



**Danila Dilba**  
Health Service

## BOARD CHARTER

**This charter documents the responsibilities, powers and governance framework for the operation of the Board of Danila Dilba Health Service.**

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<b>Relevant legislation:</b>	Corporations (Aboriginal and Torres Strait Islander) Act 2006		
<b>Related documents:</b>	Danila Dilba Rule Book Directors' Conflicts of Interest Policy Delegations of Authority Policy Independent Professional Advice Policy		

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<b>Version</b>	<b>Date</b>	<b>Summary of changes</b>
2.0	13.05.15	Inclusion of Objectives, CATSI Act requirement
3.0	23.10.15	Amendment to Purpose, Objectives and Procedure
4.0	23.02.18	Redraft of charter to: reflect current best practice, clarify the powers reserved by the Board and streamline the document.

## 1. PURPOSE

- 1.1 The purpose of this charter is to document the responsibilities, powers and governance framework for the operation of the Board of Danila Dilba Biluru Binnilutlum Health Service Aboriginal Corporation (**DDHS**).
- 1.2 DDHS is a large not for profit indigenous corporation registered under the Corporations (Aboriginal and Torres Strait Islander) Act 2006 (**CATSI**). DDHS is subject to the CATSI Act and the Rule Book for DDHS (**Constitution**). If there is any conflict between this charter and the Constitution, the Constitution prevails.
- 1.3 The Board derives its authority from and is accountable to the members of DDHS. The powers and duties of the Board are governed by the Constitution and at law.
- 1.4 In carrying out its responsibilities and powers, the Board of DDHS will at all times recognise its over-riding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of DDHS's members, employees and the community.

## 2. OBJECTIVES

- 2.1 The objectives of the Board are to provide leadership, governance and oversight of the running of DDHS on behalf of all members.
- 2.2 The role of the Board is to set the strategic direction for the organisation, to monitor managements' progress and the performance of DDHS in implementing its strategic priorities and to exercise risk oversight.

## 3. RESPONSIBILITES

- 3.1 The responsibilities of the **Board** are to:
  - (a) determine and maintain the vision, mission and values of DDHS;
  - (b) set and review the medium and long term strategic goals of DDHS in consultation with management;
  - (c) approve annual business plans and budgets;
  - (d) monitor business performance and progress against the strategic direction it has set;
  - (e) provide fiduciary oversight of DDHS's assets, financial position and legal and taxation obligations;
  - (f) approve large investments and major financial decisions;
  - (g) ensure that appropriate risk identification and risk management systems are in place;
  - (h) monitor the effectiveness of internal control, compliance and reporting systems;
  - (i) establish and maintain appropriate standards of corporate governance and ethics;

- (j) appoint and evaluate the performance of the Chief Executive Officer; and
- (k) communicate and engage with stakeholders including members, employees, clients and government.

3.2 The responsibilities of an **individual director** are to:

- (a) act with care and diligence;
- (b) act in good faith;
- (c) not improperly use his/her position or information;
- (d) disclose material personal interests; and
- (e) not to allow DDHS to operate while it is insolvent.

3.3 The responsibilities of the **Chair** are to:

- (l) lead and ensure the effective functioning of the Board;
- (m) ensure that the Board and its committees are properly informed and are provided sufficient information to form appropriate judgements;
- (n) promote open and constructive communications amongst Board members;
- (o) interface with the Chief Executive Officer as the primary contact between the Board and management; and
- (p) authorise, in advance, any travel (and related expenditure) and claims for reimbursement of expenses by the Chief Executive Officer.

#### 4. POWERS

- 4.1 The business of DDHS is managed under the direction of the Board.
- 4.2 The directors together may exercise all the powers of DDHS except for those powers that CATSI or the Constitution requires DDHS to exercise in general meetings.
- 4.3 The Board may delegate any of their powers to a committee of directors; a director; an employee of DDHS or any other person.
- 4.4 Management and day-to-day running of DDHS is delegated by the Board to the Chief Executive Officer with the exception of the matters set out below which are specifically reserved for decision by the Board:

##### **Business and financial matters:**

- (a) approval of the strategic plan;
- (b) approval of annual business plans and budgets;
- (c) approval of the annual report (including the director's report and audited financial report);
- (d) selection of the external auditor;
- (e) approval of any merger, acquisition or joint venture;

- (f) giving of any guarantee to a third party, subsidiary or other business entity;
- (g) purchase, sale or lease of any real property;
- (h) entry into, increase to or renewal of any borrowing facility;
- (i) the write off of any bad debt;
- (j) the opening and closure of bank accounts and changes to authorised signatories;
- (k) approval of any funding agreement;
- (l) the creation of any non-clinical position with an annual salary in excess of \$160,000;
- (m) initiation or settlement of any litigation or claim (including employee litigation or claims) with an estimated value in excess of \$50,000; and
- (n) authorisation (in advance) of the following expenditures:
  - non-capital expenditure in relation to the procurement or payment of goods and services in excess of \$150,000;
  - capital expenditure in excess of \$300,000;
  - disposal of assets with a write down value in excess of \$50,000;
  - employee travel and related expenses in excess of \$20,000; and
  - reimbursement of employee expenses in excess of \$2500

**Appointments:**

- (o) appointment and removal of the Chief Executive Officer, including terms and conditions of employment and remuneration;
- (p) appointment and removal of independent directors;
- (q) appointment of a director to fill a casual vacancy;
- (r) appointment and removal of the members of Board committees; and
- (s) appointment and removal of the secretary, including remuneration.

**Membership:**

- (t) acceptance or rejection of membership applications.

**Confirmations of Aboriginality:**

- (u) acceptance or rejection of requests for confirmation of Aboriginal and/or Torres Strait Islander heritage.

**Policies, procedures and charters:**

- (v) approval of key Board and organisational policies and procedures; and
- (w) approval of this charter and the charters of Board committees.

## 5. COMPOSITION

- 5.1 The Board shall consist of a chair; deputy chair; a Larrakia director; two independent directors, and five further directors - being ten directors in total.
- 5.2 The Board shall comprise no more than 12 directors and no director shall hold office for more than a period of six consecutive years.

- 5.3 The Chair is responsible for leadership of the Board and may not exercise or have previously held the role of Chief Executive Officer of DDHS.
- 5.4 A majority of directors shall be individuals who are Aboriginal people that usually reside in Australia and are members of DDHS.
- 5.5 Independent directors shall be independent on account that they are not members or employees of DDHS or a relative of any executive employee of DDHS and have no financial interest in DDHS's activities.
- 5.6 Employees of DDHS and relatives of executive employees of DDHS may not be directors.

## **6. MEETINGS**

- 6.1 The Board shall meet least every three months at such place, time and manner as it may determine. It is expected that the Board shall meet six times a year.
- 6.2 Meetings may be held using any technology consented to by all directors.
- 6.3 The quorum for meetings is a majority of directors. The quorum must be present at all times during the meeting.
- 6.4 From time to time the Board will meet without management present.
- 6.5 All directors are entitled to be heard at all meetings and should bring an independent judgment to bear in decision-making.
- 6.6 The secretary, or another person appointed by the Board, takes minutes of the proceedings of all Board meetings.

## **7. COMMITTEES**

- 7.1 The Board has established an Audit and Risk Management Committee and a Nominations Committee to assist it in fulfilling its duties and responsibilities. Each committee has its own charter and has been granted delegations by the Board.
- 7.2 Directors may attend any committee meeting subject to prior notification to the Chair of that Committee.

## **8. INFORMATION AND ADVICE**

- 8.1 Directors receive timely, regular and appropriate information to enable them to fulfil their duties.

- 8.2 The Board shall have unlimited access to all DDHS clinics, documents, reports, records (excluding patient records) and personnel in pursuit of its objectives.
- 8.3 Where reasonable to do so, the Board may obtain external professional or consultancy advice on matters under consideration at the expense of DDHS.
- 8.4 Individual directors are able to obtain independent professional advice at DDHS's expense in accordance with the policy for directors to take independent advice adopted by the Board.

## **9. CONFLICTS**

- 9.1 A director must disclose any direct or indirect interest that is, or could be perceived as being, a conflict of interest as soon as the director becomes aware of such an interest.
- 9.2 Conflicts of interest disclosed by directors are managed in accordance with the policy for managing directors' conflicts of interest adopted by the Board.

## **10. INDUCTION**

- 10.1 New directors shall be provided with a comprehensive induction shortly after appointment.

## **11. PROFESSIONAL DEVELOPMENT**

- 11.1 The Board supports directors undertaking professional development. Directors may obtain training to develop and refresh their skills and knowledge in areas likely to be required, or of benefit, in carrying out their duties at DDHS's expense.

## **12. BOARD EVALUATIONS**

- 12.1 The Board undertakes an annual evaluation of its own effectiveness and that of individual directors, consistent with the principles of good corporate governance. The Board may engage an independent expert to facilitate the process.

## **13. REVIEW OF BOARD CHARTER**

- 13.1 This Charter will be reviewed by the Board at least every two years or more frequently as required.