

Corporate Governance is the system by which an organisation is directed and controlled. The aim of corporate governance is to create long-term, sustainable value for the organisation's stakeholders especially in the case of Boort District Health, the community that we support and serve. The Board recognises its role in overseeing the determination of an implementation of processes which reflect good corporate governance and understands that these processes must be embedded into the daily operations of the organisation for Boort District Health to have the best opportunity to achieve its Mission. We recognise that corporate governance is an area where we must continuously make improvements by considering, reviewing, testing and changing processes.

The Board recognises the importance of adopting best practice and supports the Australian Securities Exchange Principles of Good Corporate Governance and Best Practice Recommendations and applies these principles in the following ways.

1. Laying Solid Foundations for Management and Oversight

The Board's primary role is to direct the activities of Boort District Health towards living out its Vision and achieving its Mission and goals.

The Board's legal responsibilities together with its specific responsibilities include:

- Setting the strategic direction for Boort District Health, assessing progress towards the strategic objectives and approving policies to work towards those objectives;
- Appointing and evaluating the performance of the CEO;
- Approving and monitoring the Annual Budget;
- Considering and approving strategies and policies to ensure appropriate risk management;
- Monitoring and receiving advice on areas of operational business opportunities and financial risk;
- Ensuring compliance with laws and policies;
- Appointing Board Committees to assist in effective governance

2. Structuring the Board to Add Value

The Board is comprised of directors who have a broad range of skills and who individually and collectively exercise their judgement to ensure optimum results for the organisation. On a regular basis the Board is evaluated. The evaluation is designed to review and assess an individual's performance as a director.

Newly appointed Board members are given an induction program to assist them to become effective in their role.

Directors are appointed by the Minister for Health for a three year term but with the possibility of extended terms. The Board vacancies are advertised and a formal recruitment process is followed. The recommendations for Board positions are sent to the Department of Health for approval.

Board Chair

The Board Chair's primary responsibility is to ensure the integrity of the Board's processes. The Chair maintains the relationship between directors and management to ensure productive cooperation.

Board Meetings and Board Committees

The Board meets eleven times a year to discharge its duties. Workshops are held periodically to provide further opportunities for Board engagement in strategic and other issues.

The CEO and Director of Nursing and Client Services participate in Board meetings. Agenda setting is a collaborative process between the Chair and CEO. The Board annual calendar of activities is considered when compiling the agenda.

There are four committees who report to the Board: Finance and Audit Committee, Safety and Quality Committee, Clinical Governance Committee and Community Advisory Committee. The Board does not delegate major decisions to committees but charges the various committees with the responsibility to consider detailed issues and to make appropriate recommendations to the Board.

Annually, each committee provides the Board with a review of its performance against expectations contained in the Terms of Reference that guides each committee.

The Board has developed its By Laws that outline the formal obligations and responsibilities and the purpose and specific tasks of all Board committees. The By Laws have been approved by the Department of Health.

3. Promoting Ethical and Responsible Decision Making

The Board expects Boort District Health as a whole, every director and employee to conduct themselves with the highest ethical standards. Boort District Health has a Code of Conduct which outlines Boort District Health's expectations and enables directors and employees to share a common understanding regarding how to conduct themselves in a manner that upholds and maintains Boort District Health's Vision, Mission and Core Values. Understanding the Core Values is an integral part of director and employee induction programs.

4. Safeguarding Integrity in Financial Reporting

Finance and Audit Committee

The role of the Finance and Audit Committee is to assist the Board to meet its responsibilities for the integrity of Boort District Health's financial reporting, compliance with external regulatory framework and internal standards, the effectiveness of the internal control and risk management framework and the effectiveness of internal and external audit functions. The Finance and Audit Committee has a key role to:

- Oversee the financial reporting process to ensure the balance, transparency and integrity of published financial information;
- Reviews the adequacy and disclosure of financial statement and reviews budgets;
- Reviews the effectiveness of internal control and risk management systems and approves the annual schedule of proposed internal and external audit activities;

- Approves audit reports and risk management issues and reviews financial and operational risk assessments;
- Provides advice on financial and other issues.

5. Make Timely and Balanced Disclosure

Disclosure is inextricably linked with accountability to stakeholders. Boort District Health is committed to continually improving the mechanisms by which it gathers information and reports to its stakeholders on progress towards delivering on its commitments and use of the resources entrusted to it. Boort District Health prepares and makes available a variety of reports, each aimed at providing the information necessary to improve accountability and transparency.

6. Recognising and Managing Risk

Boort District Health is committed to an organisational culture that enables it to achieve its strategic objectives through the appropriate management of risk. The Board approves the risk management policy and regularly reviews risk.

Commitment from all levels of the organisation is required to demonstrate behaviours that are consistent with a risk-conscious culture. All staff have a role to play and are made aware of that role, in achieving Boort District Health strategic objectives.

The Board is responsible for considering and approving strategies and policies to ensure appropriate risk management and monitors compliance of the Risk Management Policy.

Management is responsible for designing, implementing, reviewing and providing assurance as to the effectiveness of the Policy. Risk assessments are conducted and risks across Boort District Health are identified for analysis, treatment and/or monitoring. These risks are rated and assigned to members of the management team who are responsible for the management of each risk.

7. Remunerating Fairly and Responsibly

Boort District Health acknowledges its responsibility to pay staff according to Enterprise Bargaining Agreements. Further, Boort District Health recognises its responsibility under the Fair Work Act.

No fees are paid for serving as a Director. Boort District Health does cover reasonable expenses incurred by directors in the course of their acting as directors of Boort District Health. These include travel and accommodation expenses required to fulfil Board training and development costs. Every effort is made to keep all costs within modest budgets.

References:

Australian Securities Exchange Principles of Good Corporate Governance

Australian Institute of Company Directors

World Vision Australia