



# Health Service Provider Board Governance Policy

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## 1. Purpose

Under section 32(1) of the *Health Services Act 2016* (HSA), the Minister may establish a Health Service Provider (HSP) for a Health Service Area and specify whether the HSP is to be a Board-governed provider. There are currently seven Board-governed HSPs:

- Child and Adolescent Health Service
- East Metropolitan Health Service
- Health Support Services
- North Metropolitan Health Service
- PathWest Laboratory Medicine WA
- South Metropolitan Health Service
- WA Country Health Service.

HSP Boards (Boards) have been in place since 1 July 2016 with the HSA modernising the governance and delivery of the health system in Western Australia.

The purpose of this Policy is to set minimum standards and expectations for Board operations and governance in relation to their role, responsibilities and functions under the HSA.

This Policy is a mandatory requirement under the *Statutory Board Operations Policy Framework* pursuant to section 26(2)(d) and (l) of the HSA.

This Policy supersedes MP 0107/19 v.1.2. *Health Service Provider Boards - Governance Policy* issued in July 2020.

## 2. Applicability

This Policy is applicable to Board-governed Health Service Providers.

## 3. Policy Requirements

### BOARD ROLES AND RESPONSIBILITIES

#### Board Responsibilities

- Boards must work to achieve agreed strategic directions and priorities consistent with broader, WA health system and public sector objectives.

- It is expected that each Board undertake decision-making and business in accordance with local HSP Board policies and manuals, Department of Health (Department) and Public Sector policies and Policy Frameworks.
- It is the responsibility of the Board to make strategic decisions, establish and maintain policies and procedures and oversee the activity of the HSP including systems of financial control, internal control and performance reporting.
- It is the responsibility of the Board to ensure that the HSP's functions are effectively performed at an operational level and, where appropriate, to delegate or authorise functions to be performed by Board Committees, chief executives, staff members and agents.

### **Eligibility for Remuneration**

Boards must ensure that the remuneration of Board Chairs, Board Members, Alternate Members and external Board Committee Members is reported in the HSP's Annual Report, consistent with the Public Sector Commission guidelines issued annually for the preparation of such reports.

### **Arrangements for HSP Employees Serving as Board Members**

Boards must be aware that:

- HSP employees serving as Board Members will not be paid remuneration, as it is considered Board duties will occur during work hours.
- HSP employees serving as members on HSP Boards and Board Committees/Working Groups must formally obtain secondary employment clearance from their Chief Executive as part of their application process and prior to accepting an appointment to a HSP Board or Board Committee/Working Group.

### **Travel Reimbursements**

Board Members may be required to travel to scheduled meetings and engagements. The reimbursement of outlays made for travel expenditure (that include air travel and travel made by a motor vehicle greater than 50km) must comply with the:

- *Public Sector Commissioner's Circular 2009–20: Reimbursement of Travel Expenses for Members of Government Boards and Committees.*
- *Premier's Circular: 2014/02: Guidelines for Official Air Travel by Government Officers.*
- Public Service Award that sets out the rates for meals, incidentals and accommodation rates for various locations within Schedule I.

Boards must ensure that their Board Members seek approval for travel or other expense reimbursements in accordance with the related document *Approval Matrix for Board Chairs, Board Members and Chief Executive Travel and Other Expenditure*.

### **Annual Budget for Board Operating Costs**

The annual budget for Board remuneration and Board operating costs is held by each Board's HSP. Boards must exercise discretion in regard to their expenditure, which is subject to budget priorities and availability, and is determined in consultation with the Chief Executive.

### **Board Committee Appointment**

Boards must be responsible for maintaining registers that record the membership of each approved Board Committee including the term of appointment and remuneration for each Board Committee Member.

## **Use of Information Communication Technology for Mobile Device/s**

Boards that enable Board Members to use WA health system computing /mobile device resources or BYOD (bring your own device) resources that utilise the WA health system information and communications technology network must ensure their Board Members complete and record the *Board Member Mobile Device User Agreement* as attached in the related documents.

## **BOARD GOVERNANCE AND ACCOUNTABILITIES**

### **Public Sector Accountability Framework and Key Central Agencies**

An overview of the public sector accountability framework and role and functions of key central agencies is contained in the supporting information '*Health Service Provider Board Governance Guide*' document.

It is the responsibility of Boards to ensure their Board Members have an understanding of their legislative obligations, and of relevant legislation, policies and processes. Boards are required to comply with the *Financial Management Act 2006 (WA)*, Treasurer's Instructions and other policy guidance issued by the Treasury.

### **Code of Ethics and Code of Conduct**

Boards are required under section 9(a) of the *Public Sector Management Act 1994 (WA)*(PSMA) to observe the principles of conduct and to comply with the provisions of:

- the PSMA and any other Acts governing their conduct
- the Commissioner's Instructions, public sector standards and codes of ethics
- any code of conduct applicable to the public sector body or employee concerned.

*Commissioner's Instruction No. 7 – Code of Ethics* applies to all public sector employees, including Chief Executive Officers, Chief Employees and ministerial staff, and public sector bodies covered by the PSMA, which includes Boards established under their own legislation.

*Commissioner's Instruction No. 8 – Codes of conduct and integrity training* requires all public sector bodies, including Boards, to have a code of conduct. Boards must develop a Board Code of Conduct consistent with *Commissioner's Instruction No. 8*.

A Board Code of Conduct should be established by each Board and must be reviewed at least every three years or on full Board renewal. New Board Members must be provided with the Board Code of Conduct on appointment to the Board. Boards must develop internal processes to facilitate acknowledgement of the requirements of and compliance with the Board Code of Conduct.

### **Reporting a Breach of Discipline by Board Members**

Boards must ensure that they have adequate escalation procedures in place to ensure suspected reportable misconduct (including breach of policy and / or relevant legislation) is managed appropriately.

If a Board Member is suspected of reportable misconduct by the Board, including the breach of an applicable Code of Ethics or Board developed Code of Conduct, then the Board must report any suspected reportable misconduct to either the WA Police, the Minister for Health (as the employing authority), the Corruption and Crime Commission (CCC) or the Public Sector Commission (PSC) as appropriate. Any misconduct not required to be reported to the Minister for Health, CCC, or PSC should be managed by the Board.

## **Confidentiality**

Boards may receive information that is regarded as commercial in-confidence, clinically confidential or have privacy implications.

Boards are responsible for maintaining confidentiality in respect of all confidential and sensitive information obtained in the performance of the Board's functions. Boards must ensure that Board Members understand they must not use WA health system information or other information obtained in the course of their duties for any personal, commercial or political gain for themselves or others, or to the detriment of others, or in any manner that would be contrary to law or the Board Code of Conduct.

The Board Code of Conduct should ensure that Board Members:

- Maintain confidentiality and do not divulge information deemed confidential or sensitive, other than as required by law or where proper authorisation is given.
- Do not make improper use of information obtained in the course of their duties, or use for direct or indirect personal or commercial gain, or to do harm to other people or entities. For example, speculating on shares on the basis of confidential information or disclosing the contents of any official papers to unauthorised persons.
- Respect the privacy of individuals and the security of personal information.
- Protect intellectual property.
- Raise concerns of improper communications or use of information through the appropriate channel(s).
- Adhere to applicable legal requirements, policies and all other lawful directives regarding communication with Parliament, Ministers, ministerial staff, lobbyists, the media and members of the public.

## **Management of Conflicts of Interest**

Boards must ensure that they implement appropriate strategies and practices for the identification, reporting and management of actual, perceived and potential conflicts of interest for Board Members and that these strategies and practices are documented. Boards must have in place a Conflict of Interest Register to ensure all declarations of actual, perceived and potential conflicts of interest are recorded and managed appropriately.

In situations where conflicts of interest are unable to be managed by Boards, then Boards must ensure that they have adequate escalation procedures in place to ensure the actual, perceived and potential conflicts of interest are managed appropriately by a relevant body.

## **Gifts**

Boards must have in place appropriate policy and procedures in relation to the acceptance of gifts. This includes maintenance of an accurate gift register. It should be noted that gift registers are official records and subject to disclosure in response to Parliamentary Questions, Ministerial inquiries and Freedom of Information requests.

From time to time, gifts will be offered to the Board and its Board Members during the course of, or incidental to their appointment. The Board must ensure that Board Members declare to the Board the offer that was made and record this on the gift register. The Board must then determine if the gift should be accepted or declined. Boards should not allow Board Members to accept unauthorised gifts.

In all offers of gifts, Boards must assess the possibility for an actual, perceived or potential conflict of interest before the gift can be accepted.

## Sponsorship

Boards must have in place appropriate policy and procedures in relation to sponsorship. These arrangements for sponsored or financially supported events must take into account any government and agency policies and other guidelines, instructions and delegations relevant to each of these sponsorship arrangements.

In all sponsorship arrangements, Boards must assess the possibility for an actual, perceived or potential conflict of interest before the arrangement can be accepted.

## Sponsored Travel

Boards must ensure that sponsorship funding for travel is not accepted directly by individual Board Members but considered by the Board collectively. In all offers of sponsored travel, Boards must assess the possibility for an actual, perceived or potential conflict of interest before the sponsored funding for travel can be accepted.

## **Access to Legal or Other Professional Advice**

Boards (collectively or individually) may seek legal or other professional advice in respect to HSP operational matters. In seeking such advice HSP processes must be followed and the request is subject to approval by the relevant authorised officer as identified in the applicable HSP Authorisations Schedule.

## **BOARD MEETINGS**

### **Absences and Leaves of Absence**

Boards must ensure that they implement appropriate practices and management strategies for Board meetings.

The Board must consult with the Director General for the purpose of considering whether it is appropriate to request the Minister for Health to appoint an alternate member for the period of the absence.

The Board must consider including in their Code of Conduct the following procedures:

- If a Board Member is unable to attend a meeting, the Board Member must offer an apology in writing to the Board Chair.
- Apologies and leaves of absence must be recorded in the Board Meeting minutes.
- If the Board Member plans to be absent for a period of time they must request a leave of absence from the Board Chair in writing.

### **Board Papers**

It is the responsibility of the Board to document their own processes in a Local Health Service Board Manual. Board papers are official records and Boards must ensure they are stored in accordance with the *State Records Act 2000* (WA).

### **Board Minutes and Publication**

Boards must ensure that information about Board meetings is made publicly available on the relevant HSP's website. The Communique Template for Board Meeting publications found in the attached related documents must be used by HSP Boards as the standard mechanism to communicate Board meeting information, to ensure consistency across HSPs. This is not required in relation to Board committee/working group meetings.

## **EFFECTIVE GOVERNANCE**

### **Board Member Induction**

Boards must ensure that Board Members review the Board induction reference material provided by the Department and the Board during the induction process and as made available on the Board Connect web portal.

Boards must complement this with local induction activities conducted by each HSP. These activities are the responsibility of the Board Chairs, Chief Executives and the Board Secretariat function.

### **Mandatory Training**

Boards must ensure that all Board Members comply with the mandatory training requirements and the completion of the mandatory training modules is documented.

### **Professional Development**

Boards must ensure that all Board Members undertake relevant professional development as appropriate to enhance skills and knowledge required for good Board governance and to support the development of a high performing Board.

### **Local Health Service Provider Board Manual**

Boards must maintain a Local Health Service Board Manual that contains the localised and tailored processes and procedures for a Board's operations that, as a minimum, are reflective of the minimum standards and guidelines contained within this Policy. The Local Health Service Board Manual must contain each Board's self-evaluation tools and processes.

## **4. Compliance Monitoring**

### **Board Self-Evaluation**

Boards must regularly self-assess and evaluate standards of governance, as well as the performance of the Board and Board Members in the process of determining succession planning, appointment and reappointment processes for Board Members.

### **Board Assurance**

Boards must comply with Board governance assurance activities conducted by the Department to assist the Director General as System Manager monitor the provision and maintenance of minimum governance standards for Boards and facilitate Board governance improvements.

This includes the Annual Governance Attestation cycle completed by each Board and Governance Reviews conducted by the Department on behalf of the Director General. The assurance processes are set out in the Board Assurance Guidelines, a related document attached to this Policy. The Annual Governance Attestation Statement template is also attached to this Policy as a related document.

Staff from the Department will meet regularly with the Chief Executive of a HSP in relation to HSP performance. Any identified performance issues will be escalated to the relevant Board, Director General or Minister if required.

## 5. Related Documents

The following documents are mandatory pursuant to this Policy:

- [Annual Governance Attestation Statement Template for HSP Boards](#)
- [Board Assurance Guidelines](#)
- [Approval Matrix for Board Chairs, Board Members and Chief Executive Travel and Other Expenditure](#)
- [Board Communique Template](#)
- [Board Member Mobile Device User Agreement Template](#)

## 6. Supporting Information

The following information is not mandatory but informs and/or supports the implementation of this Policy:

- [Health Service Provider Boards – Governance Guide](#)
- [Governance Manual for Western Australian Government Boards and Committees \(www.wa.gov.au\)](#)

## 7. Definitions

The following list is a set of defined terms contained within the Health Service Provider Boards Governance Policy.

Term	Definition
Board	Refers to board governed Health Service Providers constituted under section 71 of the HSA. References made to a 'Board' within this policy do not encompass Chief Executive governed Health Service Providers.
Board Chair	Board member who is designated as Board Chair under section 72(1)(a) of the HSA.
Board Secretariat	Refers to the group of functions to be performed by individual(s) deemed by the Health Service Provider as responsible for facilitating Board business, providing reports to the System Manager as required and maintaining the Local Health Service Board Manual.
Board Committees	A committee established by a Board under section 92 of the HSA.
Board Working Groups	Board Working Groups have been established as an alternative to Board Committees (for further details see the Health Service Provider Governance Guide).
Board Assurance Guidelines	These guidelines assist the Director General as the system manager to oversee and monitor the maintenance of minimum standards of board governance across the WA health system.
Director General	The role defined as the Department CEO in section 6 of the HSA.

HSA	<i>Health Services Act 2016 (WA).</i>
Health Service Provider (HSP)	Established under section 32(2) of the HSA. In context of this policy the definition <u>does not</u> include the Quadriplegic Centre.
Local Health Service Board Manual	This document contains localised and tailored processes and procedures over and above the minimum standards and guidelines that are set out in this policy (Health Service Provider Boards - Governance Policy).
Policy Frameworks	Binding overarching instructions issued by the Director General to ensure consistent approaches are taken by Health Service Providers on a range of matters.
System Manager	Defined in section 19(2) of the HSA as the system manager role held by the Department CEO, currently the Director General of the Department of Health, and means responsibility for the overall management of the WA health system.
WA health system	The meaning given in section 19(1) of the HSA. Comprises the Department, Health Service Providers and to the extent that contracted health entities provide health services to the State, the contracted health entities.

## 8. Policy Contact

Enquiries relating to this Policy may be directed to:

Title: Manager, Board Assurance

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## 9. Document Control

Version	Published date	Effective from	Review date	Effective to	Amendment(s)
MP 0107/19	14 May 2019	14 May 2019	May 2022	6 March 2020	Original version
MP 0107/19 v.1.1	6 March 2020	6 March 2020	May 2022	1 July 2020	Minor Amendment to Supporting information <i>Health Service Provider Boards – Governance Guide.</i>
MP 0107/19 v.1.2	1 July 2020	1 July 2020	May 2022		Minor Amendment to Section 1 Purpose to update list of current board governed Health Service Providers.

MP 0107/19 2.0	23 December 2021	23 December 2021	May 2022	Current	Amendments as per below
<ul style="list-style-type: none"> <li>- Definitions amended to correct the reference to the governance structure of the Quadriplegic Centre, and non-material changes to ensure consistency of references to legislation and the HSP Governance Guide.</li> <li>- Policy contact amended to include the Legal and Legislative Services.</li> <li>- Related Document - Board Member Mobile Devices User Agreement Template updated to reflect the current ICT Policy Framework and HSP board governance structures.</li> <li>- Supporting Information – Health Service Provider Boards Governance Guide updated to reflect current requirements and processes.</li> </ul>					

## 10. Approval

<b>Approval by</b>	Dr David Russell-Weisz, Director General, Department of Health
<b>Approval date</b>	19 December 2018

**This document can be made available in alternative formats on request for a person with a disability.**

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