



**S·A·R·R·A·H**  
Services for Australian  
Rural and Remote Allied Health

# **CORPORATE GOVERNANCE CHARTER**

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## **SECTION 1 - INTRODUCTION - TOWARDS BETTER PRACTICE CORPORATE GOVERNANCE**

The Services for Australian Rural and Remote Allied Health (SARRAH) is incorporated under the Associations Incorporation Act 1987 (WA) (*the Act*). SARRAH Board Members have an obligation both to meet the requirements of *the Act* and to ensure that a high standard of corporate governance is developed and maintained within SARRAH.

Corporate governance is the framework of rules, relationships, systems and processes within and by which authority is exercised and controlled in organisations. It encompasses the mechanisms by which organisation, and those in control, are held to account. Corporate governance influences how the objectives of the organisation are set and achieved, how risk is monitored and assessed, and how performance is optimised.

Good corporate governance is more than just prescribing particular corporate structures and complying with legislated obligations and other accepted rules. It is additionally about a range of broad principles, which should be applied flexibly to facilitate accountability and performance.

This document identifies both the requisite legislative standards and other best practice elements of good corporate governance. It is intended to assist SARRAH to fulfil its stewardship obligations. The legislative provisions mentioned must be complied with. The better practices identified are not intended to be binding but instead are meant to serve as a reference point for appropriate action. The areas covered are:

- Board Members' Roles and Functions
- Board Members' Skills and Appointments
- Board Members' Induction and Training
- Board Members' Independence
- Board Member Meetings
- Board Member Resources
- Chief Executive Officer (CEO) Roles and Functions
- Secretariat Responsibilities
- Code of Conduct
- Management of Conflict of Interest
- Strategy Setting
- Stakeholder Management
- Public Speaking
- Interaction with the Media
- Risk Management
- Financial and Operational Reporting
- Monitoring Board Members' Performance
- Audit Committee Charter
- Advisory Committee Charter.

The principles and procedures set out in this Charter form a sound foundation for establishing accountability between SARRAH and its stakeholders. They are also important in establishing a framework for effective corporate governance.

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The relevance of the principles may, however, vary between different situations, depending on the circumstances. Other approaches may equally - or perhaps even better - achieve the goal of a fully accountable governance structure. Furthermore, where there are significant changes in circumstances, SARRAH may need to innovate and adapt its corporate governance practices to effectively respond to those new challenges and opportunities.

To achieve sound corporate governance SARRAH should continually review its structure, obligations and related processes. This review should occur at least once during the first half of each calendar year prior to the Annual General Meeting.

This document has been developed using three publications as references which are listed below:

- 'Principles and Better Practices' Corporate Governance in Commonwealth Authorities and Companies – Australian National Audit Office 1999.
- 'Corporate Governance Principles and Recommendations' 2<sup>nd</sup> Edition – ASX Corporate Governance Council 2007.
- SARRAH *Constitution*.

Clearly, all of the recommended practices may not be applicable to SARRAH and, accordingly, some may need to be modified to the particular circumstances of SARRAH.

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## SECTION 2 - BOARD MEMBERS' ROLES AND FUNCTIONS

### ***SARRAH Board Members' functions are to:***

1. Determine the strategic direction and policies of SARRAH taking into account the recommendations and input of the Advisory Committee.
2. Manage and administer SARRAH, including implementation (including the timing, method and priority) of the policy matters and strategic direction, taking into account recommendations of the Advisory Committee.
3. Appoint the Chief Executive Officer (or person of similar standing) on such terms and conditions as the Board considers appropriate from time to time.
4. Develop and implement business operation plans including an annual budget.
5. Oversight public relations/representation/lobbying and similar activities.
6. Monitor all compliance obligations of SARRAH (e.g. financial, legal) and risk management.
7. Consult with the Advisory Committee.

### SARRAH Board Members' roles include:

- developing and reviewing strategic and operational plans and enhancing corporate culture;
- ensuring policies/procedures and practices are consistent with the desired corporate culture and any legislative obligations;
- ensuring compliance with statutes and general government policies;
- ensuring policies exist on key risks, and are applied/reviewed;
- appointing and reviewing the performance of the Chief Executive Officer (CEO), setting remuneration and conditions of employment and holding him/her accountable for corporate performance;
- approving staff terms and conditions including key human resource and remuneration policies;
- approving the annual budget/performance targets including overseeing the audit process;
- taking responsibility for major decisions and monitoring performance and corrective actions;
- managing stakeholders' interests, demands and expectations;
- reviewing/assessing their own performance and reporting to stakeholders; and
- establishing committees to assist in the effective operation of SARRAH.

The functions of SARRAH are outlined in *the Constitution* and include the following:

- Section 3 – Objects of Association;
- Section 4 – Powers of Association;
- Section 11 – The Board;
- Section 12 – The Advisory Committee;

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- Section 13 – Delegations; and
  - Section 14 – Board Charter and Procedures.

### **SARRAH Advisory Committee Roles and Membership**

SARRAH has an Advisory Committee and the procedure for electing and appointing Members of the Advisory Committee will be determined by the Board in consultation with the Advisory Committee from time to time. Further information about the Advisory Committee is at [Section 20](#).

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## **SECTION 3 - BOARD MEMBERS' SKILLS AND APPOINTMENTS**

### **Skills**

In order to undertake its functions efficiently and effectively SARRAH Board Members' collectively require the necessary blend of qualities, skills, knowledge and experience relevant to the operations of SARRAH in compliance with *the Act* and *the Constitution*. Each Member should strive to add something unique and valuable to SARRAH as a whole.

The SARRAH Board Members' collectively require a mix of the following skills, knowledge and experience:

- operational or technical expertise relevant to the operation of SARRAH (including policy skills and executive and leadership experience);
- financial; and
- knowledge and understanding of government and governance processes.

As SARRAH is a small body, it may facilitate, through other Government and non-Government agencies, access to skills that are not readily available within SARRAH itself.

Board Members are given regular updates of the prevailing circumstances impacting on the organisation to ensure they are familiar with related industry developments and issues as well as changes in government policy and legislation.

### **Appointments**

Board members are appointed in accordance with *the Constitution* and on a volunteer basis.

The term of a Board Member elected at an AGM is two years.

Board Members elected to an Office may not hold the same Office for more than 3 consecutive terms unless the Members agree to the further term/s by Ordinary Resolution at an AGM.

New Members are provided with a letter of appointment from the President setting out their duties and responsibilities.

Board Members will be reimbursed for reasonable expenses which are attributed to travel, accommodation and meals whilst on official SARRAH business. Board Members must advise the Secretariat prior to committing to any official SARRAH business activities that will result in SARRAH incurring any expenses.

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## **SECTION 4 - BOARD MEMBERS' INDUCTION AND TRAINING**

SARRAH Board Members have an obligation to develop a broad understanding of the area of operation of the business. For newly appointed Members to be able to effectively fulfil their duties they need to, among other things, attain knowledge of the context and purpose of the organisation and become familiar with legislative obligations, corporate strategy and current issues facing SARRAH and its Board. In terms of particular characteristics of the health sector, they must also be aware, for example, of the sector's values and standards of probity and accountability.

Continuing education and professional development programs will ensure that Board Members remain abreast of any developments which can impact on their corporate governance and other duties, and maintain leadership in the area of expertise that contributed to their appointment to the SARRAH Board.

***SARRAH will ensure that:***

- Appropriate induction training is made available to Board Members shortly after their appointment.
- Induction training is delivered to Board Members through the provision of the SARRAH Induction Package and also via one to one discussions with either the President and/or the CEO.
- Continuing training and development programs are made available to Board Members as necessary and, in particular, the opportunity to participate in industry seminars and conferences.



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## SECTION 5 - BOARD MEMBERS' INDEPENDENCE

An independent membership is essential to a sound governance structure. While Board Members may be appointed on the nomination of others, or may be drawn from particular regions, they are not appointed in a representative capacity. Each Board Member must form their own independent judgment on all matters coming before SARRAH and is not subject to direction by any other person, except as provided in *the Constitution*.

The independence of Board Members is necessary to ensure that they are effective in performing their own duties as Board Members and in supervising and, where necessary, challenging the activities of management. Board Members must be capable of assessing objectively the performance of SARRAH and its management. Developing the agenda for SARRAH Board meetings is a critical element in determining and reinforcing Board Members' independence and effectiveness.

On occasion, independent advice will be obtained by appointing a consultant to SARRAH with experience in activities closely related to those of SARRAH. This approach will ensure that SARRAH has access to experience critical to its successful ongoing operation.

The performance of SARRAH should be continually assessed by the Board Members.

### ***SARRAH will ensure that:***

- Board Members are able to exercise their personal judgment in an independent fashion.
- Where a SARRAH Board Member has a material personal interest in any matter coming before SARRAH, that Member will formally declare the nature of the conflict of interest in accordance with *the Constitution*. The SARRAH Corporate Governance Charter has clear procedures, which are at [Section 10](#) '**Code of Conduct**', for dealing with these circumstances.
- Board Members are involved in the development of the agenda for SARRAH meetings, and understand that this duty is not the sole responsibility of the CEO.
- SARRAH Board Members meet separately from the CEO and Secretariat staff as they deem necessary.

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## SECTION 6 - BOARD MEMBER MEETINGS

SARRAH Board Members must devote the time and attention necessary to fulfil their obligations. Regular attendance at SARRAH Board meetings is important.

SARRAH Board meetings are an essential element of good corporate governance and provide the primary forum for SARRAH decision-making.

The effectiveness of SARRAH Board meetings is dependent on carefully planned agendas and providing papers and materials to Board Members prior to those meetings. It is also important that minutes accurately record outcomes of meetings.

In addition to attending SARRAH meetings, Board Members may be required between regular meetings to make decisions in accordance with *the Constitution*. A process is available to facilitate this decision making obligation of SARRAH.

***SARRAH will ensure that:***

- Board Members meet regularly, at least every three months.
- Board Members are expected, as a minimum, to attend at least half of the regular Board Meetings convened each calendar year. This is further expanded upon in *the Constitution* under clause 15.1(e).
- Board Members are given adequate notice of meetings.
- Agenda items, including availability of discussion material, are distributed electronically in the week prior to the meeting unless specified otherwise to enable informed discussion by Board Members.
- Minutes of the previous meeting are considered by Board Members, as a standing agenda item at each meeting, to ensure that they are an accurate record of decisions taken by the Board Members.
- Board Members will make a verbal declaration of any conflict of interest against the Board meeting agenda items at the commencement of each meeting.
- Board Members exercise care and due diligence through a range of tasks.

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## **SECTION 7 - BOARD MEMBER RESOURCES**

SARRAH Board Members must have sufficient resources available to enable them to discharge their duties effectively, including access to independent legal and professional advice at SARRAH's expense, within the agreed governance framework.

***SARRAH will ensure that:***

- it establishes an Audit Committee;
- there is a SARRAH Secretariat, appropriately resourced to carry out its functions, with the primary role of supporting the Board Members and the Chair;
- Board Members have reasonable access to independent consultants for investigation and advice. These resources are provided to SARRAH at no cost to individual Board Members, although reasonable budgets (or a special fund) for such independent advice may be set and agreed as part of SARRAH's budgeting process; and
- the costs of supporting Board Members are transparent and reported.

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## SECTION 8 - CHIEF EXECUTIVE OFFICER (CEO) ROLE AND FUNCTIONS

***The CEO's functions will be, subject to the direction of the SARRAH Board, to:***

1. Develop SARRAH operational policies.
2. Manage and be responsible for the overall operation of the SARRAH Secretariat including monitoring, assessing and reporting on organisational performance.
3. Ensure the effective achievement of SARRAH functions and maintain an effective organisational structure.
4. Appoint staff and other personnel on such terms and conditions as the Board considers appropriate from time to time.
5. Report to the SARRAH Board Members.
6. Represent SARRAH as appropriate.
7. Establish and manage effective relationships with key stakeholders including SARRAH members, the Minister and staff of the Australian Government Department of Health and Ageing.

Subject to the direction of the SARRAH Board Members, the CEO's roles include:

- develop strategic and operational plans consistent with the corporate vision/mission for presentation to, and approval by, SARRAH Board Members;
- ensure that these strategic and operational plans are implemented;
- manage the operational functions consistent with SARRAH's vision, mission and strategic plans;
- provide strong and empowering leadership that enables staff to make an effective contribution to SARRAH;
- appoint and review the performance of staff;
- ensure SARRAH Board Members are provided with relevant and timely decision support information;
- ensure SARRAH Board Members are properly informed about evolving key issues and alternatives for dealing with them; and
- represent and promote SARRAH at industry and other forums as appropriate.

In accordance with Section 13 of *the Constitution* the Board may delegate, in writing, to one to more sub-committees, task forces, working or other groups (Subcommittee), the exercise of such functions of the Board as are specified in the delegation other than:

- the power of delegation; and
- a function which is a duty imposed on the Board by *the Act* or any other law.

The Board may also delegate, in writing, certain functions to the employee who holds, or performs the duties of, the position of the CEO.

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The CEO, in leading the Secretariat, is ultimately responsible and accountable to the SARRAH Board Members for the day to day management of the operations of the SARRAH Secretariat.

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## **SECTION 9 – SECRETARIAT RESPONSIBILITIES**

The SARRAH Secretariat meets formally on a monthly basis to discuss critical issues and associated timeframes that may affect SARRAH's functions. The Secretariat's key responsibilities include:

1. Implementing SARRAH policies and strategic direction.
2. Ensuring effective achievement of SARRAH functions.
3. Assisting in effective planning and utilisation of resources.
4. Representing SARRAH as appropriate; and
5. Managing effective relationships with key stakeholders.

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## SECTION 10 - CODE OF CONDUCT

It is important that SARRAH operates in a manner consistent with community expectations and the relevant legislation. It is essential that Board Members and officers comply with the conduct provisions of *the Constitution* which closely replicate the Director's duties contained in general corporations law. It is equally important that SARRAH's guiding ethics and Code of Conduct is clearly understood and followed by each Board Member and staff and is communicated to all stakeholders.

SARRAH Board Members and CEO are responsible for promoting high ethical and integrity standards. The language, attitudes and actions of Board Members and CEO affect the integrity, ethics, values and other aspects of the organisation's culture.

### ***SARRAH will ensure that:***

- Board Members approve a written code of conduct setting out ethical and behavioural expectations for both SARRAH Members and staff. It is critical that both the Members and the CEO demonstrate, through both their words and actions, an absolute commitment to that code. This will assist a culture of good governance to be established within SARRAH.
- Board Members and staff upon appointment to SARRAH agree in writing to comply with the code of conduct.
- Where non-compliance with the code of conduct occurs appropriate remedial action will be taken. This may involve counselling or retraining in the case of unintentional and less serious breaches of the code, mediation, through to dismissal or referral to the appropriate authorities in the case of intentional and serious breaches.
- Adherence to the code of conduct will be periodically evaluated by Board Members and intermediate action taken where necessary.

In summary, Board Members and staff must act with integrity and honesty, exercise due care and diligence in the carriage of their duties, and look always to the best interests of SARRAH. They must act only for a proper purpose in pursuit of those best interests and must not use their position, or information obtained because of their position, to gain advantage either for themselves or someone else, or to cause detriment to SARRAH or another.

In addition, Board Members must be able to demonstrate that their decisions have been made "at arms length". Board Members must disclose any material personal interest, including but not limited to any direct or indirect pecuniary interest, in a matter that relates to the affairs of SARRAH. A Board Member must not be present or vote on a matter in which they have a material personal interest unless they have the informed consent of the other Board Members.

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## **SARRAH Code of Conduct**

The following SARRAH Code of Conduct incorporates the above provisions and sets out other SARRAH specific standards.

Board Members and Secretariat staff:

1. must exercise their powers and discharge their duties of office in good faith and in the best interests of SARRAH;
2. have a duty to use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office;
3. must use the powers of office for a proper purpose, in the best interests of SARRAH as a whole;
4. must recognise that their primary responsibility is to SARRAH's members. Other key stakeholders include the Australian Government and the Australian rural and remote Allied Health professionals;
5. must not make improper use of information acquired;
6. must not take improper advantage of their position;
7. must disclose material personal interests;
8. must not allow personal interests, or the interests of any associated person, to conflict with the interests of SARRAH;
9. have an obligation to act independently in judgement and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by SARRAH;
10. must not permit classified or sensitive information received in the course of their duties to be disclosed, unless that disclosure has been authorised by the organisation, or the person from whom the information is provided, or is required by law;
11. should not engage in conduct likely to bring discredit upon SARRAH; and
12. have an obligation, at all times, to comply with the spirit, as well as the letter, of the law and with the principles of this Code.



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## **SECTION 11 - CONFLICT OF INTEREST**

Board Members and Secretariat staff of SARRAH must pay particular attention not only to their conduct in accordance with *the Constitution*, but also the perceptions in others that arise from this conduct.

Board Members and Secretariat staff are in a position where their duties may expose them to the potential criticism based on perceived bias or favouritism in carrying out SARRAH's functions.

Accusations of bias in the execution of obligations and duties, no matter how unfounded, have the potential to damage the reputation and integrity of SARRAH. If a Board Member or officer of SARRAH is uncertain in relation to whether a particular situation may, or may be seen to, give rise to a conflict of interest, they should immediately seek clarification and advice from the President (in the case of Board Members and the CEO) or CEO (in the case of other Secretariat staff).

### **Instances where a conflict of interest may arise**

Within SARRAH a conflict of interest may arise in the following situations:

- the direct involvement of a Board Member or Secretariat staff member in any issue being considered or about to be considered by SARRAH;
- membership or involvement by a Board Member or Secretariat staff member in a company or business enterprise that will be affected by SARRAH carrying out its functions;
- ownership of shares by a Board Member or Secretariat staff member in a company that could be affected currently, or if the future of the company will be significantly affected by SARRAH carrying out its functions;
- any other personal, financial or supervisory interest that will be significantly affected by SARRAH carrying out its functions; and
- where a person with whom a Board Member or Secretariat staff member has a close personal association (for example, a spouse, partner or immediate family member or a personal friend) has such involvement of the type specified above.

### **Disclosures and Declarations**

Board Members will make a verbal declaration of any conflict of interest against the Board meeting agenda items at the commencement of each meeting. The result of the declarations will be recorded in the minutes.

Board Members must not be present nor vote when matters in which they have a material personal interest are being considered, unless they have made the appropriate disclosure and the other Board Members have given their informed consent to the member's continued participation in SARRAH's deliberations.

Disclosure of such interests may be given by a standing notice or may be provided on an issue-specific basis. Where standing notice is given, extreme caution must be exercised to ensure that the notice is updated whenever the nature and extent of a disclosed interest materially increases, and that the notice is given to any newly appointed Board Member. The nature and extent of the personal interest revealed by either form of disclosure must be recorded in the minutes.

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Secretariat staff should declare to the CEO any material personal interests they may have in a matter falling within their duties and seek direction on their continued involvement in the affected matter.

### **Immediate Notification of Conflict Procedure**

Board Members must disclose to the other SARRAH Board Members a material personal interest, which relates to the affairs of SARRAH. The notice must be given at a SARRAH Board meeting or as soon as practicable after the Member becomes aware of the interest, and the nature and extent of the interest and its relation to the affairs of SARRAH must be recorded in the minutes of the meeting.

In addition, SARRAH requires that Board Members and Secretariat staff are to formally declare to either the President or the CEO as soon as any potential or actual conflict of interest arises. Such declarations will be either circulated out-of-session to Board members or tabled at the next SARRAH Board meeting and must be recorded in the meeting record.

If a SARRAH Board or Secretariat staff member becomes aware of a potential conflict of interest during discussions in a meeting, he or she must declare it verbally in the meeting to the Chair or presiding Chair. Such declarations will be recorded in the meeting record.

### **Voting**

Board Members must not be present during discussion, nor take part in any decision making processes, regarding any matter in which they have an interest unless prior approval has been granted by the other Board Members for participation by that person. Records of meetings should always record any actual or potential conflict of interest issues as they arise.

A formal resolution must be passed by the remaining Board Members to permit the continued participation or voting of a Board Member who has identified a material personal interest. Information or clarification may be sought from the Board Member concerned before final consideration of that resolution.

SARRAH also requires from its Secretariat staff the same standard of disclosure and non-participation in decision-making without consent.

### **Other actions**

Reports from Secretariat staff and related written material on SARRAH's activities should not be passed to Board Members who have declared a material personal interest relating to that material.

### **Rulings**

It is recognised that there are degrees of conflict of interest. In the case of Board Members the vote of the remaining Board Members prevails.

In the case of the CEO, the President's direction will prevail unless the CEO asks that the matter be referred to a SARRAH Board meeting.

In the case of staff, the CEO's direction will prevail unless the affected staff member asks that the matter be referred to the President who may in turn decide to raise the matter for consideration at a SARRAH Board meeting.

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## SECTION 12 - STRATEGY SETTING

For SARRAH to achieve the agreed objectives it is important that a clear and documented corporate and business strategy be developed.

***SARRAH will ensure that:***

- The objectives of SARRAH are clearly documented in a long-term strategic plan (five year maximum, updated periodically). The plan should include achievable and measurable performance targets and milestones.
- The strategic plan is provided to the Board, and the Board Members are advised of any significant changes to the plan.
- The Board Members prepare annual budget estimates that may involve approving or rejecting a budget developed by the Secretariat to achieve the agreed strategy.
- Plans incorporate the organisation's vision and strategic plan along with historical financial information to determine the future objectives, measures, targets and initiatives of the organisation.
- Effective integration of planned activity with SARRAH's Strategic Plan, be cascaded to Annual Operational Plans (AOP). In turn, objectives and initiatives in the AOP shape team and individual staff work plans.

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## SECTION 13 - STAKEHOLDER MANAGEMENT

SARRAH has a wide range of stakeholders with an interest in SARRAH's operations. The interest represented by these stakeholders can be disparate, to the point where they can be in conflict with one another. As such, stakeholder management is a key aspect of risk management. As a consequence, governance arrangements should ensure that the legitimate interests of stakeholders are properly and appropriately considered.

The SARRAH Corporate Governance Charter provides reporting requirements to stakeholders, which are at [Section 17](#) '*Financial and Operational Reporting*'.

### Internal Stakeholders

Internal stakeholders include all SARRAH members and Secretariat staff employed by the organisation. SARRAH has mechanisms in place that enables feedback from Members to the Secretariat. Other mechanisms include six monthly staff appraisals, regular staff meetings, as well as opportunities during normal business activities to ask the views of staff that come into contact with the SARRAH Members from time to time.

### External Stakeholders

A selection of SARRAH's external stakeholders views are represented through a range of consultative processes that allow their views to be heard by SARRAH, without their sitting on any SARRAH boards or committees.

Key stakeholders with which SARRAH has regular contact include:

- SARRAH members
- Ministers and Assistant Ministers including their staff
- Other Parliamentarians
- Australian Government Department of Health
- Australian Allied Health Forum
- Australian Health Care Reform Alliance
- Australian Rural Health Education Network
- Indigenous Allied Health Australia
- National Primary Health Care Partnership
- National Rural Health Alliance
- National Rural Health Students' Network
- University Departments of Rural Health.

### ***SARRAH will ensure that:***

- Appropriate communication strategies and plans are in place to manage external and internal stakeholders throughout the organisation.
- Effective implementation, use and maintenance of information technology to implement communication strategies.
- Effective performance management and information systems are maintained including professional development and staff appraisal processes.

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## **SECTION 14 – PUBLIC SPEAKING**

From time to time, Board members, members and staff of SARRAH may choose or be invited to publicly speak in their professional or expert capacity on matters of public interest.

As part of SARRAH's wider commitment to the dissemination of knowledge and participation in public discourse, members of SARRAH are encouraged to participate in public debate on issues of professional and public concern.

The views of concerned and informed individuals are an essential contribution to public debate. However, there is a diversity of opinions on most issues and it should not be assumed that individually held opinions are shared by all members of SARRAH.

Careful consideration should be given, therefore, to avoid the use of the SARRAH affiliation in public speeches in a manner which implies that collegiate agreement with a particular view has been established where it has not.

This policy applies to public speaking engagements delivered by SARRAH Board members, members and staff.

### **Policy - Public Speaking on behalf of SARRAH**

Views which are attributed to SARRAH as a whole can only be made if SARRAH has an agreed policy on the topic being presented. Instances where SARRAH does not have an agreed policy and members are invited to make public statements in their area of professional expertise they should use their position title and attribute their comments as personal.

### **Policy - Public Speaking made in an area of Professional Expertise**

1. A member wishing to publicly speak may use their title and SARRAH's name but it is their responsibility to make clear that the views expressed are their own and not necessarily those of SARRAH.
2. When making public statements in an area of professional expertise, members should use their professional title and not their SARRAH position or membership.
3. Individual members of SARRAH wishing to participate in matters of professional or public debate on behalf of a group of colleagues should have previously been granted approval to do so after collegiate agreement on those views has been reached by a clearly established and mutually agreed process. When these views are presented by a member of SARRAH, care should be taken to attribute them to the particular group which that member represents.
4. For example, a member who publicly speaks on behalf of a group of colleagues may use SARRAH's name but it is their responsibility to issue an appropriate statement that the views expressed are those of the particular group and not necessarily those of SARRAH.

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## **SECTION 15 - INTERACTION WITH THE MEDIA**

SARRAH Board members, members and staff must adhere to the following policy when they interact with the media. Interaction with the media in a not-for-profit context requires careful attention to a range of factors, in particular, political and cultural sensitivity. As SARRAH represents a diverse range of members the positive management of this interaction is in the best interest of all.

This policy applies to comments in the media and views in letters to the press, or in books, journals, or notices, where it might be expected that the publication or circulation of comments will spread to the community at large.

### **Policy**

1. Only authorised spokespersons are to represent SARRAH in media statements. This is to reduce the risk of adverse publicity due to inaccurate or inappropriate sharing of information. The number of authorised spokespersons shall be limited, in the first instance, to the President and/or the CEO.
2. When a SARRAH member is approached by the media to conduct an interview/story, etc., on behalf of SARRAH the CEO should be contacted immediately, who will liaise with the President to provide a statement or the like and determine an appropriate spokesperson.
3. SARRAH members and staff should refrain from representing themselves as spokespersons for SARRAH unless authorised to do so. Official statements in the name of SARRAH must be authorised by the President and/or the CEO.
4. SARRAH's authorised spokespersons will speak on all matters relating to its primary objective, operations and to promote SARRAH's reputation in the community.
5. It is not acceptable for SARRAH members to engage with the media in any activity or comment that is designed to bring SARRAH into disrepute.
6. Media statements should be politically unbiased as SARRAH is a diverse community and represents many members and viewpoints.
7. Where possible, any written text should be cleared by the President and/or the CEO, i.e., formally through a press release. This provides a safe guard for accuracy, consistency of details and SARRAH activities to be promoted.
8. When media crews approach SARRAH for coverage, an agreement should be reached to mention SARRAH by name and its objective.

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## SECTION 16 - RISK MANAGEMENT

Risk management establishes a process of identifying, analysing and treating risks, which could prevent SARRAH from effectively achieving its business objectives.

SARRAH Board Members have ultimate responsibility for determining the major risks to the organisation, setting acceptable levels for these risks and ensuring that senior management takes the necessary steps to detect, measure, monitor and control these risks. Therefore, Board Members need to satisfy themselves that there are appropriate risk management systems and processes in place to identify and manage risks. Such systems may include SARRAH submitting itself to periodic external and internal risk reviews.

SARRAH will maintain a risk management plan which will be reviewed by the Audit and Risk Committee every six months. The plan will then be submitted to the Board for consideration.

### ***SARRAH will ensure that:***

- Links are established between risks/returns and impacts on resourcing priorities.
- Appropriate control structures are in place to monitor and manage risk throughout the organisation by developing sound risk management, which covers activities as diverse as reviews of operating performance.
- Effective implementation, use and maintenance of information technology, including management information systems.
- Appropriate competition and contestability processes are maintained in particular contracting out and outsourcing services.
- Appropriate delegations are set and reconciliation of accounts are adhered to including appropriate segregation of duties.
- A key input into Risk Management control is the development of fraud control processes.

### **Fraud Control Statement**

This statement expands on the Chief Executive's Instructions, (CEI's), No.20 – Fraud and also takes into account existing guidelines and controls within the Human Resources Policy, Code of Conduct, Information Technology Policy, Financial Delegations and operational processes.

The following details the process for staff in reporting suspected fraud against SARRAH, whether by an employee or any other person, and what action SARRAH is then required to undertake.

1. Any SARRAH staff member who suspects a fraudulent activity has occurred/is occurring, (as outlined in the CEI No. 20), is required to advise the Deputy Chief Executive Officer immediately in writing and to include relevant and supporting information.
2. Any SARRAH staff reporting a suspected fraudulent activity will be guaranteed complete anonymity within SARRAH.
3. The Deputy Chief Executive Officer will advise the CEO of the report and commence investigative action, including discussions with any named persons if applicable, and collate all supporting documentation.

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4. The Deputy Chief Executive Officer will determine if the evidence supports that fraudulent activity has occurred or not, and advise the CEO accordingly, in writing, together with a proposed course of action if needed.
  5. The CEO will review the provided findings and determine any action to be taken if required which may include advising the Audit Committee and/or the Board. The CEO's decision must be provided in writing.
  6. SARRAH staff members are able to directly approach the CEO or the President to report a suspected fraudulent activity if they feel this is the most appropriate action.

### **Whistleblowing Statement**

SARRAH is committed to the highest standards of legal, ethical and moral behaviour and encourages Board members, staff and others to report suspected or actual occurrence(s) of illegal, unethical or inappropriate behaviours or practices (i.e. wrongdoing) without retribution. Consequently, SARRAH supports the following principles:

- A Whistleblower will not receive any retaliation or retribution for a report that was provided in good faith i.e. not done primarily with malice to damage another person or the organisation.
- Making a report may not protect the Whistleblower from the consequences flowing from involvement in the wrongdoing itself.
- A Whistleblower who makes an allegation found to have been made maliciously, or knowingly to be false, will be subject to disciplinary action which may include termination or other legal means to protect the reputation of the organisation and staff.
- Anyone who retaliates against a Whistleblower, who reported an event in good faith, will be subject to disciplinary action which may include termination.

The process for Whistleblower's to report a suspected or actual wrongdoing follows:

1. A Whistleblower should promptly report the suspected or actual wrongdoing to his/her supervisor. This can be done with his/her identity or anonymously.
2. If a Whistleblower is a staff member and the CEO is implicated, the staff member must report his/her concerns to the CEO in the first instance. If the Whistleblower then feels the wrong-doing is not effectively or fairly addressed by the CEO, the concerns should be raised with the President.
3. A Whistleblower who is not a SARRAH employee should report the suspected or actual wrongdoing directly to the CEO or, to the President if the CEO is implicated. This can be done with his/her identity or anonymously.
4. Supervisors or managers who receive a report must treat the report as confidential and promptly act to investigate and resolve the issue. The CEO, or the President if the CEO is implicated, must be informed immediately of the report. The investigation must be conducted in accordance with the principles of fairness and natural justice. A report can only be investigated if there is sufficient information to form a reasonable basis for investigation.
5. The investigator is appointed by the CEO or President and may be internal or external to SARRAH. The investigator must have investigation experience.



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6. A report on the investigation, disposition or resolution of the issue should be completed within 10 working days of the initial report and then provided to the Whistleblower, (unless reported anonymously), including where the investigation has been unable to substantiate the allegations.
  7. The investigator shall ensure that the identification of the Whistleblower, if known, shall remain confidential.

This statement is in addition to grievance procedures for employees, which is for all staff to raise any matters they may have in relation to their work or their work environment, other persons, or decisions affecting their employment. This statement does not replace other procedures such as those for dispute resolution, discrimination or matters relating to workplace bullying or harassment.

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## SECTION 17 - FINANCIAL AND OPERATIONAL REPORTING

Effective reporting is fundamental to the Board Members' ability to monitor the activities of SARRAH, the performance of management and the achievement of the objectives of the organisation.

The Board Members will be presented with comprehensive, regular, reliable, timely and relevant information in a form, and of a quality, that is appropriate to discharge its function of monitoring corporate performance. This includes unlimited access to Secretariat staff.

SARRAH must pay all money received by it into a bank account and may invest surplus money only in specified manners determined by the Board.

Proper accounting records enabling financial statements and financial audits are kept, and they will be accessible for inspection by Board Members and will be retained for 7 years.

SARRAH may establish an Audit and Risk Committee and an independent Auditor provides professional auditing services to SARRAH.

The Secretariat will prepare and provide to Board Members with an annual report including:

- a report of operations;
- financial statements prepared in accordance with the Australian Accounting Standards and *Associations Incorporations Act 1987 (WA)* stating that they give a true and fair view of the matters required to be included; and
- an Auditor's report on those financial statements.

The annual report is an important accountability mechanism to SARRAH's primary stakeholders – Australian rural and remote Allied Health Professionals. SARRAH will present its annual report to SARRAH members at the Annual General Meeting and then upload a copy onto the SARRAH website.

### ***SARRAH will ensure that:***

- Appropriate and clearly defined performance measures, financial and non-financial, are established which enable the efficiency and effectiveness of the organisation to be assessed.
- Reporting is tailored to the particular levels of responsibility so that, for example, Board Members are provided with high level data for decision purposes and management with sufficient detail for control purposes.
- The reports are sufficient to communicate the required information but not as extensive and detailed as to hamper comprehension of the key issues. Where possible, information should be in tabular form and/or graphical presentations to aid comprehension.
- Financial information will be prepared using an accrual accounting system and include year to date actual and budget, full year budget and full year forecast. A written explanation is provided for material variances to budget.
- Such reports are provided to each Audit and Risk Committee meeting and SARRAH Board meeting.

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- Reports are made available to the above mentioned meetings in sufficient time to allow informed decisions.
  - In addition to the formal meeting reports, the Board Members can be briefed regularly by Secretariat staff who are also available for any questions that arise.
  - An environment of open communication in which good and bad news is readily shared with the Board Members and CEO is maintained.
  - Reporting includes implementation status reports to monitor the progress of all significant SARRAH approved initiatives.
  - The CEO has strategic financial responsibility and a direct reporting line to the Board Members. This approach ensures effective financial management practices, including the provision of high quality information and advice, to assist the Board Member's decision making process. SARRAH's accountants may also attend Board meetings where financial matters are being discussed.

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## **SECTION 18 - MONITORING BOARD MEMBERS' PERFORMANCE**

SARRAH Board Members are responsible and ultimately accountable for the performance of the organisation and accordingly the Board should monitor its own performance to ensure that it adds value and is operating efficiently and effectively in accordance with its obligations and the evolving situation of SARRAH.

Board Members will be provided with sufficient relevant and reliable information to enable its stewardship of SARRAH to be independently assessed and allow those with an important relationship with it to take informed decisions concerning that relationship.

### ***SARRAH requires that:***

- Board Members adopt the SARRAH Corporate Governance Charter and principles and regularly evaluate them.
- SARRAH's performance should be periodically assessed using various tools designed to assist Board Members to assess the strengths and weaknesses of SARRAH's current governance framework and performance. Other assessments may also include external reviews.
- Board Members should establish an appropriate mechanism for evaluating the results of assessments.

### **Monitoring Framework**

Board Members are required to meet to undertake the following tasks:

1. To implement the framework to monitor SARRAH's performance.
2. To review the balance between performance and conformance activities of SARRAH and suggest ways in which any imbalance might be addressed.
3. To review and monitor the code of conduct for the SARRAH Board Members.
4. To review the corporate governance, liability, and consultation issues associated with SARRAH committees, including their relationship with SARRAH, and to suggest ways to overcome any recognised deficiencies.
5. To consider as an ongoing activity the quality assurance/continuous improvement of SARRAH operations, against the essential elements of effective governance.

### **Assessment and Evaluation Procedure**

A framework to monitor Board Members' performance has been developed and comprises a checklist to be completed by Board Members to assist in evaluating SARRAH's accomplishments. The checklist should be completed and reviewed by Board Members on an individual basis. It may be appropriate, from time to time, to use an independent facilitator to assist in this review and evaluation process.

The review and evaluation of SARRAH's performance should be undertaken on an annual basis, normally at the last Board meeting of the SARRAH financial year.

A report outlining the findings of the review and evaluation will be tabled at the next Board meeting for Board Members to discuss.

The completed questionnaire and any decisions taken in respect of the evaluation are to be recorded in the minutes of that meeting.

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## SECTION 19 - AUDIT AND RISK COMMITTEE CHARTER

The SARRAH Audit and Risk Committee operates within the context of *the Constitution*. The SARRAH Corporate Governance Charter [Section 17](#) '**Financial and Operational Reporting**' provides reporting requirements.

The Committee helps assure accountability in assisting SARRAH to comply with obligations under *the Constitution* and provides a forum for discussion about compliance, risk management and stakeholder reporting.

### **SARRAH will ensure that:**

The Audit and Risk Committee:

- Has a charter which outlines its responsibilities, including:
  - management and financial reporting;
  - compliance with laws and regulations;
  - maintenance of an effective audit function (statutory and internal);
  - a suitable risk management and internal control framework;
  - meeting frequency and core agenda items;
  - committee authority; and
  - Member reporting obligations.
- Has unlimited access to external auditors and to Secretariat staff.
- Meets monthly, usually.
- Approves and monitors policies for reporting, risk management and internal control.
- Is provided with a status report for all recommendations provided by the internal and statutory auditors for which it is agreed action is required. These reports should include accountable officers and implementation dates.

### **Role**

The Audit and Risk Committee helps assure accountability in assisting SARRAH to comply with obligations under *the Constitution* and in providing a forum for communication.

Against this context, the Committee's Terms of Reference encompass responsibility within SARRAH to:

- Provide strategic direction on significant corporate issues including major internal and external review activities.
- Monitor the preparation, implementation and recommendation/s resulting from the SARRAH's annual internal audit program.
- Monitor the corporate performance of SARRAH through the use of a business planning framework, resource allocation, resource management review, and performance monitoring and measurement against budget.
- Ensure a risk management plan is maintained and reviewed every six months. The plan will then be submitted to the Board for consideration.
- Ensure efficient corporate governance through monitoring the efficiency and effectiveness of SARRAH management controls, accounting systems and report on achievements against performance indicators.

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- Establish and maintain a framework for management accountability within the SARRAH to clearly define responsibilities, powers and accountabilities of managers and staff.
  - Set corporate business policy and service delivery standards.

The Committee Chair (the Honorary Treasurer) is also the SARRAH Public Officer.

### **Membership**

The Audit and Risk Committee is comprised of the following members:

- Honorary Treasurer – Chair;
- Chairs Proxy from the Board ;
- A Board Member with accounting qualifications and financial skills;
- Chief Executive Officer (CEO); and
- Deputy CEO and/or Finance Officer.

### **Meetings**

The Audit and Risk Committee shall determine who may attend meetings of the Committee. SARRAH's External Auditor and/or other Secretariat staff may be invited to attend meetings when requested by the Committee Chair. The Committee may meet in private session with or without the auditors at any time during the year at the discretion of the Committee Chair.

The Committee, as a standing agenda item at every meeting, will identify if new risks have developed.

### **Minutes and Reporting**

Minutes are taken of all Audit and Risk Committee meetings. Minutes of the previous Committee meeting are considered by Members, as a standing agenda item at each Committee meeting, to ensure they are an accurate record of decisions taken by Members.

The Chair of the Committee will report to the SARRAH Board Members on the matters discussed at the Committee meetings and provide recommendations where their review identifies inadequacies and/or inaccuracies.

Periodically and when appropriate the Committee will report to SARRAH's Board on matters falling within the Committee's Terms of Reference.

### **Authority**

In carrying out its responsibilities the Audit and Risk Committee has full authority to investigate all matters that fall within the terms of reference. Accordingly the Committee may:

- Obtain independent professional advice in the satisfaction of its duties at the cost of SARRAH.
- Have direct access to the resources and/or information of SARRAH as it may reasonably require including the External Auditors, Secretariat staff and external contractors.

The External Auditors shall have direct access to the Committee and shall notify the Chair when such access is desired.

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## SECTION 20 – ADVISORY COMMITTEE CHARTER

The SARRAH Advisory Committee operates within the context of *the Constitution* and the Advisory Committee Handbook. The SARRAH Corporate Governance Charter also applies to the members of the Advisory Committee.

The Advisory Committee is a standing committee and provides a forum for member contribution towards policy development, long term strategic directions, activities and priorities of SARRAH.

### **SARRAH will ensure that:**

- The Advisory Committee has a charter which outlines its role and responsibilities, including:
  - composition/membership;
  - working groups;
  - meeting frequency and core agenda items; and
  - reporting obligations.
- The Advisory Committee comprises Members who are independent of the SARRAH Secretariat.
- The Advisory Committee Members have unlimited access to the Board and to Secretariat staff.
- Meeting frequency is generally bi-monthly.

### **Role**

The Advisory Committee provides a major communication link between the Members, the Board and the Secretariat.

The Terms of Reference of the Advisory Committee will also be determined by the Board and may include such matters as:

- Provide input and advice to the Board on policy and long-term strategic objectives of SARRAH.
- Provide a convenient and accessible forum in which the view of the Members may be expressed and discussed and to better reflect those views for the Board.
- Make recommendations in respect of matters on which the Board requests that it from time to time advise.
- Meet biennially at the SARRAH Summit (or such event as may replace this summit) to recommend the Association's long-term agenda, for implementation by the Board.
- Meet a minimum of four times per year to receive reports from the Board on implementation and provide feedback and consultation to the Board.

### **Membership**

The Advisory Committee is comprised of the following members:

- Board member – Chair;
- State/Territory Network Coordinators
- Profession Specific Network Coordinators
- Student Network Coordinator
- Rural and Remote Allied Health Research Alliance (RRAHRA) Representative.

The Advisory Committee Chairperson is a dedicated Board position, with a non-Board member as the co-Chair.

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The procedure for electing and appointing Members of the Advisory Committee will be determined by the Board in consultation with the Advisory Committee from time to time.

### **Working Groups**

The Advisory Committee may form working groups on an “as needed” basis to carry out specific pieces of work such as developing position papers, providing input on government submissions, preparing briefing papers or investigating and reporting to the Board on a particular topic or issue.

Working Groups may meet in private session with or without the full Advisory Committee at any time during the year at the discretion of the Committee Chair.

### **Meetings**

The Advisory Committee generally meets bi-monthly.

The Committee shall determine who may attend meetings of the Committee. External SARRAH stakeholders and/or other Secretariat staff may be invited to attend meetings when requested by the Committee Chair. The Committee may meet in private session at any time during the year at the discretion of the Committee Chair.

### **Minutes and Reporting**

Minutes are taken of all Advisory Committee meetings. Minutes of the previous Committee meeting are considered by Members, as a standing agenda item at each Committee meeting, to ensure they are an accurate record of decisions taken by Members.

The Chair of the Committee will report to the SARRAH Board Members on the issues discussed at the Advisory Committee meetings and provide recommendations on matters falling within the Advisory Committee’s Terms of Reference.