



# **ECHUCA REGIONAL HEALTH**

## **GOVERNANCE POLICIES**

Adopted by Echuca Regional Health Board of Management 4 July 2012  
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# 1 GOVERNANCE PROCESS POLICIES

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## 1.1 *Legal Status and Purpose*

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### 1. Definitions:

"The Service" means Echuca Regional Health

"The Act" means the Health Services Act Vic 1988 (Vic) as amended from time to time

"The By-Laws" means the By-Laws of "The Service"

"Board" means the Board of Management of the Service

"Chief Executive" means the Chief Executive Officer of the Service (including any interim or replacement Chief Executive Officer) ("CEO")

"The Executive" or "Management" means the group comprising the Chief Executive Officer, Executive Director of Nursing, Executive Director of Medical Services, Executive Director of Primary Care, Executive Director of Finance and Corporate Services, Executive Director of Human Resources

"Board Committee" means a committee established pursuant to clause 7 of the By-Laws

"The Chair" means the individual who presides over the committee and ensures business is conducted appropriately.

"The President" means the president of the Board

"The Legal Owners" means the State Government of Victoria

"The Moral Owners" means the community

"The Government" means the State Government of Victoria

"Stakeholders" includes but is not limited to the Legal Owners, the Moral Owners, staff, volunteers, patients and clients

"Governance Policies" means the policies specified herein, and the policies formulate and adopted hereunder

"Statement of Priorities" means the areas the Board and the Department have agreed to focus on annually.

"Instrument of Delegation" means the Instrument of Delegation Protocol as amended from time to time, or any protocol adopted in substitution therefore.

"The Australian Charter of Healthcare Rights in Victoria" means Australian Charter of Healthcare Rights in Victoria as amended from time to time, or any charter substituted therefore.

2. The Governance policies are made pursuant to the By-Laws, and must be read and interpreted in accordance with the By-Laws. In the case of conflict between a Governance policy and the By-Laws or in the case of a Governance policy being silent on any matter the By-Laws shall prevail.
3. The Legal Owners are the State Government of Victoria and the Moral Owners are the community.
4. The purpose of the Board of Management, on behalf of its Stakeholders, is to ensure the Service achieves its mission and key strategic goals, in accordance with the By-Laws and, in doing so, avoids reasonably foreseeable unacceptable actions and situations.

## ***1.2 Overview of board responsibility***

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1. The Board is to act in the best interests of the Service.
2. A mix of appropriate skills will be sought and its processes are to be non-partisan and able to accept and respond to policy and directives of the Government.
3. The Board will also construct its membership based on the principle of succession planning and skills transfer for and from experienced Board Members.
4. The Board will develop and monitor governance policies in accordance Section 1.5-Policy Making
5. The Board will annually monitor CEO performance against the CEO performance plan and the annual objectives of the Statement of Priorities.

## ***1.3 Board's linkage to stakeholders***

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1. The Board acts on behalf of the Government and Stakeholders.
2. The Board will at all times recognise the trust placed in it by the Stakeholders and their requirements and expectations of it, demonstrating this:
  - a) By gathering information from the Stakeholders about their concerns, needs and aspirations.
  - b) By keeping up-to-date in matters concerning the Stakeholders' interests.
  - c) By reporting to the Stakeholders on a regular basis on the performance of the Service.

## ***1.4 Code of ethics and proper practice***

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The Board is committed to the adoption of ethical conduct in all areas of its responsibilities and authority.

### **Board Members must:**

1. Act honestly and in good faith at all times in the interests of the Service and its Stakeholders, ensuring all Stakeholders, particularly those who are recipients of services, are treated fairly according to their rights.

2. Carry out their duties in a lawful manner and ensure the Service carries out its business in accordance with the law, the By-Laws, and these Governance Policies.
3. Avoid conflicts of interest, and a Board Member must comply with the requirements of Section 1.10, Disclosure of Interest.
4. Be diligent and devote sufficient time to preparation for Board meetings to allow for full and appropriate participation in the Board's decision making.
5. Not disclose to any other person confidential information.
6. Act in accordance with their fiduciary duties, complying with the spirit and the letter of the law, and recognising the legal and moral duties of the role.
7. Interact with other Board members and the Executive in a positive and constructive manner.
8. Be loyal to, and supportive of, the Board, abiding by Board decisions.
9. Not act in a way which denigrates the Service or harms its public image.
10. Apply to the Board seeking leave of absence from attending Board meetings, (other than Board committee meetings) if they anticipate being absent for more than three consecutive meetings.
11. Attend not less than 75 per cent of Board Meetings held throughout a calendar year, and any absence pursuant to leave of absence will be regarded as non-attendance in the calculation of the annual attendance percentage.

**The Board must:**

1. Ensure that Board Members comply with their obligations pursuant to Clauses 1 to 11 inclusive, and to promptly act to deal with any default in such compliance.
2. Participate in an annual review/appraisal process.
3. Meet regularly to monitor the performance of the Service as a whole.
4. Ensure appropriate monitoring and reporting systems are implemented, maintained and utilised to provide accurate and timely information to the Board.
5. Ensure there is an appropriate separation of duties and responsibilities between the Board and the CEO.
6. Ensure the independent views of Board Members are given due consideration.
7. Ensure Stakeholders are provided with an accurate and balanced view of the performance of the Service including both financial and service provision.
8. Conduct its meetings in such a manner as to ensure fair and full participation of all Board Members.
9. Ensure the assets of the Service are protected by suitable risk management strategies.

10. Comply with the requirements of Section 1.6, Governance Process.
11. Understand the requirement of key policies as they relate to Board Members, including:
  - Management of complaints and grievances received by board members (refer to Linked documents section)

## **1.5 Policy-Making**

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1. Policies are required to provide clear, unambiguous guidelines for the implementation of the various operational elements of the Service, and to provide continuity and accountability.
2. The Board will develop Governance Policies and documents including:
  - a) *Statement of Priorities*; defining the outcomes and results sought from all operational effort.
  - b) *Governance Process policy*; defining the Board's own operating practices (Refer Section 1.6).
  - c) *Board/CEO Linkage policies*; defining the nature of the inter-relationship between the Board and the CEO (Refer Section 2)
  - d) *CEO Limitation's policies*; making clear constraints or limits on the choice of operational means available to the CEO for the achievement of the Statement of Priorities (Refer Section 3).
3. The Board, at a formally constituted Board meeting, must approve all Governance Policies prior to their adoption.
4. The Board will systematically review all Governance Policies, at least every two years.
5. All Governance Policies shall be available to all Board Members, the CEO and Stakeholders as appropriate via the CEO.
6. The CEO is responsible for the development of all operational policies to define day-to-day operational frameworks and guidelines for staff. These are to be consistent with the Governance Policies
7. All operational policies shall be accessible to all staff and the Board.

## **1.6 Governance Process**

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The Board must:

1. Cultivate a sense of group responsibility aimed at achieving a high level of governance excellence.
2. Govern the Service through careful design and review of Governance Policies
3. Be responsible for any officer, individual or Board Committee for failure to fulfil Board responsibilities.

4. The Board must govern with an emphasis on:
  - a) Outward vision.
  - b) Encouragement of diversity
  - c) Strategic leadership, as detailed in the ERH Strategic plan.
  - d) Collective decision making.
  - e) A clear distinction between Board and CEO roles.

## **1.7 President role description**

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The President:

1. Shall be appointed in accordance with Clause 4.5 of the By-Laws,
2. Shall ensure the integrity of the Board's process and may represent the Board to outside parties.
3. Shall ensure the Board acts consistently with its Governance Policies and By-Laws, and with the law generally.
4. Shall ensure the content of discussion at Board meetings relates to those issues which are matters of governance.
5. Shall ensure deliberation will be fair and open, thorough and timely.
6. Is authorised to make decisions within the terms of these Governance Policies, using any reasonable interpretation of these policies.
7. Shall Chair Board meetings, with all the commonly accepted powers of that position, and in accordance with clause 4.17 of the By-Laws
8. May delegate the President's authority in a specific matter but remains accountable for its use.
9. Encourage contribution by Board members and facilitate reflection on their contribution.
10. Must comply with the following course of action where the Board does not ratify an action by the President:
  - a) A Board Member may give notice of a motion of no confidence in the President for consideration by the Board at its next Board meeting.
  - b) If the motion of no confidence is duly moved, seconded, and carried at the next meeting, the President must vacate the Chair and resign as President forthwith and the CEO shall take the Chair and conduct the election of a new President.

## **1.8 Agenda planning**

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1. To achieve its governance outcomes in a manner consistent with its policies, the Board will follow an annual agenda focusing on issues related to its Statement of

Priorities and continually improve Board performance through education and evaluation of effectiveness.

2. The Board's annual agenda cycle, budget and annual planning will be aligned.
3. The Board's annual agenda for the following year will include:
  - a) Scheduled review of key results as indicated in the Board's Statement of Priorities
  - b) Consultation with Stakeholders
  - c) Governance education
  - d) Policy monitoring as defined in the CEO Limitations policy monitoring schedule and the schedule for the review of Governance Policies.
  - e) Board effectiveness review
  - f) CEO performance appraisal review and remuneration review
4. CEO monitoring will be included on the agenda.

## **1.9 Board member induction**

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The Board will provide new Board Members with a thorough induction into the affairs of the Board and the Service in accordance with the Board Member Induction Manual. The induction process will be reviewed annually.

## **1.10 Disclosure of interest**

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1. The Board requires any existing or potential conflicts of interest of Board Members to be declared.
2. The Board shall establish and maintain a register of Board Members interests', and at least annually this register must be updated based on a declaration by each Board Member of compliance with his or her disclosure obligations.
3. Any business or personal matter which is, or could be, a conflict of interest involving a Board Member must be disclosed, declared and officially documented.
4. Where a conflict of interest is identified on any issue, the Board Member concerned must not remain in the room during any related discussion, nor vote on any resolution relating to that issue nor remain in the room when a vote is taken thereon, **provided that** the Board member may at the invitation of the Chair person, in the Chair persons' absolute discretion, remain in the room during, and participate in, any related discussion. All such occurrences must be minuted.
5. When the President is aware of an existing or potential conflict of interest the President must take whatever steps are necessary to ensure the conflict is managed in an appropriate manner according to this policy.
6. Any Board Member, aware of an existing or potential conflict of interest of another Board Member, has a responsibility to bring this to the notice of the Board in a timely manner.



Examples of potential conflicts of interest are:

- a) Where a Board Member, or his or her immediate family or business interests, stand to gain financially from any business dealings, programs or services provided to or by the Service.
- b) Where a Board Member offers a professional service to the Service for reward.
- c) Where a Board Member stands to gain personally or professionally from any insider knowledge if such knowledge is used for personal or professional advantage.

### **1.11 Meeting Process**

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1. The Board is committed to the achievement of effective and efficient meetings.
2. Meetings may include the Executive, and from time to time, other staff may be invited to a Board meeting to present an issue or provide information or advice.
3. The Board may exercise its right to meet without the CEO or members of the ERH Executive present (commonly referred to as "in camera") at any time it chooses.
4. An individual Board member may request an "in camera" meeting. This request should be made to the Board Chair or the full Board. In doing so the individual Board member must:
  - a) Make the reasons for this request clear.
  - b) Reserve the right to include or exclude any non-Board Member it so chooses.
  - c) Make all efforts to look ahead and signal any such "in camera" meeting in the agenda or at the beginning of the meeting.
5. Meetings will be held with the expectation Board Members have prepared for them and will participate in all discussions at all times within the boundaries of behaviour considered acceptable by the Board.
6. The Board will adopt meeting procedures leading to consensus decision making and allowing all Board Members to freely participate.
7. The quorum for a meeting, and the decision making process of a meeting, shall be in accordance with the By-Laws.
8. The CEO is responsible for minute taking and will provide draft minutes to all members, when specifically requested, within seven working days of the meeting.

### **1.12 Board Committees**

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1. The Board will establish Board Committees in accordance with the By-Laws.
2. A Board Committee shall have terms of reference clearly defining its role, membership, procedures and functions and the boundaries of its authority.

3. A Board Committee may co-opt other individuals from time-to-time in order to bring additional skills, experience or networks provided that the CEO must first approve the co-option of a staff member.
4. A Board Committee cannot exercise authority over the staff nor shall it delegate tasks to any staff member unless the CEO has specifically agreed to such delegation.
5. Subject to Clause 2 of Section 2.2, any recommendation of a Board Committee cannot take effect unless it is first adopted by the Board.
6. Unless stated otherwise in the terms of reference, the quorum for a meeting of a Board Committee will be more than half the members thereof.
7. The Board will support the function of the medical Staff Group and invite the Chair to attend each Board meeting.

### ***1.13 Commitment to governance training and review***

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1. The Board will invest in regular training and development to improve its governance performance.
2. All Board members will attend at least one recognised governance training session per year.
3. All new Board Members must cooperate in receiving a formal induction programme as contemplated by Section 1.9 Board Member Induction. The Board will provide training for all Board Members in order to enhance their capacity for governance excellence.
4. The Board will annually carry out a review of its performance.
5. All costs associated with governance training will be prudently incurred and designed to ensure the development of the highest standard of governance.
6. Costs associated with governance development include:
  - a) Induction of new Board Members.
  - b) Attendance at workshops, seminars or conferences.
  - c) External and internal performance reviews and audits.
  - d) Meeting costs and other costs associated with effective governance for example surveys and associated analysis, focus groups and the like.
  - e) Training courses deemed to be of particular benefit or relevance.

### ***1.14 Chief Executive Officer succession***

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1. **Chief Executive Officer Emergency Succession** - In the event an emergency succession of the CEO becomes necessary, the Board will select a person to succeed the CEO.

In order to protect the Service from sudden or unexpected loss of the CEO's services, the CEO must ensure at all times there is at least one member of the Executive who is capable

of assuming the CEO role and who is familiar with Board issues and priorities. Such person or persons are to be made known to the Board.

That person, or one of those persons chosen by the Board, will act as interim CEO pending the appointment of a replacement CEO in accordance with clause 2 hereunder (other than Step 1a and Step 2)

**2. Chief Executive Officer Succession** - Subject always to advice from the Secretary of The Department of Health ("The Secretary") the Board will follow the following process;

Step 1 Giving Notice

a) CEO to the Board

The outgoing CEO is required to give the Board notice in accordance with his or her contract of his or her intention to resign from the Service and should provide the Board with a list of all current commitments and responsibilities.

b) Board to the Government

The Board must ensure the Secretary is advised, as soon as practicable, of any proposal to appoint or reappoint a person to the position of CEO and must consult the Secretary on the process to be followed for appointing the CEO.

c) Board to the staff

The President will provide staff with a memo to advise of the process being undertaken to replace the CEO.

Step 2 Transition

The Board will work with the outgoing CEO concerning transition-planning issues, with the aim of achieving a seamless hand-over from the outgoing to the incoming CEO.

Step 3 Position Description

The Board will confirm the attributes, skills and experience required of a new CEO and then confirm an appropriate Position Description and Key Selection Criteria.

Step 4 Recruitment Process

- a) In the case of a vacancy in the position of CEO, a selection panel shall be appointed to consider applications for the position and to make recommendations to the Board with respect to the appointment of a person to fill the vacancy. The panel shall consist of the President, a person nominated by the Secretary and such other persons as are agreed between the President and the Secretary or delegate.
- b) The Board will appoint a CEO Selection Panel of not less than three people including the President.
- c) The Board may appoint an external recruitment or search agency to be responsible for placing an advertisement in relevant newspapers and media, inviting potential applicants to obtain an information pack.
- d) The information pack shall at least contain the Position Description, Key Selection Criteria, most recent Annual Report, Corporate Strategic Plan and

copies of newsletters as well as a covering letter with brief details about the Service and reasons for the vacancy.

- e) Representatives of the CEO Selection Panel will meet to identify a shortlist of candidates and, where relevant, the outgoing CEO could be asked to contribute information to this process.
- f) The CEO Selection Panel will interview a short list of candidates and determine the top candidates who will be involved in second round interviews with the Board which shall formulate its recommendation to the Secretary.
- g) Checks on qualifications, referees and police records will be conducted.

#### Step 5      *Recommendation and Approval Process*

- a) The Board must not appoint a person as CEO of the Service unless the appointment is approved by the Secretary.
- b) The appointment of a CEO and his or her terms and conditions of employment and remuneration must be approved by the Secretary.
- c) The Board will recommend a preferred candidate for the position of CEO to the Secretary.
- d) The Board will negotiate a contract of employment with the preferred candidate and prepare an appropriate contract of employment for the approval of the Secretary.

### **1.15      Life Governor Awards**

The Board may, in its absolute discretion, by unanimous decision, award the title "Life Governor" to an individual who has made an outstanding contribution to the Service. This may include a Board member who has given significant service, a volunteer who has given significant service, or a person who has made a significant financial contribution to the Service, either personally or through fundraising efforts.

Such an award is preferably presented at an Annual General Meeting, but may be presented at any time. It is not appropriate that such an award be made to a person who receives remuneration from the Service in return for his or her efforts, except in exceptional circumstances.

## **2 BOARD/CHIEF EXECUTIVE OFFICER LINKAGE POLICIES**

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### **2.1 *Board/Chief Executive Officer linkage***

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The Board's primary point of communication with the operations of ERH will be through the CEO.

### **2.2 *Unity of control***

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1. A resolution of the Board is binding on the CEO provided the resolution is neither unlawful nor contravenes Government policy.
2. Decisions or instructions of individual Board Members (Including the President) or Board Committees are not binding on the CEO except in rare circumstances when the Board has specifically given such authority.
3. In the case of Board Members or Board Committees requesting information or assistance without Board authorisation, the CEO can refuse such requests which require, in the CEO's opinion, a material amount of staff time or funds, or are disruptive.

### **2.3 *Board of Management–Chief Executive Officer delegation***

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1. The Board delegates to the CEO responsibility for the implementation of its Statement of Priorities and CEO Limitations policies. The Board allows the CEO to use any reasonable interpretation of these policies to achieve the intended results.
2. The Board will develop CEO Limitations Policies which provide the framework within which the CEO is expected to work, offering boundaries of prudence and ethics.
3. All Board authority delegated to staff is delegated through the CEO to whom in turn staff members are accountable.
4. The Board will refrain from evaluating, either formally or informally, any staff other than the CEO unless the CEO requests the Board to do so.
5. Provided the CEO uses any reasonable interpretation of the Board's Statement of Priorities and CEO Limitations policies the CEO is authorised to establish all operational policies, make all operational decisions, take all necessary actions, establish all necessary practices and develop all necessary activities.
6. The Board may change its Statement of Priorities and CEO Limitations policies, thereby shifting the boundary between Board and CEO domains. By doing so, the Board changes the latitude of choice given to the CEO. However, as long as any particular delegation is in place, the Board will respect and support the CEO's choices.
7. The CEO is not restricted from using the expert knowledge of individual Board Members.

8. The Board will view the CEO's performance in the light of the Service's overall performance so that achievement of the Board's Statement of Priorities and non-violation of CEO Limitation's policies will be viewed as successful CEO performance.

## **2.4 Monitoring Chief Executive Officer performance**

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1. The Board's evaluation of the CEO's performance will be rigorously assessed against agreed CEO performance plan.
2. The Board may acquire monitoring data by:
  - a) Internal report, through which the CEO discloses compliance information to the Board.
  - b) External report, in which an external, independent third party selected by the Board assesses compliance with Board policies.
  - c) Direct Board inspection, in which a designated all Board Member assess compliance with the appropriate policy criteria.
4. In every case, the standards for compliance by the CEO shall be based on any reasonable interpretation of the relevant Board policy.
5. There will be a time agreed when the CEO and the President (or a Board Committee) meets annually to carry out a formal appraisal based on the criteria agreed to and set at the beginning of the monitoring period. The format and process for this meeting will be negotiated and agreed between the CEO and the President or the Board Committee.
6. All policies instructing the CEO will be monitored at a frequency and by a method chosen by the Board. The Board may monitor any policy at any time by any method, but will ordinarily depend on a routine schedule.
7. If at any time the Board engages an outside evaluator to conduct an assessment of the CEO's performance, the process is the same as for other approaches and is based on the achievement of Statement of Priorities and non-violation of CEO Limitation's policies.

## 3 CHIEF EXECUTIVE OFFICER LIMITATIONS POLICIES

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### 3.1 *Overarching Chief Executive Officer limitations*

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

### 3.2 *Financial condition*

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With respect to actual and ongoing financial condition and activities, the CEO shall not:

1. Cause or allow the development of financial harm or material deviation of actual expenditures from Board priorities as defined in the Statement of Priorities.
2. Cause the Service to incur indebtedness which cannot reasonably be funded from unencumbered revenues within sixty days or within a period agreed to by contract.
3. Use any organisational funds, or enter any contracts or accept other liabilities, other than for the furtherance of its purposes and priorities as approved by the Board in its Statement of Priorities.
4. Allow valid invoices from suppliers of goods and services to the Service to remain unpaid beyond trade credit terms agreed with those suppliers.
5. Use restricted or 'tagged' contributions for any purposes other than those designated save that such funds may generally be treated globally with other funds of the Service for cash management purposes with the funds' rights thereto recognised in management reporting and liquidity calculations, **provided that** such restricted or 'tagged' contributions may be used for a different purpose with the prior written consent of the contributor, and then only in accordance with the requirements of any such consent.
6. Fail to pay staff on time.
7. Act outside of the Instrument of Delegation.
8. Allow tax payments or other government ordered payments and filing to be overdue or inaccurately filed.
9. Violate Australian Accounting Standards including the Financial Management Act 1984 as amended from time to time.
10. Fail to take all reasonable steps to secure monies owed to the Service

### **3.3 Budgeting and financial planning**

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The CEO shall not allow budgeting which:

1. Risks Financial harm to ERH
2. Contains too little information to enable credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.
3. Plans the expenditure in any fiscal year of more funds than are conservatively projected to be received in the period without the approval of the Board.
4. Plans to achieve a 'bottom line', other than determined by the Board.
5. Will result in Board-determined financial ratios not being achieved.
6. Fails to provide for current and future capital requirements such as future buildings.

### **3.4 Fundraising**

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Where appropriate, fundraising activity for the Service may be conducted for the Foundation.

The CEO shall not pursue or in any other way support any fundraising activity or process by the Service or the Foundation or otherwise which in any way contradicts the following:

1. Vision

The Service will build its capacity to raise funds to address needs identified by it and prioritised annually by the Board.

2. Guiding Principles

- a) The Service will only employ ethical, legal and morally robust activities.
- b) Fundraising will not conflict with the legitimate business activities of others and will have regard to the fundraising of other groups and organisation in the community.
- c) Fundraising activities will be fully costed and all funds, including any subsidies, seeding grants and cost-shifting, will be fully accounted for in program costing.
- d) Auxiliaries and other specific fundraising groups and committees will be appropriately structured and governed.

3. Purpose

- a) To achieve specific targeted needs of the Service

4. Methodology

- a) Capital Appeals
  - Short term - over a short period with a defined and specific time frame and purpose.



- Long-term - which may also enhance community engagement in the Service's work.
- a) Bequests- by encouraging inclusion of the Service or the Foundation in estate planning and wills.
- b) Donor Programs – for ongoing management of sources of donations.
- c) Sponsorship Programmes – For equipment, facilities, services, and activities.

### **3.5 Investments**

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The CEO will act in accordance with the Service's Investment Policy.

### **3.6 Remuneration and benefits**

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1. With respect to employment, compensation and benefits to employees, consultants, contract workers and volunteers, the CEO shall not, in any way, jeopardise the Service's financial integrity or good name in the community.
2. The CEO shall not change his or her own remuneration.
3. The CEO shall not act outside of Government Sector Executive Remuneration Panel (GSERP) guidelines.
4. The CEO shall not fail to have regard for the employee's skills and experience, negotiated salary scales, award rates and the market conditions for such skills and experience when establishing employee remuneration and benefits.
5. The CEO shall not create obligations which cannot be met over the projected period of the individual's term of employment or over a period for which revenues can realistically be projected.
6. The CEO shall not cause unfunded liabilities to occur or in any way commit the Service to benefits incurring unpredictable future costs.

### **3.7 Appointment of staff and contractors**

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With respect to appointment of staff and contractors, the CEO will ensure the following are observed;

1. Appropriate skills, competencies, registrations, accreditation or qualifications, police checks and relevant probity checks.
2. Insurance, e.g. WorkCover, Public Liability, Professional Indemnity.
3. Where required, accreditation with the relevant licensing authority or professional association.
4. Reference to the Credentialing Committee as appropriate.
5. Police Checks and other such assurance controls as may be required.

### **3.8 Protection of assets**

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The CEO shall not:

1. Allow the Service's assets to be unprotected, inadequately maintained or unnecessarily risked.
2. Permit any unauthorised person to handle cash.
3. Deposit funds contrary to the Investment Policy.
4. Allow the assets to be insured for less than what is considered necessary for prudent risk management.
5. Purchase goods or services subject to the Instrument of Delegation without:
  - a) protection against conflict of interest,
  - b) having obtained comparative prices
  - c) assessments of quality,
  - d) assuring the balance of long-term quality and cost.
6. Allow employees to drive the Service's vehicles or rental vehicles if they do not hold a current driver licence in the appropriate category or if their driving record causes the vehicle insurance to be restricted or cancelled.
7. Allow insurances to terminate without prior Board notification.
8. Expose the Service, its Board, and staff to claims of liability.
9. Subject plant and equipment to improper wear and tear or insufficient maintenance.
10. Fail to protect intellectual property, information, and files from loss, improper use, improper purposes, or significant damage.

### **3.9 Communication and support to the board**

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The CEO shall not:

1. Allow the Board to be uninformed or unsupported in its work.
2. Neglect to submit data in a timely, accurate and understandable fashion addressing the various issues to be monitored by the Board
3. Neglect to present financial reports which make clear significant trends and data relevant to agreed benchmarks and Board-agreed measures (e.g. Board-determined financial ratios, variations to major budget categories).
4. Fail to inform the Board of significant trends, implications of Board decisions, issues arising from policy matters or changes in the basic assumptions upon which the Board's policies are based.

5. Fail to inform the Board in a timely manner when for any reason there is actual or anticipated non-compliance with a Board policy.
6. Neglect to inform the Board of any serious legal conflict or dispute or potential serious legal conflict or dispute which has arisen or might arise in relation to matters affecting the Service.
7. Neglect to gather for the Board as many staff and external points of view, issues and opinions as needed for fully informed Board choices.
8. Fail to inform the Board of such occasions when it violates one of its own policies, including when this relates to the CEO's ability to carry out his or her responsibilities.
9. Fail to ensure there are effective communication channels relevant to the Board's tasks.
10. Fail to deal with the Board as a whole except when responding to individual requests for information or requests from Board Committees or working parties.
11. Fail to advise the Board of any matters which may bring the reputation of the Service into disrepute.

### **3.10 Programs and services**

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1. The CEO will ensure all programs and services are aligned to the Board's Strategic Directions.
2. The CEO will establish new programs or services consistent with the Board's priorities as defined in the annual budget.
3. The CEO shall not allow the establishment or continuation of programs or services to run at a loss without approval of the Board.

### **3.11 Business continuity and risk management**

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1. The CEO will not allow a situation to occur whereby the Service is unable to function effectively and efficiently.
2. The CEO will carry out and maintain, in an up-to-date form, appropriate assessments and evaluations of the risk factors which could conceivably disrupt the Service's effective and efficient operation.
3. The CEO will ensure the Service has in place current and operable plans and systems which, in the event of disruptive events, will reasonably allow continuity of operation.

### **3.12 Treatment of staff and volunteers**

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With respect to the employment and treatment of staff and volunteers, and in accordance with the Service's values, the CEO will:

1. Ensure reasonable, just and safe working conditions.

2. Respect the right of any employees and volunteers to personal dignity, safety, ethical position-related dissent, and to access an approved and fair internal grievance process.
3. Operate only within written personnel policies defining clear rules for staff and protecting against unfair practices such as preferential treatment for personal reasons.
4. Ensure any staff member or volunteer is not discriminated against for expressing an ethical dissent.
5. Observe relevant workplace employment legislation.
6. Keep the Board fully informed about impending disputes and grievances which may lead to action against the Service.
7. Enable a staff-member or volunteer to bring a grievance to the Board when:
  - a) The correct internal channels have been exhausted; and
  - b) A Board policy:
    - has allegedly been violated to the detriment of the staff member or volunteer;
    - Allegedly does not adequately protect the human rights of the staff member or volunteer.
8. Ensure all staff members and volunteers are acquainted with their rights under this policy.
9. Ensure that appropriate usual insurances are in place for the protection of staff and the volunteers engaged in legitimate activities on behalf of the Service.

### ***3.13 Treatment of patients and clients***

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The Service must observe and act in accordance with The Australian Charter of HealthCare Rights in Victoria.

### ***3.14 Public relations***

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The CEO will not;

1. Approve or in any way support any public relations action or activity which in any way brings the Service's name into disrepute.
2. Make, or knowingly allow to be made, any statements to the press or any other public media or in any public situation which are derogatory or in any way damaging to the Service.
3. Endanger the Service's public image or credibility, particularly in ways hindering the achievement of the Statement of Priorities.
4. Personally engage in, or allow key staff to engage in, any public role or activity inconsistent with the achievement of the Service's Statement of Priorities.

### **3.15 Provision of vehicles for private purposes**

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The CEO will ensure the provision of the Service's vehicles for private purposes is in accordance with the Service's policy relating thereto.

Linked Documents:

[ERH Policy: Management of complaints and grievances received by Board members](#)

[Executive Remuneration Policy and Procedure](#)