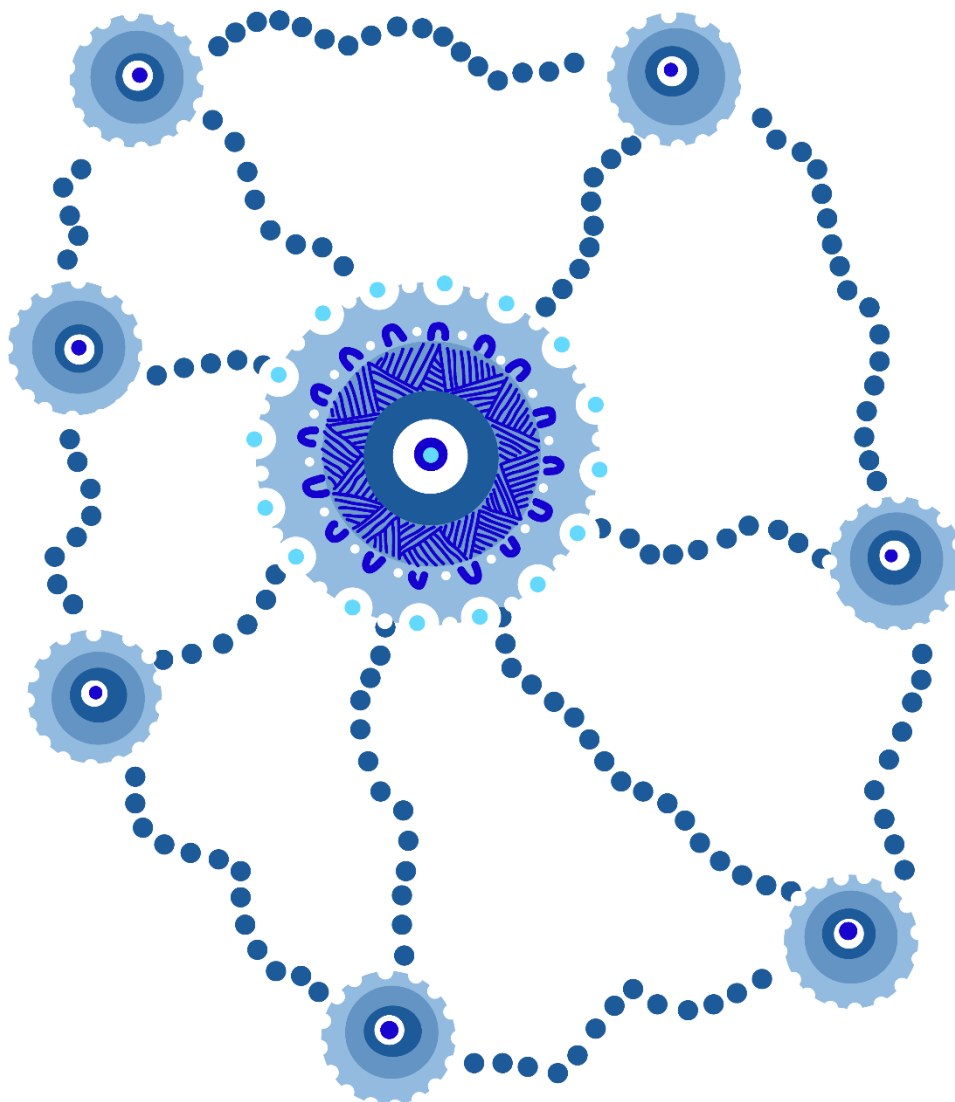




Mid North Coast Local Health District

Governing Board Charter



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1. Purpose

Mid North Local Health District (MNCLHD) Governing Board's Charter sets out the role and responsibilities of the Board as defined by the [Health Services Act 1997](#)¹ and in the [Corporate Governance and Accountability Compendium for NSW Health](#)² (the Compendium). In the event of any inconsistency between this Charter and the legislation, the legislation takes precedence.

For further information pertaining to corporate governance, oversight, key roles, functions, agreements and services provided by the Health Administration Corporation, refer to MNCLHD's Corporate Governance Framework.

2. NSW Health Corporate Governance and Accountability Compendium

The information in the Compendium has been developed to assist boards, chief executives, health executive service officers and staff understand the reporting structures and their accountabilities within NSW Health.

As well as setting out requirements in legislation and Government policy it provides a governance framework to underpin local decision making and the CORE values of the NSW Health, which cover:

- 1 Establish robust governance and oversight frameworks
- 2 Ensure clinical responsibilities are clearly allocated and understood
- 3 Set the strategic direction for the organisation and its services
- 4 Monitor financial and service delivery performance
- 5 Maintain high standards of professional and ethical conduct
- 6 Involve stakeholders in decisions that affect them
- 7 Establish sound audit and risk management practices

3. Corporate Governance Plan

MNCLHD's Corporate Governance Plan (the plan) was developed in alignment with the governance framework, to articulate the strategic plans, guidelines, directives, policies and governance structures that assist us to meet legislative and portfolio requirements with accountability and responsibility.

The plan has been developed as a guide for MNCLHD to undertake corporate governance assessments to meet each governance standard and is reviewed annually by the Board to confirm these requirements have been met.

4. Roles and Responsibilities of the Board

The role of the Board is focused on leading, directing and monitoring the activities of MNCLHD and driving overall performance.

The Board has specific statutory functions, outlined in section 28 of the Health Services Act 1997. Those functions are:

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- a) to ensure effective clinical and corporate governance frameworks are established to support the maintenance and improvement of standards of patient care and services by the local health district and to approve those frameworks
- b) to approve systems:
 - i. to support the efficient and economic operation of the local health district
 - ii. to ensure the district manages its budget to ensure performance targets are met
 - iii. to ensure that district resources are applied equitably to meet the needs of the community served by the district
- c) ensure strategic plans to guide the delivery of services are developed for the local health district and to approve those plans
- d) to provide strategic oversight of and monitor the local health district's financial and operational performance in accordance with the State-wide performance framework against the performance measures in the service agreement for the district
- e) to appoint, and exercise employer functions in relation to, the chief executive of the local health district
- e1) to ensure that the number of NSW Health Service senior executives employed to enable the local health district to exercise its functions, and the remuneration paid to those executives, is consistent with any direction by the Health Secretary or condition referred to in section 122(2)
- f) to confer with the chief executive of the local health district in connection with the operational performance targets and performance measures to be negotiated in the service agreement for the district under the National Health Reform Agreement (NHRA)
- g) to approve the service agreement for the local health district under the NHRA
- h) to seek the views of providers and consumers of health services and of other members of the community served by the local health district, as to the district's policies, plans and initiatives for the provision of health services, and to confer with the chief executive of the district on how to support, encourage and facilitate community and clinician involvement in the planning of district services
- i) to advise providers and consumers of health services and other members of the community served by the local health district, as to the district's policies, plans and initiatives for the provision of health services
- j) to endorse the local health district's annual report
- k) to liaise with the Boards of other local health districts and specialty network governed health corporations in relation to both local and State-wide initiatives for the provision of health services
- l) such other functions as are conferred or imposed on it by the regulations.

These functions are in the nature of governance oversight, not a day-to-day management and operational role.

4.1 Board member appointments

Board members are appointed for the good of the organisation and are not there to represent the group or interest that nominated them. The role of the Board member is not one of direct representation of any particular sectional interest, rather they must carry out their role and functions in the interests of the organisation and the community it represents as a whole.

4.2 General duties applicable to Board members

Compliance with laws and policy directives

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- Requirement to comply with relevant legislation including regulations (refer to section 4 of the Compendium for details).
- Requirement to comply with the Department of Premier and Cabinet Guidelines for Members of NSW Government Boards and Committees, and the NSW Health Code of Conduct.

Fiduciary duties of good faith

- Duty to act honestly and properly for the benefit of the organisation.
- Duty to disclose interests in matters before the Board, including potential conflicts of interest.
- Duty not to divert (without properly delegated authority) the organisation's property, information and opportunities.

Duty to act honestly and properly for the benefit of the organisation

- A Board member must not act in self-interest and must at all times avoid any conflict between their duty to the Board and the health organisation, and their own or third party interests.
- A Board member has an overriding and predominant duty to serve the interests of the Board and the health organisation, in preference, wherever conflict arises, to any group of which he or she is a member or which elected him or her.
- A Board member has a duty to demonstrate leadership and stewardship of public resources.

Duty to disclose interest

- A Board member must disclose to the Board any direct or indirect interest the member has in a matter before them.
- A statutory form of this duty is set out in the *Health Services Act 1997*. It requires a Board member to remove themselves from deliberation and voting on a matter in which they have a direct or indirect pecuniary interest.

Duty not to misuse the organisation's property, information or opportunities

- Duty of confidentiality of information about the affairs of the Board or its organisation obtained as a Board member.
- Release of information by a Board member must be both lawful and either required by law or authorised by the Board.
- The use of the organisation's property, information or opportunities must be authorised by the Board and be for the benefit of the organisation.

Duty of care and diligence

- Board members are required to exercise care and diligence in the exercise of their powers.
- A Board member need show no greater skill than may reasonably be expected from a person of his/her knowledge and experience.
- A Board member is not required to give continuous attention to the organisation's affairs – the duties are intermittent to be performed at and in preparation for Board meetings.
- Where duties may properly be left to an officer of the organisation, a Board member is justified in trusting the officer to perform the duties honestly.

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4.3 Role of the Board Chair

MNCLHD Chair and Board members are appointed by the NSW Minister for Health.

The Chair is responsible for and represents the Board. The Chair directs the planning of the Board meetings, oversees the agenda, evaluations, Board conduct and sets the Board resolutions.

The Board Chair also has an oversight role and enters into an annual performance agreement with the Chief Executive. They undertake the Chief Executive's annual performance review as provided for under the Health Executive Service Framework including:

- negotiating the performance criteria, the Chief Executive is to achieve over the review year, ensuring these criteria are consistent with this and other relevant Government policy and signing off on the performance plan. This is done in consultation with the Secretary in the case of board governed Health Administration Corporation Units and statutory health organisations.
- Initiating variations to the performance plan where appropriate.
- Clarifying Chief Executive performance requirements, giving feedback, undertaking progress reviews as required, conducting an annual performance review and assessment, and preparing a report including an assessment outcome on the performance of the Chief Executive.

4.4 Role of the Board Deputy Chair

In addition to the Chair appointed by the Minister, the Board may nominate a Deputy Chair. The Deputy Chair may act and exercise all the functions of the office of the Chair during the Chair's absence.

4.5 Appointment of the Board Secretariat

Support for the Board will be provided by the Communications and Strategic Relations Directorate.

5. Board Meetings

5.1 Frequency

Board meetings are conducted monthly with dates set 12 months in advance from the first meeting of the calendar year. However, the Chair has the power to call special meetings as necessary.

5.2 Quorum

A quorum will consist of fifty percent of Board membership plus one.

5.3 Declaration of Conflict of Interest

All Board members are responsible for declaring a conflict of interest, whether pecuniary or non-pecuniary. In all cases where a conflict of interest exists, or may be reasonably perceived to exist, the Board member will not participate in the decision-making process.

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5.4 Agenda

The agenda will be agreed by the Chair prior to the meeting. The agenda and papers will be prepared and distributed by the Secretariat at least one week prior to meeting dates.

5.5 Minutes

All meetings will be minuted and endorsed by the Board at the following meeting. Meeting minutes will be published on MNCLHD internet one week after Board endorsement.

5.6 In-camera sessions

In-camera sessions are held as agreed by the Chair. Meeting minutes are taken, adopted by the meeting participants, and held confidentially by the Secretariat. In-camera minutes are only available to those present in the meeting. If a decision is made during the session, that decision should be recorded in the Board minutes as a formal record if appropriate.

5.7 Attendance of the Leadership Team at Board meetings

Directors are invited to attend two Board meetings annually.

At one meeting Directors will be asked to present on their priorities, risks and challenges for the coming year and report progress of their directorate's strategic focus areas for the previous year.

At the second meeting, Directors will be invited as an observer and to provide an informal verbal update. Directors' bios are also to be updated and provided in that month's Board papers.

5.8 Service Reviews reporting

Every six months a progress report will be provided to update the Board on MNCLHD Service Reviews. It will include outstanding recommendations and advice on any recommendations no longer relevant.

5.9 Code of Conduct, culture and confidentiality

All Board members are required to read and sign the NSW Health Code of Conduct which defines standards of ethic and professional conduct.

The Code of Conduct assists with building a positive workplace culture based on our core NSW Health values of collaboration, openness, respect and empowerment.

Board members have also committed to a district-wide initiative designed to prevent racism and improve cultural safety. This commitment includes leading by example and building an inclusive workplace where each staff member feels valued, can thrive and experiences a sense of belonging.

Official information in any recorded form remains the property of the NSW Ministry of Health.

5.10 Audit and risk reporting

The Audit and Risk Committee Chair will attend and present at the June and December Board meetings and an update will be provided at the March and September meetings.

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5.11 Evaluation of Board performance

The Board will review the appropriateness of this Charter annually. In addition, the Board will perform an annual self-assessment of the effectiveness of the Board, which may include through surveys or interviews with various stakeholders and/or external review.

6. Board Sub-Committees

The Board has appointed sub-committees as it sees fit to carry out specific duties/tasks. The Chair of any such sub-committee will be a member of the Board, except for the Audit and Risk sub-committee. Members of the sub-committees need not be members of the Board.

MNCLHD has established committees as below:

- a) Audit and Risk
- b) Finance and Performance
- c) Health Care Quality Committee
- d) Medical and Dental Appointments Advisory Committee
- e) Closing the Gap
- f) Local Health Advisory Council
- g) People and Culture
- h) Sustainable Healthcare

All sub-committees and their Terms of Reference are to be reviewed annually.

Parts 6 to 9 of the By-laws relate to Medical Staff Councils, Medical Staff Executive Councils, Hospital Clinical Councils, Joint Hospital Clinical Councils, Local Health District or Specialty Health Network Clinical Councils respectively.

Parts 10 and 11 of the By-laws address the Medical and Dental Appointments Advisory Committee and Credentials (Clinical Privileges) Committee respectively.

7. Governance and Oversight

The Health Services Act 1997 is the principal Act regulating the governance and management of the public health system in NSW. The Act establishes the NSW public health system as comprising:

- local health districts
- statutory health corporations, including Board, chief executive and network governed statutory health corporations
- affiliated health organisations (with respect to their recognised services)
- the Secretary, NSW Health with respect to ambulance services and other services to support the public health system.

Local health districts, statutory health corporations, and affiliated health organisations (with respect to their recognised services) are referred to collectively under the Health Services Act 1997 as public health organisations.

The [Health Administration Act 1982³](#) sets out the broad roles of the Minister and Secretary, NSW Health in relation to the health portfolio generally.

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7.1 By-laws

Under section 39 of the Health Services Act, the District may, with the approval of the Secretary, make By-laws. These By-laws are in substance the same as Model By-laws published by the Secretary, NSW Health.

7.2 Corporate Governance Framework

The *Health Services Act 1997* determines that one function of local health district boards is to ensure effective clinical and corporate governance frameworks are established (s.28).

The overarching governance framework of MNCLHD is defined by the *Health Services Act 1997* and *MNCLHD Model By-laws*⁴. The District has built on these foundations by incorporating the Corporate Governance Framework and the Corporate Governance Plan.

8. Resources and References

¹ *Health Services Act 1997 No 154*

<https://legislation.nsw.gov.au/view/html/inforce/current/act-1997-154>

² *Corporate Governance and Accountability Compendium for NSW Health*

<https://www.health.nsw.gov.au/policies/manuals/Publications/corporate-governance-compendium.pdf>

³ *Health Administration Act 1982*

<https://legislation.nsw.gov.au/view/html/inforce/current/act-1982-135>

⁴ *MNCLHD Model By-laws*

<https://mnclhd.health.nsw.gov.au/wp-content/uploads/2.-MNCLHD-By-laws.pdf>