



Board of Governance Charter

POLICY AND PROCEDURES

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Contents

1.0	PRESIDING MEMBER’S INTRODUCTION.....	3
2.0	OVERVIEW.....	4
3.0	ROLE OF THE MINISTER.....	4
4.0	ROLE OF THE PUBLIC SECTOR COMMISSIONER.....	5
5.0	COMPOSITION OF THE HEALTHWAY BOARD.....	5
6.0	ROLE AND RESPONSIBILITIES OF THE BOARD.....	6
7.0	ROLE AND RESPONSIBILITIES OF THE PRESIDING MEMBER.....	9
8.0	ROLE AND RESPONSIBILITIES OF COMMITTEE MEMBERS.....	9
9.0	ROLE AND RESPONSIBILITIES OF THE CHIEF EXECUTIVE OFFICER.....	10
10.0	RELATIONSHIP BETWEEN THE BOARD AND HEALTHWAY STAFF.....	10
12.0	REMUNERATION AND ALLOWANCES.....	12
13.0	REVIEW OF BOARD EFFECTIVENESS.....	13
14.0	REVIEW OF CHARTER.....	13

1.0 PRESIDING MEMBER'S INTRODUCTION

The Western Australian Health Promotion Foundation ('Healthway') has an important role –'to promote and facilitate in Western Australia good health and activities which encourage healthy lifestyles' ([Western Australian Health Promotion Foundation Act 2016](#) – 'the Act').

Health matters to everyone. Our work, including our partnerships with the sport, arts, community and health sectors, influences the community's ability to make informed decisions to improve their health, today and into the future.

At Healthway we are committed to ensuring our processes conform to good governance principles. As a board member, you operate in a legislative and public policy environment that provides frameworks for accountability, governance, management, policy development and service delivery. Your understanding and effective application of these frameworks is critical to maintaining the trust placed in Healthway, its board and in you as a member.

The Board of Governance Charter outlines the roles and responsibilities of board members individually and collectively, the roles and responsibilities of other parties with whom we regularly interact, and board processes.

All new board members are provided with a copy of the Charter, the Board Code of Conduct, the *Western Australian Health Promotion Foundation Act 2016*, the Public Sector Commission's 'Board Essentials' and 'Principles of Good Governance for Boards and Committees'.

I encourage you to regularly read through these documents to ensure we continue to have a common understanding and practice in our important roles as Healthway board members.

If you would like to discuss any aspect of the Charter, please do not hesitate to talk to me or to the Chief Executive Officer.

Professor Peter Klinken AC
Presiding Member

2.0 OVERVIEW

This Board of Governance Charter (The Charter) outlines the main corporate governance practices that are in place for Healthway, to which both the Board of Governance and the Foundation Members individually are committed.

The Healthway Board of Governance operates under the *Western Australian Health Promotion Foundation Act 2016* (the Act) and is the accountable authority of Healthway. The Board sets strategic direction and goals and makes all decisions regarding the allocation of funding for grants and sponsorships, other than those decisions delegated to the CEO in accordance with Section 9 (2) of the Act.

As the governing body of Healthway, the Board of Governance in carrying out its function and exercising its powers, will at all times act honestly and exercise powers for their proper purposes; manage conflicts of interest; act in good faith; and exercise diligence, care and skill. The Charter provides more guidance on these requirements.

The Charter will be enacted through practices consistent with the Public Sector Commission's *Board Essentials* document.

3.0 ROLE OF THE MINISTER

Healthway is owned and funded by the Western Australian Government, and reports to the government of the day. The Minister is accountable to Parliament for the operation of Healthway.

Consistent with Part 5 of the Act, the Minister may give written directions to Healthway with respect to the performance of its functions, and Healthway must give effect to any such direction. The Minister must not direct Healthway with respect to the provision of funds or grants to individual organisations.

Clause 43(5) of the Act states that a decision of Healthway to disburse any money from its account must be approved by the Minister before the money is disbursed.

The Minister is entitled to have access to any information in the possession of Healthway, and to request advice from Healthway, which should be provided in an informed, accurate and unbiased manner.

4.0 ROLE OF THE PUBLIC SECTOR COMMISSIONER

The Public Sector Commissioner has key statutory responsibilities for the overall administration and management of the public sector. The aim of the Public Sector Commission is to bring leadership and expertise to the public sector to enhance integrity, effectiveness and efficiency. The Commissioner promotes integrity and public sector standards and is responsible for the oversight of responses to minor misconduct of public officers and for misconduct prevention and education processes.

Under the Act, Healthway is a Senior Executive Service organisation and all staff are employed as public service officers. The Chief Executive Officer (CEO) is appointed under the *Public Sector Management Act* Part 3, and is an employee of the Public Sector Commissioner.

5.0 COMPOSITION OF THE HEALTHWAY BOARD

The *Western Australian Health Promotion Foundation Act 2016* provides for the membership of Healthway's board. Pursuant to Section 11 and for the purpose of efficient working, the board consists of 7 members, comprising the Presiding Member, Deputy Presiding Member and 5 other members. Of the seven members, at least one must have knowledge of and experience in the arts; one must have knowledge of and experience in health; one must have knowledge of and experience in sport; and each of the others must have knowledge of and experience in one or more of the fields of the arts, finance, governance, health, law, management, marketing or sport.

The Minister appoints the Presiding Member on the nomination of the Premier. The Premier is to consult with the parliamentary leader of each party in the Parliament before making this nomination.

The Minister must designate a deputy Presiding Member.

Members hold office for a period not greater than 3 years and are eligible for reappointment but cannot hold office for more than 9 years consecutively or otherwise.

A member may at any time resign from office by giving written notice to the Minister.

The Act (s15) provides the conditions for resignation or removal of board members from office.

6.0 ROLE AND RESPONSIBILITIES OF THE BOARD

The role of the Healthway Board is to set strategic direction and goals; provide strategic oversight; ensure sound governance, reporting and financial management; and make all decisions about the allocation of funding for grants and sponsorships other than those decisions delegated to the CEO in accordance with Section 9 (2) of the Act, ie grants and sponsorships of \$5,000 or less.

Section 9 of the Act outlines further requirements, including limitations, in relation to delegations by the board.

The Board at all times must:

- Act honestly and exercise powers for their proper purposes;
- Manage conflicts of interest;
- Act in good faith;
- Exercise diligence, care and skill.

Members must act in accordance with the specific requirements of the Act, a copy of which is provided to all members at their induction.

Act Honestly and Exercise Powers for their Proper Purposes

Board members should act openly and honestly at all times in the performance of their duties. They must not use information acquired by virtue of their position to gain an advantage, either directly or indirectly, for themselves or any other person.

Manage Conflicts of Interest

Part 3 of the Act provides information about the disclosure of interests, including penalties for failure to disclose a personal interest.

A conflict of interest arises where there is conflict between the performance of a public duty and private or personal interests. Confidence in the board's functions is dependent on the accountable and ethical decision-making of board members in applying the best interests of the community before their own private interests. As such, all potential, perceived or actual conflicts of interest should be identified and appropriately managed.

It is not always possible for board members to avoid a situation where a conflict of interest could be perceived to exist. In an agency like Healthway that funds a broad range of community organisations, a conflict of interest can be almost inevitable – it is how members manage the conflict that is most important.

Members should familiarise themselves with the Code of Conduct, including the Integrity Coordinating Group's '6Ps' for identifying interests, and the '6Rs' for managing interests. These are outlined in the *Healthway Code of Conduct for Board* document.

Some common areas for board members where individuals may have a conflict include allocation of grants and sponsorships to sport, arts or community organisations; allocation of grants to academic and health organisations; dual roles; and gifts, benefits and hospitality. Members who have a relationship with organisations that are seeking funding, or which may be affected by a decision before Healthway, or who may receive a personal benefit from a decision before the board, must declare an interest.

The Board Code of Conduct includes a section on gifts, benefits and hospitality, and members are required to comply with Healthway's policy *on Invitations, Ticketing and Event Attendance*. The Board's Code of Conduct advises that, in general, Healthway members should not accept gifts. Where gifts are received, they must be registered on Healthway's Gift Register, consistent with the process outlined in the Code of Conduct.

Act in Good Faith

- Board members are in a position of trust, and as such, their actions and standards of behaviour are required to be exemplary. Members should always act in the interests of Healthway and the government of the day and place their public duty ahead of private interests.
- Board members are appointed on the basis of the skills and experience they bring to Healthway. Members act in the best interests of Healthway, not of any other employing body or private interest.
- In the course of official duties, board and committee members will have access to confidential information. Section 81 of the Criminal Code makes it illegal for a member to disclose confidential information and prohibits members from publishing or communicating any fact or document that came to their knowledge or possession by virtue of their office and which it is their duty to keep confidential. Healthway's Code of Conduct provides more guidance.

Exercise Diligence, Care and Skill

- Board members must exercise diligence, care and skill in the performance of their duties. Members should take reasonable steps to inform themselves about the functions of Healthway and its board, its business and the activities and the circumstances in which it operates.
- It is important that board members give close attention to matters before the board, by obtaining sufficient information and advice, and exercising judgement to enable themselves to make conscientious and informed decisions. Members may contact the CEO or Presiding Member if they would like additional information on matters before the board in order to make informed decisions. Members must be mindful of the requirement to maintain confidentiality and not disclose information about matters before the board, or matters related to government or board decisions that are not in the public realm.

Other Legislative Requirements

In addition to the Act, Healthway is required to comply with a range of legislation. These include the *Public Sector Management Act 1994* which is referenced in the Code of Conduct, the *Financial Management Act 2006* and the *Auditor General Act 2006*. A full list of the legislation with which Healthway complies is in the Annual Report.

Governance

Governance is defined as encompassing the systems and structures by which a public body and its people are held to account.

In general, good governance for boards is based on seven principles as outlined in the Public Sector Commission's *Board Essentials*. These are:

- the roles and responsibilities of the board are clear and understood;
- the board structure and composition ensures relevant expertise and diversity;
- the board has a strategic focus;
- relevant risks are identified and managed;
- control systems have integrity and support accountability;
- a culture of responsible and ethical decision making is promoted;
- the board operates effectively.

7.0 ROLE AND RESPONSIBILITIES OF THE PRESIDING MEMBER

The Board is to set the strategic direction of Healthway and ensure effective governance of Healthway.

The responsibilities of the Presiding Member are to:

- Operate as the board's primary liaison with the Minister and CEO.
- Establish the board's charter;
- Ensure relevant information and policies are brought to the attention of board members to support the board's performance, objectives and governance framework;
- Lead board meetings efficiently, encouraging members and seeking consensus when making decisions where possible;
- Lead by example in demonstrating behaviours desired from board members, including professionalism, punctuality, respect and integrity;
- Shape the meeting agenda;
- Motivate board members and, where appropriate, deal with underperformance;
- Manage risk and ensure relevant concerns are reported to the responsible minister;
- Work with the CEO to deliver the goals in the strategic plan.

8.0 ROLE AND RESPONSIBILITIES OF MINISTER'S HEALTH PROMOTION ADVISORY PANEL

To ensure health promotion funding is aligned with best practice and the latest research, the Minister for Health has appointed a Minister's Health Promotion Advisory Panel (the Panel).

The Panel will:

- Advise the Minister for Health and/or the Healthway Board on priorities, issues and opportunities related to health promotion.
- Advise on the direction and coordination of health promotion initiatives to deliver improved impact and outcomes.

The Presiding Member will have a standing invitation to attend Advisory Panel meetings.

9.0 ROLE AND RESPONSIBILITIES OF COMMITTEE MEMBERS

In accordance with the Act, the Board from time to time may establish committees to assist in carrying out its functions. The Board also establishes Terms of Reference setting out matters relevant to the role, composition, rights, responsibilities and administration of the committees.

10.0 ROLE AND RESPONSIBILITIES OF THE CHIEF EXECUTIVE OFFICER

The Public Sector Commissioner employs the CEO under s45 of the *Public Sector Management Act 1994*.

The CEO is the primary link between the board and the agency and manages Healthway's day-to-day operations in keeping with the board's strategic directions and decisions.

The CEO will have a performance agreement with the Presiding Member and the Minister.

The CEO is responsible for the efficient and effective management of Healthway, which includes:

- providing leadership and strategic direction
- providing advice to Government and delivering government desired outcomes
- establishing and maintaining productive relationships with stakeholders
- planning, undertaking and monitoring the agency's financial administration
- ensuring the appropriate structure and use of resources within the agency
- ensuring proper records are maintained
- managing and directing employees, including their recruitment and remuneration
- ensuring employees have equal opportunities, as well as access to appropriate training and development, grievance processes and a safe workplace.

11.0 RELATIONSHIP BETWEEN THE BOARD AND STAFF

The CEO has been appointed to manage the day to day operations of Healthway. This includes the delivery of the strategic direction established by the Board, and the management of staff, finances and property.

The CEO's Executive Officer is responsible for maintaining the schedule of board meetings and ensuring board agendas and minutes are maintained and provided to

the Presiding Member and the Board in a timely and accurate way. Board members who have queries about board-related administrative matters should discuss them with the CEO or the Executive Officer.

The Board determines Healthway's strategic direction and the CEO is responsible for ensuring that direction is implemented effectively. The CEO is accountable for recruiting, directing and managing staff, and for allocating and managing the resources of Healthway within the board-approved limits.

The Board is accountable for funding decisions (other than those delegated to the CEO). Healthway's staff, through the CEO, are accountable to the Board for the quality of advice provided to enable effective decision-making.

12.0 BOARD MEETING PROCEDURES

Various matters relating to Healthway Board meeting procedures are prescribed in the Act, including the key processes outlined below. The Board must determine its own procedures for the calling of meetings and for the conduct of business at those meetings.

- *Frequency of Board Meetings:* Board meetings are generally held every second month. An annual calendar of board meetings will be provided to the Board in advance of the calendar year. Variations or special board meetings may be called from time to time with the approval of the Presiding Member.
- *Agenda development and distribution:* Board meeting agendas are developed under the direction of the CEO and matters to be included are approved by the Presiding Member prior to circulation. Board members can propose agenda items for consideration in writing to the Presiding Member and CEO. Board meeting agendas are generally circulated to the board no later than 5 days prior to meetings.
- Board members need not be physically present to attend a meeting of the board. However, such members must be simultaneously in contact by telephone, or other means of instantaneous communication.
- *Circular resolutions:* Where decisions of the board are required to be made outside scheduled meetings, a circular resolution may be prepared under the authority of the Presiding Member and distributed to all board members for voting. Circular resolutions are undertaken by exception. A resolution in

writing signed or otherwise assented in writing by each member has the same effect as if it had been passed at a meeting of the board.

- *Quorum*: a quorum for a meeting of the board is four members, unless a person with a conflict of interest is excluded from being present consistent with section 31 of the Act, in which case the quorum is three members for that item.
- *Chairing*: Meetings of the board will be chaired by the Presiding Member. In the event the Presiding Member is not in attendance, meetings will be chaired by the Deputy Presiding Member. Should neither the Presiding Member nor Deputy Presiding Member be in attendance the board shall elect a chair from those members present.
- *Voting*: At a meeting, each member has a deliberative vote unless a conflict of interest (section 31 of the Act) prevents the member from voting. In the event of an equal number of votes, the Member presiding over the meeting has a second or casting vote. A question is resolved by a majority of votes.
- *Minutes recording and approval*: The CEO will ensure that accurate minutes are prepared following each board meeting. Unconfirmed minutes will be provided to the Chair and will be confirmed or amended and signed at the next board meeting.
- The CEO is accountable for ensuring the complete, accurate and timely provision of advice to the Board. Healthway may seek advice from any source to assist the development of advice and their decision-making.
- Relevant staff will also be available to provide advice as needed. External expertise can be sought with the approval of the Presiding Member. In this case board members will be mindful of confidentiality requirements.

13.0 REMUNERATION AND ALLOWANCES

Section 13 of the Act provides for members of the board to be paid sitting fees at a level determined by the Minister on recommendation of the Public Sector Commission. Members who are public servants are not entitled to sitting fees. Information about entitlements can be obtained through the CEO.

14.0 REVIEW OF BOARD EFFECTIVENESS

The Board will review its effectiveness, preferably on an annual basis, and at least every two years.

15.0 REVIEW OF CHARTER

The Board will review and assess the adequacy of the Board of Governance Charter no less than biennially and make any appropriate revisions. The review of the Charter will be based on the best practice standards outlined in the Public Sector Commissioner's *Board Essentials*.

The CEO will administer and manage this review.