutes will not be a verbatim recording of the meeting but will clearly identify resolutions of the Board.

The Board minutes must be confirmed by the Board at its next ordinary meeting and be signed by the Chair presiding at that meeting.

The Governance & Projects Officer will retain a complete copy of the Board papers for each meeting. These will be available, in the office of the Chief Executive Officer, for reference by the Directors as required.

Quorum

Where the Board consists of six Directors, three Directors shall constitute a quorum. Where the Board consists of more than six Directors, four Directors shall constitute a quorum.

Voting on the Board

Voting shall be by a majority of votes and the determination by majority of Directors shall for all intents and purposes be deemed a determination of the Board. In case of an equality of votes, the Chairperson shall have a second or casting vote

In Camera Meeting

There may be times when an *in camera* (meaning into chambers) discussions be held during a Board meeting. During this portion of the meeting all normal procedures are followed and all actions are possible except that:

- Those who are not bona fide members of the meeting must leave.
- The minutes of proceedings in camera are confidential and available only to those persons who were eligible to attend the meeting.
- Those who take part in the meeting or who avail themselves of the privilege of consulting the minutes are deemed to have agreed to maintain the confidentiality of the proceedings.
- Minutes of the proceedings will not be circulated but copies will be retained by the Chief Executive Officer.

When the meeting has completed the proceedings which ought to be conducted confidentiality, it may return to normal procedures by formal motion and vote, or by the declaration of the Board Chair.

Any actions which have been taken *in camera* must be reported when the meeting returns to normal procedures unless the meeting formally agrees that it is in the best interests that an action taken *in camera* should not be reported in the minutes. In that event the minutes of the meeting will indicate that such a thing has occurred.

Annual General Meeting

According to section 652C of the Health Services Act, the Chief Executive Officer must convene an annual meeting of the organisation to be held on or after 1 July and on or before December 31st each year.

The notice of the annual meeting is to be published in a newspaper circulated generally in the area where the organisation is situated. The notice should include:

- a) the date, time and place of the meeting; and
- b) that the meeting is open to the public.

At the annual meeting the Board must:

- a) submit the report of operations and financial statements prepared in accordance with Part 7 of the Financial Management Act 1994;
- b) report on the health services provided to the community in the preceding year and on health services proposed to be provided in the following year; and
- c) report on such other matters as are prescribed.

Open Access Board Meeting

The Government supports improved transparency, accountability and consumer engagement. Nathalia District Hospital will hold an Open Access Board Meeting annually. The aim of the Open Access Board Meeting is to focus of areas of community interest and provide an opportunity for members of the public to engage with the work of the Board.

Directors' Duties and Responsibilities

Board Directors shall:

- Be diligent and adhere to the Board's mission, vision and values;
- Act in the best interests of the organisation at all times. Respect the interest of the whole organisation rather than the specific interest of any individual, association or organisation;
- Keep informed about matters relating to the organisation and the community served;
- Recognise, understand and comply with their legal and fiduciary responsibilities including the duty to:
 - act honestly, diligently and ethically;
 - exercise a reasonable level of care; and
 - avoid gaining personal advantage, making improper use of information or allowing conflict between personal interest and duty to the organisation.
- Accept ultimate accountability for all organisational matters, recognising that the Board Directors are jointly and severally responsible for all decisions taken by the Board;
- Be loyal and supportive to the Board of Nathalia District Hospital, interacting with each Board Director and with employees and stakeholders of the organisation in a positive and constructive manner;
- Be diligent, attend Board and Committee meetings and devote sufficient time to preparation for meetings to allow for full and appropriate participation in the Board's decision making;
- Observe the confidentiality of non-public information acquired by them in their role as Board Directors and not disclose to any other person such information; and
- Ensure that the independent views of Directors are given due consideration and weight.

Removal and resignation

Under Section 65V a Board Director may resign by writing signed and delivered to the Governor in Council.

The Governor in Council on the recommendation of the Minister, may remove a director, or all Directors of a Board from Office.

The Minister must recommend the removal of a Director of a Board from the office if the Minister is satisfied that-

- (a) the Director is physically or mentally unable to fulfil the role of a Director of a Board; or
- (b) the Director has been convicted or found guilty of an offence, the commission of which, in the opinion of the Minister, makes the Director unsuitably to be a Director of a Board; or
- (c) the Director has been absent, without leave of the Board, from all meetings of the Board held during a period of 6 months; or
- (d) the Director is an insolvent under administration.

Disclosure of Interest

Under section 65W if a Director has a direct or indirect pecuniary interest in a matter being considered, or about to be considered, by the Board, the Director, as soon as practicable after the relevant facts come to the Director's knowledge, must disclose the nature of the interest at a meeting of the Board.

The person presiding at the meeting must cause the declaration to be recorded in the minutes of the meeting.

A director who has a conflict of interest in a matter-

- (a) must not be present during deliberations on the matter; and
- (b) is not entitled to vote on the matter.

If a Director votes on a matter in contravention of subsection (3)(b), his or her vote must be disallowed.

Protected Disclosures Act

Consistent with the Victorian Whistleblowers Act, Nathalia District Hospital will encourage and facilitate the making of disclosures, where these are supported by reasonable grounds, related to alleged improper or corrupt conduct in the management or conduct of the agency.

A staff member or member of the public who has reasonable grounds to believe improper or corrupt, conduct has occurred, is occurring or is about to occur in the management or conduct of the agency (including apprehension of detriment) is encourage to disclose this.

Disclosure may be made

- to: Chief Executive Officer, GV Health
Graham Street,
SHEPPARTON VIC 3630
Telephone – 5832 2004
OR
- to: Chair, Board of Directors
Nathalia District Hospital
36-44 McDonell Street
NATHALIA 3638
Telephone – 5832 2004
OR
- to: The Ombudsman
Level 22, 459 Collins Street, Melbourne
Phone (03) 9613 6222
Fax (03) 9614 0246
Toll Free: 1800 806 314
E-mail: ombudvic@ombudsman.vic.gov.au

Board Evaluation & Assessment

The Board will strive to improve organisational effectiveness through monitoring performance against objectives, plans, budgets and a range of other indicators.

Bi-annually over the next three years the Board will undertake the Australian Council on Healthcare Governance Board Evaluation and Developmental Tool online. This provides the Board of Directors with an opportunity to evaluate and analyse the performance of the Board of Directors. Once all Board of Directors have completed the online survey a capability framework will be issued to the Board Chair from the Australian Council on Healthcare Governance. The Board Chair will then meet individually with each Board Director to discuss the results.

Also bi-annually in the alternate years the Board of Directors will undertake an inhouse board evaluation.

The Board Assessment and Evaluation process will enable:

- A balanced view of governance, identify both positive and negative aspects of the Board's approach to governance with a view to looking at areas of improvement and plans put in place to close performance gaps and minimise governance related risks.
- Increased ownership and accountability
- Design of relevant benchmarks, this will lead to the identification of key benchmarks, indicators and objectives to track progress and performance.
- Skill development and balance, this is an opportunity to close performance gaps and identify skill composite.
- Effective Leadership, explore how the Board works well together with the Chief Executive Officer and Senior Management and how it uses its time most effectively.



BOARD RESOURCES

Board Annual Workplan 2015

Nathalia District Hospital By-laws

Board Annual Meeting Workplan 2015

BOARD	TOPIC	RESPONSIBLE OFFICER
January		
February	Community Health	Community Health Co-ordinator/Director of Nursing Leigh Giffard
March	Clinical Services and Residential Aged Care	Nurse Unit Manager/Director of Nursing Leigh Giffard
April	Director of Medical Services	Director Medical Services
May	Hospitality Services	Hospitality Services Co-ordinator/Director of Nursing Leigh Giffard
June	State/Commonwealth Budget	ED Planning & Resources Bill Morfis
July	Open Access Board Meeting Quality Plan	Director of Nursing Leigh Giffard
August	State Health Policy and Funding Guidelines	ED Planning & Resources Bill Morfis
September	Governance Process Review & Review of Administrative Services Agreement	ED Clinical Operations Donna Sherringham
October	Medical Clinic	Practice Manager
November	Annual General Meeting	All Board members
December	<i>No meeting held</i>	

GOVERNANCE AND OTHER BUSINESS

MONTH	TOPIC	RESPONSIBLE OFFICER
January	<ul style="list-style-type: none"> Quarterly Review Strategic Priorities 	
February		
March		
April	<ul style="list-style-type: none"> Budget Preparation Quarterly Review Strategic Priorities Conflict of Interest Declaration 	
May		
June	<ul style="list-style-type: none"> Review of Delegations of Authority 	
July	<ul style="list-style-type: none"> Endorsement of Provisional Budget Quarterly Review Strategic Priorities Environmental Management Plan Office Bearers/Success Planning 	
August	<ul style="list-style-type: none"> Adoption of Budget/Certification of Annual Accounts Statement of Priorities New Board Member Orientation/Induction Review of Board Committees/Chairs 	
September	<ul style="list-style-type: none"> Approve Board Goals Board and Internal Governance Committee Review and Self Assessment Review of Administrative Services Agreement Statement of Priorities Signing Annual Report (for tabling in Parliament) 	
October	<ul style="list-style-type: none"> Quarterly Review Strategic Priorities 	
November	<ul style="list-style-type: none"> Open Access Board Meeting Annual General Meeting 	
December	<i>No meeting held.</i>	

Nathalia District Hospital By-Laws

NATHALIA DISTRICT HOSPITAL BY-LAWS

1. INTRODUCTION

- 1.1. These By-Laws supersede the existing by-laws of the Health Service. All existing by-laws which were in force prior to these By-Laws coming into operation are hereby repealed and replaced with these By-laws.
- 1.2. In addition to these By-Laws, the Board makes and maintains other policies and procedures necessary to guide its decision making process.

2. DEFINITIONS AND INTERPRETATION

- 2.1. In these By-Laws, unless the context requires otherwise:
 - 2.1.1. "**Act**" means the *Health Services Act 1988* (Vic) as amended.
 - 2.1.2. "**Auditor-General**" means the Auditor-General within the meaning of the *Audit Act 1994* (Vic) as amended.
 - 2.1.3. "**Board**" means Board of Management of the Health Service.
 - 2.1.4. "**Chairperson**" means the person elected in accordance with these By-Laws to preside over meetings of the Board (however so described).
 - 2.1.5. "**Chief Executive Officer**" means the Chief executive officer of the Health Service and any person acting in place of such officer.
 - 2.1.6. "**Committee**" means a Committee established by the Board for the discharge of its business, subject to Board approval.
 - 2.1.7. "**Commonwealth**" means the Commonwealth of Australia or any Department of the Commonwealth of Australia.
 - 2.1.8. "**Department**" means the Victorian Department of Health and Human Services and its successors.
 - 2.1.9. "**Finance Directions**" means the *Standing Directions of the Minister for Finance under the Financial Management Act 1994*, given under section 8 of the *Financial Management Act 1994* (Vic), as amended or replaced from time to time.

- 2.1.10. **“Funding Guidelines”** means the Victorian Department of Health and Human Services publication titled *Victorian health policy and funding guidelines 2014-15*, as amended or replaced from time to time.
- 2.1.11. **“Health Service”** means Nathalia District Health Service.
- 2.1.12. **“Officer”** means an office-bearer of the Health Service elected from amongst the members of the Board in accordance with these By-Laws, and includes the Chairperson and any other office-bearers so elected.
- 2.1.13. **“Remuneration Policy”** means the Victorian Public Sector Commission *Policy on Executive Remuneration for Public Entities in the Broader Public Sector*, as amended or replaced from time to time.
- 2.1.14. **“Secretary”** means the Secretary to the Department.
- 2.2. In these By-Laws:
- 2.2.1. words in the singular include the plural and vice versa;
- 2.2.2. if a word or phrase is defined to have a particular meaning, the other parts of speech and grammatical forms of that word or phrase have a corresponding meaning;
- 2.2.3. a reference to a clause is a reference to a clause in these By-Laws; and
- 2.2.4. a reference to any legislation or a legislative provision includes:
- a) that legislation or legislative provision as amended or replaced from time to time; and
 - b) regulations and other instruments made under that legislation or legislative provision.

3. **OBJECTS**

- 3.1. The objects of the Health Service are:
- 3.1.1. to operate a public hospital in accordance with the Act, and any enabling Commonwealth or Victorian legislation, including the provision of the following services:
- a) public hospital services;
 - b) primary health services;
 - c) aged care services; and
 - d) community health services.
- 3.1.2. to provide a range of high quality health and related services ancillary to those services described in clause 3.1.1;
- 3.1.3. to carry on any other activity or business that is convenient to carry on in connection with providing the services described in clauses 3.1.1 to 3.1.2 or intended or calculated to make more efficient or profitable any of the Health Service's assets or activities; and

- 3.1.4. to do all things that are conducive or incidental to achieving the Health Service's objects.

4. BOARD OF MANAGEMENT

- 4.1. There will be a Board of Management for the Health Service whose appointment, functions and composition are as prescribed by the Act.
- 4.2. Subject to the Act and these By-Laws, the procedure of the Board is at the absolute discretion of the Board.
- 4.3. There will be elected from amongst the members of the Board a Chairperson and any other Officers appointed by the Board who will each hold office for a period of one (1) year and be eligible for re-election. If an Officer ceases to hold office, the existing members of the Board will elect from amongst themselves a member who will hold the office of that Officer until the next election of Officers in accordance with this clause 4.3, and be eligible for re-election at that time.
- 4.4. Any vacancy or impending vacancy of a member of the Board will be filled in accordance with the Act and any directions or guidelines issued by the Department.
- 4.5. The Board may make rules and adopt policies and procedures, not inconsistent with the Act and these By-Laws, for the administration of the Health Service.
- 4.6. The Board will maintain at least the number of Board members to meet a quorum and will undertake a casual vacancy process if required to ensure that this requirement can be met.

5. MEETINGS OF BOARD

- 5.1. The Board will meet at least ten (10) times during each year, at such place and at such time as the Board may from time to time determine.
- 5.2. Special meetings of the Board may be convened by the Chairperson or any four members.
- 5.3. A quorum for a meeting of the Board is not less than half the number of members appointed.
- 5.4. Written notice of each meeting will be served on each member of the Board by delivering it to ensure it arrives with the member, in the case of ordinary meetings, three (3) days, and in the case of special meetings, one (1) day, prior to the meeting being held. Such notice may be delivered by hand, or by post to the usual or last known place of residence or business of the member, or by facsimile or by electronic mail. Failure by any member of the Board to receive due notice of any meeting of the Board will not invalidate the proceedings of that meeting.
- 5.5. Notice of ordinary meetings must specify the time, date and location of the meeting, and must be accompanied by copies of:
 - 5.5.1. the agenda for the meeting; and
 - 5.5.2. documents or other information relevant to the items on the agenda for the meeting.

- 5.6. Nothing in clause 5.5 requires that a member of the Board be provided with a document or information if the member has previously been provided with a copy of that document or information.
- 5.7. Notice of special meetings called in accordance with clause 5.2 must specify the time, date and location of the meeting, and the general nature of the business that is intended to be transacted at the meeting.
- 5.8. At a special meeting called in accordance with clause 5.2, the only business that will be transacted will be that business specified in the notice of the special meeting.
- 5.9. All questions arising at any meeting of the Board will be decided by a show of hands or, if demanded by any member, by a division. Each member present will have one vote. The person presiding at a meeting in accordance with clause 5.11 will have a deliberative vote and, in the event of an equality of votes of any question, that person will have a casting vote also.
- 5.10. No business will be transacted unless a quorum is present and, if within half an hour of the time appointed for the meeting a quorum is not present, the meeting will stand adjourned.
- 5.11. The Chairperson will preside at all meetings of the Board, or if the Chairperson is absent, the person specified as chair in any rules or standing orders made by the Board, or otherwise the members present will choose one of their number to preside.
- 5.12. Any member of the Board who has a direct or indirect material financial interest in any matter brought before the Board for discussion must disclose that interest immediately to the other Board members and must not be present during discussion on the matter or be entitled to vote upon the matter.
- 5.13. No resolution of the Board may be varied or rescinded before the expiration of one calendar month after such resolution has been passed, except at a special meeting of the Board called for that purpose and then only by an absolute majority of the Board.
- 5.14. An act or decision of the Board is not invalid by reason only of a vacancy or vacancies in the office of a member or defect or irregularity in the appointment of a member.
- 5.15. The Board may meet in person, or by using technology that provides a means of audio or audiovisual communication (which permits all members present at the meeting to hear each other), or by using a combination of meeting in person and using such technology.
- 5.16. A Board member present at the commencement of a meeting of the Board (whether in person or by using technology) will be presumed to have been present for the whole meeting, unless the minutes record that the person was not present at or after a particular time.

6. OFFICIAL SEAL

- 6.1. The Board shall provide for the safe custody of the official seal, which shall only be used by the authority of the Board or of a committee of the Board authorized by the Board for that purpose.

- 6.2. Every instrument to which the Seal is affixed shall be signed by the CEO in accordance with the Nathalia District Hospital Instrument of Delegation or some other person appointed by the Board for the purpose or the Board may dispense with the need to affix the Seal to an instrument and resolve instead that the instrument may be signed by an Attorney appointed by resolution of the Board for that purpose.

7. DIRECTIONS

- 7.1. The Board must comply with any directions given by the Secretary or the Minister for the Department under the Act.

8. CONDITIONS OF FUNDING

- 8.1. The Board must comply with any conditions of funding issued by the Department or the Commonwealth, or as required by the Funding Guidelines.
- 8.2. The powers and duties of the Health Service are subject to any health service agreements made between the Health Service and the Department in accordance with the Act.

9. CHIEF EXECUTIVE OFFICER

- 9.1. A Chief Executive Officer will be appointed in accordance with the Act, who will be responsible for the day to day management of the Health Service.

10. CHIEF FINANCE AND ACCOUNTING OFFICER

- 10.1. The Board must appoint a person as Chief Finance and Accounting Officer in accordance with the Finance Directions.
- 10.2. The responsibilities of the Chief Finance and Accounting Officer include:
- 10.2.1. endorsing financial reports submitted to the Board and senior management of the Health Service; and
 - 10.2.2. ensuring that the financial information in such reports is endorsed as to its completeness, reliability and accuracy.

11. DELEGATION

- 11.1. The Board may delegate any of its powers or functions (other than its power of delegation) to any employee of the Health Service or to a Committee.

12. COMMITTEES

- 12.1. The Board:
- 12.1.1. must establish the Committees listed in clause 12.2, and any other Committees required under Commonwealth or Victorian law, regulations or directives; and

- 12.1.2. may establish any other Committees as it considers necessary or convenient in order for the Health Service to carry out its functions or achieve its objects.
- 12.2. The Board must establish the following Committees:
 - 12.2.1. Audit Committee (in accordance with the Finance Directions); and
 - 12.2.2. Remuneration Committee (in accordance with the Remuneration Policy).
- 12.3. In establishing each Committee, the Board must specify:
 - 12.3.1. the name and membership of the Committee;
 - 12.3.2. the terms of reference of the Committee;
 - 12.3.3. the chair of the Committee;
 - 12.3.4. the quorum of the Committee;
 - 12.3.5. any delegation of authority to the Committee in accordance with clause 11.1;
 - 12.3.6. the rules and procedures of the Committee;
 - 12.3.7. the manner in which the Committee must report to the Board in respect of the Committee's meetings and deliberations; and
 - 12.3.8. any other matters required under Commonwealth or Victorian laws, regulations or directives.
- 12.4. Subject to any requirements under Commonwealth or Victorian laws, regulations or directives:
 - 12.4.1. Committee members will be appointed by the Board for a period of twelve (12) months and be eligible for reappointment; and
 - 12.4.2. the Board may remove a member appointed to any Committee in its absolute discretion.
- 12.5. Should a vacancy occur on any Committee, it will be for the Board and not the Committee to fill the vacancy.
- 12.6. Committees may not co-opt members without the approval of the Board.
- 12.7. Committees may establish sub-committees, however members of a sub-committee may only be drawn from the Committee of which it is a sub-committee.

13. ANNUAL MEETING

13.1. The Annual Meeting of the Health Service will be advertised and held in compliance with the Act.

14. ANNUAL REPORT

14.1. The report of operations and financial statements will be prepared and submitted by the Board in accordance with the Act, the *Financial Management Act 1994* (Vic), and any other applicable legislation.

15. CODES OF CONDUCT

15.1. Board members must comply with any applicable codes of conduct issued by the Public Sector Standards Commissioner under the *Public Administration Act 2004* (Vic).

16. REMUNERATION AND CONDITIONS OF EXECUTIVE STAFF

16.1. The Board must comply with any applicable directives or guidelines issued by the Victorian Government or any department of the Victorian Government which relates to the remuneration or conditions of employment of executive staff of the Health Service.

17. AUDITING

17.1. The Health Service will comply with the provisions of the Act, the *Audit Act 1994* (Vic), and any other applicable legislation by providing for audit of the financial statements of the Health Service by the Auditor-General.

18. FINANCIAL ACCOUNTABILITY

18.1. The Board will ensure that:

18.1.1. regular financial reports are examined and prepared in accordance with the Department's accounting requirements, sound accounting principles and the Australian Accounting Standards;

18.1.2. all accountable forms are securely held and an adequate register for all such forms is maintained; and

18.1.3. such accounting books and records as are required by the Department and other statutory bodies are in the manner prescribed.

19. INVESTMENT

19.1. The Health Service may invest money in any manner authorised by law and in accordance with the Act for the investment of trust funds.

20. **ACQUISITION AND DISPOSAL OF ASSETS**

- 20.1. The Board may acquire and dispose of any assets of the Health Service in order to achieve its objects and in accordance with the Act, the Funding Guidelines and any other guidelines issued by the Department, and any directions of the Secretary.
- 20.2. In the event of amalgamation or closure of the Health Service:
 - 20.2.1. any assets of the Health Service funded by the Commonwealth will be dealt with in accordance with any funding conditions contained in any agreement between the Health Service and the Commonwealth and after obtaining any necessary approvals of the Commonwealth; and
 - 20.2.2. all other assets will be dealt with in accordance with the Act, any guidelines issued by the Department, and any directions of the Secretary.

21. **AMENDMENT**

- 21.1. The Health Service may alter or amend these By-Laws at any time, subject to the necessary approval of the Secretary in accordance with the Act.

Board Duties and Responsibilities

The function of the Board of a public hospital is outlined in Section 65 (S) of the Health Services Act.

In general, the key responsibilities are:

- **Set Strategic Direction**
Establish and review on a regular basis the mission, objectives, values and strategic plan of the Board. In consultation with Department of Health & Human Services, prepare a Statement of Priorities each financial year. Develop and review financial and business plans that align with the strategic plan priorities.
- **Determine the Risk Management and Resource Management Framework (Clinical and Financial)**
Establish appropriate procedures to monitor both the external and internal operating environment, assess the spectrum of business risks, ensure effective management of risk, monitor compliance issues and set parameters for resource management.
- **Ensure Appropriate Relationships with Stakeholders**
Be responsive to the needs of stakeholders and balance competing interests appropriately. Work with health system partners to ensure effective systems are in place to ensure that the health services provided meet the needs of the community and that the views of the users of the health service are given appropriate consideration.
- **Enhance the Reputation of the Organisation**
Create a Governance and leadership environment that enhances and protects Nathalia District Hospital's reputation and its stature as a public institution. The Board has adopted a Code of Conduct that governs the conduct of Directors, individually and collectively.
- **Monitor and Evaluate Performance**
Monitor organisational performance and evaluate both the results achieved and the forecasts of future prospects.
- **Adopt the Appropriate Governance Policies**
Initiate written policies that reflect the values and perspectives on outcomes to be achieved and regularly and systematically review all policies.

Set Strategic Direction

A primary responsibility of the Board is to develop and monitor the strategic direction of the organisation through a strategic plan. Boards need to ensure that all their decisions reinforce the agreed strategic direction. According to section 65ZF of the Act, the Board of a public health service must at the direction of the Minister and at the time or times determined by the Minister, prepare and submit to the Minister for approval a strategic plan for the operation of the public health service. The Board must advise the Minister if it wishes to exercise its functions in a manner inconsistent with its approved strategic plan.

The Board must agree the strategic framework that guides Nathalia District Hospital, including, in particular, its vision, mission and values and the results to be achieved. The Board also has a responsibility to ensure growth and change where appropriate. Thus it must also continually assess strategic issues for Nathalia District Hospital.

The Board of Nathalia District Hospital recognises the importance of strategic thinking and accordingly will:

- devote effort and energy to the process of strategic thinking as a key means for identifying, understanding and responding to changes in the external and internal environments that might inhibit or assist Nathalia District Hospital in achieving its vision;
- ensure that the strategic framework remains up to date; and

- recognise that all planning designed to achieve the results specified in the Board's strategic framework is the responsibility of the Chief Executive.

The key elements of strategic planning are:

- defining the purpose and mission of the entity;
- identifying the current aims, objectives and strategy of the entity;
- analysing the entity's environment and resources; and
- identifying strategic opportunities, threats and choices.

Nathalia District Hospital's current strategic plan was launched in 2013 and is for the period 2013-2015.

The Board of Nathalia District Hospital acknowledges that they have a role to play in future growth and change within Nathalia District Hospital and shall:

- continually monitor and identify pertinent conditions and trends in the external environment and look inward to assess Nathalia District Hospital's strengths and weaknesses;
- will continually ask "Should we do something different to move closer to our vision"; and
- develop where appropriate strategic change projects that will assist in achieving our vision.

Statement of Priorities

The Board, in consultation with the Secretary of the Department of Health & Human Services, must prepare a Statement of Priorities each financial year in accordance with 65ZFB of the Health Services Act.

The Statement of Priorities must be consistent with the strategic plan and specify in respect of the financial year to which it relates:

- the services to be provided;
- the objectives, priorities and key performance outcomes to be met;
- the performance indicators, targets or other measures against which the organisation's performance is to be assessed and monitored;
- how and when the organisation is to report to the Minister on its performance in relation to the specified objectives, priorities and key performance outcomes; and
- other matters that are agreed by the Minister and the Board or are determined by the Minister.

Financial and Business Plans

The Board shall develop financial and business plans, strategies and budgets to ensure the accountable and efficient provision of health services and long term financial viability.

Determine the Risk Management and Resource Management Framework (Clinical and Financial)

The Board must establish appropriate procedures to monitor both the external and the internal operating environment, assess the spectrum of business risks, ensure effective management of risk, monitor compliance issues and set parameters for resource management.

Risk Management

Organisational risk is "an event that can result in financial or reputational loss or prevent achievement of intended outcomes". It is essential that the Board has its own processes for identifying risks and ensuring that they are well managed. Risk may arise in the provision of health services, financial, operational, political, physical or public liability areas of the organisation's activities or environment. It is neither possible, nor economically efficient to eradicate risks. Good governance calls for the right mix of risk management

and compliance strategies and the recognition that reluctance to take risks can be just as damaging to the organisation as an over lenient or reckless attitude.

Risk Management Principles

- Risk Management is recognised as an integral part of good management practice.
- The integration of the risk management process into the philosophy, practices and business plans of Nathalia District Hospital should be a primary focus for the Board.
- The Board of Nathalia District Hospital, through its risk management committees — should develop strategies to monitor risk assessment and risk management practices as they apply to the key risk areas.
- The Nathalia District Hospital Board's Risk Management Strategies should:
 - ensure prompt reporting to the Board of any significant occurrence;
 - monitor trends in occurrences regularly and identify requirements for change;
 - ensure action is taken, evaluated and reported and that a systemic response is adopted to produce change;
 - include the development of standards and procedures to be utilised throughout the organisation;
 - protect the public by ensuring staff work within their scope of practice and are competent in the tasks they undertake;
 - protect the public by ensuring all students are supervised in their practice;
 - ensure the facilities and equipment are safe and effective; and
 - ensure an appropriate follow up is documented.

Clinical Governance

Clinical Governance is “the framework through which health organisations are accountable for continuously improving the quality of their services and safeguarding high standards of care by creating an environment in which clinical excellence will flourish”.

The Board of Nathalia District Hospital has a responsibility for the standards of care delivered in its catchment area and for providing the structures and environment in which the delivery of high quality care can be facilitated.

Quality and Safety

The Board of Nathalia District Hospital believes that:

- improving the quality and safety of health care is a core goal of Nathalia District Hospital;
- there must be defined and open processes in place to monitor both safety efforts and outcomes with good information being analysed and used to inform improvements including feedback from consumers;
- patient safety is a shared responsibility amongst all in the Nathalia District Hospital care team supported by processes that require collective responsibility in anticipating and managing risks; and
- strong leadership from all employees, wise use of resources to seed and promote change and active participation by consumers and the wider community are all important ingredients of a successful approach.

The Board has responsibility for the quality of care delivered by the service and that this responsibility is shared with Nathalia District Hospital management and with the health professionals providing this care. Accordingly the Board will ensure it has an effective system in place that:

- ensures that exemplary customer service is provided;
- provides an environment that fosters quality and safety;
- ensure quality goals and performance indicators are in place;
- provides a regular report to the Board on the quality and safety of care;
- minimises the risk of and identifies deficiencies to the quality of care;
- effectively addresses these deficiencies;
- ensures that all who work within Nathalia District Hospital are required to participate in improving the quality of care provided;
- ensures that those practising within Nathalia District Hospital meet the professional performance requirements for delivering the services they provide; and
- ensures that facilities meet requirements of accreditation.

Budget and Financial Governance

In relation to budget and financial governance the Board will:

- accept that it has a responsibility to ensure the financial integrity of the organisation;
- ensure that key financial objective and indicators are developed for Board approval and in line with the strategic plan;
- approve the annual operating budget and associated capital works program, as the framework for resource management strategies and financial responsibilities;
- begin the annual budgetary process by determining what “financial state” the organisation is in at the commencement of the financial year to realistically project what state it should be in at the end of the financial year with respect to surplus/deficit targets, major investment projects, liquidity and key financial indicators and subsequently review strategies prepared by the Chief Executive Officer and or Delegate;
- develop and monitor financial governance policies within which the Chief Executive and or Delegate must carry out the day to day financial management and which typically address such issues as:
 - Expenditure authorities and delegations;
 - Budgeting and financial management parameters;
 - Managing reserves and investments;
 - Employee remuneration and benefits policies;
 - Acquisition and disposal of material assets; and
 - Guidelines for financial management/overall financial condition.
- Exercise their duties in relation to the financial records of the organisation, namely:
 - ensure proper books of accounts are kept;
 - provide assurance that the published accounts give a fair and true account of the organisation's financial position;
 - provide assurance that, at all times, the organisation is solvent;
 - Carry out rigorous financial monitoring processes, viewing regularly provided financial statements and reports and systematically requiring independent evidence of compliance with Board financial policies;

- Adopt a comprehensive Audit Plan, ensure that internal auditors report directly to the Board and actively monitor compliance and implementation of audit recommendations, including those arising from external audit;
- Ensure the organisation complies with the range of statutory and government reporting requirements in a clear, accurate, concise and timely manner; and
- Maintain a high level of risk management.

Ensure Appropriate Relationships with Stakeholders

The Board must be responsive to the range of stakeholders' needs and balance competing interests appropriately. (Stakeholders are those groups and individuals who benefit in some material way from the continuing existence of the organisation.)

The Board of Nathalia District Hospital is charged with a responsibility to ensure relationships with stakeholders are maintained and developed. Public Institutions such as Nathalia District Hospital typically have a mix of permanent and transitory stakeholders in four main groups.

Legal Stakeholders – The Victorian Government is the major legal stakeholder of Nathalia District Hospital. It has the right to make changes to the Health Services Act, to appoint Directors to the Board and to espouse policies that Nathalia District Hospital must respond to. The Commonwealth Government is also a legal stakeholder particularly in relation to Aged Care facilities.

Moral Stakeholders – are those people for whom the organisation exists but who cannot exercise the same rights as the legal stakeholders – typically the community served by the organisation.

Business Stakeholders (including contracted medical staff and employees of the organisation) – are all those individuals, companies or organisations with whom Nathalia District Hospital establishes a relationship for the delivery of certain goods and services, in overt or tacit partnership, for the purpose of achieving its goals.

Universities and training organisations – are those organisations that have a formal relationship with Nathalia District Hospital to provide clinical practice placements, education, research and training for staff and students.

The Nathalia District Hospital Board's approach to ensuring appropriate relationships with stakeholders will be to:

- ensure that relationships and processes exist that enable Directors to understand the aspirations, needs and concerns of the organisations various major stakeholders and to ensure that these are reflected appropriately in organisational priorities, programs and services;
- as a public entity, act in ways, which advance “the common good” of the organisation and deliver “the net best benefit” to stakeholders in a balanced way;
- ensure that all stakeholders are treated fairly and equitably according to their rights;
- establish mechanisms for collaboration with health system partners; and
- establish and maintain effective systems to ensure the health services provided meet the needs of the community served by Nathalia District Hospital and that the views of users of the service are taken into consideration.

Enhance the Reputation of the Organisation

The Board must create a governance and leadership environment that enhances and protects Nathalia District Hospital's reputation and its stature as a public institution. Accordingly the Directors agree to abide by the Code of Conduct that governs the conduct of Board Directors, individually and collectively.

Directors shall act in the best interest of the organisation and uphold their fiduciary responsibilities and duty of care. This involves not disclosing confidential information, avoiding real and perceived conflicts of interest and favouring the interests of the organisation over the interests of others and themselves.

More than any other representative of the organisation the public (and on their behalf, the Government) looks to the Directors to establish and protect the reputation of the organisation.

Directors are selected in part because they enjoy public confidence and respect. Their experience and reputation in private and public life defines the stature and authority of the Board and its activities. Collectively their knowledge, networks and influence are intended by the Minister to provide the pool of resources which will guarantee that the organisation can respond to its opportunities, create its solutions and ensure its long term viability and success.

The responsibility to act in ways which enhance the reputation of the organisation commences with an individual's appointment and should continue after the term of office concludes.

Monitor and Evaluate Performance

The Board must monitor organisational performance and evaluate both the results achieved and the forecasts of future prospects.

Monitoring and evaluating performance is the process by which the Board ensures that the organisation is achieving the results sought, to the standards expected.

Having set the strategic framework & identified strategic change issues, formulated the governance policies and defined the parameters for operational activity, the Board must evaluate and assess whether initiatives instigated by the Chief Executive Officer and or Delegate are within budget, on time, and producing effective results. In understanding this aspect of its role, the Board must ensure that there are adequate systems and processes in place to be able to assess the performance of the organisation.

Understanding Organisational Process and Performance

The Board of Nathalia District Hospital will:

- monitor performance indicators set out in the Strategic Plan and Statement of Priorities to ensure the organisation is fulfilling its mission and values. This will be done by setting regular intervals throughout the year in which the Chief Executive Officer and or Delegate and Director of Nursing will report on performance related to the indicators;
- ensure that performance monitoring and evaluation focuses on the achievement of results rather than on the level of activity or amount of effort expended by the Chief Executive Officer and or Delegate and Director of Nursing or staff;
- systematically monitor compliance with all policies that instruct the Chief Executive Officer and or Delegate and Director of Nursing, ensuring a balanced concern for all aspects of organisational performance and processes;
- combine a concern for the short-term organisational condition with attention also being paid to enhancing organisational capability over the longer term; and
- use other sources of information, including independent external reports, reports to and from Department of Health & Human Services and Directors own observations, investigations or evaluations, as appropriate, to complement information provided by the Chief Executive Officer and or Delegate and Director of Nursing.

The Chief Executive Officer and or Delegate of a public hospital is subject to the direction of the Board in controlling and managing the public health service.

A sound relationship between the Board and its Chief Executive Officer and or Delegate is a prerequisite for effective governance and effective performance. It is recognised that the Chair and the Chief Executive Officer and or Delegate should enjoy an open and regular dialogue. Whilst accepting the need of the Chair to make judgements appropriate to advancing the organisation's interests, it is important that their relationship does not serve as a de-facto Board meeting.

The Board shall be responsible for the over-arching governance of the organisation and the Chief Executive Officer and or Delegate responsible for the organisation's day-to-day operational management.

In the context of the above relationship, the Board shall:

- direct the Chief Executive Officer and or Delegate and Director of Nursing to achieve results reflective of the strategic plan, statement of priorities, performance indicators and performance monitoring processes established by the Board;
- delegate authority to the Chief Executive Officer and or Delegate to conduct the business and operations of the Board. Work from the assumption that the Chief Executive Officer and or Delegate is fully capable of managing all operational matters, and to that end, delegate maximum authority to the Chief Executive Officer and or Delegate;
- ensure that only decisions of the Board acting as a single body are binding upon the Chief Executive Officer and or Delegate;
- accept, as a fundamental principle, that the Chief Executive Officer and or Delegate reports to the Board as a whole; and
- adopt the principle that the Chief Executive Officer and or Delegate is the only direct employee of the Board, that all other staff are employed by the Chief Executive Officer and that the Board should have no direct reporting relationship with the organisation's staff other than through the Chief Executive Officer or as the Chief Executive Officer determines.

Chief Executive Officer Limitations Policy

The Chief Executive Officer and or Delegate shall not cause or allow any practice, activity, organisational circumstance, or decision which is in any way unethical, unlawful, imprudent or which contravenes any Board policy or expressed Board values, or any commonly held business or professional ethic.

Finances

With respect to the actual and ongoing financial condition and activities, the Chief Executive Officer and or Delegate shall not cause or allow the development of financial harm or material deviation of actual expenditures from Board priorities as defined in the Board's strategic outcomes policies.

Accordingly the Chief Executive Officer and or Delegate shall not:

- cause Nathalia District Hospital to incur unauthorised indebtedness;
- use any organisational funds, or enter into any contracts or accept other liabilities, other than for the furtherance of the organisation's purposes and priorities as approved by the Board in its policies;
- allow invoices from suppliers of goods and services to Nathalia District Hospital to remain unpaid beyond trade credit terms agreed with those suppliers, without prior authorisation of the Board;
- use restricted or 'tagged' contributions for any purposes other than those designated;
- allow any one person alone to have such authority over any of Nathalia District Hospital's financial transactions that unsatisfactorily weakens the internal control system;
- fail to pay staff;
- operate outside the approved budget;
- make a purchase or commitment outside the Delegations policy or the provisions of the Health Services Act without reference to the Board;
- allow tax payments or other government ordered payments and filing to be overdue or inaccurately filed;
- contravene the Australian Accounting Standards, the provisions of the Financial Management Act and the Financial Reporting Directives issued by the Department of Treasury and Finance;
- acquire, encumber or dispose of real property without Board approval and compliance with the requirements of the Government Land Monitor;
- contravene any policy designed to promote effective and prudent financial management;
- neglect to ensure that there are limitations on expenditure and adequate controls on the use by staff of official credit cards held under the name of Nathalia District Hospital; and
- fail to take all appropriate steps to secure monies owed to Nathalia District Hospital.

Budgeting

Financial planning for any financial year or the remaining part of any financial year shall not deviate materially from the Board's strategic outcomes priorities, risk financial harm, or fail to be derived from a multi-year plan. Accordingly, the Chief Executive Officer and or Delegate shall not allow budgeting that:

- contains too little information to enable credible projection of revenues and expenses, and ensures a separation of capital and operational items, cash flow, and disclosure of planning assumptions;
- plans the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period;
- plans to achieve a 'bottom line', materially different from that determined by the Board;
- would generate non-compliance with Australian Accounting Standards and the guidelines issued by the DHHS;
- fails to provide (as agreed by the Board and Government) for current and future capital requirements such as future buildings.

Fundraising

With respect to Nathalia District Hospital's fundraising programs, fundraising activities shall be designed to ensure maximum financial return with minimum exposure to risk. Accordingly the Chief Executive Officer and or Delegate shall not pursue or in any other way support any fundraising activity or process which:

- in any way involves any person, either as a staff member or as an agent for an outside organisation, when that person is known or should reasonably have been known to the Chief Executive Officer and or Delegate, to be a person not acceptable or suitable to undertake such activity for the organisation.

Investments

The Chief Executive Officer and or Delegate shall not allow or cause to allow Nathalia District Hospital's investment assets to be invested in a manner that threatens Nathalia District Hospital's financial security. Therefore the Chief Executive Officer and or Delegate shall:

- ensure that investments maximise long-term total returns consistent with prudent levels of risk, whilst maintaining sufficient liquidity to enable Nathalia District Hospital to meet its day-to-day financial commitments within the constraints of Government Policy and DHHS policies;
- ensure that returns on investments enhance the real value of the assets after the funds have been released to meet Nathalia District Hospital's needs;
- invest only in institutions or funds approved by the Board (and in accordance with Government policies and directives).

Remuneration and Benefits

With respect to employment, compensation and benefits to employees, consultants, contract workers and volunteers, the Chief Executive Officer and or Delegate shall not in any way jeopardise Nathalia District Hospital's financial integrity or good name in the community. Therefore the Chief Executive Officer and or Delegate shall not:

- fail to have regard for the employee's skills and experience, negotiated salary scales and the market conditions for such skills and experience when establishing employee remuneration and benefits;
- fail to have regard to Government policies relating to the remuneration of employees (including executives), as advised and benefits;
- create obligations that cannot be met over the projected period of the individual's term of employment or over a period for which revenues can realistically be projected; and

- cause unfunded liabilities to occur or in any way commit Nathalia District Hospital to benefits that incur unpredictable future costs.

Protection of Assets

The Chief Executive Officer and or Delegate shall not allow Nathalia District Hospital's assets to be unprotected, inadequately maintained or unnecessarily risked. Therefore the Chief Executive Officer and or Delegate shall not:

- permit any unauthorised person to handle cash;
- deposit funds in non-Board-approved institutions;
- allow the assets to be insured for less than what is considered necessary for prudent risk management;
- make any purchase of goods or services:
 - without protection against conflict of interest;
 - not in accordance with the Delegations Manual as approved by the Board; and
 - not in accordance with proper (and Government directed where relevant) procurement policies.
- allow insurances to terminate without Board notification;.
- unnecessarily or negligently expose Nathalia District Hospital, its Board and staff to claims of liability;
- subject plant and equipment to improper wear and tear or insufficient maintenance; and
- fail to protect intellectual property, information, and files from loss, improper use, improper purposes, or significant damage.

Communication and Support to the Board

The Chief Executive Officer and or Delegate shall not allow the Board to be uninformed or unsupported in its work.

Accordingly the Chief Executive Officer and or Delegate shall:

- submit data in a timely, accurate and understandable fashion addressing the various issues to be monitored by the Board;
- present financial reports as requested by the Board;
- inform the Board in a timely manner and with appropriate detail any significant events, trends, implications of Board decisions, issues arising from policy matters or changes in the basic assumptions upon which the Board's policies are based.
Significant events include but are not limited to, sentinel events, business continuity issues, significant risk issues (including risk to reputation of Nathalia District Hospital) financial irregularities or issues or other matters which are counter to the agreed strategies of Nathalia District Hospital;
- inform Board members when for any reason there is actual or anticipated non-compliance with a Board policy;
- inform the Board of any serious legal conflict or dispute that has arisen or might arise in relation to matters affecting Nathalia District Hospital;
- Gather for the Board as many staff and external points of view, issues and opinions as needed for fully informed Board choices;

- inform the Board of such occasions or potential occasions when it does not comply with one of its own policies, particularly when this relates to the Chief Executive Officer's ability to carry out his/her responsibilities;
- ensure that there are effective communication channels relevant to the Board's tasks; and
- deal with the Board as a whole except when responding to individual requests for information or requests from Board committees or working parties.

Chief Executive Officer Emergency Succession

In order to protect Nathalia District Hospital in the event of the sudden or unexpected loss of its Chief Executive Officer's services, the Chief Executive Officer shall not fail to ensure that there is at least one person who is capable of assuming the Chief Executive Officer role and tasks and who is familiar with Board issues and priorities.

Programs and Services

The Chief Executive Officer and or Delegate shall ensure that all Nathalia District Hospital's consumer programs and services are aligned to the Board's strategic outcomes policies.

Therefore the Chief Executive Officer and or Delegate shall not:

- establish programs or services which conflict with existing priorities as defined by the Board;
- establish new consumer programs or services which cause the Board's priorities as defined in the business plan and service agreement to be materially altered; and
- allow the establishment or continuation of consumer programs or services that will run at a loss.

Business Continuity

The Chief Executive Officer and or Delegate shall not allow a situation to occur whereby Nathalia District Hospital is unable to function effectively and to provide essential services.

Accordingly the Chief Executive Officer and or Delegate shall:

- carry out and maintain in an up to date form appropriate assessments and evaluations of the risk factors that could conceivably disrupt Nathalia District Hospital's effective and efficient operation; and
- ensure that Nathalia District Hospital has in place current and operable plans and systems that, in the event of disruptive events, will allow continuity of Nathalia District Hospital's business.

Treatment of Staff

The Chief Executive Officer and or Delegate shall not cause or allow conditions that are unfair, unsafe or undignified with respect to the employment or treatment of staff and volunteers.

Accordingly the Chief Executive Officer and or Delegate shall not:

- deny to employees and volunteers their right to personal dignity, safety, ethical position-related dissent and to an approved and fair internal grievance process;
- operate without written personnel policies that make clear rules for staff and protect against unfair practices such as preferential treatment for personal reasons;
- discriminate against any staff member or volunteer for expressing an ethical dissent;

- violate any part of relevant workplace employment legislation;
- fail to keep the Board fully informed about impending disputes and grievances that may lead to termination of employment or action against the Board;
- prevent staff from bringing a grievance to the Board when the correct internal channels have been exhausted and a Board policy, statutory requirement or responsibility may have been violated to his/her detriment, or a Board policy does not adequately protect his or her human rights. The channel for such a grievance is via the Chair; and
- fail to provide all staff members with appropriate opportunity to ensure that they are acquainted with their rights under this policy.

Treatment of Clients

The Chief Executive Officer and or Delegate shall not cause or allow conditions, procedures, or decisions which are unsafe, undignified, unnecessarily intrusive, or which fail to provide appropriate confidentiality or privacy with respect to interactions with clients (or all those applying to be clients). Accordingly, the Chief Executive Officer and or Delegate shall not:

- use application forms that seek information for which there is no clear necessity;
- use methods of collecting, reviewing, transmitting, or storing client information that fail to protect against improper access to the material elicited;
- maintain facilities that fail to provide a reasonable level of privacy; and
- fail to ensure that there are systems to provide information to consumers (and their advocates) regarding the services offered and their rights.

Public Affairs

The Chief Executive Officer and or Delegate shall not approve or in any way support any public affairs action or activity that in any way brings Nathalia District Hospital's name into ill repute.

Therefore the Chief Executive Officer and or Delegate shall not:

- make, or knowingly allow to be made, any statements to the press or any other public media or in any public situation that are derogatory or in any way damaging to Nathalia District Hospital;
- endanger Nathalia District Hospital's public image or credibility, particularly in ways that could hinder the achievement of the Board's strategic outcomes policies; and
- engage personally, or allow key staff to engage, in any public role or activity that is inconsistent with the achievement of Nathalia District Hospital's strategic outcomes policies.

Property Management/Physical Resources

The Chief Executive Officer and or Delegate shall ensure that all physical resources shall be appropriate for Nathalia District Hospital's goals and objectives and will meet all regulatory standards where appropriate. Therefore the Chief Executive Officer and or Delegate shall ensure that the premises and equipment meet appropriate local and/or government standards and/or any other statutory or minimum code requirements.

Adopt the Appropriate Governance Policies

Governance policies describe the principles, guidelines and constraints to be applied in pursuit of the required results. Governance policies are the basis for exercise of the Board's leadership role. They establish the framework for all organisational accountability.

The *Health Services Act 1988* (the Act) defines the specific functions and governance of the Board of Directors of a Small Rural Health Service such as Nathalia District Hospital. The Act provides the Board with guidance about its areas of particular responsibility, some of which may require specific policies. However, the Act does not prescribe how the Board should go about performing its specific functions or pursuing its objectives. Policy making is one of the ways in which the Board goes about performing its function and pursuing its objectives.

As a fundamental part of its leadership role, the Board will establish policies that set out the goals to be pursued and the boundaries within which those goals may be pursued. All Board members are expected to contribute to the development of policies, irrespective of their particular interests and expertise. In developing policies, the Board may seek the views or advice of parties with an interest or expertise in relation to the relevant policy.

The Board will delegate responsibility for performance of the Board's policies to the Chief Executive and or Delegate. The Board will monitor that performance in a systematic way, and without unduly interfering in the operations of the organisation.

The Board will ensure that its policies cover the whole of Nathalia District Hospital's activities. However, the Board's policies should not be unduly prescriptive about the operations of Nathalia District Hospital, which are the responsibility of the Chief Executive. The Board needs to be aware of, but does not need to formally approve the Chief Executive's management and operational policies as long as they are aligned with the Board's Governance Policies and Corporate Strategies.

The Board will ensure that its policies are clear and concise, and that their content, style and structure are consistent and that policies are readily available to everyone who it expects will comply with them.

The Board's policies are subject to continuous review. A schedule will be developed to ensure policies are reviewed on a three yearly basis. Where it appears to the Board that a policy is not achieving its purpose or that the policy could be improved, the Board will make appropriate changes to the policy. In considering the need for change to a policy, the Board will consider the views and advice of parties with an interest or expertise in relation to the relevant policy.

The Board will ensure that it is widely understood that only the Board can change governance policies.

DIRECTORS' LIABILITY INSURANCE

Liability insurance for Board Members is included in the Combined Directors' & Officers' Liability/Professional Indemnity arranged by Department of Health & Human Services with VMIA

Situation Of Risk

Worldwide, excluding the United States of America, its Territories or Protectorates.

Jurisdiction

Australia, New Zealand

Limits Of Liability

- (a) Directors and Officers - \$20 million any one claim, any one institution inclusive of legal costs.
- (b) Professional Indemnity - \$20 million any one claim and one institution inclusive of legal costs

Deductible (Each And Every Occurrence)

- (a) Directors and Officers - Nil
- (b) Professional Indemnity- \$5,000 each and every claim

Retroactive Date

Unlimited

Extensions

- a) Directors and Officers:
 - Outside Directorships
 - Representation Costs
 - Continuous Cover
- b) Personal Indemnity:
 - Wrongful Dismissal
 - Libel & Slander
 - Loss of Documents
 - Trade Practices Act
 - Dishonest Conduct

Scope of Cover

Directors' & Officers Section

The Directors' & Officers section provides indemnity for loss arising from any claim made against the insured persons by reason of a wrongful act.

The Directors & Officers Liability section of the Policy is itself a package consisting of two sections:

Directors' & Officers' Liability – Section 1

This section provides personal protection to Board members of Insured institutions (whether they have the title of "Board member" or "Committee Member" or something similar), for their failure to properly carry out their duties and legal obligations in respect of their corporate authority and management responsibility, provided they acted honestly.

Protection is provided in respect of Loss for which an insured person may not be indemnified by the institution, being Loss which the insured person becomes legally obliged to pay on account of a Claim. "Loss" includes damages, judgements, settlements, costs and defence costs arising from a Wrongful Act but does not include fines, penalties, taxes, punitive or exemplary damages. "Wrongful Acts" means any act, error, misstatement, misleading statement, omission, neglect or breach of duty committed or attempted by an Insured Person in the course of his or her duties with an institution.

Who is Insured Under Section 1?

All directors, members of management committees and boards of management (however styled) of institutions and executive officers (as defined in the Corporations Legislation) of such institutions and employees (who may be deemed to be officers pursuant to the provisions of the Corporations Legislation), provided always that such definition will include directors, members of management committees and boards of management and officers who have retired or relinquished their positions or who are appointed during the Policy Period.

N.B. Health professionals, entitled to render and retain full fees for their services, unless specifically agreed, are excluded from cover.

Professional Indemnity – Section 2

There are some occurrences or incidents, particularly those which do not involve personal injury or property damage but lead solely to financial loss, which do not fall within the scope of the public liability/malpractice policy. In order to provide as much protection as is reasonably possible to Victorian Hospitals, Community Health Centres, Ambulance Services and related institutions, this additional insurance was affected to provide additional cover for claims relating to financial and business matters.

The Professional Indemnity section of the policy covers a range of liabilities for breach of professional duty occasioned by reason of any act, error or omission in the conduct of the business and profession. The trigger to attachment of coverage within the various areas insured is that a Third Party suffers loss other than bodily injury or property damage in insured circumstances. Financial loss is the primary coverage provided.

Who is Insured Under Section 2

As well as insuring the “corporate” liabilities of institutions, the policy also insures all persons for whose conduct such institutions are liable at law.

This class of persons includes:

- (a) executives, directors, committee members, members of boards of management and employees (whether or not the employment or appointment of such persons is current at the time when a claim is made under the policy) and shall also include examining bodies attached to the Insured institutions.
- (b) any officially recognised auxiliary, association, foundation, trust or fund raising committee which is attached to or represents any Hospital or Institution in connection with charitable and fund raising activities carried out for the benefit of such institution and persons associated with the institution in connection with such activities



GOVERNANCE POLICIES

1. Board of Directors' Terms of Reference



TERMS OF REFERENCE BOARD OF DIRECTORS

TO BE INSERTED FOLLOWING CONSULTATION WITH HEALTHLEGAL



POSITION DESCRIPTION BOARD DIRECTOR

The Board Director will:

1. Take all reasonable steps to ensure that they understand the responsibilities of the Board, as set out in the Health Services Act 1988, directions from Ministers, the By-Laws and the Board's terms of reference.
2. Contribute to ethical and responsible decision making.
4. Comply with all relevant codes of conduct and policies, including conflict of interest and confidentiality.
5. Act with the degree of care and diligence that a reasonable person might be expected to show in the role, and do not improperly use the position to gain an advantage for your or someone else or to the detriment to the organisation.
4. Attend and actively participate in at least 75% of the meetings of the Board.
5. Contribute to a collegial working relationship that contributes to consensus decision making and a positive Board culture.
6. Prepare for meetings by reviewing the agenda and supporting materials prior to meetings and seek clarification from management when necessary.
7. Ask questions and express views in a constructive and respectful manner during meetings and maintain Board confidentiality.
8. Accept appointment to and actively participate in the work of at least one committee of the Board, unless otherwise agreed by the Board Chair.
9. Actively participate in induction programs for Board Directors.
10. Undertake relevant development activities and when appropriate report to the Board on the outcomes of such activities.
11. Actively participate in Board evaluation processes.
12. Actively communicate and promote the interests of the Nathalia District Hospital mission, vision and values.
13. When requested, attend official functions to represent Nathalia District Hospital and the Board.
14. In accordance with Schedule 1A of the Public Administration Act 2004, notify the Minister of salary packaging arrangements and of any variation to that arrangement.

AUTHOR:	Governance & Projects Officer
APPROVAL:	Board of Directors
AUTHORISED:	Board of Directors
APPROVAL DATE:	
REVIEW DATE:	
RESPONSIBILITY FOR REVIEW:	Chief Executive Officer

POSITION DESCRIPTION BOARD CHAIR

The Board Chair will:

General

1. Chair the meetings of the Board, providing leadership and acting as a neutral facilitator of discussion.
2. Take all reasonable steps to ensure that the responsibilities of the Board, as set out in the Health Services Act 1988, directions from Ministers, the Nathalia District Hospital By-Laws and the Board's terms of reference are understood and implemented as effectively as possible.
3. Foster ethical and responsible decision making by the Board and its individual members, and facilitate compliance with human rights, codes of conduct and policies on conflict of interest and confidentiality.
4. Deal effectively with excessive absences, dissent, intolerance and breaches of the code of conduct, and foster a collegial working relationship that contributes to consensus.
5. Resolve cases where potential or actual conflicts of interest have arisen.
6. Ensure that new members are inducted appropriately.
7. Provide guidance to other Board members about what is expected of them.
8. Prepare for meetings by reviewing the agenda and supporting materials prior to meetings and seeking clarification from management when necessary.
9. Ensure that members receive the information from management that they need to enable the Board to fulfil its terms of reference.
10. Ensure that sufficient time is allowed during meetings for full discussion of agenda items.
11. Ensure that the Board meets as many times as necessary to carry out its responsibilities effectively and at least as often as required by its terms of reference.
12. Encourage Board members to ask questions and express their views during meetings.
13. Ensure that the Board comes to clear decisions.
14. Ensure that an annual evaluation of the Board and of the Board's performance in respect of its financial governance is conducted.

Specific

15. Act as the point of liaison between the Board and the Minister and the Secretary of the Department of Health & Human Services.
16. In consultation with the Minister and the Secretary of the Department of Health & Human Services., advise on the most appropriate skills mix for the Board during the process for the appointment of Board members.
17. Sign the annual financial statements and Statement of Priorities for Nathalia District Hospital.
18. Establish and maintain close links with the Chief Executive and management.

19. Foster an effective working relationship between the Board and management, meeting with management when necessary.
20. Raise with the Chief Executive any concerns expressed by the members of the Board about management.
21. Encourage Board members to undertake relevant development activities.
22. Make statements to the media or others on behalf of the Board in liaison with the Chief Executive Officer.
23. Receive reports from the Protected Disclosure Coordinator if the Chief Executive may be implicated in matters raised in a protected disclosure under the Protected Disclosures Act

AUTHOR:	Governance & Projects Officer
APPROVAL:	Board of Directors
AUTHORISED:	Board of Directors
APPROVAL DATE:	
REVIEW DATE:	
RESPONSIBILITY FOR REVIEW:	Chief Executive Officer

POSITION DESCRIPTION AUDIT COMMITTEE CHAIR

The Committee Chair will:

General

1. Chair all meetings of the committee, providing leadership and acting as a neutral facilitator of discussion.
2. Encourage committee members to ask questions and express their views during meetings.
3. Deal effectively with excessive absences, dissent and intolerance, and foster a collegial working relationship that contributes to consensus.
4. Foster ethical and responsible decision making by the committee and its individual members, and ensure compliance with human rights, conflict of interest and confidentiality policies.
5. Resolve cases where conflicts of interest have arisen.
6. Ensure that new members are inducted appropriately and that the responsibilities of the committee, as set out in its terms of reference, are understood and implemented as effectively as possible.
7. Prepare for meetings by reviewing the agenda and supporting materials prior to meetings and seeking clarification from management when necessary.
8. Ensure that members receive the information from management that they need to enable the committee to fulfil its terms of reference.
9. Ensure that sufficient time is allowed during meetings for full discussion of agenda items.
10. Ensure that the Committee meets as many times as necessary to carry out its responsibilities effectively and at least as often as required by its terms of reference.
11. Report to the Board at its next ordinary meeting on the activities, findings and recommendations of the committee.
12. Foster an effective working relationship between the committee and management.
13. Ensure that an annual evaluation of the committee is conducted and is available to the Board to assist its annual review of the committee's terms of reference and the appointment of members.

Specific

14. Establish and maintain close links with the Internal Auditors, External Auditors, Chief Executive and management.
15. Meet with management, the Internal and External Auditors and representatives of the Auditor General's office when necessary.
16. Participate in the selection of the Internal Audit service provider.
17. Raise with the Chief Executive any concerns expressed by the Internal Auditors, External Auditors or members of the Audit Committee about management's cooperation with audit activities or responsiveness to audit findings.
18. Consult the Board, senior management, other staff or independent experts when appropriate to assist the committee to carry out its responsibilities.

19. Monitor the qualifications and independence of the committee members as defined in guideline 3 of the Standing Directions of the Minister for Finance under the Financial Management Act 1994.
20. Encourage committee members to undertake relevant development activities.

AUTHOR:	Governance & Projects Officer
APPROVAL:	Board of Directors
AUTHORISED:	Board of Directors
APPROVAL DATE:	
REVIEW DATE:	
RESPONSIBILITY FOR REVIEW:	Chief Executive Officer

BOARD COMMITTEES

The Board must establish those committees required to be established under the Act and may establish such other committees as it considers necessary or convenient to provide assistance to it in carrying out its functions. The Board ultimately remains accountable for the decisions of the Board Committee. Each formally constituted Committee will have written terms of reference, approved by the Board.

Current Board Sub Committees are:

- Audit Committee
- Patient Care Review Committee
- Medical Appointments Advisory Committee

Current Board Advisory Committees are:

- Consumer Advisory Committee (reports to Patient Care Review Committee).

The Board must:

- Ensure that all committees have explicit terms of reference dealing with role, boundaries of authority, reporting requirements, membership and timeframe for its work. The terms of reference will be reviewed on a three yearly basis or earlier if required.
- Permit committees to seek input and assistance from staff and other people but ensure that Board Directors remain accountable for committees' work.
- Committee members shall be appointed by the Board for a period of up to twelve (12) months and be eligible for re-appointment. Committee members may be appointed from the community where the Board considers it appropriate and where Ministerial directions permit.
- The Board shall appoint each committee chair.
- Should a vacancy occur on any committee, it shall be for the Board and not the committee to fill the vacancy.
- Committees may not co-opt members without the approval of the Board.

Committee Evaluation

The Board shall regularly assess the performance of the Board, Directors and Committees to ensure individual Directors and the Board as a whole work efficiently and effectively in achieving their function. Assessments will be undertaken on an annual basis with an independent review to be undertaken at least once every three years.

The Chairs of Board committees will report to the Board on their Committees (progress, key issues etc.) on an annual basis.



TERMS OF REFERENCE

Audit Committee

Patient Care Review Committee

Medical Appointments Advisory Committee

BOARD DIRECTOR RESOURCES

Board of Directors' Committee Membership 2015-16

Board of Directors' Committee Meeting Calendar 2016

AUDIT COMMITTEE TERMS OF REFERENCE

1. PURPOSE:

To ensure, through monitoring and reviewing, that the assets of Nathalia District Hospital are appropriately managed.

2. OBJECTIVES:

The Audit Committee will undertake the oversight of:

- 2.1 The annual financial performance and financial reporting process, including the annual financial statements.
- 2.2 The scope of work, performance and independence of internal audit.
- 2.3 The engagement and dismissal by management of any Internal Audit Executive.
- 2.4 Liaison with the Auditor-General regarding the scope of work, independence and performance of the external auditor.
- 2.5 Non-clinical risk management.
- 2.6 The matters of accountability and internal control affecting the operations of the Nathalia District Hospital.
- 2.7 The effectiveness of management information systems and other systems of internal control.
- 2.8 The acceptability of, correct accounting treatment for, and disclosure of significant transactions which are not part of Nathalia District Hospital's normal course of business.
- 2.9 Approve accounting policies for recommendation to the Board of Management.
- 2.10 Nathalia District Hospital's process for monitoring compliance with laws and regulations and its own Code of Conduct.

3. ORGANISATIONAL RELATIONSHIPS:

Reports to the Board of Management of Nathalia District Hospital.
The Audit Committee meeting will be held immediately prior to the Board of Management meetings.

4. REPORTING:

The minutes of the Audit Committee will be provided to the Board of Management.

5. MEMBERSHIP:

- 5.1 The Committee shall consist of three members of the Board of Management, including the Board Treasurer. If no Board member has the appropriate expertise in financial accounting or auditing, an external appointment shall be made.
- 5.2 The Internal Audit Manager, Chief Executive Officer and/or Delegate, Director of Finance & Corporate Services Goulburn Valley Health and/or delegate and the Director of Nursing/Manager shall be attendees.
- 5.3 The Auditor-General's Agent shall be invited to attend meetings.

6. COMMITTEE PROTOCOLS:

6.1 Documentation

Agendas and minutes will be distributed to members five days prior to the meeting.

6.2 Chairperson

The Treasurer of the Board of Management.

6.3 Secretary

Recording and distribution of the minutes will be the responsibility of the Chief Executive Officer and or Delegate.

6.4 Quorum

Not less than half the members shall constitute a quorum.

6.5 Frequency of Meetings

The Audit Committee shall meet not less than four times per year.

6.6 Decision Making

A majority of the votes cast at a meeting at which a quorum is present shall be the decision of the Committee.

6.7 Review of Terms of Reference

Every 3 years.

7. PERFORMANCE INDICATORS:

7.1 Evidence of compliance with Financial Management Compliance Framework (document Department of Treasury and Finance).

7.2 Evidence of comprehensive policy and procedures relating to financial management of the organisation.

AUTHOR:	Chief Finance Officer
VALIDATED BY:	Audit Committee
APPROVAL:	Board of Management
APPROVAL DATE:	March 2014
REVIEW DATE:	March 2016
RESPONSIBILITY FOR REVIEW:	Audit Committee

PATIENT CARE REVIEW COMMITTEE TERMS OF REFERENCE

1. PURPOSE:

The Patient Care Review Committee (PCRC) functions as a sub-committee of the Board of Management Nathalia District Hospital and is also the appointed Medication Advisory Committee and the Cultural Diversity Committee. As such the PCRC is subject to the same confidentiality requirements as the Board of Management.

2. OBJECTIVES:

The Patient Care Review Committee will:

- 2.11 Report to the Board of Management Nathalia District Hospital on the overall quality, effectiveness, appropriateness and use of services delivered to clients and residents by the organisation.
- 2.12 Identify the value of and approve any new clinical policies, procedures or processes prior to implementation to ensure they are evidence based and meet current best care standards
- 2.13 Be an integral component of the continual quality improvement and safety framework as the Medication Advisory Committee

This Committee will be responsible to monitor medication management in both the acute and nursing home areas.

Their responsibilities shall include:

- the monitoring of compliance of medication policies and procedures
 - the approval of a list of medicines, including unscheduled substances, able to be initiated by those nurses authorised to do so
 - the review of medication incidents or errors
 - the provision of advice on the implementation of national policies and relevant legislation
 - the overseeing of medicine quality assurance activities.
 - the overseeing of the Antimicrobial Stewardship Program
 - Approval of the medications as identified in Appendix 11 in the Medication Policy Manual for use by RIPERN nurses at NDH.
- 2.14 Ensure all complaints relating to patient care or medical services provided by the hospital are appropriately investigated and actioned.
 - 2.15 Monitor health promotion and health education activities provided by the hospital for patients, residents, staff and the community.
 - 2.16 Oversee and monitor the quality improvement and clinical risk as per the health service risk register, including such issues as falls management, pressure ulcers, nutritional status and the safe and effective use of antibiotics at NDH.
 - 2.17 Maintain a permanent record of proceedings and submit reports to the Board outlining areas of patient care and services under review and summarise any corrective or preventative action recommended
 - 2.18 Resolve problems which are not the province of other committees to resolve. This is to include the monitoring of medication management in both the acute and nursing home areas.
 - 2.19 As the Cultural Diversity Sub Committee be able to demonstrate that individual interests, customs, beliefs and cultural and ethnic backgrounds and valued and fostered. This Committee will work towards promoting cross cultural awareness within our community

7. ORGANISATIONAL RELATIONSHIPS:

Reports to the Board of Management Nathalia District Hospital

8. REPORTING:

The minutes of the Patient Care Review Committee will be provided to all representatives.

9. MEMBERSHIP:

5.1 The committee shall comprise:
The President of the Board, members of the Board of Management of Nathalia District Hospital, Director of Nursing, an elected nursing representative with clinical responsibilities appointed by the Board on the nomination by the nursing staff, local medical officers and community representatives. The committee may invite any person to attend a committee meeting.

10. COMMITTEE PROTOCOLS:

6.6 Documentation

Agendas will be distributed to members one week prior to the meeting. Agendas will list matters to be discussed, who will attend, time and date, location of the meeting and have attached any documents to be reviewed prior to the meeting.

6.7 Chairperson

The President of the Board of Management shall be the Chairperson

6.8 Secretary

Recording and distribution of the minutes will be the responsibility of the Chief Finance Officer.

6.9 Quorum

A quorum shall consist of not less than one third the number of members appointed.

6.10 Frequency of Meetings

The Patient Care Review Committee shall meet a minimum of five times per year.

6.11 Decision Making

A majority of the votes cast at a meeting at which a quorum is present shall be the decision of the Committee.

6.12 Review of Terms of Reference

Every 3 years.

11. PERFORMANCE INDICATORS:

7.1 Evidence of review of policies, procedures and corrective action reports

7.2 Evidence of recommendations being made to all quality activities, internal and external audits.

AUTHOR:	Director of Nursing
APPROVAL:	Patient Care Review Committee
APPROVAL DATE:	March 2015
REVIEW DATE:	March 2018
RESPONSIBILITY FOR REVIEW:	Continuous Quality Improvement Committee
VERSION:	2: Initial version written May 2011

MEDICAL APPOINTMENTS COMMITTEE TERMS OF REFERENCE

1. PURPOSE:

For the Board of Management to endorse appointments and reappointments to the Visiting Medical Officers and to delineate the scope of their clinical privileges.

2. DEFINITIONS:

“Credentials” represent the formal qualifications, training and experience, and clinical competence of healthcare professionals. They are evidenced by documentation such as University Degrees, fellowships/memberships, professional colleges or associations, and registrations by professional bodies.

Certificates of service, certificates of competence of service, certificates of completion of special courses, periods of verifiable formal instruction or supervised training, validated competence, information contained in confidential professional referee report and professional indemnity history and status may also be included.

“Clinical Privileging” is the process which follows on from credentialing and involves the delineation of the scope of an individual healthcare professional’s practice within the particular health organisation based on the individual’s credentials and the needs and capability of the organisation. The granting and delineation of a practitioner’s clinical privileges will be made by the Board of Management based on the credentials confirmed by the Director of Medical Services and the clinical privileges recommended by the Moira Health Services Medical Appointment Advisory Committee.

The “Medical Appointments Advisory Committee” denotes the committee established by the joint Moira Health Services to advise Nathalia District Hospital Board of Management as to the appointment, re-appointment, and clinical privileging of its Visiting Medical Officers.

3. FUNCTION:

The Board of Management establishes a Medical Appointments Committee in order to advise the Board regarding the appointment or reappointment of applicants to the Visiting Medical Officer positions of the Nathalia District Hospital. The Moira Health Services Medical Appointments Committee will recommend the appointment of suitable practitioners to the Board of Management including the scope of their clinical privileges.

4. MEMBERSHIP:

The Medical Appointments Committee shall consist of:

- 4.1 The Chair of the Board of Management or delegate.
- 4.2 Three (3) members of the Board of Management.

5. COMMITTEE PROTOCOLS:**5.1 Documentation**

Minutes of all meetings shall be kept.

5.2 Chairperson

The Chairperson of the Board of Management or delegate will act as Chairperson.

5.3 Secretary

The Director of Corporate and Financial Services will ensure that minutes of all meetings are kept.

5.4 Co-opting Powers

The Medical Appointments Committee shall have the power to co-opt for special circumstances.

5.5 Quorum

The quorum shall consist of three (3) members.

5.6 Voting

Where required, voting shall be determined by a simple majority, with the Chairperson having a casting vote where necessary.

5.7 Frequency of Meetings

The Medical Appointments Committee shall meet as required.

5.8 Reporting

The Medical Appointments Committee shall report the outcome of its deliberations to the Board of Management.

Author:	Director of Nursing
Approval:	Board of Management
Approval Date:	February 2013
Review Date:	February 2016
Responsibility for Review:	Board of Management

Board Meeting Dates 2016

	Board	Sub Committees		Advisory Committees
		Patient Care Review	Audit	Consumer Consultative
		6.30 p.m.	6.30pm	5.30 p.m.
	<i>Last Thursday of the month Monthly</i>	<i>Last Thursday of the Month Bi-Monthly</i>	<i>Last Thursday of the Month Quarterly preceding Board</i>	<i>2nd Thursday of the Month Bi-Monthly</i>
January	Thursday 28 January	Thursday 28 January	No meeting.	Thursday 14 January
February	Thursday 25 February	No meeting.	No meeting.	No meeting.
March	Thursday 31 March	Thursday 31 March	Thursday 31 March	Thursday 10 March
April	Thursday 28 April	No meeting	No meeting..	<i>No meeting</i>
May	Thursday 26 May	No meeting	No meeting.	Thursday 12 May
June	Thursday 30 June	Thursday 30 June	Thursday 30 June	No meeting
July	Thursday 28 July	No meeting	Extraordinary Meeting Thursday 28 July	Thursday 14 July
August	Thursday 25 August	No meeting	No meeting.	No meeting
September	Thursday 29 September	Thursday 29 September	Thursday 29 September	Thursday 8 September
October	Thursday 27 October	No meeting.	No meeting.	No meeting.
November	Thursday 24 November	Thursday 24 November	Thursday 24 November	Thursday 10 November
December	No meeting held.	No meeting held.	No meeting.	No meeting.

Board Committee Members - FY 2015-16

Board Member	Board	Patient Care Review	Audit	Consumer Advisory Committee	
Sue Logie	✓ Chair	✓	✓	✓	4
David McKenzie	✓	✓			2
David Vaughan	✓	✓	✓		3
Liam Bourke	✓	✓	✓ Chair		3
Kerry-anne Rappell	✓	✓ Chair			2
Kevin Pell	✓	✓		✓	3
Chris McCallum	✓	✓	✓		3

Organisational Chart

