



Child and Adolescent Health Services Board

Audit and Risk Committee Terms of Reference

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1. Establishment

- 1.1 Pursuant to clause 12 of the *Health Services (Health Service Providers) Order 2016* the Child and Adolescent Health Service (“**CAHS**”) was established as a health service provider in accordance with section 32 of the *Health Services Act 2016* (WA) (“**Health Services Act**”).
- 1.2 Section 92 of the *Health Services Act* authorises the CAHS Board (“**Board**”) to appoint committees to assist it to perform its functions and the Board may delegate any of its functions or powers to a committee. Delegation of powers to a committee must be in accordance with section 40 of the *Health Services Act* and the written instrument of delegation must be executed by common seal. If a delegation is made to a committee, then the committee will act with the statutory power given to them by the Board and will be responsible and accountable for decisions made whilst exercising the function delegated.
- 1.3 Section 27 of the *Health Services Act* provides that a policy framework issued by the Department CEO is binding upon CAHS. The Department CEO has issued the Statutory Board Operations Policy Framework. In accordance with clause 6 of the Statutory Board Operations Policy Framework CAHS is required to comply with the Statutory Board Governance Policy – Health Service Provider Boards.
- 1.4 Section 13 of the Statutory Board Governance Policy – Health Service Provider Boards requires the Board to appoint an Audit and Risk Committee (“**Committee**”). The Board has power to appoint the Committee pursuant to section 92 of the *Health Services Act*.
- 1.5 The Board has resolved to appoint the Committee by a resolution dated 13 October 2016.
- 1.6 The Committee will be responsible for assisting the Board to perform its functions as set out in these Terms of Reference. The Board is charged with ensuring the Committee has such powers and authority delegated to it, and is properly equipped and set up, to perform the Committee’s functions. Notwithstanding any delegation by the Board, the Board retains the ultimate responsibility and accountability for the performance of all powers, authority and functions, including any particular powers, authority and functions which may have been delegated.
- 1.7 The Board must make any delegation of powers, authority and functions by a resolution of the Board and the Board Chair must then sign an instrument of delegation on behalf of the Board in accordance with that resolution.
- 1.8 These Terms of Reference set out the specific responsibilities of the Committee and describe the manner in which it will operate.
- 1.9 In these Terms of Reference the following expressions have the meanings shown:
 - (a) “**Board**” means the Board of CAHS;
 - (b) “**Board Chair**” means the Chair of the Board as designated pursuant to section 72 of the *Health Services Act* from time to time;

- (c) “**Board Committee**” means all or any of the Committee and any other Board Committee (as the context permits);
- (d) “**Board Member**” means a member of the Board appointed pursuant to section 71 of the *Health Services Act* from time to time or any alternate members appointed pursuant to section 74 of the *Health Services Act* from time to time;
- (e) “**CAHS**” means the health service provider and statutory body corporate known as Child and Adolescent Health Service established as a board governed provider pursuant to section 32 of the *Health Services Act*;
- (f) “**CAHS Executive**” means the members of the CAHS Health Service Executive Committee and those persons appointed to an office of health executive in CAHS pursuant to section 121 of the *Health Services Act*.
- (g) “**CAHS Personnel**” means all or any of:
 - (i) CAHS Executive;
 - (ii) A staff member (as defined in section 6 of the *Health Services Act*) of CAHS; and
 - (iii) Personnel acting as an agent of, or contracted to, CAHS
- (h) “**Chief Executive**” means the Chief Executive of CAHS as appointed pursuant to sections 106 and 108 of the *Health Services Act*;
- (i) “**Committee**” means the Audit and Risk Committee of the Board as appointed pursuant to section 92(1) of the *Health Services Act*;
- (j) “**Committee Chair**” means the Chair of the Committee as appointed by the Board from time to time;
- (k) “**Committee Member**” means those people appointed as members of the Committee by the Board from time to time;
- (l) “**Health Services Act**” means the *Health Services Act 2016* (WA);
- (m) “**Internal Audit**” means the activities and functions of internal audit performed with respect to CAHS including those functions as set out in the Internal Audit Policy (MP 0008/16) as incorporated into the current Risk, Compliance and Audit Policy Framework as a mandatory requirement;
- (n) “**Internal Auditor**” means the Chief Audit Executive (as defined in the Internal Audit Policy (MP 0008/16)), CAHS Personnel or any other person or entity responsible for discharging a function of Internal Audit;
- (o) “**Other Board Committees**” means any (as the context permits) of the other Board Committees that have been appointed by the Board, namely:
 - (i) the Safety and Quality Committee;
 - (ii) the Finance Committee; and
 - (iii) the Workforce Committee.

- (p) “**Policy Framework**” means a policy framework issued by the Department CEO pursuant to section 27 of the *Health Services Act*;
 - (q) “**System Manager**” means the Department CEO undertaking the role as provided for in Part 3 of the *Health Services Act*.
 - (r) ‘**Risk Management**’ means the activities and functions of risk management performed with respect to CAHS including those functions set out in the CAHS risk management policy framework.
- 1.10 In these Terms of Reference any term not specifically defined shall have the same meaning as in the *Health Services Act* unless the context otherwise requires.
- 1.11 In these Terms of Reference any reference to:
- (a) a Policy Framework, Department CEO Direction, laws and instruments binding upon CAHS includes any amendments thereto or replacements thereof;
 - (b) a document, instrument or agreement other than an item within clause 1.11(a) above do not include any amendments or replacements where they materially affect the operation and discharge by the Committee of its functions and responsibilities under these Terms of Reference until such time as the Board has approved the consequential changes to these Terms of Reference necessary to address any such amendments or replacements.
- 1.12 These Terms of Reference are effective on and supersede all prior Terms of Reference applicable to the Committee from 26 April 2019 in accordance with a resolution of the Board made 26 April 2019.

2. Purpose

- 2.1 The Committee is non-executive and its role is to provide support, assistance, advice and make recommendations to the Board in connection with:
- (a) The adherence to the Risk, Compliance and Audit Policy Framework¹ together with the audit, risk, compliance and governance aspects of other Policy Frameworks;
 - (b) Monitoring the effectiveness and efficiency of the risk, compliance, internal and external audit functions;
 - (c) Overseeing CAHS Executive’s monitoring of the development and implementation of appropriate systems of risk management, governance and compliance controls and oversight; and
 - (d) Recommending risk-based audit plans (annual and strategic) to the Board and monitoring the progress of supported audit findings rated high and extreme.

¹ Including those sub-components arising from the Risk, Compliance and Audit Policy Framework as identified by the Board from time to time.

- 2.2 The Committee is to work with the Board and Other Board Committees to:
- (a) Review the operation, delegation and allocation of the Board's risk-related functions and responsibilities to each Board Committee, including so that the allocation and/or division of those functions and responsibilities and the interaction between the Board and each Board Committee on any areas of risk-related overlap are delineated as clearly as possible; and
 - (b) Monitor CAHS Executive's processes for identification, monitoring and mitigation of risks.
- 2.3 The Committee is directly responsible and accountable to the Board for the exercise of its functions and responsibilities.
- 2.4 The Committee must at all times recognise that day to day responsibility for the management of CAHS rests with the Chief Executive.

3. Functions and Responsibilities of the Audit and Risk Committee

3.1 Internal audit and compliance with internal control

The Internal Audit and related internal control functions of the Committee are to undertake the following, save and except those functions that are expressly included within the functions of Other Board Committees pursuant to the terms of reference of that Other Board Committee:

- (a) Make recommendations to the Board on the engagement of any Internal Auditor and external assistants;
- (b) Maintain a direct reporting line with the Internal Auditor and ensure that the Internal Auditor has direct access to the Board Chair, the Committee Chair, the Committee and the Chief Executive;
- (c) Make recommendations to the Board on the approval of the CAHS annual risk-based audit plan and any subsequent amendment requirements that may arise together with resource requirements;
- (d) Review and make recommendations to the Board on the range of assurance and compliance activities being undertaken within CAHS;
- (e) Review at least four times a year and make recommendations to the Board on the Internal Auditor's report on all open Internal Audit items where the level of risk (or risk rating) is assessed as being high or extreme or the item is within a class or type of risk otherwise considered to be material by the Committee together with CAHS Executive's plans for and progress against such open items;
- (f) Review and make recommendations to the Board on the approval of an item being closed or removed from the CAHS log or register for Internal Audit where the risk rating is assessed as being high or extreme or the item is within a class or type of risk otherwise considered to be material by the Committee;

- (g) Review at least annually and make recommendations to the Board on the operations, quality, effectiveness, delivery and independence of Internal Audit for the previous year;
- (h) Review at least annually, through the functions of Internal Audit and make recommendations to the Board on the adequacy of the internal control structure and systems including relations with the Department of Health and Health Support Services;
- (i) Review and make recommendations to the Board on:
 - (i) CAHS Executive's arrangements by which CAHS Personnel may, in confidence and without fear, raise concerns about possible improprieties in matters of financial reporting or any other requirements as provided by the *Public Interest Disclosure Act 2003 (WA)*;
 - (ii) CAHS Executive's arrangements for the proportionate and independent investigation of such matters and for appropriate follow-up action; and
 - (iii) reports from CAHS Executive on the outcome, findings or recommendations of such independent investigations and implementation of follow-up action.

3.2 Risk management

The risk management functions of the Committee are to undertake the following, save and except those functions that are expressly included within the functions of another Board Committee pursuant to that Board Committee's terms of reference:

- (a) Review and make recommendations to the Board on strategic risks arising from within the Health System;
- (b) Review annually and make recommendations to the Board on the approval of or amendments to the CAHS:
 - (i) risk management framework, including the risk management plan;
 - (ii) risk attitude;
 - (iii) risk criteria (or classification matrix); and
 - (iv) risk assessment process, including risk identification, risk analysis, risk evaluation and risk treatment
 as prepared by CAHS Executive;
- (c) Review annually and make recommendations to the Board on CAHS Executive's policies and practices with respect to reporting risk;
- (d) Liaise with CAHS Executive to ensure there is a common understanding of the key risks to CAHS and the risk profile of CAHS as approved by the Board, together with a clearly documented risk register and system with

- built in mechanisms for regular review and monitoring of risk by CAHS Executive;
- (e) Review and make recommendations to the Board quarterly on CAHS Executive's report as to:
 - (i) all risks where the level of risk (or risk rating) is assessed as being high or extreme, including the appropriateness of the risk treatment, control or risk management plan (or mitigation);
 - (ii) all risks where the residual risk is assessed as being high or extreme, including the appropriateness of the risk treatment, control or risk management plan (or mitigation);
 - (iii) all risks where the level of risk (or risk rating) is assessed to have increased so as to become high or extreme or decreased so as to no longer be high or extreme;
 - (iv) all risks where CAHS Executive considers the risk treatment, control or risk management plan (or mitigation) is assessed as not being adequate or excellent for the corresponding risk;
 - (v) all risks proposed to be removed from the risk register where the level of risk (or risk rating) was assessed as being high or extreme; and
 - (vi) the application of the risk management framework, risk management plan and risk management process with respect to each such risk;
 - (f) Review at least annually and make recommendations to the Board on the effectiveness of CAHS Executive's policies and processes for identifying, monitoring, mitigating, managing and escalating or de-escalating risks;
 - (g) Review at least annually and make recommendations to the Board on CAHS Executive's plan for the management of ICT risks;
 - (h) Review at least annually and make recommendations to the Board on CAHS Executive's risk mitigation and business continuity policy, planning and testing;
 - (i) Review at least annually and make recommendations to the Board on CAHS Executive's arrangements for insurance and their appropriateness for CAHS risk management framework.
 - (j) Every six months provide the Board with a summary of current and pending high-risk legal claims relating to service delivery, public liability, staffing as well as service and procurement contracts.

3.3 External audit²

The external audit functions of the Committee are to undertake the following, save and except those functions that are expressly included within the functions

² The provisions of the *Financial Management Act 2006* and the *Auditor General Act 2006* regulating the financial administration, audit and reporting of statutory authorities apply to and in respect of Child and Adolescent Health Service's and their operations

of another Board Committee pursuant to that Board Committee's terms of reference eg the audit of the Annual Financial Statements:

- (a) Review and make recommendations to the Board in respect of:
 - (i) the appointment of any person who provides in whole or part any item of the external audit function to perform for CAHS any services other than or in addition to the external audit; and
 - (ii) the appointment of any person (other than the Auditor General) to provide in whole or part any item of the external audit function, including any actual, potential or perceived issue of independence or conflict of interest;
- (b) Review and recommend to the Board for approval the CAHS external audit plan presented by the external auditor;
- (c) Review and make recommendations to the Board on issues raised by CAHS Executive or the external auditor as to CAHS and CAHS Executive's relationship with the external auditor;
- (d) Meet with the external auditor (including without the presence of any member of CAHS Executive) and report to the Board on any feedback from the external auditor and provide feedback to the external auditor;
- (e) Review annually and make recommendations to the Board on the performance, quality, effectiveness and delivery and independence of the external audit function and services for the previous year;
- (f) Review annually and make recommendations to the Board on the independence of the external audit function and services provided for the previous year;
- (g) Review and recommend to the Board for approval the CAHS annual report;³
- (h) Review and make recommendations to the Board on CAHS Executive's plans for, progress on and actions taken in implementation of external audit outcomes, findings and recommendations (including satisfactory progress to mitigate risks associated with any findings); and
- (i) Review and make recommendations to the Board on the outcome of any external agency⁴ interactions, enquiries, investigations, findings, reports and recommendations together with CAHS Executive's plans for, progress on and actions taken in implementation of or answer to such matters.

3.4 Corporate Governance

The corporate governance functions of the Committee are to undertake the following, save and except those functions that are expressly included within the

³ Note: save and except for those portions of the annual report which are the subject of review by the other Committees of the Board.

⁴ Such as the Auditor General, Crime and Corruption Commission, Public Sector Commissioner, the Coroner, Department of Child Protection, and any court or tribunal.

functions of another Board Committee pursuant to that Board Committee's terms of reference:

- (a) Review at least annually and make recommendations to the Board on CAHS and CAHS Executive's arrangements for monitoring compliance with relevant:
 - (i) Laws, regulations and statutory orders;
 - (ii) Government policies;
 - (iii) Codes of conduct and codes of ethics; and
 - (iv) CAHS policies and procedures;
- (b) Review and make recommendations to the Board on proposed changes to CAHS organisational and corporate structure, including any committees, the lines of reporting or the responsibility for oversight;
- (c) Review annually and make recommendations to the Board on CAHS Executive's arrangements for recording, monitoring and addressing:
 - (i) Gifts to CAHS Executive and CAHS staff;
 - (ii) Material personal interests of CAHS Executive and CAHS staff;
 - (iii) Actual, potential or perceived conflicts of interest or duty of CAHS Executive and CAHS staff.

4. Powers of the Audit and Risk Committee

- 4.1 The Committee will hold the powers delegated to it by the Board. The Committee will conform to any directions and financial limits within which it is required to operate as imposed on it by the Board.
- 4.2 In discharging its functions and responsibilities, the Committee has the power and authority to:
 - (a) Require reviews be conducted by CAHS Executive into matters within the scope of the Committee's functions and responsibilities as set out in these Terms of Reference;
 - (b) Require the provision of reports by CAHS Executive on matters within the scope of the Committee's functions and responsibilities as set out in these Terms of Reference;
 - (c) Recommend to the Board that reviews or further reviews be conducted into matters within or related to CAHS, whether those investigations be by the Board, CAHS Executive, the Committee, Internal Audit, or any other person or entity (inside or outside of CAHS);
 - (d) Access information, records and CAHS Personnel in connection with matters within the scope of the Committee's functions and responsibilities as set out in these Terms of Reference;
 - (e) Request attendance of any CAHS Personnel at Committee meetings;

- (f) Advise the Board on and make recommendations to the Board in connection with resolving disagreements between CAHS Executive and any Internal Auditor;
 - (g) Advise the Board on and make recommendations to the Board in connection with resolving any disagreements between CAHS Executive and the external auditor;
 - (h) Conduct meetings with external auditors, any Internal Auditor and Other Board Committees as necessary (including without the presence of any member of CAHS Executive);
 - (i) With the approval of the Board:⁵
 - (i) obtain legal advice in accordance with the Legal Policy Framework;⁶ and
 - (ii) obtain independent professional advice of any person or entity outside of CAHS with relevant experience and expertise if considered necessary by the Committee;
 - (j) conduct meetings jointly with any one or more Other Board Committees where the respective Chairs of each such Board Committee agree that it is appropriate; and
 - (k) undertake such other tasks as the Board authorises or delegates to the Committee.
- 4.3 The Committee Chair, with the approval of the Board, has the authority to request and obtain access to information or records of any person or entity outside of CAHS where otherwise permitted by law where such information or records may relate to any matter within the scope of the Committee's functions and responsibilities as set out in these Terms of Reference.
- 4.4 The Committee Chair has the authority to meet formally and informally with:
- (a) The Chief Executive and/or any member of the CAHS Executive;
 - (b) The Chairs of Other Board Committees;
 - (c) The Chairs of Audit and Risk Committees of other health service providers with the approval of the Board Chairs of those other health service providers (including jointly with or in the presence of the Chairs of Other Board Committees and/or the Chairs of any other committees of other health service providers); and
 - (d) Such other persons or entities as the Board may approve from time to time.
- 4.5 The Committee does not have the authority to enter into contracts or agreements independently of the Board.

5. Delegation of Authority to a Sub-Committee

- 5.1 The Committee does not have the authority to create sub-committees.

⁵ See section 27 of the Statutory Board Governance Policy – Health Service Provider Boards

⁶ See section 27 of the Statutory Board Governance Policy – Health Service Provider Boards

- 5.2 Neither the Committee nor the Committee Chair has authority to delegate any powers, functions or responsibilities contained in these Terms of Reference or as delegated by the Board from time to time.

6. Structure and Composition of the Audit and Risk Committee

6.1 Membership and appointment

- (a) Membership of the Committee is to be determined by the Board from time to time.
- (b) The Committee must have at least four members. The Committee must comprise only of persons who are current members of the Board. Any Committee member who ceases to be a member of the Board shall at the same time cease to be a member of the Committee;
- (c) A person who is a staff member (as defined in section 6 of the *Health Service Act*) of CAHS is not eligible to be a member of the Committee.
- (d) Committee Members must be able to demonstrate an understanding of:
 - (i) Risk management;
 - (ii) Compliance processes;
 - (iii) Internal audit processes;
 - (iv) External audit processes;
 - (v) Legal issues and legal compliance; and
 - (vi) Corporate governance.
- (e) At least one member of the Committee must be a suitably qualified professional. Suitably qualified means having current membership of either:
 - (i) CPA Australia as a CPA; or
 - (ii) Chartered Accountants Australia and New Zealand as a Chartered Accountant; or
 - (iii) the Institute of Public Accountants as a Member of the Institute of Public Accountants; or
 - (iv) the Institute of Internal Auditors; or
 - (v) appropriate membership of an overseas accounting body that is approved in writing by any two of the aforementioned bodies as having requirements for membership equivalent to those of the approving body; or
 - (vi) an association such as ISACA (an international professional association focused on IT Governance) or the Australian Information Security Association (AISA); or

- (vii) Law Society of Western Australia Inc. or the Western Australian Bar Association; or
- (viii) other professional bodies as deemed appropriate by the Board Chair or the Committee Chair.

6.2 Chair

- (a) The Committee Chair shall be a member of the Board as nominated by the Board from time to time.
- (b) The Board Chair cannot act in the capacity as Committee Chair.
- (c) If the Committee Chair is absent from a meeting or vacates the Chair at a meeting, the Committee Chair must appoint another member to act as the Committee Chair on a temporary basis. Where the Committee Chair is unavailable to or does not otherwise appoint another member to act on a temporary basis as the Chair then the Committee shall elect a temporary Chair from those members of the Committee present at any such meeting.

6.3 Invitees, Standing invitees and attendance by Board Members

- (a) Holders of the following positions (or equivalent positions) at CAHS:
 - (i) May not be members of the Committee;
 - (ii) May not vote on Committee decisions; and
 - (iii) Are not included in determining a quorum for a meeting of the Committee
however, they may be invited to attend from time to time meetings of the Committee by the Committee Chair:
 - (iv) Chief Executive;
 - (v) Executive Director Corporate Services (or other member of the CAHS Executive responsible for financial management);
 - (vi) Executive Director Organisational Development (or other member(s) of the CAHS Executive responsible for governance, risk and compliance within CAHS or a division of CAHS);
 - (vii) Any one or more of the CAHS Executive;
 - (viii) Any Internal Auditor; and
 - (ix) External Auditors.
- (b) Holders of the following positions shall be standing invitees to and shall be given notice of all meetings of the Committee (although any such member of the Board not expressly appointed to the Committee shall not become a member of the

Committee by virtue of such attendance, may not vote on Committee decisions and are not included in determining a quorum for a meeting of the Committee):

- (i) The Board Chair; and
 - (ii) The Chairs of Other Board Committees.
- (c) The Board may from time to time resolve that the holders of certain positions (or equivalent positions) at CAHS and/or the Board shall be standing invitees to all meetings of the Committee (although such persons shall not be members of the Committee, may not vote on Committee decisions and are not included in determining a quorum for a meeting of the Committee).
- (d) Any Board Member may attend Committee meetings (although any such Board Member not expressly appointed to the Committee shall not become a member of the Committee by virtue of such attendance, may not vote on Committee decisions and are not included in determining a quorum for a meeting of the Committee).

6.4 Other participants

- (a) The Committee Chair may request members of the CAHS Executive, CAHS Personnel or external parties to attend a meeting of the Committee. However, such persons do not assume membership of the Committee or participate in any decision-making processes of the Committee and are not included in determining a quorum for a meeting of the Committee.

6.5 Secretariat

- (a) Secretariat support will be provided to the Committee by the CAHS Secretariat.
- (b) All records, including the agenda, minutes and any reports or recommendations will be prepared and kept by CAHS in accordance with the *State Records Act 2000* and in the same manner as the requirements of the Statutory Board Governance Policy – Health Service Provider Boards.⁷
- (c) People who are not members of the Board shall only have access to the minutes, reports, recommendations or documents of the Committee with the prior approval of the Committee Chair, or the Board Chair where the Committee Chair considers it appropriate to refer the matter to the Board Chair for approval. Any person permitted to access such materials will observe the confidentiality obligations as imposed upon a Board Member and such obligations shall apply *mutatis mutandis* to all such persons.⁸

7. Meetings

7.1 Meeting schedule

⁷ See section 17.11 of the Statutory Board Governance Policy – Health Service Provider Boards

⁸ See section 21 of the Statutory Board Governance Policy – Health Service Provider Boards

- (a) The Committee will meet at least four times per year. Meetings should be programmed to coincide with key dates in the reporting cycle with consideration given to the Board meeting cycle.
- (b) The Committee will determine its own meeting schedule and work plan from time to time as considered necessary or appropriate to perform its functions under these Terms of Reference and may organise its meeting schedule and work plan such that in each financial year one meeting of the Committee shall have as its primary focus the consideration of matters within the scope of the Committees functions relating to:
 - (i) internal Audit;
 - (ii) external audit;
 - (iii) risk management;
 - (iv) corporate governance and legal issues.
- (c) The Committee Chair will convene the meetings of the Committee whether pursuant to any schedule or timetable or from time to time.
- (d) The Committee Chair will call a meeting of the Committee if so requested by any member of the Committee or the Board Chair within a reasonable period of any such request.
- (e) Notwithstanding any existing meeting date, schedule or timetable having been set the Committee Chair may call additional meetings of the Committee to consider any items that are:
 - (i) unable to be accommodated within any existing meeting schedule or timetable; or
 - (ii) of such urgency that it requires consideration prior to the next scheduled meeting.

7.2 Quorum

- (a) A quorum for a meeting of the Committee is at least half the number of members of the Committee and must include not less than two Board Members.
- (b) At the discretion of the Committee Chair the Committee Members may attend meetings of the Committee in any manner (including by video or tele-conference) by which Board Members may attend meetings of the Board.⁹

7.3 Voting

- (a) The majority of affirmative votes of a quorum at a meeting of the Committee are sufficient to pass a resolution.
- (b) Each Committee Member's vote has equal weight.

⁹ See Section 17.2 of the Statutory Board Governance Policy – Health Service Provider Boards

- (c) In the case of an equal number of votes, the Committee Chair shall have a casting vote in addition to their deliberative (i.e. normal) vote as a Committee Member.

7.4 Agenda, Papers, Minutes, Actions and Summary

- (a) The Committee meetings will abide by normal meeting procedure, will be minuted and an agenda will be distributed before each meeting.
- (b) The Committee will receive the following reports (in the form and style as requested by the Committee from time to time) from CAHS Executive as standing items:
 - (i) Status of matters relating to Internal Audit;
 - (ii) Status of matters relating to external audit;
 - (iii) Status of matters relating to risk management;
 - (iv) Status of matters relating to corporate governance and legal issues.
- (c) The Committee will also receive those further reports (whether as standing items, on a periodic or ad hoc basis) as specified by the Committee Chair or the Board from time to time.

7.5 Out-of-session matters

- (a) Urgent matters can be progressed out-of-session with the agreement of the Committee Chair.
- (b) Matters progressed out-of-session and out-of-session votes may occur in the same manner as an out-of-session matter or vote with respect to the Board.¹⁰ A reasonable time must be given to vote. A quorum of Committee Members must vote for a resolution or decision to stand.
- (c) Confirmation of those matters progressed out-of-session and the outcome of any out-of-session vote shall be included in the meeting agenda for the next Committee meeting and confirmation of the outcome of any out-of-session vote recorded in the minutes of the next meeting of the Committee.

8. Formal Mechanism for Reporting Key Decisions

8.1 Making recommendations

- (a) The Committee may make recommendations to the Board on items within its Terms of Reference.
- (b) Recommendations of the Committee will be regarded as its collective decision or advice unless there is material dissension. Where there exists a material

¹⁰ See section 17.6 of the Statutory Board Governance Policy – Health Service Provider Boards

dissension both the majority and minority view will be recorded in the minutes of the meeting.

- (c) If consensus cannot be reached, the Committee Chair reserves the right to escalate the matter to the Board. Both the majority and minority view will be recorded in the minutes of the meeting and placed before the Board.
- (d) Where a matter for consideration is not solely within the scope of the Committee and falls within the scope of another Board Committee, the matter shall also be referred to that other Board Committee for consideration.
- (e) Where a matter for consideration is beyond the scope of the Committee it shall be recorded in the minutes of the Committee and the matter shall be referred to:
 - (i) Another Board Committee if considered to fall within the scope of another Board Committee; and
 - (ii) If not within the scope of another Board Committee, or where relevant then in addition to, the Board.

8.2 Reporting key decisions

- (a) The Committee will develop two-way communications through formal and ad hoc reporting to both the Board and the Board Chair.
- (b) The Committee reports directly to the Board.
- (c) The minutes of meetings of the Committee (whether then in draft or approved) shall be included in the papers for the next Board meeting.
- (d) Once finalised and approved the minutes of each Committee meeting shall be made available to all Board Members whether through a central data repository or other medium accessible by all Board Members.

9. Ethical Practices

- 9.1 In accordance with the *Health Services Act* all Committee Members must act impartially and in the public interest in the exercise of the member's functions. Accordingly, a Committee Member must put the public interest before the interest of CAHS, the personal interests of the Committee Member or any Board Member.
- 9.2 Committee Members will at all times in the discharge of their duties and responsibilities, exercise honesty, objectivity, independence and not engage knowingly in acts or activities that have the potential to discredit CAHS, the Board, the Committee and/or individual Board Members or Committee Members.
- 9.3 Committee Members will refrain from entering into any activity that may prejudice their ability to carry out their duties and responsibilities objectively and will, at all times, act in a proper and prudent manner in the use of information acquired in the course of their duties.

- 9.4 Committee Members will not use CAHS's information for personal gain or in any manner that would be contrary to law, or detrimental to the welfare and goodwill of another person, the Committee, the Board, CAHS or the WA health system.
- 9.5 Committee Members must not publicly comment on matters related to activities of the Committee, the Board and/or CAHS other than as authorised by the Board.
- 9.6 The CAHS Secretariat shall on behalf of the Board and the Committee maintain the following registers:
- (a) A register of personal interests of all Committee Members and any standing invitees to the Committee meetings, together with any management plan regarding such personal interest;
 - (b) A register of all declarations of personal interest and/or actual, potential or perceived conflict of interest declared by members of the Committee or any attendees at a meeting of the Committee, together with any management plan regarding such conflict of interest;¹¹ and
 - (c) A register of gifts
- in accordance with the Statutory Board Governance Policy – Health Service Provider Boards.
- 9.7 As per the Statutory Board Governance Policy, Committee Members must declare all material personal interests, and any actual, potential or perceived conflicts of interest or duty. Actual, potential or perceived, conflicts of interest should be managed as per the Statutory Board Governance Policy.¹²
- 9.8 A Committee Member who has a material personal interest or in respect of whom there exists an actual, potential or perceived conflict of interest in a matter being considered or about to be considered by the Committee must, as soon as possible after the relevant facts have come to the Committee Member's knowledge, disclose the nature of such personal interest or any actual, potential or perceived conflict of interest first to the Committee Chair¹³ and then at the Committee meeting.¹⁴
- 9.9 Subject to clause 9.10, Committee Members and any other person otherwise in attendance at a Committee Meeting must not be present while a matter is being considered,¹⁵ participate in discussions and must not vote on any issues in respect of which there is a material personal interest or where there exists an actual, potential or perceived conflict of interest.
- 9.10 A Committee Member may be present while a matter is being considered, participate in discussions and/or vote on the matter where the Committee has

¹¹ See section 22 of the Statutory Board Governance Policy – Health Service Provider Boards.

¹² Refer to section 22 (Conflicts of Interest) of the Statutory Board Governance Policy – Health Service Provider Boards.

¹³ See section 22 of the Statutory Board Governance Policy – Health Service Provider Boards.

¹⁴ See section 17.9 of the Statutory Board Governance Policy – Health Service Provider Boards (Considerations for Determining the Materiality of Personal Interests).

¹⁵ See section 17.8 of the Statutory Board Governance Policy – Health Service Provider Boards and section 81(1) of the *Health Service Act 2016* (WA).

passed a resolution¹⁶ that specifies the Committee Member has a material personal interest or actual, potential or perceived conflict of interest but the Committee considers the interest or conflict:

- (a) As so trivial or insignificant as to be unlikely to influence the disclosing Committee Member's conduct; and
- (b) They should not be disqualified from considering or voting on the matter in question (section 82 of the *Health Services Act*).

10. Confidentiality

- 10.1 Committee Members may from time-to-time be in receipt of information that is regarded as confidential. Committee Members acknowledge their responsibility to maintain confidentiality of all information that is not in the public domain.
- 10.2 Committee Members and any other invitee to or attendee at a Committee meeting in receipt of Committee papers will maintain the Committee papers in a confidential manner separate from any other business or responsibilities of the Committee Member other than the business or responsibilities of the Committee Member as a Board Member.
- 10.3 Committee Members and any other invitee to or attendee at a Committee meeting in receipt of Committee papers or otherwise privy to information will observe the confidentiality obligations as imposed upon a Board Member and such obligations shall apply *mutatis mutandis* to all such persons.¹⁷

11. Code of Ethics and Code of Conduct

- 11.1 Committee Members and any other invitee to or attendee at a Committee meeting will observe the obligations with respect to the code of ethics and code of conduct as imposed upon a Board Member and such obligations shall apply *mutatis mutandis* to all such persons.¹⁸

12. Evaluation

- 12.1 The Committee will undertake an annual self-assessment of its performance to ensure that the Committee remains fit for purpose and to identify and action any areas in which the effectiveness of the Committee could be improved.
- 12.2 The Committee will provide a report on the annual review of performance and achievements to the Board.
- 12.3 The Committee's annual self-assessment must be aligned with the Board's evaluation framework and be provided to the Board in advance of the Board's annual self-assessment.

¹⁶ See section 17.8 of the Statutory Board Governance Policy – Health Service Provider Boards

¹⁷ See section 21 of the Statutory Board Governance Policy – Health Service Provider Boards

¹⁸ See section 19 of the Statutory Board Governance Policy – Health Service Provider Boards

Endorsement

Committee Chair

Board Chair

Signature

/ /

Signature

/ /

Review date

This document will be reviewed every year from the date of approval. The next review will be prior to April 2020.

Change control register

Version	Author	Reviewed by	Approved by	Changes
2	Ian Giles	Audit and Risk Committee of the CAHS Board	CAHS Board at meeting of	