



***National Aboriginal Community Controlled
Health Organisation***

Governance Charter

Version Control

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NACCHO GOVERNANCE CHARTER

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This **Governance Charter** outlines NACCHO's corporate governance policies and does not in any way constitute legal advice or act as a substitute for legal advice.

In this **Governance Charter**, unless the context otherwise requires:

- (a) Expressions used have the same meanings as those given to them by the NACCHO Constitution and/or Corporations Act (2001) whichever the expression refers to;
- (b) Words importing a particular gender mean either gender or both genders;
- (c) The headings are inserted for convenience only and do not affect the construction of the **Governance Charter**.

The **Governance Charter** recognises that NACCHO was established for the purposes set out in the *Constitution* and the Charter's its construct represents the governance policies, procedures and guidelines that formalise the corporate governance framework within which NACCHO will operate in pursuit of those purposes.

WELCOME MESSAGE

Welcome to the National Aboriginal Community Controlled Health Organisation (NACCHO).

We are delighted to welcome you to NACCHO as a member of the governing body of NACCHO.

Being a member of the governing body brings with it legal and moral duties and responsibilities (and various corresponding personal liabilities) and a range of associated rights and protections. This charter outlines NACCHO governance policies designed to assist you to meet these commitments and has been developed by the NACCHO Board.

As part of your (director's) care and diligence duty to guide and monitor the organisation's activities, you are required to read this charter so that you will become an informed member of the NACCHO Board and an effective NACCHO director contributing to the Aboriginal Community Controlled Health Sector nationally.

Welcome again and best wishes during your time with NACCHO.

Why Have a Governance Charter?

NACCHO is committed to a lawful, efficient, prudent and ethical organisation producing effective outcomes, where everyone who plays a part clearly understands what is expected of them.

It helps if these expectations are written down and have been agreed by the NACCHO board, following consultation with the Secretariat, and where appropriate, other stakeholders.

This NACCHO Governance Charter is intended to provide an introduction to the "way we do things" at National Aboriginal Community Controlled Health Organisation (NACCHO). It brings together in one place all the governance policies - 'rules' - that the board as a whole has agreed on and that have resulted from Board decisions which are considered ongoing and important to record as procedures and that they consider necessary for the internal control and proper governance of the organisation.

In essence it forms the organisation's policy framework to control the situations, actions and behaviours of everyone in the organisation by clearly articulating who is responsible for what, who they are accountable to and the authorities and constraints each person is to work within.

While it is acknowledged that good governance is an important component of a successful organisation, it is also recognised that it is contingent upon the context in which it is practiced. Therefore, governance policies need to be documented in the form of a **Governance Charter**. The **Governance Charter** establishes the guidelines within which directors and officers are to operate as they carry out their respective roles and documents the policies upon which the Board has decided to meet its legal and other responsibilities.

This charter contains much important (often mandatory) information and procedures to ensure that NACCHO complies with funding and legal responsibilities.

This governance charter is necessary for:

- articulating the ‘rules’ within which everyone in the organisation is to operate and work
- separating the governance (board’s) role from the operational (management/staff) role
- working effectively with and through the CEO
- allowing monitoring to be made against clearly articulated policy criteria that express the board’s intention
- leaving the board free to spend most of its meeting time on education, exploration and discussion of the important and critical strategic issues facing the organisation

This governance charter is intended to:

- increase efficiency and effectiveness;
- ensure accountability and compliance with moral, legal and corporate obligations and responsibilities;
- avoid matters being overlooked or duplicated;
- help to minimise conflict and misinterpretation; and
- be a valuable ongoing quality assurance tool for Secretariat staff and board members.

Boards are at the top of the corporate organisation, with authority over and accountability for that organisation. The board’s job is to see to it, on behalf of the owners (the present and future members) that the organisation produces what the owners expect while avoiding detrimental situations, conduct and events that owners expect should not occur. Directors are therefore responsible for establishing an appropriate system for governance. This is reinforced in the *ASX Corporate Governance Principles and Recommendations [2nd Ed]* that set out ‘principles’ for good corporate governance practice in Australia.

ASX Principles of Good Corporate Governance:

Principle 1: Lay solid foundations for management and oversight

Companies should recognise and disclose the respective roles and responsibilities of board and management [articulated in a] framework designed to... clarify the respective roles and responsibilities of board members and senior executives in order to facilitate board and senior executives’ accountability to both the company and its shareholders [and] ensure a balance of authority so that no single individual has unfettered powers.

Recommendation 1.1: Companies should recognise and disclose the functions reserved to the board and those delegated to senior executives. Boards should adopt a formal board charter that details their functions and responsibilities [and] a formal statement of delegated authority to senior executives. Disclosing the division of responsibility assists those affected by corporate decisions to better understand the respective accountabilities and contributions of board and senior executives. That understanding can be further enhanced if the disclosure includes an explanation of the balance of responsibility between the [board] and the chief executive officer.

Boards are ultimately accountable for the success or failure of the organisation and therefore must *control* the organisation to the degree it feels is acceptable. To fulfill this job, the board must make clear written governing policies (‘rules’) in a constantly updated and succinct form that unambiguously assigns (delegates) to those held accountable for their compliance, the right to interpret and implement the policies. It therefore makes sense that boards do most of their work through *policy*, and use

policy as a carefully crafted instrument and framework in which board leadership is expressed. Appropriate governance policies assist the board to be clear about its own job and the jobs of its officers and committees, the connection between these parties and to articulate the authority of the CEO and the limitations of that authority.

There is also a sense that policy development *is never finished* and that the stated policies are tentative holding policies that form the basis for ongoing discussion and deliberation by the board. This charter is an evolving document and will be reviewed on a regular basis as and when circumstances warrant, ensuring currency and accuracy.

So, as corporate governance needs to be an evergreen process, this Charter is also a living document and will be regularly reviewed and updated to reflect changes, amendments and developments in the governance framework, within which NACCHO operates.

It is the responsibility of the Board that the Charter is kept current and is reviewed and amended on a regular basis, and that all Board members are provided with the latest versions of the Charter.

The board's meetings will therefore be focused on three issues and should have only minimum concern with the immediate activities of the organisation, with attention placed on:

1. monitoring against policy criteria and discussing data showing non-achievement or violation of the policies,
2. policy review on an on-going basis requiring amendments and updating from time to time as situations arise or change and
3. the rest of the meeting time spent on education, exploration and discussion about the more important and critical strategic issues that affect the future of the organisation.

This Governance Charter has been prepared as a guide and summarises key procedures, principles and standards affecting the involvement with NACCHO of the Board and CEO (and through the CEO to the staff as a whole). It is NACCHO policy that each Board member will be given a copy of this charter at the time of joining the NACCHO Board.

Board members are asked to read this charter carefully. Of course, it is not possible to cover everything that will affect a member of the Board. Any questions or feedback should be directed to the Chairperson, another Board Member or the Board-as-a-whole in meeting.

Chairperson NACCHO

Date

OUR STORY:

The National Aboriginal Community Controlled Health Organisation (NACCHO)

NACCHO is the national peak body representing Aboriginal Community Controlled Health Services (ACCHSs) on matters relating to Aboriginal health and well-being. At present NACCHO represents 146 Aboriginal Community Controlled Health Services (ACCHSs) throughout Australia.

ACCHSs are primary health care services initiated by local Aboriginal Communities, delivering holistic and culturally appropriate care to their Communities. In response to a range of barriers including access to mainstream health services, and in keeping with the principles of self-determination, Aboriginal Communities around Australia have been establishing such services since 1971. The services have been initiated, planned and managed by boards elected from the local Aboriginal Community. The services form a network, but each is autonomous and independent of both one another and of government.

In keeping with its major objective of delivering holistic and culturally appropriate primary health care services to Aboriginal Communities, some of NACCHO's major activities include:

- Promoting, increasing, developing, and expanding the provision of culturally valid health care through local Aboriginal Community Controlled primary health care services;
- Liaising with governments, departments, and organisations within both the Aboriginal and non-Aboriginal communities on matters relating to the well-being of Aboriginal Communities;
- Advocating and representing constituent Aboriginal Communities in matters relating to health services, health research, health programs, etc;
- Support and assist member organisations to provide their Communities with culturally appropriate primary health care services;
- Research and assess the health needs of Aboriginal Communities (through data analysis, surveys, etc), and taking steps to meet these needs;

NACCHO is governed by an elected Board of Directors. Administration and co-ordination is carried out by NACCHO's National Secretariat, established in Canberra in 1997.

NACCHO: PURPOSE, VISION, PHILOSOPHY and OBJECTIVES

NACCHO recognises that, as a Community Controlled Health Organisation, there is a responsibility to ensure that its vision, purpose and philosophy are understood, accepted and owned by all stakeholders. Otherwise, NACCHO is unlikely to achieve its purpose and goals.

NACCHO will provide the processes for involvement and participation by its stakeholders and have regular meetings and workshops to discuss and review the operations and services of the organisation.

Our purpose, vision and philosophy represent the values which govern both long-term planning and daily activities and which promote common understanding and acceptance by all.

Our Purpose:

The purpose of NACCHO is the physical, emotional, cultural, spiritual and social well-being of Aboriginal peoples through community control, comprehensive primary health care and innovation in health care services

Our Vision

Sovereign Aboriginal Peoples with a state of well being, consistent with our holistic concept of health, at least equal to that which existed prior to invasion and colonisation, enjoying all the rights and responsibilities inherent in our unceded sovereignty.

Our Philosophy

NACCHO recognises that Aboriginal people suffer economic, social, nutritional and housing disadvantages, which cause or accentuate medical ill health beyond that of the general community.,

Our Aims and Objectives

The establishment or conduct of all or any of the following aims and objectives of NACCHO are within the context of the Aboriginal understanding of health within the Aboriginal community that refers to *the physical, social, emotional and cultural well-being of the whole Aboriginal community within Australia in which each individual is able to achieve their full potential as a human being thereby bringing about the total well-being of their individual local Aboriginal community.*

- amelioration of poverty within the Aboriginal Community;
- advancement of Aboriginal religion;
- constructive educational programs for members of the Aboriginal Community; &
- delivery of holistic and culturally appropriate health and health related services to the Aboriginal Community.

IMPORTANT GOVERNANCE DOCUMENTS

Corporations Act (2001)

NACCHO is a public Company Limited by Guarantee, not having a share capital and incorporated under the Commonwealth Corporations Act (2001).

NACCHO Constitution

NACCHO Members have approved a Constitution (in effect a “*contract*” between the owners and the entity) which sets out:

- who it is (name)
- who owns it (members)
- its purpose (objects)
- what it can do (powers)
- how power and control is exercised (rules)

NACCHO Governance Charter

The Governance Charter contains all the policies (‘rules’) that **the board as a whole has agreed on** and that they consider necessary for the internal control and proper governance of the NACCHO. It is the organisation’s policy framework that guides the control of the situations, actions and behaviours of everyone in the organisation by documenting who is responsible for what, who they are accountable to and the authorities and constraints each person is to work within.

Note: Nothing in the Charter should conflict with the NACCHO Constitution of. If such a conflict occurs, the Constitution shall prevail (just as the Corporations Act holds precedent over the Constitution).

NACCHO Strategic Direction

NACCHO’s Strategic Direction providing direction for the organisation over a 3 year period and is **developed by the Board** through a consultative process with NACCHO’s Membership, stakeholders and the Secretariat. It forms the basis for the organisation’s strategic action plan - the *Service Development Reporting Framework*.

NACCHO Annual Report

The NACCHO Board provides an Annual Report to its Members at the Annual General Meeting, which is then published as an Annual Report for wider circulation to inform the Aboriginal Community and the wider community about NACCHO activities.

Part A - Governance Process Polices

Board Composition, Development and Performance

Composition of the Board

The composition of the Board is determined in accordance with the Company's Constitution, which among other things requires that [ref: NACCHO Constitution 2011 s.5.2.1]:

The Board is comprised of sixteen members ("directors");

- o One is the **Chairperson**;
- o One is the **Deputy-Chairperson**;
- o Two **Ordinary Members** appointed from State and Territory Affiliate Bodies (who must be members of their respective Affiliate), with exception of Tasmania and the Australian Capital Territory from which one respective member will be drawn. That is, each State/Territory peak Aboriginal community controlled health organisation affiliated with NACCHO elects/appoints the following number of persons for a position as a director on the NACCHO Board:

▪ Western Australia	2 persons
▪ South Australia	2 persons
▪ Northern Territory	2 persons
▪ Queensland	2 persons
▪ New South Wales	2 persons
▪ Victoria	2 persons
▪ Australian Capital Territory	1 person
▪ Tasmania	1 person

The full NACCHO membership (at the AGM) endorses the 14 appointed members and also votes (triennially) for the NACCHO Chair and Deputy-Chair

Note: It is important that appointed NACHHO directors recognise that they do not "represent" the particular interests of, or should they, in their deliberations, think that they are obliged to reflect the position of, 'represent' or commit themselves to (or vote in favour of) the point of view of the individual State/Territory 'nominating' entity that elects/appoints them in the knowledge that they have a duty under law to form their independent opinion of matters before the board and to "*act in the best interests of the corporation*" to which they have been appointed (i.e. to act in the interests of the collective ownership of NACCHO). [Corporations Act 2001 s.181(1)]

Term of Office

NACCHO Chairperson and Deputy-Chairperson are elected by NACCHO Members at triennial Annual General Meetings (AGMs) for a term of three years. Other members of the NACCHO Board hold office until the conclusion of the AGM following the date of the Member's election, but are eligible for re-election. [ref: NACCHO Constitution 2011 s.5.2.2, 5.2.3]

Election of Office Bearers and Directors

NACCHO Office Bears and Directors are elected as follows:

- NACCHO Chairperson, elected by NACCHO Members at triennial AGMs for a term of three years; [ref: NACCHO Constitution 2011 s.5.4.1]
- NACCHO Deputy-Chairperson, elected by NACCHO Members at triennial AGMs for a term of three years; [ref: NACCHO Constitution 2011 s.5.5.1]
- Ordinary Members of the Board (excluding Chairperson and Vice- Chairperson) are elected or appointed at AGMs or General Meetings (GMs) of State and Territory Affiliates. [ref: NACCHO Constitution 2011 s.5.2.1(c)]

Vacation of Office

Directors shall remain on the Board until they resign office, are required to vacate the office by law or are replaced by the Membership in accordance with the Constitution. [ref: NACCHO Constitution 2011 s.5.6.1]

Preferred Director Competencies

In promulgating the competencies expected of prospective NACCHO Directors to the membership, the Board will recommend that any prospective Director will be:

- in the first instance, eligible under the Constitution
- available and able to commit the time and effort required

And further have a proper understanding of, and competence to:

- understand contemporary issues and dynamics of, and have related business acumen in the industry NACCHO operates in
- be able to quickly reach a good understanding of NACCHO's business and the environment the Corporation works in if not already cognisant in such
- deal with and add value to, current and emerging strategic requirements for NACCHO
- effectively review the performance of and where appropriate, question the non-performance of operational management and encourage enhanced performance of NACCHO
- be able to differentiate between governance and management functions - be aware when board discussion and activities drifts unnecessarily into operational matters/issues
- behave appropriately to foster respectful interrelationships among directors
- be able to bring an independent judgement and perspective to decision-making
- identify and examine their own ethical and moral value systems and apply them to the collective decision making process – to ask: *Is this right?*

The sort of skills that fit these competencies may include:

Strategic skills

- Diverse business experience with organisational complexity
- Commercial acumen and judgement
- Business experience of medium - large enterprises in competitive environments
- Knowledge of the industry NACCHO operate in
- Strategic planning experience
- Strategic risk analysis
- Risk assessment competencies
- Analytic capability
- Creativity and lateral thinking skills

Personal attributes

- Sound financial competencies
- Social and professional networks that can “open doors” to business opportunities and advance NACCHO’s interests
- Affirmative interpersonal relationship skills
- Capacity for engendering confidentiality in a boardroom setting
- Spoken and written communication skills
- Maintenance of appropriate governance qualifications (including AICD qualifications)

New Director Induction

The Board recognises that a proper induction of new Director’s significantly enhances their knowledge and proficiency and therefore benefits both NACCHO and the new appointee.

The NACCHO Board Members will be provided with an **induction package** which outlines the Board’s governance processes and their roles and responsibilities whilst serving as a Board Member.

New Directors will undergo a full orientation **induction** into their role on the Board.

*A sample **Director Induction Process Checklist** is contained in Appendix 1*

Director Development

A commitment to ongoing Director development is a commitment to the continuing improvement of the Company as a whole. Consequently, Directors are expected to undertake on-going professional development.

Director Development Policy

The objectives of the Director Development Policy are to equip the Board and each Director with the knowledge and skills to discharge their role in corporate governance and as custodian of the organisations strategic direction.

Board and Director performance evaluation processes will recommended appropriate Board and Director development programs to assist the Board-as-a-whole and individual Directors to meet the levels of competence demanded of them. There is also an expectation that Directors will personally continuously update their knowledge base.

The Chairperson will play an important part in reviewing each Director’s intended development plan as part of the on-going professional development. The company will support the costs and out of pocket expenses for Director’s development programs, with the budget and delegations outlined in this policy.

Each Director has the responsibility for identifying their individual development needs and undertaking a relevant program, and to look out for targeted development opportunities.

Over and above that:

- Directors should keep themselves informed of relevant AICD Director development events [www.companydirectors.com.au];

- Major annual conferences and events will be collated and distributed to the Board on a periodic basis; and
- Other events will be notified by the CEO when he/ she is made aware of them.

Specifically, Director Development should address:

- *Governance and Directorship Competencies*
- *Industry specific knowledge* [Note: emphasis should be on the competitive situation in primary health care particularly as it relates to *Aboriginal health*. This knowledge may be conveyed through management briefing sessions, as well as by attending conferences]

It is expected that Directors will report back to the Board on the outcomes of development programs undertaken. The form and format of reporting should consider the significance of the development and the impact of the knowledge gained. At a minimum, a verbal report should be supplied, but at times a written report may be more appropriate

To assist with professional development of directors, the NACCHO Board will participate in **an annual governance workshop** to be held prior to the first meeting of the Board following an AGM.

Board and Director Evaluation

The Board considers the evaluation of its own performance as fundamental to establishing a culture of performance and accountability throughout the Corporation and also believes the ongoing development and improvement of its own performance as a critical input to effective governance.

As a result, the Board commits to undertake annual evaluation of Board performance and from time to time it will also commit to undertake individual Director performance evaluation with the aim of identifying individual skills and proficiency gaps that can be rectified by targeted professional development.

In both instances the evaluation process will be designed to assess performance expectations outlined in the NACCHO Governance Charter.

The Board may engage an independent expert to facilitate the process.

The Board considers the outcome of the review in a dedicated meeting and develops a series of actions to guide improvement.

Insurance

NACCHO arranges professional indemnity insurance to cover all activities of the Company and will also arrange other relevant insurances for directors and officers in relation to the provision of services on behalf of NACCHO where relevant, e.g. travel insurance, workers compensation, etc.

NACCHO indemnifies its Directors and Officers for all that is legally permitted and NACCHO seeks appropriate insurance cover where possible for all potential liabilities flowing from the indemnities. Deeds of Indemnity are executed in favour of any Directors nominated by NACCHO as its representatives on other boards. [ref: [NACCHO Constitution 2011 s.7.16](#)]

The Role of the NACCHO Board

Source of Authority in NACCHO

Subject to the Corporations Act 2001, the direction, control and responsibility for the management of the affairs of the Company are vested in the Board by the organisation's Constitution. [ref: NACCHO Constitution 2011 s.5.1(b)]

Differentiating the Role of the Board and the Role of Management

The Board's role is to *govern* NACCHO rather than to *manage* it. In governing NACCHO, the Board members must act in the best interests of NACCHO as a whole. It is the role of Secretariat CEO and Senior Management to manage NACCHO in accordance with the direction and delegations of the Board and the Board's responsibility is to oversee the activities of management in carrying out these delegated duties. The Board is ultimately responsible for all matters relating to the running of NACCHO.

Except when dealing with specific management delegations of individual directors, it is misleading to refer to the Board having a direct role in management.

Functions of the Board

In general, The NACCHO Board is responsible for, and has the authority to determine, all matters relating to the direction, control, policies, practices and management of NACCHO. It is required to do all things that may be necessary to be done in order to carry out the objectives of NACCHO. In carrying out its governance role, the main task of the Board is to drive the performance of NACCHO. The Board must also ensure that NACCHO complies with all of its contractual, statutory and any other legal obligations, which includes the requirements of any regulatory body.

The NACCHO Board recognises its key functions and activities as:

1. Formulating strategic direction;
2. Setting governance policy
3. Monitoring and supervising (CEO and organisational performance)
4. Providing accountability to the members
5. Risk Management
6. Appointing and working with and through the CEO (See part B)

Without intending to limit these general roles of the Board, these principal governance functions and activities include:

1. Strategic Direction

- The NACCHO Board is to be involved in development of the corporate strategy of NACCHO and recognises its role to, and ultimate responsibility for, determining the purpose, vision, philosophy and objectives (i.e. strategic outcomes and performance standards) of the organisation (these will contain purpose related values and perspectives that embody the Board's long-range vision).
- The NACCHO Board will ensure that it states its purpose, vision, philosophy and objectives in a corporate Strategic Direction document which will be updated and approved annually and the Board and staff will work together to monitor and

review the purpose, vision, philosophy and objectives to ensure that it stays relevant, valid and feasible.

- The NACCHO Board (in collaboration with NACCHO management) will decide on the 'high level' key **strategic results** the organisation is expected to achieve including the priority allocation of financial and other resources of the organisation to particular projects;
- The NACCHO Board will establish a strategic *direction* for the viable future for NACCHO.
- The NACCHO Board recognises that strategic *planning* as an important and ongoing management process and will support the Secretariat's authority to develop the NACCHO *Service Development Reporting Framework* and its associated Action Plan (AP) in response to the Board's strategic directions.
- The NACCHO Board will ensure that management recognise and include community consultation/negotiation as an integral process to establish national policy.

Strategic Direction Development and Review Process

A major review of the strategic direction will occur annually at a specifically convened retreat. Additional strategy development sessions may be called to focus on particular issues or projects. These sessions may be facilitated by an independent facilitator and attended by the Board, CEO and the Senior Management team.

Recommendations from the strategy development sessions will be written into a report for discussion and endorsement as the following Board meeting.

On resolution of the Strategic Direction by the Board, the CEO will prepare and submit an annual business plan and budgets for the Company for their appraisal as to its 'fit and alignment' with the Strategic Direction. The Board will delegate the accountability for the implementation of the business plan/action plan to the CEO.

The CEO will prepare a report on performance against the objectives in the Strategic Direction on a regular basis (as determined by the Board) for review by the Board. This will also contain a summary of upcoming priorities.

Strategic Decision Checklist

Decision:		
Alignment	Is the decision aligned with the organisation's vision, mission and values? Will the decision assist us to achieve the organisation's goals?	
Clarity	Is the decision clear and well formulated? If the question was framed in another way, would we make the same decision? Are the options well specified? Do we need to make this decision now? Has this decision been considered previously? If so, why are we revisiting it?	
Information	Do the board and related papers contain sufficient information? Has the Board encouraged honest disclosure of estimates? Do we need to obtain additional information? How reliable is the information? Do we need an opinion from an independent, external advisor?	
Advocacy	Are one or more people strong advocates for a particular course of action?	

	<p>If so, have counter arguments/alternative options been adequately explored?</p> <p>Has a balanced case been made for the proposed course of action?</p> <p>Is this a case of potentially continuing to back a failed decision?</p> <p>Have one or more Board members taken a "black hat" (divergent opinion) role in relation to this decision?</p> <p>Have we given sufficient opportunity to discuss this decision?</p>	
Outcomes	<p>What is the maximum likely outcome from this decision?</p> <p>What is the minimum likely outcome from this decision?</p> <p>What is the expected likely outcome from this decision?</p> <p>Is the return on investment period realistic?</p> <p>What is the maximum potential loss/adverse outcome from this decision?</p> <p>Has the impact of this decision, on all stakeholders, been considered?</p>	
Risk	<p>What is the maximum potential loss/adverse outcome from this decision?</p> <p>Has the impact of this decision, on all stakeholders, been considered?</p> <p>Have all risks associated with this decision been considered?</p>	
Implementation	<p>Who is responsible for implementation?</p> <p>What KPI have been established to monitor implementation?</p> <p>Do we need to review implementation or the decision? When?</p>	

2. Policy Development

- The NACCHO Board has overall responsibility to set *governance policy* and delegates to the Chief Executive Officer the responsibility to prepare and implement *operational procedures* that align with and reflect the governance policies which will become part of the way NACCHO operates.
- The NACCHO Board will develop any relevant governance policies and ensure appropriate policy frameworks exist and as appropriate, amend and /or develop any new governance policies regarding the way the organisation conducts its work.
- The NACCHO Board will document the governing policies in a Governance Charter which will be form the policy framework for the organisation which records and interprets policy decisions made by the NACCHO Board, and which is written down and easily accessible.

3. Monitoring and supervision (of CEO and organisational performance)

Performance monitoring is an essential Board task that aims to achieve two objectives:

- Ensuring that corporate **performance** (both financial and non-financial key performance indicators (KPIs) is consistent with organisational strategy; and
- Ensuring that the Corporation and its Officers are complying with their legal and regulatory **compliance** obligations.

The CEO is responsible for overseeing the production of monitoring data (against pre-stated performance measures) necessary for the Board to fulfil its obligation of reviewing financial and strategic performance, including updates on progress on the implementation of the Strategic Plan.

The Board may obtain additional internal reports from 'review' committees and from independent external sources to obtain an objective outsider's view of or to verify any information made available to it.

The Board's monitoring system is subject to continual review and refinement.

4. **Accountability (to NACCHO Members)**

- The NACCHO Board recognises its paramount accountability to its members, the Aboriginal Community and the community at large to effectively deliver its programs and that it is imperative the organisation meets its responsibilities to and satisfies the reporting requirements of relevant funding bodies.
- The NACCHO Board will develop appropriate and timely **linkage and consultation processes with the membership** to receive advice and counsel regarding member expectations and company direction;
- The NACCHO Board will ensure that specific policies and procedures are in place which will meet the specific requirements of relevant funding bodies.
- The Board will adopt a process to ensure the independence of the Corporation's external **auditor**. The Board will meet with the external auditor without the presence of the CEO or other members of the senior management team, on an annual basis. The Board is encouraged to develop an open, unimpeded and constructive relationship with the external auditor and must be satisfied that the scope of the audit is adequate and carried out thoroughly with the full cooperation of Management. [ref: NACCHO Constitution 2011 s.7.8.1]
- The NACCHO Board will exercise control of the organisation in times of crisis.

5. **Risk Management**

The Board is responsible for setting how much risk NACCHO is willing to accept (its "risk tolerance"), understanding the risks to which NACCHO is exposed ("risk profile") and will delegate authority to and ensure that the CEO implements an appropriate:

- "risk culture" (i.e. the formal and informal structures and practices that NACCHO and its employees use to deal with risk on a daily basis)
- risk management system within NACCHO so that all major sources of potential opportunity of harm to NACCHO (both existing and potential) are identified, analysed and treated appropriately and regulatory compliance and integrity in reporting are achieved

The Board will undertake regular reviews of NACCHO strategy (including its business decisions to ensure they appropriately balance the risk and reward trade-off) and internal control policies to ensure all risks are considered, and if necessary, to update its risk profile.

The Board will receive regular reports on those areas of risk identified by the CEO (and any relevant 'risk' committee) as part of the CEO's (committee's) report at each Board meeting.

6. **Appointing and working with and through the CEO**

The NACCHO Board employs a Chief Executive Officer to implement its policy decisions and manage NACCHO on a day to day basis along with the management team and other staff personnel.

(See part B)

Board Authorised Delegations [ref: NACCHO Constitution 2011 s.5.1(f)]

The NACCHO Board will ensure that tasks are delegated clearly and effectively, that delegated tasks are carried out and that there are processes in place to ensure that the NACCHO Board are kept informed of the progress and outcomes of these tasks.

The Board will decide which decisions can be made by, and which matters are reserved for, the NACCHO Board and which Board functions may be handled through delegations to bodies or persons such as Board Committees, the Chief Executive Officer, individual Board members (e.g. the Chairperson) other Directors, the Company Secretary or specified personnel.

These delegated authorities will be documented in writing for clarity and embodied in this Governance Charter and in various appendices/attachments such as Terms of Reference, Statements of Delegated Authority, Position Descriptions, etc and will outline what controls are in place to oversee the operation of these delegated powers.

The Board as a whole is responsible for any delegations of their responsibilities and for determining the extent of the delegated powers residing in each these bodies or persons yet the Board remains ultimately responsible for the actions and decisions of these bodies or persons.

The Board can assign (delegate) authority (power) to anyone [as allowed under *Corporations Act 2001: 198D Delegation* – see below] - however this does not absolve the Board of responsibility and any delegation should be made with appropriate 'policies' outlining the terms of reference of the delegation which would include the reporting and monitoring and oversight conditions

Corporations Act 2001: 198D Delegation

- (1) Unless the company's constitution provides otherwise, the directors of a company may delegate any of their powers to:
 - (a) a committee of directors; or
 - (b) a director; or
 - (c) an employee of the company; or
 - (d) any other person.
- (2) The delegate must exercise the powers delegated in accordance with any directions of the directors.
- (3) The exercise of the power by the delegate is as effective as if the directors had exercised it.

Board Committee Principles

Board committees, when used, will be assigned to reinforce and support the Board's own job and never to interfere, or conflict with the CEO's delegation from the Board.

Accordingly,

1. A committee is a 'Board committee' only when its existence and charge come from the Board [ref: NACCHO Constitution 2011 s.5.9], and this policy applies to **any group** that is formed by Board action, whether or not it is called a committee and regardless of whether or not Directors sit on the committee. This policy does not apply to committees formed under the authority of the CEO ('operations committees').

2. Board committees are to **help the Board do its job**, not to help, facilitate, advise or exercise authority over staff, mirror operational divisions, departments or staff functions nor delegate to any staff unless the CEO has specifically agreed to such delegations. Committees ordinarily will assist the Board by preparing strategic and policy alternatives and implications for Board deliberation, recommendations of specific Board requested (e.g. nomination or remuneration) matters or by performing specific oversight or audit functions. In keeping with the Board's broader focus, Board committees will normally not have dealings with current staff operations.
3. Board committees and their members have **no individual authority to participate in the day-to-day management** of NACCHO including making any representations or agreements with members, suppliers, customers, employees or other parties or organisations
4. Board committees will operate with power to only **make recommendations** to the Board and may not speak or act for the Board except when formally given such authority for specific and time-limited purposes. Expectations and authority will be clearly stated [see 6 below] in order not to conflict with authority delegated to the CEO.
5. As the CEO works for the full Board, he/she will not be required to obtain approval of a Board committee before an executive action except where such action is a Board action rather than an executive action and such Board authority has formally been given the committee and the committee has directed the CEO to carry out such said Board action (rare).
6. Board committees require specific delegations from the Board as a whole and these will be contained in each committee's respective "**Committee Terms of Reference**" that carefully state exceptions, composition and authority of each committee to avoid conflicting with authority delegated to the CEO. The Terms of Reference also establish performance timelines, resource allocations and the monitoring schedule of committee work. Unless otherwise stated in the Terms of Reference, a committee ceases to exist as soon as its task is complete.
7. Committee Terms of Reference for each committee should at least specify:
 - a. objectives, functions and powers (if any)
 - b. job products, timelines,
 - c. duties and responsibilities
 - d. membership
 - e. committee Chairman and their duties
 - f. arrangements for staffing, resourcing (authorised use of funds), providing access to NACCHO executives (authorised use of management time), procedures for obtaining independent external advice
 - g. reporting procedures and monitoring schedule of committee work (include committee minutes/reports with Board papers)
 - h. a time limit 'sunset clause' (the Board can authorise extension or 'roll over' if required)
8. Board committees (within TOR guidelines) are able to coopt outside members from time to time in order to bring additional skills, experience or networks.
9. Board committees will be used sparingly and ordinarily in an ad hoc capacity.

Directors Code of Conduct

The National Aboriginal Community Controlled Health Organisation (NACCHO) has adopted a Code of Conduct for the Directors of the NACCHO board.

As members of NACCHO's peak decision-making body, directors share ultimate responsibility for NACCHO's overall success. Therefore, directors have an individual responsibility to ensure that the Board is undertaking its role and, in accordance with legal requirements and agreed ethical standards, directors act in accordance with this Code of Conduct.

The reputation of NACCHO, the quality of its programs, the goodwill and confidence shown towards the Secretariat by funding bodies and the broader community, and good relationships among staff will be greatly influenced by the professional attitude, behaviour and operations of the NACCHO Board, both as a group, and as individuals.

If Directors are unclear of their roles or experience difficulty, they are encouraged to approach (in the first instance) the Chairperson or other Directors for assistance.

This Code of Conduct outlines the standards the NACCHO Board intends to apply to itself.

In the first instance, all NACCHO Directors in the course of their term of office are expected to:

- Act in a professional business-like manner that is in accordance with the Constitution;
 - Comply with all relevant applicable laws;
 - Behave honestly and with integrity, in the best interests of the organisation;
 - Not to make improper use of inside information or one's position, duties, status, power or authority in order to gain, or seek to gain, a benefit or advantage for oneself or for any other person;
 - Voluntarily disclose, and take all reasonable steps to avoid, any conflict of interest (real or apparent);
 - Treat everyone, including staff with respect and courtesy, and without harassment or discrimination;
 - Ensure that your behaviour upholds the good reputation of NACCHO at all times when in public;
 - Use judgement, common sense, and tact when discussing issues and ensure everyone is given a reasonable opportunity to voice their views;
 - Not provide false or misleading information to a request for information;
 - Only use NACCHO resources in the best interests of the organisation and not for personal purposes;
 - Not make any public comment on behalf of NACCHO without express authorisation.
- Directors of the NACCHO Board are expected to **uphold their duty to act in good faith in the best interests of the organisation for a proper purpose and exercise care and diligence** as required by the Corporations Act [ss.180(1), 181(1), 182(2), 183(1), 191(1)].
 - Directors of the NACCHO Board are expected to **perform their roles and responsibilities to the best of their ability** and involve themselves appropriately in the governance of NACCHO and are required to:

- Keep in touch with and keep informed of issues relating to the fundamental affairs and activities of the business and the broader perspective of NACCHO's role;
- Maintain up to date knowledge of NACCHO policies by reading key materials such as the NACCHO Constitution, this charter and regularly refer to the NACCHO website;
- Prepare adequately for meetings by contributing to and reading board papers, agendas, reports, minutes, etc;
- Attend all meetings and taking an active part in discussion and deliberation, by forming an independent opinion, developing a reasoned (and risk based approach) judgment, putting forward their viewpoints, encouraging equal input by all members and voting as necessary on all matters before the board; and
- Contribute to the strategic discussion and recommending constructive improvement to policies and governance practices.

Protocol: Director Access to Professional Advice

Directors are to exercise considered and independent judgment on the matters before them. To allow Board members to discharge this expectation, a Director may from time to time need to seek independent, expert, professional opinion on matters before them.

- All Directors have the individual authority to commit the Company to up to \$_____ per annum in professional advice.
- Prior to seeking professional advice a Director shall inform the Chairperson about the nature of the opinion or information sought, the reason for the advice, the terms of reference for the advice and the estimated cost of the advice.
- Where more than one Director is seeking advice about a single issue, the Chairperson shall endeavour to coordinate the provision of the advice. If the cost of professional advice is likely to exceed \$_____, the Director shall seek authority from the Chairperson prior to engaging an external expert.
- The Chairperson has the delegated authority to authorise expenditures up to \$_____. If the Chairperson withholds authorisation, the Director has the right to seek authority from the Board at the next Board meeting.
- The Board must approve engagement of professional advisor(s) likely to exceed \$_____. The Board as a whole must be the recipient of such advice.

- Directors of the NACCHO Board are expected to **work for the benefit of the whole organisation** rather than for themselves or any individual or particular interest group. Directors are expected to put aside personal or organisational conflicts and grievances in the best interests of NACCHO.
- Directors of the NACCHO Board are expected to **uphold and adhere to the governance policies** of NACCHO. If there is a policy you believe could be improved, then the matter should be placed on the agenda for a NACCHO Board meeting. The existing policy should be followed in the meantime.
- Directors of the NACCHO Board must recognise that they have **no individual authority as directors** (unless specifically board-authorized) and decisions are taken by the NACCHO Board acting as a whole (on behalf of the Body Corporate).
- Directors of the NACCHO Board must always respect **confidentiality and privacy** when dealing with each other, members, staff and visitors and must respect the special information they receive as Directors. Confidentiality is an important issue for any organisation. Involvement with NACCHO may at times provide access to information that is private or personal about individuals or organisations. Directors will be vigilant about information received and whether it is privileged and for how long. As part of good workplace practices, NACCHO Directors are requested to sign a 'Confidentiality Agreements' upon joining the Board.

Protocol: Confidentiality Agreement

The National Aboriginal Community Controlled Health Organisation (NACCHO) "Confidentiality Agreement" requires that all parties covered by the Agreement:

- Do not, either directly or indirectly, except in the performance of your functions or duties as a member of the Board, make a record of, divulge or communicate to any person, any information concerning the organisation, affairs or transactions of NACCHO.
 - A breach of this term will amount to serious misconduct and entitle the Board to dismiss you without any prior notice. [ref: NACCHO Constitution 2011 s.5.7.1a]
 - This restriction will continue to apply after termination of your term on the Board without limit in point of time but will cease to apply to the following:
 - Information which may otherwise than in breach of this Agreement come onto the public domain, or
 - Disclosure of information which is required by law.
 - Any documents, notes, memorandums, recorded messages, film or diaries (in paper or electronic form) relating to the affairs of any person or of NACCHO made by you in the performance of duties, shall be and remain the property of NACCHO and must be surrendered upon termination of your term on the Board.
- Developing business networks and working to promote the reputation of the organisation are important ways for Directors to add value to the Company. The NACCHO Board may occasionally delegate authority to individual **directors to use their external positions, contacts and networks to promulgate the interests of the organisation** in line with the organisation's communication strategies. Directors are expected to act as ambassadors for National Aboriginal Community Controlled Health Organisation, and are expected to develop and maintain connections for the benefit of NACCHO. As Directors have a depth of knowledge of NACCHO, they are expected to use their networks to actively promote NACCHO and to further its interests. Directors of the NACCHO Board are expected to portray a positive, professional and responsible image of NACCHO, its services and programs, its Member Services, its Directors and staff. In doing so, it is important that NACCHO Directors make a clear distinction between personal views and governance and organisational policy.
 - Directors of the NACCHO Board will **welcome new Directors and assist them** to become orientated and familiar with the governance processes of NACCHO.
 - Only those with board delegated authority are **authorised to speak on behalf of the organisation**. The Board has designated the Chairperson or CEO (where appropriate) to speak to the press on matters associated with NACCHO. [ref: NACCHO Constitution 2011 s.5.4.3] Directors should follow the protocol in the National Aboriginal Community Controlled Health Organisation Communications with External Parties Policy when approached for comment. Directors of the NACCHO Board will respect NACCHO's Communication with External Parties Policy.

Protocol: Communications with External Parties Policy

The Chairperson is authorised to comment on:

- Resolutions to be put to the General Meetings of NACCHO.
- Changes in Directors, any matter related to the composition of the Board processes
- Any speculation concerning Board meetings or the outcomes of the Board meetings
- Other matters specifically related to members.

The CEO is authorised to comment on:

- The Company's future outlook
- Any operational matter

- Service issues and other media queries concerning operational issues which reflect either positively or negatively on NACCHO.
- Proposed or actual legal actions
- Queries and general discussions concerning NACCHO's industry.

There will be times when Directors and employees will be approached by the media for public comment. On such occasions, the Director(s) or employee(s) should comply with the following:

1. Refer the person to the CEO or Chairperson as appropriate for comment;
2. Refrain from disclosing any information, documents or other forms of data to the person without the prior consent of the CEO or Chairperson;
3. Report the person who contacted the Director/employee as soon as possible to the CEO or Chairperson

- Directors are to **respect the delegated authorities, role and responsibility of the CEO and staff** to conduct all business functions in a timely fashion and to manage an efficient and effective organisation. Directors should be cognisant of this fact when requesting to **inspect the records/documents of the NACCHO** (as per their right as individual Directors under Corporations Act s.198F & s.290) and to **request specific information relevant to the affairs and management of the Company** to aid the proper execution of their fiduciary obligation to advance the interests of the Company. Note: the Board recognises the right of the CEO to defer such requests that, in the CEO's opinion, require a material amount of staff time or funds or are disruptive, who must then immediately notify the Chairman of the use of this provision.

Protocol: Director Access to Corporate Material

As legal consequences of their directorships, Directors have a right to inspect documents held by the Company that are relevant to the affairs and management of the Company to aid the proper execution of his/her fiduciary obligation to advance the interests of the Company (and for the purposes of a legal proceeding, for private interest).

A situation may arise where some documents have been circulated to only some Board members. A Board member who is unaware of their contents does not need to advance any specific reason to inspect that material, as he/she would have a general desire to be as well informed as other Directors with respect to the affairs of the Company. On initial examination, such material may be assumed to relate to the management and affairs of the Company and a Director has a need to be aware of such matters. Unless there is a clear conflict of interest on the part of the Director, that Director has a right to see any documents circulated to some of the Board members. Special provisions apply regarding the circulation of Board papers to Directors with a known conflict of interest.

It is not a matter for the Board-as-a-whole to decide which documents any particular Director shall see. It is even more so not a matter for the CEO. A Director's right to inspect corporate material is a legal right that in no sense depends upon the views of the Board or the CEO. Access may only be denied for good cause and then by a court decision where the Director is considered to have an ulterior purpose, which is disclosed in evidence. [See "Information Seeking Protocol"]

At no time must a Director act in any way that is not in the best interests of the Company.

If a document contains a confidentiality clause, it must nevertheless be shown to Directors on request, since the presence of a secrecy clause can hardly preclude inspection of the document by a member of the Board of one of the parties to the document. Once he/she has inspected it, the Director would of course be bound to observe the contractual confidentiality.

Protocol: Directors Information Seeking

Directors will adhere to the following protocol when seeking information relating to the affairs and management of the company:

1. Approach the CEO to request the required data [noting that the Board recognises the right of the CEO to defer such requests that, in the CEO's opinion, require a material amount of staff time or funds or are disruptive, who must then immediately notify the Chairman of the use of this provision;
2. If the data is not forthcoming, approach the Chairperson; and
3. If the information is still not forthcoming, write a letter to all Board members and the CEO detailing the information that is required, purpose of the information, and who the Director intends to approach in order to obtain the information.

When considering an application from a Director to access corporate information, other than Board papers, the party considering the application may ask the Director for the reason for their request to establish that the information is required for Company (and not personal) reasons. In the normal course, information obtained by a Director in the course of the Director's duties should be made available to all Directors.

A Director is entitled to the same information that may be obtained by any member for personal purposes (such as re-election to the Board) at the Director's personal cost.

- **Director administrative assistance** Directors shall be entitled to such reasonable and appropriate expenses and assistance with travel, meals and accommodation arrangements and allowances etc. incurred in attending meetings or other authorised director duties on behalf of the Company. [ref: NACCHO Constitution 2011 s.5.2.5]

Director Expenses Protocols

Directors are entitled to be paid travel, accommodation and out-of-pocket expenses, as determined by the Board, incurred in connection with a Director's attendance at Board meetings, meetings of members or otherwise in connection with the performance of a Director's duties

The NACCHO policy for travel reimbursement is that NACCHO will reimburse car mileage over 50kms @ [a rate determined from time to time] per km (depending on engine capacity) each way up to the full cost of an equivalent economy airfare from the nearest airport from your point of origin. Taxi and parking receipts must be given to NACCHO to claim reimbursement

- Directors of the NACCHO Board will respect and acknowledge the important asset NACCHO has in its staff. The NACCHO Board as a group and as individual members **acknowledge the different and distinct roles and responsibilities of staff** and will strive for respectful and professional relationships among and between the parties.
- Directors will **refrain from evaluating**, criticising or passing judgment on, either formally or informally, the job performance of any **management or staff** personnel other than the CEO.
- Directors of NACCHO Board will respect that NACCHO is a **non smoking** environment.
- While NACCHO recognises the need from time to time to give or accept customary business courtesies in accordance with ethical business practices, Directors and Officers will not solicit such courtesies and should **not accept gifts**,

benefits or hospitality or offers of services to their personal benefit that are associated with their role as a director of NACCHO or that might influence, or appear to influence, the Directors' and Officers' conduct in representing NACCHO. Membership of the NACCHO Board implies a position of trust, integrity and professionalism which would be compromised by seeking private gain, obtaining financial advantage, gifts, rewards, bribes, or any other advantage for themselves or any other person.

Conflict of Interest [ref: NACCHO Constitution 2011 s.5.13.1-5.13.3]

Directors have a duty to disclose to the Board pecuniary or non-pecuniary potential conflicts that may or might reasonably be thought to exist between the interests of the Director and the interests of NACCHO. On appointment, Directors will have an opportunity to declare any such interests and they will be entered into NACCHO's Conflict of Interest Declarations.

Directors should update this disclosure by notifying the Chairperson as soon as they become aware of any conflicts. Directors are also expected to indicate to the Chairperson any actual or potential conflict of interest situation as soon as it arises. To ensure Directors have an opportunity to disclose new conflicts of interest, the first agenda item for each Board meeting will be the disclosure of any conflicts of interest. Any amendments to disclosures are to be tabled at this time and entered into the Conflict of Interest Declarations.

The Board can request a Director to take reasonable steps to remove the conflict of interest. If a Director cannot, or is unwilling to, remove a conflict of interest, then the Director must absent himself or herself from the room when discussion and voting occur on matters to which the conflict relates. The Minute Secretary will minute entry and exit of the Director concerned.

Directors do not have to absent themselves when either:

1. A conflict of interest relates to an interest common to all members; or
2. The Board passes a resolution that identifies the Director, the nature and extent of the Director's interest and the relation of the interest to the affairs of the company and clearly states that the other Directors are satisfied that the interest should not disqualify the Director concerned from discussion and/or voting on the matter.

Related Party Transactions

Related party transactions include any financial transaction between a Director or Officer and NACCHO and are to be reported in writing to each Board meeting.

In general, the Board must approve related party transactions. An exemption to this requirement occurs where the financial benefit is given on arm's length terms.

To assist the Board in showing that a financial benefit, such as the awarding of a contract to a company in which a Director is a partner, is given on arm's length terms, the process outlined below (Potential Related Party Transaction) will be followed. The Board has also resolved that a Director or Officer shall exclude himself/herself from the approval process where a related party has made an application to them.

A related party for this process means:

1. A spouse or de facto spouse of the Director or Officer; or
2. A parent, son or daughter of the Director or Officer or their spouse or de facto spouse; or
3. An entity over which the Director or Officer or a related party defined in one or two has a controlling interest.

The register of Interests will also include related party transactions.

Related Party Transactions

To minimise the risk of a transaction being a related party transaction, the following steps should be taken.

Step 1: Invite expressions of interest and circulate the following tender documentation:

1. Invite to Tender
2. General Conditions of Tender
3. General Conditions of Contract
4. Special Conditions of Contract
5. Specifications
6. Response to Tender

Step 2: Tenderers should place their tenders in the tender box before the closing date stipulated in the Invitation to Tender. The tender box should be kept secure until opened.

Step 3: Form a Tender Evaluation Committee to review all tenders utilising the selection criteria stipulated in the Invitation to Tender. Tenders should not be assessed solely on who is cheaper, but on a number of related issues such as:

- Open and effective competition;
- Value for money;
- Enhancing the capabilities of NACCHO;
- Environmental protection; and
- Ethical behaviour and fair dealing.

Members of the Tender Evaluation Committee should be Officers with relevant skills knowledge appropriate to the value and importance of the work being tendered and be free of any conflict or interest that might undermine the objectivity of the assessment. During the decision process, the Tender Evaluation Committee should follow certain steps to ensure that a fair and equitable procedure has been carried out.

Step 4: The Tender Evaluation Committee or a delegated Officer should prepare the recommendation. The recommendation should be in writing and contain detailed information so that the selection is fully justifiable.

Step 5: The recommendation should be forwarded to the approving authority, which should be the Board, the CEO or a Senior Manager acting under delegation. Any person with an interest in either the recommended tendered or another tenderer should not be present for the discussion of the recommended tenderer and may not vote to approve or disapprove the recommended tenderer.

Governance Practice

Board Meetings

Board meetings are a fundamental component of governance processes.

Each Board meeting is critical, as it is the main opportunity for Directors to:

- establish and review the Strategic Direction
- undertake on-going strategic exploration and scenario thinking exercises and discussions
- obtain and exchange information with the CEO and Senior Management team;
- obtain and exchange information with relevant external parties;
- obtain and exchange information with each other;
- establish and review governance polices and delegate authority as necessary
- receive reports and monitor the performance of the organisation

The Board meeting agenda is an important component since it shapes the information flow and subsequent discussion at Board meetings.

Meeting Frequency [ref: [NACCHO Constitution 2011 s.5.8.1](#)]

The Board must meet at least twice in each twelve month period and more as determined necessary at such place, time and manner as the Board may determine.

Convening meetings [ref: [NACCHO Constitution 2011 s.5.8.2, 5.8.3](#)]

The Chairperson and more than 25% of Directors in accordance with the Constitution may convene additional meetings of the Constitution. All Directors will be provided with at least forty-eight hours verbal or written notice of such additional meetings.

Meeting Attendees [ref: [NACCHO Constitution 2011 s.5.8.12](#)]

Board meeting attendees include:

- All directors of the Board;
- CEO (usually at all meetings except when CEO employment and performance related issues are discussed);
- Senior Management as required [may be requested by the Board to make presentations to the Board, provide advice, counsel and/or information and answer questions]; and
- Any other person invited by the Chairperson to assist with matters under consideration and only to present within the allocated time frame.

Observers at NACCHO Board meetings [ref: [NACCHO Constitution 2011 s.5.8.12](#)]

“Observers” means those who are permitted, at the discretion of the Board, to attend any part of NACCHO Board of Directors meetings but with no ‘official’ status as ‘directors’ in accordance with the *Constitution* and only in a non-voting capacity. They may speak on agenda items by permission of the Chairperson to provide advice and information on matters as requested by Directors. For the sake of clarity, they should be careful not to make, or participate in making, decisions that affect the whole, or a substantial part, of the business of the corporation; or be understood to have the capacity to affect significantly the corporation’s financial standing; or be understood to be issuing instructions or wishes in accordance which the directors of the corporation are accustomed to act; otherwise they may be deemed to be a ‘director’

of the corporation under the provisions of the Corporations Act (2001). This excludes advice given by the Observer in the proper performance of functions attaching to their professional capacity or business relationship with directors or the corporation.

The NACCHO policy regarding Observers is as follows:

- People wishing to attend the NACCHO Board Meeting (other than those requested to attend) must seek the permission of the Chair seven (7) working days prior to the meeting date
- Upon attendance the observer does not have voting rights and must respect the position of the Chair in running the meeting
- The observer may be asked to leave anytime during the meeting
- The observer must maintain the confidentiality of the meetings content and proceedings

Meeting Cycle

To assist the smooth running of Board processes, the Board has adopted an indicative cycle as shown in the table below. The indicative cycle gives Board members ten days to review the agenda and Board papers to save valuable time at meetings by being prepared for discussions and allowing them to seek clarification or further information in advance on ambiguous items.

Under normal circumstances, Board meetings shall follow the following cycle.

ITEM	DAY
Draft Agenda to the Chairperson	-21
Agenda approved by the Chairperson	-14
All papers are circulated to Board meeting attendees	-10
Papers available for inspection at NACCHO	-1
NACCHO Board meeting	0
Draft Minutes Circulated	7
NACCHO Board Communiqué sent	7

All days indicated are calculated in relation to the Board meeting day [day zero]

Please note, that this is an indicative cycle only. The actual timing of events in the lead up to and follow up from Board meetings will be dependent upon the circumstances surrounding each individual meeting.

Conduct of Meeting [\[ref: NACCHO Constitution 2011 s.5.8.10\(a\)\]](#)

The Chairperson, or Deputy Chairperson if the Chairperson is absent, will preside at the meeting and determine the degree of formality required at each meeting while maintaining the decorum of such meetings. As such, the Chairman will:

- Ensure that all members are heard;
- Retain sufficient control to ensure that the authority of the chair is recognised. This may require a degree of formality to be reintroduced when it is required to make progress;
- Take care that the decisions are properly understood and well recorded;
- Ensure that where discussion and debate requires a decision (usually a policy pronouncement, amendment or revision) that it is completed with a formal resolution recording the conclusions reached.

In the absence of the Chairperson, or Deputy Chairperson, one of the remaining members of the Board may be chosen by Members present to preside. [ref: [NACCHO Constitution 2011 s.5.8.10\(b\)](#)]

Director Conduct at NACCHO Board Meetings

Directors are to provide reasonable forward notification of attendance at (or apology regarding inability to attend) NACCHO Board meetings and must notify the NACCHO Secretariat as soon as possible of if there is a subsequent cancellation or alteration of arrangements. If there is no subsequent notice provided in the case of a cancellation or alteration of arrangements, all associated costs will be incurred upon the individual director.

(Ref. Resolution no. 171 – Board Meeting May 2001, the Statesman Hotel, Canberra.)

Directors cannot vote at a NACCHO Board meeting until the Director appointment has been approved by the NACCHO Membership in General Meeting and until they have signed the *Consent to Act as a Board Member* form (as prescribed under the Corporations Act). This consent form must be received by the NACCHO office prior to a Board Meeting. [ref: [NACCHO Constitution 2011 s.5.2.7, 5.2.8](#)]

All directors attending NACCHO Board Meetings are expected to remain until the conclusion of the Board meeting; however, those Board Members who must leave earlier, must receive special permission from the Chairperson in advance and prior to your travel bookings being made. This ensures that all NACCHO Board business is completed with a legal quorum.

(Ref. Resolution no.869 Meeting 30-31 May 2007 in Adelaide)

Directors are expected to behave in a manner that is consistent with generally accepted procedures for the conduct of meetings at all meetings of the Board. This will include, but not be limited to:

- Acting in accordance with the Constitution and governing policies;
- Acting in a business-like manner and in a manner consistent with the letter and spirit of the Director's Code of Conduct;
- Preparing thoroughly for each Board or Committee event;
- Addressing issues in a confident and firm, yet friendly manner;
- Using judgment, common sense and tact when discussing issues;
- Minimising chatter and irrelevant remarks;
- Ensuring that others are given a reasonable opportunity to put forward their views (i.e. refraining from interruption or interjection when a speaker has the floor); and
- Being particularly sensitive in interpreting any request or indication from the Chairman that aims to ensure the orderly and good-spirited conduct of the meeting.

Directors of the NACCHO Board are encouraged and expected to work cooperatively together as a group and to assist good working relationships by treating each other with integrity, consideration, courtesy and respect. Good quality decision making and management will only occur where there is good relationships among Directors of the NACCHO Board. Nevertheless, differences of opinion between Directors are to be expected and are considered to be healthy if resolved effectively at meetings and in private, and not in front of members, staff or visitors. If divergent or dissenting views and opinions or other issues affecting relationships cannot be resolved this way, then the mediating assistance of the Chairperson should be sought.

Directors are expected to be forthright in Board meetings and have a duty to question, request information, raise any relevant Board issue, fully canvas all aspects

of any relevant Board issue confronting the responsible governing of NACCHO and cast their vote on any resolution according to their own decision after forming their own independent opinion and judgement on the matter under consideration.

As the end product of Board discussion, a resolution may be required on the issue at hand (or may not depending on the matter at hand); it is the Chairperson's role to facilitate the group decision-making process. Once deliberation has finished and a resolution is the outcome, the Board will present a uniform view outside the Boardroom and all Directors should support the actions of NACCHO.

Directors should recognise board minutes as the only official record of board deliberations and of any resolutions reached and will support the letter and spirit of Board decisions. It should be recognised that board discussions and deliberations leading up to a final board resolution aren't board decisions and should remain confidential to protect each director's obligation (and confidence) to be "full and frank" in expressing their views and opinions at the board table.

Directors are reminded they have a legal (and moral) obligation to "not improperly use information" (s.183(1) Corporations Act 2001) and should not (in the interests of board collegiality) "discuss" outside the boardroom aspects about the meeting such as what happened, what was discussed, who said what, dissenting and alternative options put, individual statements, etc.

All confidential information received by a Director in the course of the exercise of a Director's duties remains the property of the Company and is not to be disclosed, or allow it to be disclosed without appropriate authorisation.

To assist Directors in their duty of confidentiality to NACCHO, prior to the close of each Board meeting it will be agreed what matters are for public disclosure. At the conclusion of each Board meeting, the Directors will agree on items for public disclosure to be included in any Board Communiqué.

Quorum and Voting at Meetings

In order for a decision of the Board to be valid, a quorum of Directors must be present. A quorum shall consist of one half (or where one half is not a whole number the whole number next higher than one half) of the number of Members eligible to vote. [ref: NACCHO Constitution 2011 s.5.8.6]

Decisions shall be made by majority of votes by Directors present and entitled to vote at Board meetings. [ref: NACCHO Constitution 2011 s.5.10.1]

Observers [permitted only at the discretion of the Board to attend any part of NACCHO Board of Directors meetings] have no voting rights at any meeting of the Board. [ref: NACCHO Constitution 2011 s.5.8.12]

Standing Orders for Board Meetings (Rules of Debate)

The rules of debate are applied at the discretion of the Chairperson or by resolution of the Board at any meeting.

The Chairperson's interpretation of the rules of debate shall be final unless overruled by the meeting.

Standing Orders for Board Meetings (Rules of Debate)

Dissent from the Chairperson's ruling

Any director dissatisfied with the Chairperson's ruling may move a motion of dissent in the following terms: "That the chairperson's ruling be dissented from". In such bases, only the mover shall be permitted to speak, except the chairperson who may state reasons for the ruling given. The motion shall thereupon be put to the meeting by the deputy chairperson, without further discussion in the following form: "The motion is that the chairperson's ruling be upheld."

The chairperson may not move, second or speak on any motion without leaving the chair. Having left the chair, the chairperson may not resume it until that debate has been concluded.

Whenever the chairperson speaks, whether during debate or not, any director speaking or proposing to speak, shall refrain so that the chairperson may be heard in silence.

The chairperson shall have a normal deliberate vote as well as casting vote when the voting numbers on each side or equal.

Motions

A management recommendation in a report to the Board shall be regarded as a motion sufficient to start debate. Other motions must be duly proposed and seconded before debate may commence.

1. **Lapsed Motions** – Any motion or amendment not seconded shall lapse without further debate.
2. **Amendments** – The question having been proposed may be amended by leaving out, substituting or adding words. Any number of amendments may be proposed and discussed simultaneously with the original motion. When amendments have been put and lost, the original motion shall then be put to the meeting. When amendments have been put and carried they will then become the motion and be put to the meeting. At the close of debate, amendments shall be put in the order they have been moved.

Direct negatives disallowed. No amendment shall be received by the chairperson which shall be a direct negative to a motion, or which does not preserve the substance of such motion.

The proposer of a motion or an amendment shall be allowed five (5) minutes in which to introduce the matter and five (5) minutes in which to reply. Extension of time may be granted by any meeting without debate. All other speakers shall be limited to five (5) minutes each.

No other director shall speak more than once to any question before the chairperson, unless by way of explanation, or with the consent of the majority of directors present.

Speakers in Succession

No more than two (2) directors shall speak in succession on one side, either for or against any question before the meeting, and if, at the conclusion of the second speaker's remarks, no director speaks on the other side, the motion or amendments shall be put to the meeting after the mover has replied.

Right of Reply

The mover of the original motion shall have the right of reply. No further discussions shall be allowed after the mover has replied.

Point of Order

The director addressing the meeting shall not be interrupted unless called to order or a point of order is taken. When a point of order is taken, the director speaking shall desist and the director taking the point of order shall outline the reasons for taking it to the chairperson. The chairperson may either invite further submissions or rule upon it immediately. The chairperson must give a ruling before the debate is resumed.

Question Be Put

A director shall have the right at any time during the debate to move “That the question be now put” and it shall be submitted by the chairperson to the vote without question and if affirmed the chairperson shall put the question under discussion of the meeting without further debate after the mover has replied.

Referral to a committee or deferral to a later Board meeting

A motion to refer a matter to a committee, or to defer debate to a later Board meeting, must contain within it a reason for such action or terms of reference for a further report.

Putting the Motion

Immediately the debate on a question has been concluded, the chairperson shall put the question to the meeting in a distinct and audible manner. The question being put shall be resolved in the affirmative by a majority of those voting. Abstention will not be counted.

No Further Speakers

No director shall speak on any motion after it has been put by the chairperson.

Recommittal

Any matter may be recommitted, upon a two thirds (2/3) majority of the directors present voting in favour of such recommittal.

Rescission

A resolution passed at a meeting cannot be rescinded at the same meeting, or any subsequent meeting, unless notice of such intended rescission shall have appeared on the Business paper of that meeting.

Notice of motion for rescinding any motion carried at a meeting may be given by handing such notice signed by three (3) directors to the chairperson and causing it to be read to that meeting. The chairperson shall not allow discussion on the Notice of Motion at the meeting at which the notice is given. The Chief Executive Officer shall then include the Notice on the next Business Paper as a Notice of Motion.

If the Chief Executive Officer at any time after a meeting is verbally advised separately by three (3) directors that they propose to give the Chief Executive Officer a Notice of Rescission, the Chief Executive Officer is to cease, so far as is then practicable, the operation of the motion they seek to rescind, providing that a written notice signed by three (3) directors is received within three (3) working days. The Chief Executive Officer shall then include the Notice on the next Business paper as a Notice of Motion.

The receipt of a duly signed Notice of Motion to rescind prevents the operation of the motion it seeks to rescind.

A Rescission Motion can only be carried by a two thirds (2/3) majority of the directors present at the meeting at which the Rescission Motion is put.

Once a Rescission Motion has been resolved, it shall not be resubmitted within a period of three months.

Before discussion of the reports commences, the Chairperson will establish which reports received by the Board do not require further discussion. Any resolutions of these reports will then be put for endorsement.

Emergency Decision Making – Written Resolutions [ref: NACCHO Constitution 2011 s.5.10.5]

Where an urgent decision is required that cannot wait until the next Board meeting, a “flying minute” may be signed by each Board member approving the resolution.

The decision will become effective when a signed approval is received from a majority of Board members (nine Board members), and the collated copies shall be the record of the decision until it is ratified at the next meeting and formally entered into the minutes of the meeting. If the majority of Board members do not approve the “flying minute”, the item will be held over until the next board meeting.

Board Meeting Agenda

Agenda Content

The agenda should be included with notice of the meeting and needs to set out items of business to be dealt with in the meeting.

A well-designed agenda helps make a Board meeting effective by putting the time Directors spend together to best use. Good design allows sufficient time for Directors to focus on future-oriented, strategic issues when energy and concentration is high. At the same time, it ensures important, but typically more routine matters such as compliance and fiduciary responsibilities are discharged in an appropriate manner.

*A sample **Board Meeting Agenda** is contained in Appendix 2*

Agenda Preparation

The Chairperson is to ensure that meeting content will be only those issues that, according to this Charter, clearly belong to the Board to decide.

The CEO, in consultation with the Chairperson, is responsible for preparing an agenda for each Board meeting. However, any Director may request items or notices of motion be added to the agenda for upcoming meetings. This request should be made in writing to the Chairperson and copied to the CEO. The CEO circulates the agenda with the Board papers to be at Directors’ notified address for notices by the evening of the tenth day prior to a meeting. The board papers will also be available for inspection and discussion with the CEO on the day prior to the board meeting.

Correspondence

Major correspondence comprises any correspondence received by the Chairman, the CEO, other senior officers of NACCHO, or the Board Secretary about which Directors should be aware that have major policy or strategic implications or require formal ‘consent’ or that impact legally on Directors personally or NACCHO. Such correspondence may include, but is not limited to, any non-routine correspondence:

- from any other regulatory Federal, State or Local Government statutory body or Department, auditor or actuary providing warnings about adverse performance of the Company or failure to comply with or conform to requirements;
- which impacts on the due diligence requirements of the Directors;
- or writ or summons arising from legal action against NACCHO;
- threatening substantial legal action against NACCHO or questioning ethical or lawful behaviour by the organisation or its employees

Correspondence addressed to the Board should be presented with any required draft reply prepared by Management. It is the responsibility of the CEO to ensure the draft reply meets the Board’s expectations and the measure of this will be the Board’s acceptance of drafts without amendment.

Major correspondence will be included in the Board Papers, unless such correspondence is received between the circulation of Board Papers and the Board meeting, in which case it can be tabled at the meeting. Major correspondence will normally be "*For Noting*". However any Director can ask for any item of correspondence to be discussed.

Board Papers

Preparation and Circulation of Board Papers

The CEO is responsible for the preparation and circulation of Board papers.

The Chairperson should vet papers or any other information supporting each draft agenda item to ensure they adequately inform the debate, add to the discussion and help Directors to reach a decision. Effective papers should have the right balance between data and detail, analysis and insight, drawing on domain expertise from relevant executives or external parties.

They should be written succinctly, follow a consistent format and clearly identify the issues, (and if required) stating the resolution recommended. The Chairperson should ask for any poorly written papers to be re-written, allowing for their proper period of circulation before the meeting, or the agenda should be withdrawn.

The Board papers will include the following items:

- Statutory items: agenda, previous minutes, correspondence summary, seal register/power of attorney, disclosures, related third party transactions, etc
- Internal Reports (CEO, Executive Management & Committee, etc)
 - monitoring data: assist directors to oversee management /organisational affairs
 - business intelligence data: assist directors to stimulate productive discussion and help effective decision-making, e.g. information regarding operational activities influencing performance, value drivers, capabilities, gaps, policy, etc
- External Reports: commissioned submissions, proposals, information, research, education papers, business cases, issue papers, etc. regarding strategic issues for board consideration, discussion, analysis, review, etc.

Reports must follow a set format. The writer may be asked to attend to speak to his or her paper to provide

- Verbal expansion (not repeat) of written reports
- New information on matters since report
- Additional information requested at the meeting

*A sample **Board Paper Report Format** is contained in Appendix 3*

If a Board paper relates to a matter in which there is a known conflict of interest with a particular Director, the relevant Board paper will be removed by the CEO, on the instructions of the Chairperson, from the set of Board papers sent to that Director. In the case of the Chairperson having a conflict of interest, the Board will appoint another Director to make final decisions on the forwarding of Board papers to the Chairperson. (Refer to the relevant section of this Charter outlining NACCHO's policy regarding conflict of interest).

Retention of Board Papers

The CEO maintains a complete set of Board papers at NACCHO Secretariat. Individual Directors may also retain their own Board papers in a secure location.

Note-Keeping on Board Papers

The only records of Board meetings are the official records kept by the Company Secretary under the requirements of the Corporations Act 2001. However, Board members may choose at their discretion to keep their own personal notes or comments on Board papers.

Individual Board members should be aware that the personal notes and comments they choose to make are discoverable under law and so should proceed with caution in this regard.

Board Calendar

In order to provide an even distribution of work over each financial year, the NACCHO Board will adopt a twelve-month Board Calendar.

The Board Calendar will schedule all Board meetings as well as major corporate and Board activities, these may include:

- Regular board meetings
- Annual returns/report and AGM
- Scheduled committee meetings
- Annual strategic direction formulation review workshop
- Scheduled executive management presentations
- Policy monitoring schedule
- Regulatory compliance schedule - key corporate compliance dates
- Board/director performance evaluation/review
- CEO performance evaluation/review
- Stakeholder relationship priorities
- Key “Industry” events

The Calendar should also incorporate major roles – strategic direction approval, risk management update and rate rise decisions, etc.

*A sample **Board Calendar** is contained in Appendix 4*

Cost of Governance

The Board will consciously invest in its ability to govern competently and wisely and will accordingly adhere to the following policy:

1. Board skills, methods and supports will be sufficient to assure governing with excellence
 - a. **Training** and retraining will be used liberally to orient new shareholders and candidates for ownership, as well as to maintain and increase existing shareholder skills and understandings
 - b. **Outside monitoring** assistance will be arranged so that the Board can exercise confident control over organisational performance. This includes but is not limited to fiscal audit.

- c. Outreach mechanisms will be used as needed to ensure the Board's ability to listen to owner (and other external strategic) viewpoints and values and obtain relevant **strategic information**
2. **Costs** will be prudently incurred, though not at the expense of endangering the development and maintenance of superior governance capability
- a. Up to \$_____ in fiscal year _____ for **Board and Director training, professional development and guidance**, including new Director orientation, attendance at conferences and workshops, governance consulting, etc
 - b. Up to \$_____ in fiscal year _____ for **external audit** and other third party monitoring of organisational performance
 - c. Up to \$_____ in fiscal year _____ for usual and ordinary **Director expenses** incurred in connection with Board service and meeting attendance [ref: **NACCHO Constitution 2011 cl.5.2.5**]
 - d. Up to \$_____ in fiscal year _____ for expenses incurred in connection with direct Board **meeting** costs and associated **information gathering** costs including market intelligence and opinion analysis, focus groups, Shareholder surveys and other information sourced from commissioned reports, submissions, proposals and Board presentations on external business environment issues and industry trends from invited attendees
3. **Director's & Officers insurance** will be maintained during their period of appointment and for six years from the date at which they ceased to be a Director at competitive market rates to ensure an acceptable level of cover.
4. Directors may obtain **independent professional advice** at NACCHO expense (up to \$_____ in any fiscal year) subject to making a request to, and obtaining the prior authorisation of the Chairman. Where the Chairman wishes to obtain independent advice, he/she is required to make a request to and obtain the prior authorisation of two other Directors.
5. In recognition of the significant responsibility, onerous legal and moral obligations and expectations of non-executive directors and the time contributed, costs will be incurred up to an aggregate maximum of \$_____ in fiscal year _____ to **remunerate non-executive directors** for their efforts and services [if and only when permitted under **NACCHO Constitution 2011 cl.5.2.4**] in a proportional manner as determined from time to time by the Directors and in line with *ASXCGC Corporate Governance Principle 8* and only after:
- a. NACCHO has sufficient surplus capital to ensure the stability of NACCHO and the provision of sufficient reserves for future objectives (and any promulgated material charitable contributions)
 - b. consultation with the Director prior to a recommendation being made by the Board
 - c. the amount payable to Directors being ratified by the Ownership at the AGM

Role of the Chairperson

The Chairperson's role is a key one within the National Aboriginal Community Controlled Health Organisation. The Chairperson is considered the "lead" Director and utilises his or her experience, skills and leadership abilities to facilitate the Corporation's governance processes and ensure that the Board accomplishes its role. [ref: NACCHO Constitution 2011 s.5.4]

Position Description for the Chairperson

Board Leadership

The Chairperson will:

1. Ensure the Board operates as an inclusive, well-functioning team;
2. Provide guidance to Board members on what is expected of them as Directors;
3. Set the tone and foster an ethical Board culture;
4. Monitor that all the Board members behave in accordance with the Director's Code of Conduct and take appropriate action in cases of non-compliance;
5. Ensure the Board has fully considered and approved an effective corporate strategy for the Corporation;
6. Ensure that the Board is participating in setting the policies of the organisation
7. Ensure that there is adequate monitoring, pursuit and performance of the organisation's goals
8. Initiate the process of regular and structured Board and Director evaluations in accordance with the procedures laid out in the Corporate Governance Charter;
9. Ensure that all new Directors undergo an appropriate induction program; and
10. Review with all Directors on a continuing basis their development needs and ensure that appropriate development occurs.

Ensuring Effective Board Meetings

In managing the Board, the Chairperson will:

1. Together with the CEO, establish an annual Board calendar which ensures that the Board undertakes all its key responsibilities throughout the year;
2. Establish an agenda for Board meetings in consultation with the CEO;
3. Together with the CEO, ensure that appropriate Board papers are prepared and that the Board has the necessary information to ensure effective decision-making and that such papers are circulated in advance as specified in the Corporate Governance Charter;
4. Chair all NACCHO Board meetings and conduct and facilitate board discussions, decide on matters of order and guide the business in NACCHO Board meetings as set out on the agenda, in the time available;
5. Convene NACCHO Board meetings as per the requirements of the Constitution;
6. Ensure the effectiveness of NACCHO Board meetings, so that:
 - Time is allocated effectively;
 - The right matters are considered during the meeting;
 - Matters are considered carefully and thoroughly;
 - All Directors are given the opportunity to effectively contribute; and
 - Matters requiring decisions are resolved and noted.
7. Together with the CEO, brief all Directors in relation to issues arising at NACCHO Board meetings; and
8. Ensure NACCHO Board decisions are properly implemented
9. Vote by using a deliberative vote and where necessary a casting vote
10. Sign the official minutes after they have been adopted

Management Relations

The Chairperson will:

1. Be the principal point of contact between the NACCHO Board and Management, in particular the CEO;
2. Communicate with the CEO to ensure the NACCHO Board is kept up to date on all relevant matters;
3. Regularly review, with the CEO and such other Senior Managers as appropriate, progress on important initiatives and significant issues facing the Corporation;
4. While the CEO is the primary contact for operations matters, the CEO may call upon the Chairperson for assistance in dealings with:
 - the general public, customers, suppliers and employees;
 - government and regulatory authorities; and
 - other key industry stakeholders.
5. Provide mentoring for the CEO; and
6. Initiate and oversee the annual CEO evaluation process.

Stakeholder / Member Relations

The Chairperson will:

1. Chair Annual General Meetings and special meetings of stakeholders/members;
2. Be the spokesperson for the corporation at Annual General Meetings and in the reporting of performance and profit figures; and
3. Communicate with stakeholders/members on matters which relate to the governance of the Corporation.

Stakeholder Relations

The Chairperson will:

1. Be the spokesperson for the Corporation on all governance matters;
2. Use his/her contacts where appropriate to assist the Corporation.
3. Represent stakeholders' views to the Management;

DELEGATIONS

The chairperson is "first among equals" on the Board and as such has no additional power or authority above that of any other Director. The exception to this is the Specific Responsibilities listed above and the following delegations:

1. The Board delegates to the Chairperson the right to make any reasonable interpretation of the Board's words and intention in dealings with staff, members, suppliers and other stakeholders; and
2. The Board delegates to the Chairperson the approval of the CEO's leave.

SUCCESSION PLAN FOR CHAIRPERSON

It is the responsibility of the Chairperson to ensure that there is a succession plan for the role of Chairperson. This will involve:

1. Discussing with Directors who may aspire to the role of Chairperson their development needs and, where possible and appropriate, assist such Directors in their development as a potential Chairperson;
2. As far as possible, ensure that several Directors have had chairing experience of Board Committees and have undertaken other activities which would assist these Directors to take the role of Chairperson if the position becomes unexpectedly vacant; and
3. Where possible, giving sufficient notice to the Board of any decision to step down from the position of Chairperson so that the remaining Directors can give full consideration to the election of a new Chairperson.

It is the responsibility of individual Directors to express their interest in the succession

plan to the Chairperson.

Holding an office such as Deputy Chairperson will support the development of individual Directors and the succession planning process for the role of Chairperson.

TIME COMMITMENT

It is expected that the Chairperson undertake this position full time.

CHAIRPERSON EVALUATION

The following Key Result Areas (KRA) and Key Performance Indicators (KPI) will be used to evaluate the Chairperson's performance.

Key Result Area	Key Performance Indicator	Measurement
Leadership	Effective leadership in the Boardroom	Board member satisfaction (Board evaluation)
	Board a well-functioning team	Board member satisfaction (Board evaluation)
	Fosters an appropriate corporate culture	Internal culture survey
Ensuring Effective Board Meetings	Effective implementation of Board calendar Agenda Board papers Minutes	Board member satisfaction (Board evaluation)
	Effective conduct of meetings	Board member satisfaction (Board evaluation)
Management Relations	Effective working relationship between the Chairperson and the CEO and Management Team	<ul style="list-style-type: none"> ▪ Board member satisfaction (Board evaluation) ▪ Senior Management team satisfaction (qualitative assessment)
	CEO evaluation Process outcomes	<ul style="list-style-type: none"> ▪ Board member satisfaction (Board evaluation) ▪ CEO satisfaction (qualitative assessment) ▪ Senior Management team satisfaction (qualitative assessment)
Member and Stakeholder Relations	Effective performance of the responsibilities in relation to member and stakeholder responsibilities	<ul style="list-style-type: none"> ▪ Board member satisfaction (Board evaluation) ▪ Senior Management team (qualitative assessment)
Attendance	Attendance at Corporation meetings, committee meetings and Corporation events	<ul style="list-style-type: none"> ▪ Proportion of possible meetings and events attended
Ethics	Demonstrates high integrity and exemplary behaviour	<ul style="list-style-type: none"> ▪ Breaches of governance standards / Code of Conduct ▪ Board member satisfaction (Board evaluation) ▪ Senior Management team satisfaction (qualitative assessment)

Role of the Deputy Chairperson

The role of the Deputy Chairperson is to assist the Chairperson in fulfilling the role outlined above. [ref: NACCHO Constitution 2011 s.5.15]

The Deputy Chairperson will stand in for the Chairperson in his or her absence.

The Deputy Chairperson supports the Chairperson and acts in that position when the Chairperson is not available.

Specifically, the role of the Deputy Chairperson is to:

- Be equipped, in the absence of the Chairperson, to assume the roles and responsibilities of the Chairperson as outlined in the Chairperson's position description;
- Support the Chairperson in the leadership of the Board by:
 - Working closely with the Chairperson to ensure organisations objectives are met; and
 - Lightening the Chairperson's workload as and when required
- Undertake specific tasks:
 - Standing in as chair if conflict of interest arises with existing chair;
 - Assisting the Chairperson in mentoring Directors;
 - Undertaking representational activities on behalf of the organisation;
- Being a point of liaison for Directors, particularly for performance issues involving the Chairperson
- Undertake other duties as required by the Board.

Role of the Company Secretary

The Company Secretary is appointed or elected by the Board and is charged with facilitating NACCHO's corporate governance processes. The Secretary holds primary responsibility for ensuring that the Board processes and procedures run efficiently and effectively as well as compliance duties under the Corporations Act 2001 or other Acts. [ref: [NACCHO Constitution 2011 s.7.12](#)]

The Secretary is accountable to the Board, through the Chairperson, on all governance matters and reports directly to the Chairperson as the representative of the Board. All Directors have a right of access to the Company Secretary.

In addition, the Secretary will provide assistance and guidance to the CEO as required.

Position Description for the Company Secretary

The NACCHO Company Secretary is elected or appointed by the NACCHO Board. As an office holder, the Company Secretary is uniquely placed to influence corporate governance processes at NACCHO and is charged with facilitating the Company's corporate governance process and is responsible for ensuring that the NACCHO Board processes and procedures run efficiently and effectively.

The major areas of responsibility of the Company Secretary fall under the following:

- Corporations Act 2001 responsibilities;
- Meeting Management;
- Compliance;
- Governance Administration.

The responsibilities that NACCHO expects the Company Secretary to undertake within each of these areas are stated in more detail below [Some or all of these duties may be delegated to the administration through the Chief Executive Officer]:

Company Secretary Responsibilities

The Secretary has obligations to ensure that:

- The registered office is established and maintained;
- Financial reports that are to be lodged with the Australian Securities and Investments Commission are, in fact, lodged.

With respect to NACCHO's general meetings the Secretary will:

- Send out notices of general meetings including proxy forms;
- Give members notice of member's resolutions or statements;
- Maintain the company's minute books.

The Company Secretary is also responsible for ensuring that the necessary registers required to be kept by the Corporations Act 2001 or other Acts are established and properly maintained, including register of members.

Governance Meeting Management

The Secretary has responsibilities in relation to all governance meetings of NACCHO, that is, general meetings including the Annual General Meeting, Board meetings and Committee Meetings of the Board.

For each of these meetings the Company Secretary is responsible for:

- Preparing the notice of meeting and giving that notice as specified in the Constitution or by law;
- Assisting the Chairperson and CEO to prepare an agenda;
- Circulating the agenda and papers prior to the meeting;
- Preparing for and attending the meeting; and
- Recording, finalising, distributing and maintaining the minutes of all meetings.

In relation to NACCHO Board meetings, the Company Secretary is responsible for maintaining a complete set of Board papers at NACCHO's main office.

Compliance

With respect to compliance, the Company Secretary is responsible for:

- Reviewing current compliance programs and reporting back to the NACCHO Board and CEO on any recommendation for change;
- Working on the implementation of a compliance program adopted by the Board;
- Overseeing the Corporation's compliance program and ensuring that all Legislative obligations are met;
- Ensuring all requirements of ASIC, the ATO and any other regulatory body are fully met;
- Providing counsel on corporate governance principles and Director liability;
- Keeping abreast of the Corporations Act 2001 and provision relating to NACCHO such as the requirement to hold an AGM and keep written financial records;
- Keeping abreast of the compliance requirements of the Corporations Act 2001 and any other legislation relevant to NACCHO; and
- Providing advice to Directors and Officers in relation to the requirements of legislation and regulations relevant to NACCHO as well as NACCHO's Constitution.

Governance Administration

With respect to governance administration, the Company Secretary is responsible for:

- Maintaining the Register of Ongoing Conflicts of Interest and the Register of Related Part Transactions;
- Maintaining, updating and ensuring that all Directors have an up-to-date copy of the Governance Charter and associated governance documentation including the complete list of Delegations of Authority;
- Reporting at each NACCHO Board meeting the documents executed under a power of attorney, documents executed and reporting on new entries in the Significant Contracts Register; and
- Any other services the Chairperson, Board, or CEO may require.

Other responsibilities

Other responsibilities of the Company Secretary include:

- Advising the NACCHO Board and individual Directors on corporate governance principles and plans, and the implementation of corporate governance programs;
- Carrying out the instructions of the Board;
- Giving practical effect to the Board's decisions as directed by the Board and/or the CEO;

Lines of Communication

The Company Secretary is directly accountable to the Board, through the Chairperson and has a direct line of communication to the Board, on all governance matters and reports directly to the Chairperson as the representative of the Board. The Company Secretary will brief the Chairperson on current developments in corporate governance, work with the Chairperson to enhance the quality of Board

papers, and assist the Chairperson to discriminate between what is important and what is immaterial.

The Company Secretary is appointed and dismissed by the Board.

All Directors have a right of access to the Company Secretary.

Part B: Board–CEO Linkage & Relationship Policies

The Board and the CEO

Directors will acknowledge and respect that the Board's sole official connection to the operations of the organisation, its achievements, and conduct will be through the NACCHO Chief Executive Officer and will similarly acknowledge and respect the delegated role of the NACCHO Chief Executive Officer for the day to day management of the Secretariat and as such recognise that only resolutions of the Board, acting authoritatively as a single body, are binding on the CEO. Directors will refrain from any active involvement in Secretariat business unless specifically authorised and delegated by the NACCHO Board in consultation with the Chief Executive Officer.

Decisions or instructions of individual Directors, officers, or committees are not binding on the CEO except in rare instances when the Board has specifically authorised such exercise of authority.

The Board is responsible for appointing, delegating authority to, directing, advising, monitoring and evaluating the CEO.

As the CEO is the Board's sole official link to the operational achievement and conduct, all authority and accountability of staff is considered the authority and accountability of the CEO. Accordingly, the Board will never give instructions to persons who report directly or indirectly to the CEO.

Working with and through the CEO

- The NACCHO Board will select (and if and when necessary replace), work with and through, delegate various authorities to and regularly assess the performance of the CEO;
- The NACCHO Board will recommend the nature of and receive and consider (monitoring and business activity data) reports from the Chief Executive Officer (and other senior staff as appropriate) to monitor performance of the organisation as the Board considers necessary, with special regard to compliance with external legal/regulatory obligations, risk management processes and other internal governance policies and track the achievement of strategic results against board-determined targets;
- The NACCHO Board will instruct the CEO through written policies that:
 - prescribe the strategic expectations to be achieved; and
 - describe organisational situations, actions and behaviours to be avoided, while allowing the CEO any reasonable interpretation of these policies.

As such, as an overarching limitation and constraint placed on the CEO, the Board instructs that the CEO shall not cause or allow any method, means, practice, activity, decision, or organisational circumstance that is unlawful, imprudent, wasteful or in violation of the organisation's corporate values or commonly accepted social, business and professional ethics or generally accepted accounting principles.

Financial Budgeting Processes

- The NACCHO Board recognises its responsibility for ensuring that the Secretariat has adequate resources to pursue and achieve the board-stated Strategic Direction, and that the Secretariat in response will prepare and follow responsible budgets *according to the criteria outlined* in the Board-stated **financial budgeting processes** and operate within the limits of the allocated resources, keep adequate financial records, maintain prudent financial monitoring and account for all resources.

The Board has a financial responsibility to ensure

- the ongoing financial viability of the organisation
- compliance with various financial constraints placed on it by outside agencies (legislative, contractual, etc)

To ensure financial viability and compliance, the Board will set the financial framework within this financial planning/budgeting policy that makes clear those things that the CEO must not do in the development of the financial plan/budget for any fiscal year (or the remaining part of any fiscal year).

This policy will determine the financial planning/budgeting *values and principles* that the CEO must follow in the preparation of the financial plan/budget. The Board acknowledges that the financial plan/budget is a management tool (i.e. the planned costs of achieving the Board's stated organisational results) and the CEO is responsible for designing the 'numbers' associated with the costs of the organisation's activities/actions and methods and anticipated revenues (within the broad terms the Board has determined it is willing to spend) to achieve the results sought.

The CEO may make changes to the financial plan/budget at any time without Board approval as long as the CEO demonstrates that the following boundaries are respected. CEO reports on financial plan/budget variances must reflect the implications for the rest of the financial year rather than merely explaining what has already happened.

Accordingly, the CEO shall not allow financial planning/budgeting that:

1. Fails to be dedicated to the achievement of, and shall not deviate materially from, the Board's **Strategic Direction** priorities or purposes
2. Fails to be derived from a **multi-year plan** and neglects to take into account longer-term issues, priorities, plans and predictions
3. Fail to include credible **projections** of revenues and expenses, cash flow (for defined periods), separation of capital and operational items, and disclosure of planning assumptions.
4. Confuses or misleads **audit trails**
5. Results in financial harm to the organisation or risks **fiscal jeopardy**
6. Fails to plan so as to safeguard NACCHO from unacceptable **financial conditions** enumerated in the "Financial Condition and Activities" policy

7. Plans the expenditure in any fiscal year that would result in **default** under any of the corporations financing agreements or cause the **insolvency** of the corporation
8. Allows the **cash level** to drop below a safety reserve of less than \$_____ at any time
9. Plans the **expenditure** in any fiscal year of more funds than are conservatively projected to be received in that period (unless offset by Board approved borrowings or withdrawals from reserves outside of other guideline policies)
10. Fails to provide for a certain board-determined **financial outcome**, e.g. Operating revenue...
 - ... to achieve a financial surplus of \$_____ , or
 - ... to maintain a balance of income and expenditure, or
 - ... not to exceed a deficit level of \$_____
11. Threatens the organisation's financial status by allowing the following **financial ratios** to fall below board-determined levels.
 - *Current ratio*: not to reduce the current assets at any time to less than _____ (e.g. twice) current liabilities
 - *Gross profit margin*: _____%
 - *Days receivables*: _____ days
 - *Provision for doubtful debts* (debt waivers): _____ % of total trade debtors
 - *Days creditors*: _____ days
 - *Asset revaluation reserve*: \$ _____
 - *Accumulated funds*: \$ _____
 - *Debt to equity*: _____
12. Fails to provide for current and future **capital requirements** when relevant Budget provides for:
 - \$ _____ current capital requirements
 - \$ _____ future capital requirements
13. Plans to use **financial reserves** outside Board-approved parameters
14. Does not make provision for **the Board's own operational expenses** (i.e. not provide less for Board requirements during the year than is set forth in the "Cost of Governance" policy)

Financial Condition and Activities

- The NACCHO Board recognises its responsibility for sound financial management practices and *will approve policies* relating to **financial condition and activity** (especially those relating to major capital expenditure);
- With respect to the actual, ongoing financial condition and activities, the CEO shall not make financial decisions that cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from the Board's Strategic Direction policy priorities or purposes. Accordingly, the CEO shall not:
 1. Operate NACCHO so as to cause it to be in default under any of its financial arrangements

2. Expend more funds than have been received in the fiscal year to date, unless the debt guideline is met.
 3. Indebt the organisation in an amount greater than can be repaid by certain, otherwise unencumbered revenues within **xxx** days.
 4. Make a single purchase or commitment greater than \$_____ for each individual transaction. (Splitting orders to avoid this requirement is not allowed.)
 5. Acquire, encumber or dispose of real property valued in excess of \$_____.
 6. Allow tax payments or other government-ordered payments or legal and regulatory compliance filings to be overdue or inaccurately filed.
 7. Fail to settle payroll (in accordance with employment contracts) and debts (within credit terms) in a timely manner.
 8. Use any long term reserves or maintain reserve accounts for the purposes of managing earnings for questionable purposes
 9. Conduct inter-fund shifting in amounts greater than can be restored to a condition of discrete fund balances by certain, otherwise unencumbered revenue within **xxx** days.
 10. Fail to aggressively pursue receivables after their due date.
 11. Fail to follow and comply with applicable Australian Accounting Standards and use specialist advisors as required in the maintenance of the financial records of NACCHO
 12. Fail to invest excess corporate funds to maximise after-tax interest income but in so doing shall not risk loss in principle or maintenance of proper liquidity
- The NACCHO Board *will recommend the nature of, and regularly monitor requested financial statements and related data to **ascertain the financial position*** of the organisation.

Asset Management and Protection

- The NACCHO Board recognises its responsibility for sound asset management practices and *will ensure that specific policies, procedures and systems are in place* which will delegate to management the responsibility for **asset management and protection** to ensure that all funds are protected and adequate premises, facilities and equipment are provided for NACCHO, to ensure the programs and services can be delivered safely and to the standard and quality required under Occupational Health and Safety Legislative requirements.
- The CEO shall not allow corporate assets to be unprotected, inadequately maintained, or unnecessarily risked. Accordingly, the CEO shall not:
 1. Fail to **insure** against theft and casualty losses to an appropriate level considered prudent risk management (at least **80%** of replacement value) and against liability losses to Board members, employees, and the organisation

itself in an amount greater than **the average for comparable organisations [or \$_____]**

2. Fail to maintain adequate safeguards against any single employee's **unbonded personal access** to material amounts of funds
3. Unnecessarily expose the organisation, its Board, or staff to claims of **liability**
4. Fail to maintain an appropriate **asset register**
5. Subject physical resources, assets, facilities, premises and other material assets (including all **plant, property and equipment**) to improper wear and tear, insufficient maintenance, unauthorised or improper use or to fall below corporate branding, OH&S, asset valuation and amenity expectations in appearance, security and utility and not fail to review asset condition and expected lifespan of the asset and provision accordingly
6. Make any **purchase**:
 - a. wherein normally prudent protection has not been given against conflict of interest;
 - b. of over \$_____ without having obtained comparative prices and quality;
 - c. of over \$_____ without a stringent method of assuring the balance of long term quality and cost
 Splitting orders to avoid these requirements is not allowed.
7. Fail to maintain adequate records storage, protect **information, files and intellectual property** (including NACCHO branding) from loss, improper use or significant impairment or damage
8. Receive, process, or distribute funds under controls that are insufficient to meet the Board-appointed **auditor's standards**
9. Fail to keep all appropriate licences, permits, registrations, trade marks, patents, copyrights, registered designs and other relevant **statutory or legal compliance regulations and documents** current
10. Fail to ensure premises meet appropriate government or regulatory compliance standards and any other statutory or minimum code requirements
11. Invest or hold **operating capital** in insecure instruments, including uninsured cheque accounts and bonds of less than **AAA** rating, or in non-interest bearing accounts except where necessary to facilitate ease in operational transactions
12. Fail to ensure exceptional, appropriate and effective precautions and security systems are in place to adequately safeguard against **loss, common damage or theft** of staff, customer or organisation property or deterioration of raw materials (nor fail to follow any third party required procedures in relation to protection of premises, cash and information technology)
13. Endanger the organisation's (or any other parties it represents) **public image, reputation or credibility**, particularly in ways that would hinder its accomplishment of the Board's Strategic Direction policy priorities or purposes

14. Undermine, cause to lose credibility, or otherwise jeopardise the **independence or transparency of any relationship the Board establishes with auditors** or other entities of governance support and as such shall not:
- a. Purchase consulting services from either (i) the current audit firm or (ii) a previous audit firm within **three** years of termination of its service
 - b. Retain as a consultant or hire as an employee any person who has been in the employ of the current or previous audit firm within the previous **three** years

Enterprise Risk Management responsibilities

- The NACCHO Board *will develop policies* relating to **enterprise risk management** and overview such policies to ensure associated risk management practice is performed adequately.
- The Board will delegate to the CEO the authority and accountability to implement robust risk management systems, processes and procedures to ensure that
 - there is no breach or violation of risk management systems and standards as outlined in the Australian Standard AS/NZS4360
 - a corporate culture is developed that does not hinder
 - people to be observant and vigilant in the recognition of early warning signs of impeding risk situations or corporate distress
 - subsequent communication of early warning signs of impending risk situations or corporate distress as soon as they are recognised or as soon as they happen
 - a climate of individual initiative and empowerment and pro-active problem-solving to reduce or eliminate risk
 - NACCHO conducts appropriate and regular risk assessments, analysis, evaluation, and prioritisation and to implement appropriate treatment strategies using Australian Standard AS/NZS4360 as the minimum benchmark reference
 - NACCHO communicates and implements risk management systems throughout the organisation
 - NACCHO maintains registers, documentation and records relating to risk management or fail to report on (actual or potential) breaches and other operational procedures as necessary
 - NACCHO allocates appropriate resources to ensure implementation of risk management programs
 - NACCHO implements business continuity and disaster recovery plans and conduct regular reviews of the plans
 - NACCHO does not risk it's future by failing to take account of any potential market and competitive risk factors and forces adversely affecting the organisations core competitive advantages, value propositions, product/service mix, supply and demand, market position, customer relations, strategic alliances, resource availability, knowledge management and other related business imperatives
 - NACCHO does not fail to be aware of any developing competitive threats and to plan for responding to them and instigate measures that minimise threat or damage to the viability of NACCHO

Compliance with legal, regulatory, contractual and other obligations

The NACCHO Board recognises NACCHO offers specific services and programs and is both an employer and an incorporated body and has legal and statutory responsibilities and contractual agreements which it must comply with. As such, compliance is a quality control system that is part of a proactive risk management

strategy and the Board is charged with overseeing, reviewing and ensuring the integrity and effectiveness of NACCHO's compliance systems.

To carry out its compliance function, the Board commits to the following,

- The NACCHO Board *will develop policies* relating to legal, regulatory, contractual and accounting **compliance obligations** and overview such policies to ensure associated compliance management practice and procedures are performed adequately;
- The Board will delegate to the CEO the authority and accountability to implement robust compliance management systems, processes and procedures to ensure that:
 - all legal, regulatory and accounting compliance obligations imposed on the organisation are not disregarded, neglected, breached, or inadequately filed, they are met and complied with and continually reviewed, their effectiveness is regularly evaluated and applicable changes are implemented when necessary
 - adequate instruction, training, and supervision of staff regarding all legal, regulatory and accounting compliance obligations imposed on the organisation (in particular regarding OH&S) is provided
 - all registers, documentation and records relating to legal, regulatory and accounting compliance obligations are maintained
 - breaches or exceptions of legal, regulatory and accounting compliance obligations are reported as necessary
 - appropriate resources to ensure implementation of compliance programs are allocated
- The Board will delegate to the Company Secretary the authority and accountability to fulfill its compliance and reporting requirements obligations under the Corporations Act 2001.

Human Resource Management

- The NACCHO Board recognises its ultimate accountability as the legal employer of staff of the Secretariat and *will develop policies* to ensure management uphold best practice human resource management, provide an excellent working environment which recognises and upholds the physical, professional and personal needs of staff, and encourages high staff morale.

Treatment of Employees

- With respect to treatment of employees, the CEO may not cause or allow conditions that are discriminatory, disrespectful, unfair, undignified, unsafe, unnecessarily intrusive, unethical, unprofessional, or that fail to provide appropriate confidentiality or privacy. Accordingly, the CEO shall not:
 1. Fail to adhere to open, fair, lawful and respectful recruitment, selection, remuneration, professional development, promotion and termination processes nor allow barriers that prevent anyone entering, and advancing in, the organisation's workforce
 2. Fail to ensure workplace activities or decisions are based on merit and business needs, and not irrelevant personal needs
 3. Operate without written personnel policies that:
 - a. clarify personnel rules for staff

- b. provide for effective handling of grievances
 - c. protect against wrongful conditions such as nepotism and grossly preferential treatment for personal reasons
4. Discriminate against any employee for non-disruptive expression of dissent
 5. Prevent staff from bringing a grievance to the Board when:
 - a. there is an allegation that the CEO has allowed a breach or personally breached a Board policy or the law to the detriment of the person lodging the grievance; or
 - b. there is an allegation that the Board has failed to ensure that the CEO provides a workplace environment or working conditions that protect the legal or human rights of the individual or others
 - c. internal grievance procedures have been exhausted, such that
 - i. prior to bringing such allegations to the Board, the employee/s concerned must have made every reasonable effort to resolve the grievance using established internal grievance procedures
 - ii. in bringing a grievance to the Board, evidence must be provided of a breach of law or policy or of failure to provide adequate protection against inappropriate or unacceptable behaviour
 - iii. the channel for bringing a grievance to the Board is through the Chairman or another person designated by the Board
 - iv. the Board reserves the right to nominate a third party to mediate the matter or to investigate and recommend an appropriate course of action

The NACCHO Board will deal with any complaints and grievances that have exhausted normal internal grievance procedures that may have been received about the organisation.

6. Fail to endeavour to fill current or upcoming vacant staff positions initially from recruitment of existing staff aspiring to internal career advancement (and ensuring appropriate professional development training is provided for staff expressing such interest)
7. Fail to acquaint staff with their rights under this policy

Compensation and Benefits of Employees

- The NACCHO Board *will develop policies* with respect to recruitment, employment, compensation and benefits of employees, consultants and contract workers, to ensure the CEO shall not cause or allow short or long term jeopardy to fiscal integrity or NACCHO's image.
- With respect to recruitment, employment, compensation, and benefits of employees, consultants and contract workers, the CEO shall not cause or allow short or long term jeopardy to fiscal integrity or XYZ COMPANY image.

Accordingly, the CEO shall not:

1. Change his/her own compensation and benefits, except as his/her benefits are consistent with a package for all other employees.
2. Promise or imply permanent or guaranteed employment.

3. Establish current compensation and benefits that deviate materially from the geographical or professional market for the skills employed.
4. Create obligations over a longer term than revenues can be safely projected, and in no event enter into agreements to promote and keep valuable employees for longer than **xxx** years.
5. Establish or change superannuation (or other) benefits so as to cause unpredictable or inequitable situations, including those that:
 - a. Incur unfunded liabilities that would put NACCHO in jeopardy
 - b. Provide less than some basic level of benefits to all full-time employees, though differential benefits to encourage longevity are not prohibited
 - c. Allow any employee to lose benefits already accrued from any foregoing plan.
 - d. Treat the CEO differently from other key employees
6. Allocate or expend funds on staff professional development, training or education that:
 - a. is beyond an individual staff members short term future professional development needs required to effectively perform their duties
 - b. fails to have a direct relationship with skills required for the production of Board stated Strategic Direction priorities or purposes

It is recognised that a key directorial duty is providing a sounding board for CEO ideas and challenges. Recognising that the Board-CEO linkage and relationship is critical to effective corporate governance, the Board should provide frank and honest advice to the CEO.

It is expected that the Chairperson will play a key part of this role and will maintain regular contact with the CEO between Board meetings and act as a mentor to the CEO.

CEO Monitoring and Evaluation

The Board will refrain from evaluating, criticising or passing judgment on, either formally or informally, the job performance of any management position other than the CEO and will undertake regular performance monitoring of the CEO.

The Board will view CEO performance as identical to total management performance, so that organisational accomplishment of Board stated Strategic Direction performance targets and standards and compliance with delegated authorities and any executive limitations of those authorities will be viewed as successful CEO performance.

No performance measure established by the Board or by organs of the Board (such as committees) shall conflict with or modify this measure of performance. This will culminate in a formal annual evaluation of the CEO. All executive limitations of authority imposed on the CEO are limitations imposed on all management, so that violation by any personnel of NACCHO is a violation by the CEO.

Systematic and rigorous monitoring of the CEO's job performance will be solely against the expected and documented CEO job outputs:

- organisational accomplishment of Board policies on Strategic Direction performance targets and standards; and

- organisational operation within the delegated authorities and any boundaries established in the Board's executive limitations of those authorities

Any further CEO evaluation undertaken by the Board will be according to the process outlined in his or her Employment Agreement.

Periodic evaluation of the CEO, and the evaluation-based component of any CEO remuneration decision by the Board, will be based on performance as demonstrated by the monitoring system described in this policy.

The Role of the Chief Executive Officer

[ref: NACCHO Constitution 2011 s.7.10]

Appointment of the Chief Executive Officer

The Chief Executive Officer (CEO) will be appointed by (and may be dismissed by) the NACCHO Board. The Board appoints a person to be Chief Executive Officer (CEO) under the Constitution and relevant acts, and defines that person's powers and duties.

CEO Recruitment, Selection Process

The following process is to be followed in the appointment of a new CEO:

1. The NACCHO Board appoints a recruitment Consultant;
2. The NACCHO Board is to determine the desired skills, competencies, experience and behavioural characteristics required;
3. The position is to be advertised;
4. Internal candidates may apply and will be treated in the same manner as external candidates;
5. The recruitment consultant will submit a clear selection process for the Board's endorsement prior to its commencement;
6. The NACCHO Board is to agree on the final short list for interview;
7. Should it be necessary, a further interview with selected candidates may be undertaken;
8. The NACCHO Board will make its final selection;
9. The successful candidate is to be notified by the Chairperson;
10. Contractual discussions are to be undertaken by the Chairperson;
11. The full board is to endorse the final employment contract.

The NACCHO Board needs to be cognisant that this process may take up to 6 months.

Chief Executive Officer Responsibilities

The CEO is responsible for the attainment of NACCHO's Strategic Direction, in accordance with the strategies and policies and performance standards approved by the Board. The position reports to and is accountable to the Board. The CEO has administrative responsibility of the Secretariat and implements policies and strategic direction approved by the Board.

The CEO's primary objective is to ensure the ongoing success of NACCHO through being responsible for all aspects of the management and development of NACCHO in accordance with the Board stated Strategic Direction and governing policies.

The CEO will manage the Secretariat, Senior Management Executives and staff of NACCHO.

The management goals and responsibilities of the Chief Executive Officer, are detailed in **the position description for the CEO and can be summarised as:**

- Manage the Secretariat of the Association;
- Nationally co-ordinate the Strategic Direction of the Association;

- Implement the Governing Policies approved by the NACCHO Board;
- Ensure that all requirements of the Act, Rules and this Charter are adhered to;
- In consultation with the Company Secretary, maintain all registers;
- In consultation with the Company Secretary, take and disseminate Minutes of all meetings;
- Ensure timely information flow to all Member Services;
- Provide support services to Member Services as required and appropriate;
- Undertake relevant research and prepare necessary reports and advice;
- In consultation with the Company Secretary, co-ordinate the preparation necessary for all General and NACCHO Board meetings;
- Responsibility for management of all financial conditions, activities and associated matters of the company;
- In consultation with the Chairperson, liaise with other peak Aboriginal Secretariat bodies, government departments, agencies and other relevant organisations;
- Foster an organisational culture which is sensitive to community diversity. Endeavour to be responsive to community input and direction, and provide support and educational services for Aboriginal culture and heritage, which aims to enhance spiritual healing within the Aboriginal Community;
- Other duties as required and directed by the NACCHO Board.

The CEO'S specific responsibilities will include:

- Developing, in conjunction with the Board, NACCHO's vision and strategic direction;
- Preparation of business/action plans, programs and reports with the Senior Management to implement the board-stated strategic direction;
- Carry out day-to-day management;
- Form operational committees and working parties (as necessary) to assist in the operation of the organisation;
- Responsibility for proposals for major capital expenditure to ensure their alignment with corporate strategy and justification on economic grounds;
- Authorise expenditure as delegated by the Board and within budgeting process constraints
- Assessment of business opportunities of potential benefit to NACCHO;
- Appoint Senior Management staff

- Endorse terms and conditions for the recruitment of all staff *in accordance with “Treatment of Employees” and “Compensation and Benefits of Employees” policies;*
- Provide strong leadership and effective management of the organisation;
- Encourage cooperation and teamwork, and build and maintain staff morale and identity;
- Ensuring there is an appropriate staff appraisal system in place in NACCHO.
- Ensure a safe working environment;
- Ensure a culture of compliance and risk management;
- Ensure all staff act with the highest level of ethics and probity;
- Establishing and maintaining effective and positive relationships with Board members, Affiliates, Members, suppliers and other government and business liaisons;
- Keep the Board informed of all activities undertaken by the organisation and any matters the CEO believes is material the Board’s decisions or that may affect Director’s personal liability;
- Implementing and monitoring strategy and reporting/presenting to the Board on current and future initiatives;
- Advising the Board on the most effective organisational structure and overseeing its implementation;
- Recommending policies to the Board in relation to governance issues;

Direct Delegation to the CEO

To support the general delegation of authorities to the Chief Executive Officer (CEO) the NACCHO Board directly delegates the following matters to the CEO:

- The CEO is authorised to allocate resources to implement NACCHO’s Business / Action Plan as agreed by the Board within the budgeting process constraints;
- The CEO is formally delegated by the Board to authorise all expenditure as approved in the budgeting process policy

Decisions requiring NACCHO Board approval

The following decisions require NACCHO Board approval:

- Starting new business activities, terminating existing business activities or initiating major changes to the field of NACCHO’s business activities;
- Determining the capital adequacy and strategic capital targets for NACCHO or any part of NACCHO;
- Expenditures exceeding ___% of the annual budget;
- Investing in major capital expenditure (e.g. buildings) over \$_____;
- Investments in IT over \$_____;
- Entering into outsourcing contracts over \$_____;

- Engaging in projects that fail have a direct relationship required for the production of the Board stated Strategic Direction priorities and purposes.

Where the Board decides to **enter into a contract** regarding one of the above matters, the two parties to whom the Board has delegated the signing of the contract must satisfy themselves that the contract to be signed is in accordance with the production of Board stated Strategic Direction priorities and purposes.

CEO Accountability Mechanism

Directors are to ensure that the Company has the right people and capabilities in its Management and that there is a Management culture of accountability and performance even though they have delegated all staff appointments to the CEO.

The Board has decided to reduce the risk of the CEO being the only conduit of information to the Board by the:

1. Request of attendance of other executive staff at Board meetings both in person and as authors of reports as required from time to time;
2. Use of the risk management and internal audit functions, where all personnel have written instructions to bypass intermediate Managers in the event of a breach;
3. Use of the external auditors (through the Management Report process);
4. Requiring letters of assurance be provided to the Board as part of the annual accounts process.

The Role of the Chief Financial Officer

The role of the Chief Financial Officer - under the supervision of and direct report to the Chief Executive Officer - is to oversee financial management and to keep the NACCHO Board informed (through the CEO or in person when requested) of the financial position of the NACCHO.

The duties of the Chief Financial Officer are to include, but are not restricted to:

- Ensure that all monies received are paid in;
- Records are kept of all receipts, payments and other financial transactions;
- Financial statements are prepared;
- Annual financial statements are prepared and audited;
- A financial report is submitted to each NACCHO Board meeting

Part C: Whistleblower, Fraud and Grievance Policies

Whistleblower Policy

The purpose of the Whistleblower policy is to ensure that the NACCHO board and staff members who wish to make disclosures under legislation receive protection from reprisals, and that the matters raised in the disclosures are properly investigated.

Reporting Responsibilities

It is the responsibility of all directors and employees to comply with the Whistleblowers Policy and to report violations in accordance with this. No director or employee who in good faith reports a violation shall suffer harassment, retaliation or adverse employment consequence. An employee who retaliates against someone who has reported violation in good faith is subject to discipline up to and including termination of employment. This Whistleblowers policy is intended to encourage and enable employees and others to raise serious concerns within the Organisation prior to seeking resolution outside the Organisation.

Reporting Violations

NACCHO has an open door policy and suggests that employees share their questions, concerns, suggestions or complaints with their supervisor in the first instance, if a staff member has concerns regarding an unsatisfactory response, staff are then encouraged to speak with the CEO. Managers are required to report suspected violations of the Code of Conduct (Code) to the NACCHO CEO who has specific and exclusive responsibility to investigate all violations. The whistleblowers role is that of a reporting party with honest and reliable information. They are not required or expected to act as investigators or finders of facts nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.

Accounting and Auditing Matters

The finance committee of the Board of directors shall address all reported concerns or complaints regarding corporate accounting practices, internal controls or auditing. The CEO shall immediately notify the finance committee of any such complaint and work with the committee until the matter is resolved.

This policy aims to encourage and facilitate the disclosure - in the public interest - of corrupt conduct, maladministration and serious and substantial waste in the public sector. This is achieved by:

- enhancing and augmenting established procedures for making disclosures concerning such matters;
- protecting persons from reprisals that might otherwise be inflicted on them because of these disclosures; and
- providing for those disclosures to be properly investigated and dealt with.

This policy establishes an internal reporting system for the reporting of disclosures of corrupt conduct, maladministration or serious and substantial waste of public money by the NACCHO or its staff. The system enables such internal disclosures to be

made to the CEO, or nominated officer for the NACCHO.

NACCHO does not tolerate corrupt conduct, maladministration or serious and substantial waste of public money. NACCHO is committed to the aims and objectives of the Code of Conduct. It recognises the value and importance of contributions of staff to enhance administrative and management practices and strongly supports disclosures being made by staff that disclose corrupt conduct, maladministration, or serious and substantial waste of public money.

NACCHO will take all reasonable steps to provide protection to staff who make such disclosures from any detrimental action in reprisal for the making of the disclosure.

Making a disclosure in accordance with the Code gives staff the best chance of assisting NACCHO to remedy the situation. The NACCHO Code encourages all those involved to focus on the issues (not the people) involved.

Disqualifications

While it will be ensured that genuine Whistleblowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.

Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a whistleblower knowing it to be false or bogus or with a mala fide intention.

Whistleblowers found to be mala fide, frivolous, baseless, malicious or reported otherwise than in good faith, will be disqualified from further reporting protected Disclosures under this Policy. In respect of such Whistleblowers, the NACCHO board of management would reserve its right to take appropriate disciplinary action.

Procedures

Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised.

The protective Disclosure should be factual and not speculative or in the nature of a conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure.

The Whistleblower must disclose his/her identity in the covering letter forwarding such protected disclosures. Anonymous disclosures will not be entertained by the NACCHO Board.

What disclosures are protected?

- Failure to with comply with legal duty
- Gross mismanagement or waste
- Dishonest or unethical behaviour by an individual; or
- Fraud or other type of criminal behaviour
- are made voluntarily(?).

What disclosures are not protected?

- A disclosure is not protected if it is made by a public official (staff member) in the exercise of a duty imposed by or under an Act.
- Protection is also not available for disclosures which:
 - are made frivolously or vexatiously;
 - primarily question the merits of government policy; or

- are made solely or substantially with the motive of avoiding dismissal or other disciplinary action.
- It is also an offence to wilfully make a false or misleading statement when making a disclosure.

Employees/Staff

All Employees of the NACCHO are eligible to make Protected Disclosures under this policy and are encouraged to report known incidences of corrupt conduct, maladministration or serious and substantial waste in accordance with this Policy.

All board and staff members of the organisation have an important role to play in supporting those who have made legitimate disclosures. They must abstain from any activity that is or could be perceived to be victimisation or harassment of persons who make disclosures. Further, they should protect/maintain the confidentiality of persons they know or suspect to have made disclosures.

The NACCHO CEO and Chairperson are responsible for receiving, forwarding and or acting upon disclosures in accordance with the Policy and will:

- clearly explain to persons making disclosures what will happen in relation to the information received;
- when requested, make arrangements to ensure that disclosures can be made privately and, if necessary, away from the workplace;
- reduce to writing and date any disclosures received orally (and have the person making the disclosure sign the document);
- deal with disclosures impartially;
- promptly forward all disclosures to the Board (if appropriate) for assessment;
- take all necessary and reasonable steps to ensure that the identity of persons who make disclosures, and the persons the subject of disclosures, are kept confidential; and
- support persons who make disclosures and protect them from victimisation, harassment or any other form of reprisal.
- In the event that the CEO is the basis of the disclosure, the Chair of the Board will assume the role of Nominated Disclosure Officer.

The Disclosure Officer must impartially assess each disclosure to determine whether the disclosure appears to be a protected disclosure within the meaning of the Act; and determines the appropriate action to be taken in relation to the disclosure, for example:

- No action/decline;
- The appropriate person to take responsibility for dealing with the disclosure;
- Preliminary or informal investigation;
- Formal investigation;
- Prosecution or disciplinary action;
- Consult with the CEO;
- Be responsible for carrying out or co-ordinating any internal investigation arising out of a disclosure, subject to the direction of the CEO in carrying out his/her functions;
- Report to the CEO on the findings of any investigation and recommended remedial action;
- Take all necessary and reasonable steps to ensure that the identity of persons who make disclosures, and persons the subject of the disclosures, are kept confidential;
- Support persons who make disclosures and actively protect them from victimisation, harassment or any other form of reprisal; and
- Report actual or suspected corrupt conduct to the CEO in a timely manner

Rights of Persons the Subject of Disclosures

The rights of persons the subject of disclosures will also be protected. In this regard:

- The confidentiality of the identity of persons the subject of disclosures will be protected/maintained (where this is possible and reasonable);
- Disclosures will be assessed and acted on impartially, fairly and reasonably;
- Responsible officers who receive disclosures in accordance with this Policy are obliged to:
 - Protect/maintain the confidentiality of the identity of persons the subject of the disclosures;
 - Assess disclosures impartially; and
 - Act fairly to persons who are the subject of disclosures.
- Disclosures will be investigated as discreetly as possible, with a strong emphasis on maintaining confidentiality both as to the identity of disclosing officers and the persons the subject of disclosures. The Ombudsman provides guidance on the issue of protected disclosures and confidentiality.

Where investigations or other inquiries do not substantiate disclosures, the fact the investigation/inquiry has been carried out, the results of the investigation/inquiry, and the identity of persons the subject of the disclosures will be kept confidential, unless the persons the subject of the disclosures request otherwise.

Persons who are the subject of disclosures which are investigated by or on behalf of the NACCHO, have the right to:

- be informed as to the substance of the allegations;
- be informed as to the substance of any adverse comment that may be included in a report/memorandum/letter or the like arising out of any such investigation; and
- be given a reasonable opportunity to put their case (either orally or in writing) to the persons carrying out the investigation for or on behalf of the Organisation.
- The decision to conduct an investigation is by itself not an accusation and is to be treated as a neutral fact-finding process the outcome of the investigation may not support the conclusion of the Whistleblower that an improper or unethical act was committed.

Before any final decision/determination/report/memorandum/letter or the like is made; Where the allegations in a disclosure have been investigated by or on behalf of an authority, and the person the subject of the allegations is aware of the substance of the allegations, the substance of any adverse comment, or the fact of the investigation, he or she should be formally advised as to the outcome of the investigation, regardless of the outcome; and

Where the allegations contained in a disclosure are clearly wrong or unsubstantiated, the person the subject of the disclosure is entitled to the support of the authority and its senior management (the nature of the support that would be reasonable and appropriate would depend on the circumstances of the case, but could include a public statement of support or a letter setting out the authority's views that the allegations were either clearly wrong or unsubstantiated).

Protection Available Under the Act

Protection Against Reprisals

The Act provides protection by imposing penalties on a person who takes 'detrimental action' against another person substantially in reprisal for a protected disclosure. Penalties can be imposed by means of fines and imprisonment. 'Detrimental action' means action causing, comprising or involving any of the following:

- Injury, damage or loss;
- Intimidation or harassment;
- Discrimination, disadvantage or adverse treatment in relation to employment;
- Dismissal from, or prejudice in, employment; or
- Disciplinary proceeding.

In any such proceedings the disclosing officer only need to show that he or she made a protected disclosure and suffered detrimental action. It then lies on the defendant to prove that the detrimental action shown to have been taken against the disclosing officer was not substantially in reprisal for the person making the protected disclosure.

Any member of staff who believes that 'detrimental action' is being taken against them substantially in reprisal for the making of an internal disclosure in accordance with this Policy should immediately bring the allegations to the attention of the Disclosure Officer or to the Chief Executive Officer. If the allegation in some way implicates the CEO, then approach should be made to the Chair, NACCHO Board of Directors.

Confidentiality

Investigating authorities, public authorities and public officials to whom protected disclosures are made or referred, not to disclose information that might identify or tend to identify the person who made the disclosures. The exceptions to the confidential requirement are where:

- The person consents in writing to the disclosure of that information; or
- It is essential, having regard to the principles of natural justice that the identifying information be disclosed to a person whom the information provided by the disclosure may concern; or
- The investigating authority, public authority, officer or public official is of the opinion that disclosure of the identifying information is necessary to investigate the matter effectively or disclosure is otherwise in the public interest.

Decisions about natural justice, effective investigation and public interest will be made by name or position. In all cases the person who made the disclosure will be consulted before such a decision is made. If guidance is needed in relation to the requirements of natural justice, effective investigation and public interest, this may be sought from an investigating authority, such as the Ombudsman.

Under the Freedom of Information Act 1989, a document is exempt from release if it contains matter the disclosure of which would disclose matters relating to a protected disclosure within the meaning of the Act.

Notification of Action Taken or Proposed

The notification provided to the person who made the disclosure should contain sufficient information to demonstrate that adequate and appropriate action was taken, or is proposed to be taken, in respect of the disclosure.

The NACCHO board reserves the right to amend or modify this Policy in whole or part, however, no such amendments will be binding on the employees unless the same is notified to the employees in writing.

Corruption and Fraud Control Policy

In line with the Australian Standard on Fraud and Corruption Control, the objectives of this policy are to:

- Ensure the Board and the CEO's responsibility for identifying risk exposures to corrupt and fraudulent activities and for establishing controls and procedures for prevention and detection of such activities are implemented and maintained;
- Reinforce the requirement for all staff and others to restrain from corrupt conduct, fraudulent activities, and maladministration and encourage the reporting of any instance of fraud, corrupt conduct or maladministration;
- Ensure that all staff and others are aware of their responsibilities in relation to the ethical conduct of themselves and staff that they may be responsible for; and
- Ensure that regular assessment of the risks of corruption and fraud is undertaken, and all suspected corrupt and fraudulent activity is dealt with appropriately.

The Chief Executive Officer is responsible for the implementation of this policy through an appropriate fraud and corruption control plan and an effective internal control structure as part of an ongoing risk assessment process.

Definitions

Allegation is a statement or accusation by a person that an offence has or may have been committed. This does not require evidence of the offence or identification of suspects but there is usually some stated basis for the accusation.

Conflict of Interest is a situation in which the impartiality of an officer (including Board members) in discharging their duties could be called into question because of the potential, perceived or actual influence of personal considerations, financial or other. The conflict in question is between official duties and obligations, on the one hand, and private interests on the other.

Control is a process, effected by the Board or CEO, designed to provide reasonable assurance that risks are managed to ensure the achievement of the organisations' objectives.

Fraud is defined as dishonestly obtaining a benefit by deception or other means. Fraud can be seen as a major subset of corruption and is a deliberate, intentional and premeditated dishonest act or omission acted out with the purpose of deceiving to gain advantage from a position of trust and authority. Fraud includes dishonest activity causing actual or potential financial loss to any person or entity including theft of moneys or other property by employees or persons external to the entity and whether or not deception is used at the time, immediately before or immediately following the activity. This also includes the deliberate falsification, concealment, destruction or use of falsified documentation used or intended for use for a normal business purpose or the improper use of information or position.

Internal Fraud is fraud committed by an employee directly against the organisation for which they work.

External Fraud is fraud committed by someone from outside the organisation, for example a customer or third party provider.

Whistleblower is a person being a Board Director, Manager, employee or contractor of an entity who, whether anonymously or not, makes attempts to make or wishes to

make a report in connection with reportable conduct and where the whistleblower wishes to avail themselves of protection against reprisal for having made the report. A whistleblower may or may not wish to remain anonymous.

4. Implementation of corruption and fraud control

The Board and CEO recognise and incorporate the following elements within the corruption and fraud control plan and will follow the guidelines in relation to Monitoring and identifying fraud and fraudulent behaviour.

a) Corporate governance and corruption and fraud control

Corruption and fraud control and management is an integral component of effective corporate governance which builds upon the requirement for transparent and accountable processes consistent with sound business practices and organisational standards of compliance. Embedding these requirements into the day-to-day operations of the Corporation will enhance its profile as a good corporate citizen, and reduce the likelihood that it will suffer financial loss or damage to its reputation as a result of misconduct by staff and others.

b) Executive and management commitment

The Board and Chief Executive Officer and management are committed to the proactive prevention of corrupt or fraudulent activities in a systematic way in order to enhance the operation and reputation of the organisation.

The Chief Executive Officer will ensure there are mechanisms in place within their area of control to:

- Assess the risk of corruption and fraud
- Promote employee awareness of ethics, and
- Educate employees about corruption and fraud prevention and detection.

Operational / line management (supervisors) should ensure that they display an appropriate attitude towards compliance with laws, rules and regulations. They should ensure that they are aware of indicators / symptoms of fraudulent and corrupt conduct, or other wrongful acts (eg by participating in relevant staff training) and respond appropriately to such indicators. Further to current practices, the CEO will establish and maintain adequate internal controls that provide for the security and accountability of resources and prevent/reduce the opportunity for such activities.

Applicable internal controls include:

- Suitable recruitment procedures
- Segregation of duties
- Security (physical and information systems)
- Consideration of risk and mitigating strategies
- Supervision and internal checks
- Approvals within delegated authority
- Reconciliations
- Budget control
- Regular review of management reports, and
- Clear reporting lines.

c) Internal control structure

The Chief Executive Officer is ultimately responsible for the establishment of a cost-effective internal control structure. Financial, administrative, information systems and internal controls are all essential requirements for corruption and fraud prevention. The Chief Executive Officer is responsible for daily operations and for maintaining cost-effective internal control structure within the organisation. The operation of internal controls is subject to audit reviews.

d) Environment and culture

All staff have the responsibility to report suspected corrupt and/or fraudulent activity. Any staff who suspects such activity must immediately notify his/her supervisor or those responsible for investigations. In situations where the supervisor is suspected of involvement in corrupt and fraudulent activity, the matter should be notified to the next highest level of supervision or the Chairperson of the Board.

e) Dealing with complaints

All complaints of suspected corrupt and/or fraudulent behaviour should be reported for appropriate managing while also providing for the protection of those individuals making the complaint and natural justice to those individuals being subject of such complaint.

f) Recruitment of staff

Recruitment policy and practices underpin corruption and fraud prevention. All staff must support the human resource recruitment strategies, which include (where applicable):

- Criminal background checks on employees where the position warrants it
- Contacting referees
- Verifying transcripts, qualifications, publications and other certification or documentation, and
- Avoiding entering into recruitment of individuals that could potentially lead to conflicts of interest

g) Staff development and training

Courses / seminars and presentations on the topics of ethics, corruption and fraud prevention and detection and compliance obligation of individual staff members will be embedded into the organisation's ongoing staff development, training and awareness programs.

Corruption and fraud prevention and detection and related issues should also be included in other relevant staff development and induction activities.

5. Whistleblowers Protection

The purpose of the Protected Disclosures Act 1994 (NSW) is to ensure that public officials (including staff members and Board Directors) who wish to make disclosures under the legislation receive protection from reprisals, and that the matters raised in the disclosures are properly investigated.

Disclosures are protected under the Act if they are made:

- in accordance with this Internal Reporting Policy; or
- to the CEO as the principal officer of the AH&MRC; or
- to one of the investigating authorities nominated in the Act;

and they:

- show or tend to show corrupt conduct, maladministration, or serious and substantial waste of public money by the AH&MRC or any of its staff; and
- are made by a public official under the Protected Disclosures Act; and
- are made voluntarily.

The Act provides protection by imposing penalties on a person who takes 'detrimental action' against another person substantially in reprisal for a protected disclosure. Penalties can be imposed by means of fines and imprisonment. 'Detrimental action' means action causing, comprising or involving any of the following:

- Injury, damage or loss;
- Intimidation or harassment;
- Discrimination, disadvantage or adverse treatment in relation to employment;
- Dismissal from, or prejudice in, employment; or
- Disciplinary proceeding.

In any such proceedings the officer only need to show that he or she made a protected disclosure and suffered detrimental action. It then lies on the defendant to prove that the detrimental action shown to have been taken against the disclosing officer was not substantially in reprisal for the person making the protected disclosure.

6. Investigating Fraud and Fraudulent Behaviour(s)

The Nominated Disclosure Officer for the Corporation is responsible for receiving, forwarding and or acting upon disclosures in accordance with the Policy.

The NDO will:

- clearly explain to persons making disclosures what will happen in relation to the information received;
- when requested, make arrangements to ensure that disclosures can be made privately and, if necessary, away from the workplace;
- reduce to writing and date any disclosures received orally (and have the person making the disclosure sign the document);
- deal with disclosures impartially;
- promptly forward all disclosures to the Disclosure Co-ordinator for assessment;
- take all necessary and reasonable steps to ensure that the identity of persons who make disclosures, and the persons the subject of disclosures, are kept confidential; and
- support persons who make disclosures and protect them from victimisation, harassment or any other form of reprisal.

The CEO is the Nominated Disclosure Officer (NDO). In the event that the CEO is the basis of the disclosure, the Chair of the Board will assume the role of NDO.

The Disclosure Officer has a pivotal position in the internal reporting system and acts as a clearinghouse for disclosures. The Disclosure Officer provides an alternative internal reporting channel to supervisors and Managers.

The Disclosure Officer must impartially assess each disclosure to determine whether the disclosure appears to be a protected disclosure within the meaning of the Act; and determines the appropriate action to be taken in relation to the disclosure, for example:

- No action/decline;
- The appropriate person to take responsibility for dealing with the disclosure;
- Preliminary or informal investigation;
- Formal investigation;
- Prosecution or disciplinary action;
- Referral to an investigating authority for investigation or other appropriate action; or
- Referral to the police (if a criminal matter) or the ICAC (if the matter concerns corrupt conduct).
- Consult with the Chairperson;
- Be responsible for carrying out or co-ordinating any internal investigation arising out of a disclosure, subject to the direction of the Vice-Chancellor in carrying out his/her functions;

- Report to the CEO on the findings of any investigation and recommended remedial action;
- Take all necessary and reasonable steps to ensure that the identity of persons who make disclosures, and persons the subject of the disclosures, are kept confidential;
- Support persons who make disclosures and actively protect them from victimisation, harassment or any other form of reprisal; and
- Report actual or suspected corrupt conduct to the CEO in a timely manner to enable that officer to comply with the ICAC Act.

Grievance Handling Policy and Procedure

Statement

NACCHO recognises that grievances and disputes may occur within an organisation. It is also recognised that external bodies may need avenues to raise grievances with NACCHO. Grievances will be handled fairly and efficiently in order to promote high organisational standards and to maintain a positive work environment.

INTERNAL GRIEVANCES POLICY AND PROCEDURES

General principles

All grievances and disputes will be addressed promptly and within the guiding principles of:

- transparency
- fairness
- respect; and
- accountability.

All members and staff of NACCHO are expected to work cooperatively as a team, to acknowledge any dispute at an early stage, and to resolve any dispute in the most constructive manner possible.

Any conflict of interest arising from a dispute will be declared and all steps will be taken to ensure persons working to resolve a dispute are impartial.

Members and staff are expected to maintain confidentiality in relation to grievances and disputes.

Grievances involving staff

The Board delegates responsibility for resolving grievances or disputes involving staff members to the CEO, in their capacity as manager of all staff.

Where a staff member makes a grievance concerning another staff member, this will be dealt with in accordance with the grievance procedure set out in the NACCHO Handbook.

Where a member or external agency makes a grievance against a NACCHO staff member, the CEO will:

- notify the employee about whom a grievance is being made and the nature of the grievance;
- investigate the grievance and provide the staff member with an opportunity to respond to any issues raised;
- attempt to mediate the dispute (if appropriate) and/or attempt to resolve the matter to the satisfaction of the outside party;
- take any other action necessary to resolve the issue.

Any disciplinary action against a staff member arising from a grievance will be taken in accordance with the procedures contained in the NACCHO Handbook and in individual's enterprise agreement.

Grievances involving Members and Board Members

Grievances against a member or Board member should be referred to the Chairperson. The Chairperson, or an approved delegate, will attempt to resolve the issue to the satisfaction of the complainant. The Chairperson or delegate will advise the person about whom a grievance is being made of the notification and the nature of the grievance. Where the Chairperson is the subject of a grievance, the grievance should be referred to another Executive Member of the Board.

If the matter remains unresolved, the Chairperson or notified Board Member will raise the matter at the next Board Meeting following notification. Depending on the seriousness of the grievance, the Board may:

- deal with the matter at this Board Meeting by determining appropriate action to resolve the issue to the satisfaction of the aggrieved party and the NACCHO Member; or
- defer the matter to a special meeting of the Board or to a Sub Committee of the Board.

Under the Constitution, the Board has powers to suspend or terminate the membership of any member who wilfully 'refuses or neglects to comply' with the provisions of the Constitution, or who is 'guilty of conduct prejudicial to the interests' of NACCHO. Such action must be taken in accordance with the process described in the Constitution, which provide for proper notice and rights of appeal.

Grievances or Disputes Involving the CEO

Grievances or disputes involving the CEO should be referred to the Chairperson.

The procedural format for grievances involving the CEO is the same as for grievances involving other staff except it is the Chairperson facilitating resolution.

EXTERNAL GRIEVANCES AND FEEDBACK POLICY

Standard for Managing Grievances

NACCHO offers service users, members, stakeholders and the public the opportunity to provide feedback on their experiences with NACCHO. We value this feedback and aim to manage grievances in a prompt, fair, transparent and consistent way.

NACCHO Grievances and Feedback Policy – Principles

Any person or organisation using NACCHO services or affected by its operations has the right to complain.

- NACCHO is committed to consider and respond to all grievances in a timely fashion.
- NACCHO grievances procedures will be simple and easy to use.
- NACCHO procedures will reflect principles of natural justice.
- NACCHO will effectively promote these procedures so that all people using
- NACCHO members and partners have the opportunity to make a grievance if they wish to do so.

Service users, stakeholders and members are entitled to be heard and have their concerns addressed in ways that ensure access, equity, fairness, accountability and transparency.

NACCHO recognises that the issue of grievance is important to the complainant and

must be taken seriously. Resolving grievances, where possible, to the satisfaction of the complainant is the goal of the grievances policy process.

Parties to the grievance will be kept informed of progress of the grievance.

Feedback data (both positive and negative) will be considered in organizational reviews and follow up.

Board members, and staff, are aware of NACCHO procedures for managing client feedback and grievances.

NACCHO will take a pro-active approach, through its communications strategy, to ensure all service users, stakeholders and members are aware of the grievances policy.

Grievances Handling Procedure

All Board members and staff, volunteers and students are given information about the grievances procedure as part of their induction through the NACCHO handbook.

NACCHO informs service users, stakeholders and members of:

- How to make a grievance to NACCHO;
- Who to complain to;
- How NACCHO will deal with the grievance – grievances process and timelines;
- Rights to a support person and interpreter; and
- How to make a grievance to an external body including contact details.

Grievances Initiation Process

Service users, stakeholders and members may make a grievance in writing (letter or email) to NACCHO:

- supervisor of that worker; or
- the CEO.

If the grievance is about the CEO, or a Board member, the grievance will normally be dealt with by the Chairperson of the NACCHO Board and should.

Relevant items are then forwarded to the Chairperson for action.

How NACCHO Deals with Grievances

A staff member (the “grievance handler”) will look at the grievance within seven days of the grievance being received. They may contact the person for more information.

The staff member investigating the grievance will decide how to respond to the grievance and make sure action is taken.

A letter will be sent to the person within 14 days of the grievance being received explaining what is being done to investigate and resolve their grievance.

NACCHO aims to investigate and resolve all grievances within a further 28 days of receipt of the formalised written (or emailed) grievance. If this time frame cannot be met, the person will be informed of the reasons why and of the alternative time frame for resolution. All grievances must be dealt with:

- Seriously
- Quickly
- Confidentially; and
- Without stopping the persons right to use NACCHO services.

Service users, stakeholder and members have the right to access a support person at all stages of the grievances resolution process.

Copies of all grievances and details of actions taken are centrally filed in the Grievances File, held in the CEO's office. This file is confidential.

Within six months of the grievance being resolved, the CEO must review the actions taken to ensure adequate follow up.

Grievances Flowchart

Grievance in writing

Staff member allocated as grievance handler, must review grievance within 7 days

Letter to person confirming receipt of grievance and informing them of action to date

Within next 7 days contact client with proposed resolution, if not acceptable to Client, invite response to why the resolution is unsuitable

Within next 28 days investigate and resolve written grievance, inform person of action taken, include opportunity for/offer of mediation

Within 6 months, CEO must review actions taken and ensure follow up

Appendix 1 Director Induction Process Check List

The following information will be conveyed to the new Director as part of the Director Induction Program:

1. A formal letter of appointment that details

- Terms of appointment and tenure
- Remuneration and review policy
- Access to information
- Authority to engage outside specialists for advice
- Insurance coverage

2. A copy of key documents:

- Governance Charter (& understood Information contained within)
- NACCHO Constitution
- Annual Board Calendar
- Recent Board minutes and papers (last 2 x meetings)
- Recent Annual Report
- NACCHO's current Strategic Direction
- NACCHO *Service Development Reporting Framework* and its associated Action Plan (AP)

3. A meeting with the Chairman to discuss

- How the Board processes and governance practices function based on the Governance Charter
- The organisation's governance framework
- Formal policies on Director roles and responsibilities, conduct and contribution expectations and an outline of the qualities expected of a successful Director
- Details of past, recent and likely future developments relating to the Board including anticipated regulatory changes
- The role of a director at NACCHO and the specific expectations of the Board
- Overview strategic direction and key initiatives

4. A meeting with the CEO to discuss:

Background information on and contact information for key people in the organisation including an outline of their roles and capabilities and introduction with key members of the Management team

- Overview the role of the CEO in governance framework (& signed Confidentiality Forms)
- An analysis of the current performance indicators and value drivers of NACCHO including:
 - An industry background briefing
 - Detail organisation's strategic initiatives, SWOT and key issues as well as summarise operations
 - Core competencies of the firm
 - A recent competitor analysis
 - Details of past financial performance
 - Current financial structure
 - Any other important operating information

Appendix 2 Sample Board Meeting Agenda

 <u>AGENDA</u> NACCHO BOARD OF DIRECTORS MEETING [Date] [Venue] [City / Town]		
Agenda Item 1 9:00am – 9:15am	Welcome and Call to Order Apologies Chair Orientation for New Board members	Chair
Agenda Item 2 9:15am – 9.45am	Statutory Matters <ul style="list-style-type: none"> • Minutes of previous meeting • Matters arising from minutes <ul style="list-style-type: none"> • This item will normally cover any point from the previous minutes about which any attendee requires further information or a progress report and which will not be raised in the main body of the meeting. • In the first instance the Chairman will flag matters for reporting. • At the end of the Chairman's flagged "Matters Arising", any other attendee is free to raise any item from the previous minutes. • Items will either be dealt with as raised, or it will be noted where in the Agenda the item will be discussed. • Each item raised and the response will be recorded in the minutes of the meeting. • The Company Secretary will keep a register of outstanding items arising from previous Board meetings which will be taken at each meeting • Major correspondence Major correspondence comprises any correspondence received by the Chairman, the CEO, other senior officers of NACCHO, or the Company Secretary about which Directors should be aware that have major policy or strategic implications or require formal 'consent' or that impact legally on Directors personally or NACCHO. Such correspondence may include, but is not limited to, any non-routine correspondence: <ul style="list-style-type: none"> • from ASIC, ATO or other any other regulatory Federal, State or Local Government body; • which impacts on the due diligence requirements of the Directors; • or writ or summons arising from legal action against NACCHO; • threatening substantial legal action against NACCHO or questioning ethical or lawful behaviour by the organisation or its employees Major correspondence will be included in the Board Papers, unless such correspondence is received between the circulation of Board Papers and the Board meeting, in which case it can be tabled at the meeting. Major correspondence will normally be <i>"For Noting"</i>. However any Director can ask for any item of correspondence to be discussed. • Declarations of Notice Material personal interest or related third-party transaction issues 	Chair

	<ul style="list-style-type: none"> • Report on the seal register as per NACCHO Constitution 2011 s.7.3 The CEO (and/or Company Secretary) will submit a report setting out all uses of NACCHO Seal since the last meeting. This report will be circulated with the Board Papers, with significant items being brought to the attention of the Board. The report on seal register will normally be “For Noting”. However any Director can ask for any use of NACCHO Seal to be discussed. • Use of power of attorney An integral component of NACCHO’s management system is the delegation of powers by the Board under a power of attorney. The Company Secretary will submit a schedule of each use of the power of attorney and each document executed under the power of attorney. This schedule must be made available for internal audit. This schedule will be circulated with the Board Papers, with significant items being brought to the attention of the Board at the meeting. The report on the use of powers of attorney will normally indicate compliance with policy 	
<p>Agenda Item 3</p> <p>9:45am – 10:00am</p>	<p>Monitoring Affirmation</p> <p>It is expected that each Board member read all Board papers <i>prior</i> to attending each meeting and that they carry out this important “out-of-meeting duty” by reading the periodic performance monitoring data presented in reports – an essential requirement if report monitoring is not to consume precious Board meeting time.</p> <p>The monitoring process at the Board meeting can then be reduced to a single Monitoring Affirmation agenda item - a process whereby Directors at the meeting individually affirm that they have received and read all reports circulated in the Board papers. If they have any concerns with matters in the report, they have two options:</p> <ol style="list-style-type: none"> 1. They can send a (email) message to the reporter (cc’d to the Chairman) raising the concern and indicating that they will be raising it at the meeting. This then allows the reporter to either (a) answer the concern (by reply email to the Director and cc’d to Chairman) prior to the meeting (which, if satisfactory saves valuable meeting time) or (b) they can choose to prepare an appropriate answer (with additional information if required) for the meeting. 2. Should the reporter choose to answer the questioner’s concern prior to the meeting, but not fully assure or satisfy the questioner, then they can raise the concern at the Board meeting for a fuller airing. <p>As well, Directors can request a verbal <i>expansion</i> of (not repeat of) the written reports or request additional information at (or prior to) the meeting. If any relevant new information on matters comes to light since the written report was circulated, this can also be verbally reported at the meeting. Any action required flowing from the monitoring affirmation process will in the main be either in relation to matters of actual or anticipated non-compliance with any Board policy or deviations from the anticipated strategic results performance targets and standards. In addressing action required, the Board will need to either review policy parameters, the KRA’s and other strategic settings as expressed in the strategic direction or organisation risk issues.</p> <p>In this way, the monitoring process occurs predominantly outside the meeting, freeing up valuable meeting time to attend to education, exploration and discussion about the more important and critical <i>strategic issues</i>.</p>	<p>Chair</p>

Agenda Item 4	Reports	Chair
<p data-bbox="204 286 341 342">10:00am – 10:30am</p>	<p data-bbox="363 253 1254 342">The Board is in control of reporting and should determine the nature, style, standard, form, detail and analysis they require and maintain constant refinement.</p> <p data-bbox="363 376 1262 465">All reports - CEO, Company Secretary, Committee, etc. - should be provided in a written format (forming a permanent record) and be circulated with Board papers, at least seven days before the meeting.</p> <p data-bbox="363 499 560 533">CEO's Reports</p> <p data-bbox="363 566 1249 622">CEO reporting should be in writing (forming a permanent record), included in Board papers.</p> <p data-bbox="363 656 1225 712">(a) Monitoring Data Report should directly address provisions of Board policies focusing on:</p> <ul data-bbox="411 712 1254 779" style="list-style-type: none"> • any actual or anticipated non-compliance with any Board policy • achievement of results - not the level of activity or effort expended! <p data-bbox="363 813 1249 958">Monitoring reports are not merely a statement from the CEO that criteria have been met! They should present <i>evidential data</i> that, at a minimum, specifically addresses the Board's pre-stated expectations, intentions and policy criteria to convince the Board that, and keep Directors apprised of, whether:</p> <ol data-bbox="363 969 1222 1205" style="list-style-type: none"> 1. the strategic direction priorities, milestones and targets have been achieved, i.e. the organisational accomplishment of Board stated strategic direction performance targets and standards 2. executive limitations have been complied with, i.e. the adherence to Board-prescribed limits and constraints describing organisational behaviours, actions and situations to be avoided and that limit the latitude the CEO may exercise in choosing the organisational activities/actions or methods. <p data-bbox="363 1238 1262 1294">(b) Business Activity Report provides information on any other matter the CEO would like the Board to know including:</p> <ul data-bbox="411 1294 1262 2022" style="list-style-type: none"> • information the Board has asked to see or be kept informed and aware of that may require Board advice/noting/decision/policy formulation or amendment • information on any matter the CEO believes is material to the Board's decisions or that may affect Director's personal liability. May include: <ul data-bbox="411 1451 1249 2022" style="list-style-type: none"> • substantial, significant or unusual issues or material external/internal changes in the company's operational or business activities, circumstances or partnerships, etc • relevant external environmental and industry factors, effects or trends • major competitor analysis affecting strategic priorities, performance or compliance • any relevant staff and external points of view, issues and options needed to inform board choices • any changes in the assumptions upon which board strategy/policy was established • non-routine financial claims against the company • anticipated or actual adverse media coverage • threatened/pending lawsuits or potential legal issues/actions against the company • insurance matters pertaining to claims or non-routine issues • recognisable board and director personal risk issues or concerns • backgrounds of or changes to key management personnel • advice to the board regarding compliance of its own policies 	

	<p>These matters will normally be considered in context of amendments to existing policies or result in new policy formulation and must be kept completely separate from the monitoring mechanism.</p> <p>Committee Reports (if required):</p> <p>Where a Committee meeting has been convened since the last Board meeting, the minutes of the meeting will be circulated with the Board Papers and must be noted by the Board. These minutes shall contain any items that the Committee wishes the full Board to note or action and will ordinarily consist of recommendations from the terms of reference or prepared policy alternatives and implications for Board deliberation.</p> <p>Chairperson's Report</p>	
Morning Tea @ 10:30am - 11:00am		
<p>Agenda Item 5</p> <p>11:00am – 12:30pm</p>	<p>Strategic exploration reviews and presentations</p> <ul style="list-style-type: none"> • Receipt of commissioned information, submissions, proposals, presentations on: <ul style="list-style-type: none"> • internal business activity - capability/capacity 'intelligence' from management (or emerging issue or recommended Director items) • external business environment or industry issues and trends from invited attendees <p>The Board needs to spend time exploring issues relevant to its ongoing cycle of reviewing and revising Strategic Direction policies</p>	Chair
Lunch @ 12:30pm - 1:30pm		
<p>Agenda Item 6</p> <p>1:30pm – 3:30pm</p>	<p>Strategic scenario thinking discussion</p> <ul style="list-style-type: none"> • Discussion, analysis, exploration and review of strategic options, alternatives, risks, etc • Analysis and exploration of elements of the external environment and an on-going discussion in the context of the organisation's business model of the changes, trends and issues that will impact on the organisation's future. This is a process of reviewing strategic options and alternatives that helps to facilitate the development of the future strategic direction for the organisation. 	Chair
Afternoon @ 3:30pm - 4:00pm		
<p>Agenda Item 7</p> <p>4:00pm – 4:30pm</p>	<p>Internal control policy issues (scheduled reviews, amendments, etc)</p> <ul style="list-style-type: none"> • Scheduled internal control policy monitoring review (Method and Frequency) • Discussion of issues if monitoring reports show policy violations or if policy criteria are to be debated 	Chair
<p>Agenda Item 8</p> <p>4:30pm – 5:00pm</p>	<p>Accountability issues/matters</p> <ul style="list-style-type: none"> • Reporting or responding to members or stakeholders to maintain relationships, consultation and communication • Annual Report/AGM matters • Communication Strategy 	Chair
<p>Agenda Item 9</p> <p>5:00pm – 5:15pm</p>	<p>Board Development matters</p> <ul style="list-style-type: none"> • Governance training • Board /Director Evaluation • Meeting Evaluation <p>Suggest the Board rotates among its members the responsibility for</p>	

	formal assessment of each meeting, using a different Board policy each time.	
Agenda Item 10 5:15pm – 5:30pm	<p>External Communiqués The Board will identify anything that is <u>not</u> okay for individual directors to comment on in external contexts</p> <p>Date and time of, and matters for next meeting The Board reviews where it is in the annual cycle of Board leadership, with special emphasis on what preparation is necessary for the next meeting.</p>	Chair
Meeting Closes @ 5:30pm		

Appendix 3 Sample Board Paper Report Format



NATIONAL ABORIGINAL COMMUNITY
CONTROLLED HEALTH ORGANISATION
NACCHO
BOARD – IN – CONFIDENCE
SUBMISSION

AGENDA NO:

DATE:

TITLE:

PURPOSE:

ISSUES:

ACTION OFFICER/S:

MEDIA IMPLICATIONS
(If YES please provide details)

ENDORSEMENT:

1. Purpose:

2. Summary

3. Current Issues

4. Recommendation/s:

Appendix 4 Sample Board Calendar



NACCHO BOARD MEETING DATES 2010

The *key governance events* the board must attend to throughout the year. Aim to schedule an even distribution of work over the year

Date	Event	Status
	Annual returns/report and AGM (& members forum)	
	Regular board meetings	
	Scheduled committee meetings	
	Scheduled executive management presentations	
	Annual strategic direction formulation/review workshop	
	Policy monitoring schedule	
	Regulatory compliance schedule	
	Board/director evaluation/review	
	Board / Governance training	
	CEO performance evaluation/review	
	Stakeholder relationship priorities	
	Key event dates, eg NACCHO ADVOCACY DAY	
	Inspections of key sites, visits to workplaces, etc	

Appendix 5 NACCHO Board Meeting Evaluation

In line with NACCHO’s commitment to improving Board process, Directors are required to complete this meeting evaluation form at the end of each Board Meeting. Note that contents of the form will be treated in-confidence and aim to inform improvements to both content and process of NACCHO Board Meetings.

Likes

Dislikes

Suggested Changes

PLEASE RATE EFFECTIVENESS OF THIS MEETING

Ineffective	1	2	3	4	5	6	7	8	9	10	Effective
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