



Child and Adolescent Health Service Board Audit, Risk and Compliance Committee Terms of Reference

FINAL
March 2025

Compassion

Excellence

Collaboration

Accountability

Equity

Respect

Change control register.

Version	Author	Reviewed by	Approved by	Changes
1	Julia Lawrinson	Audit & Risk Committee of the CAHS Board	2016	Initial Document
2	Ian Giles and Julia Lawrinson	Audit & Risk Committee of the CAHS Board	CASH Board meeting of 6 August 2020	Updated
3	Kathleen Bozniac	Audit and Risk Committee of the CAHS Board	CAHS Board meeting of 3 December 2020	Updated
4	John McLean, Chair ARC Committee	Audit & Risk Committee		Annual Review, Updated
5.	Erin Gandy, John McLean	Audit and Risk Committee	CAHS Board meeting of August 2023	Integration of new legislative requirements/Annual Review,
6.	Erin Gandy John McLean	Audit, Risk and Compliance Committee		Update including: <ul style="list-style-type: none"> • General Amendments • Update of Strategic Plan information • HSA 2022 Amendments • Update of WA Health Policy Framework requirements • Inclusion of CAHS Board Reporting Framework • Update of Membership and attendee requirements

© Child and Adolescent Health Service 2023

Copyright to this material is vested in the State of Western Australia unless otherwise indicated. Apart from any fair dealing for the purposes of private study, research, criticism, or review, as permitted under the provisions of the *Copyright Act 1968*, no part may be reproduced or re-used for any purposes whatsoever without written permission of the State of Western Australia.

Contents

1. CAHS Vision, Values and Objectives.....	4
2. Establishment.....	5
3. Glossary.....	6
4. Purpose.....	8
5. Responsibilities of the Audit, Risk and Compliance Committee	9
5.1 Internal Audit	9
5.2 External audit and External Agency reviews	10
5.3 Risk Management	10
5.4 Compliance.....	11
5.5 Integrity and Ethics.....	12
6. Powers of the Committee	12
7. Delegation of authority to a committee.....	13
8. Structure and composition.....	13
8.1 Membership and appointment.....	13
8.2 Committee Chair.....	14
8.3 Invitees	14
8.4 Other participants.....	15
8.5 Secretariat Support.....	15
9. Meetings	16
9.1 Meeting schedule.....	16
9.2 Quorum.....	16
9.3 Voting	16
9.4 Agenda, Papers, Minutes, Actions and Summary.....	17
9.5 Reporting	17
9.6 Out-of-session matters	17
9.7 Virtual Attendance.....	18
10. Formal mechanisms for reporting key decisions.....	18
10.1 Making recommendations.....	18
10.2 Reporting key decisions.....	18
11. Ethical Practices	18
12. Confidentiality.....	20
13. Code of Conduct.....	20
14. Evaluation.....	20
15. Review Date.....	21
16. Endorsement	21

1. CAHS Vision, Values and Objectives

Why We Exist

We serve all children and young people across WA so they can achieve their best health and wellbeing, now and into the future.

Living Our Values

Compassion

We treat others with empathy and kindness.

Excellence

We take pride in what we do, strive to learn, and ensure exceptional service every time.

Collaboration

We work together with others to learn and continuously improve our service.

Accountability

We take responsibility for our actions and do what we say we will.

Equity

We are inclusive, respect diversity, and aim to overcome disadvantage.

Respect

We value others and treat others as we wish to be treated.

Where we want to be

To us, where we want to be encompasses being:

A safe health service

We will provide care to children and young people that is culturally, psychologically and physically safe.

A trusted health service

We will be transparent with our consumers, our people, our partners, and the community, and build trust by being upfront and honest.

A professional health service

We will hold ourselves to the highest possible standards and work towards continuously improving how we work.

A leader in child and adolescent health and wellbeing

We will be a health service that is seen as a national and international leader in all aspects of child and adolescent health and wellbeing.

A health service that truly partners with children and young people

We will empower children, young people, and their families to shape the care they receive from us by creating an environment where they can feel comfortable and safe to share their feelings, thoughts and needs.

2. Establishment

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*”).

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.

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 the [Statutory Board Operations Policy Framework](#), CAHS is required to comply with the Health Service Provider Board Governance Policy and the [Health Service Provider Boards – Governance Guide](#)

The Board has power to appoint Committees to assist it to perform its functions and may discharge or alter any committee it has appointed, pursuant to section 92 of the *Health Services Act*. Section 3.4 of the Health Service Provider Boards – Governance Guide provides that the establishment of all board committees is subject to the approval of the Minister and of Cabinet. Accordingly, the Board resolved to appoint the Audit and Risk Committee by a resolution dated 13 October 2016.

The Audit, Risk and Compliance (“ARC”) Committee is 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.

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.

These Terms of Reference are effective on and supersede all prior Terms of Reference applicable to the Committee from [date] in accordance with a resolution of the Board made on [date].

3. Glossary

These Terms of Reference set out the specific responsibilities of the Audit, Risk and Compliance Committee and describe the manner in which it will operate.

In these Terms of Reference, the following expressions have the meanings shown:

- (a) “**Board**” refers to the Child and Adolescent Health Service Board;
- (b) “**Board Chair**” refers to the Chair of the Board pursuant to section 72 of the *Health Services Act*;
- (c) “**Board Committee**” means all the Board Committees;
- (d) “**Board Member**” refers to a member of the Board appointed pursuant to section 71 of the *Health Services Act*, or any alternate members appointed pursuant to section 74 of the *Health Services Act*;
- (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 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:
 - (a) CAHS Executive;
 - (b) A staff member as defined in section 6 of the *Health Services Act* of CAHS; and
 - (c) Personnel acting as an agent of, or contracted to CAHS;
- (h) “**Chief Audit Executive**” refers to the head of the Internal Audit function within CAHS. The position is responsible for effectively managing the internal audit activity in accordance with the CAHS Internal Audit Charter and the mandatory elements of the International Professional Practices Framework. The Chief Audit Executive is required to hold appropriate professional certifications and qualification;
- (i) “**Chief Executive**” means the Chief Executive of CAHS as appointed pursuant to sections 106 and 108 of the *Health Services Act*;
- (j) “**Committee**” means the Audit, Risk and Compliance Committee of the Board as appointed pursuant to section 92(1) of the *Health Services Act*;
- (k) “**Committee Chair**” means the Chair of the Committee as appointed by the Board;
- (l) “**Committee Member**” means those people appointed as members of the Committee by the Board;
- (m) “**Compliance**” means the activities undertaken by CAHS to provide assurance that it is following rules and meeting the requirements of all legislation, regulations and policies governing it;
- (n) “**Enterprise Risk Management**” refers to the framework for the identification, analysis and treatment of risks and the seizure of opportunities related to the achievement of CAHS objectives.

- (o) **“Health Services Act”** means the *Health Services Act 2016* (WA);
- (p) **“Internal Audit”** means the activities and functions of internal audit performed with respect to CAHS including those functions as set out in the WA Health Risk, Compliance and Audit Policy Framework as a mandatory requirement and specifically [CAHS Internal Audit Charter](#) and [CAHS Internal Audit Policy](#);
- (q) **“Internal Auditor”** means the Chief Audit Executive, as defined in the CAHS Internal Audit Charter, as the person responsible for effectively managing the internal audit activity in accordance with the internal audit charter and the mandatory elements of the International Professional Practices Framework. Refers to the Manager Audit and Risk within CAHS;
- (r) **“Internal Controls”** are any mechanisms, policies and procedures, systems or standards that are implemented by the organisation to ensure the integrity of its information, promote accountability, and prevent fraud.
- (s) **“Other Board Committees”** means any of the other Board Committees that have been constituted by the Board, namely:
 - (i) the Safety and Quality Committee;
 - (ii) the Finance Committee; and
 - (iii) the People, Capability and Culture Committee.
- (t) **“Policy Framework”** means a policy framework issued by the Department CEO pursuant to section 27 of the *Health Services Act*; and
- (u) **“System Manager”** means the Department CEO undertaking the role as provided for in Part 3 of the *Health Services Act*.

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.

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; and
- b) a document, instrument, or agreement other than an item within (a) does 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.

4. Purpose

- (a) The ARC Committee is constituted to assist the CAHS Board in performing its functions.
- (b) As per the relevant Treasurer's Instructions¹ "Risk management is the responsibility of the accountable authority and supported by the agency's internal audit function and internal audit committee."
- (c) The purpose of the ARC Committee is to provide a structured, systematic oversight of the organisation's audit, risk, compliance, and integrity and ethics functions.
- (d) The Committee will provide assurance to the Board that CAHS is compliant with the WA Health Risk, Compliance and Audit Policy Framework together with the audit, risk, compliance, and governance aspects of all other Policy Frameworks.
- (e) The ARC Committee is responsible for:
 - (i) monitoring the effectiveness and efficiency of the risk, compliance, internal audit functions and outcome of external audits;
 - (ii) overseeing CAHS Executive's monitoring of the development and implementation of appropriate systems of risk management, governance and compliance controls and oversight;
 - (iii) recommending risk-based audit plans, annual and strategic, to the Board and monitoring the progress of supported audit findings rated high and extreme; and
 - (iv) monitoring and oversight of emergency management plans/controls, and business continuity plans and controls for CAHS.
- (f) The Committee is to work with the Board and other Board Committees to:
 - (i) review the operation, delegation and allocation of the Board's risk, audit and compliance functions and responsibilities to each Board Committee, 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 overlap are clearly delineated; and
 - (ii) assess CAHS Executive's processes for identification, monitoring, and mitigation of risks.
- (g) The ARC Committee recognises that the day-to-day responsibility for management of CAHS sits with the Chief Executive.
- (h) The ARC Committee is directly responsible and accountable to the Board for the exercise of its functions and responsibilities.
- (i) The ARC Committee is responsible for assisting the Board to perform its functions as set out in these Terms of Reference.
- (j) The Board is charged with ensuring the ARC Committee has such powers and authority delegated to it, and is properly equipped and set up, to perform the Committee's functions.

¹ Treasurer's Instructions 825 and 1201
cahs.health.wa.gov.au

- (k) 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.
- (l) The ARC Committee will work closely and effectively with the Audit, Risk and Compliance Planning and Performance Executive Committee (PPEC) to ensure strategic and organisational priorities are considered.

5. Responsibilities of the Audit, Risk and Compliance Committee

The primary function of the ARC Committee is to facilitate CAHS' compliance with the WA Health Risk, Compliance and Audit Policy Framework and any other policy framework where audit, risk and compliance requirements are outlined.

Other responsibilities are outlined below.

5.1 Internal Audit

The ARC Committee is responsible for guiding and overseeing the activities, resources, and structure of the internal audit function.

This includes but is not limited to:

- (a) make recommendations to the Board on the engagement of Chief Audit Executive;
- (b) maintain a direct reporting line with the Internal Auditor and ensure that the Internal Auditor has direct access to the Board Chair, the ARC Committee Chair, the ARC Committee and the Chief Executive including meeting with the Chief Audit Executive without management if required;
- (c) make recommendations to the Board on the approval of the CAHS annual risk-based audit plan, the scope of each audit, and any subsequent amendments to approved scopes that may arise together with resource requirements;
- (d) review quarterly 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 ARC Committee together with CAHS Executive's plans for and progress against such open items;
- (e) 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 ARC Committee;
- (f) 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; and
- (g) review at least annually, through the functions of Internal Audit and make recommendations to the Board on the adequacy of the internal control structures, including any significant third-party dependencies.

5.2 External audit and External Agency reviews

The functions of the ARC Committee are to undertake the following, save and except for those functions that are expressly included within the functions of another Board Committee pursuant to that Board Committee's terms of reference e.g. the audit of the Annual Financial Statements:

- (a) advise the Board of and make recommendations regarding:
 - (i) audits that are planned to be performed on CAHS by an external auditor; and
 - (ii) any conflicts of interest or issues of independence with respect to external auditors.
- (b) meet with the external auditor including, if deemed necessary, 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;
- (c) review bi-annually 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
- (d) review quarterly and make recommendations to the Board on the outcome of any external agency 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.

5.3 Risk Management

The ARC Committee oversees the entity's system of risk management and internal controls. Its responsibilities include but are not limited to:

- (a) review annually and make recommendations to the Board on Executive response to strategic and operational risks and any risks notified by the System Manager;
- (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 appetite;
 - (iii) risk criteria or classification matrix;
 - (iv) risk assessment process, including risk identification, risk analysis, risk evaluation and risk treatment;
 - (v) risk policies and practices with respect to reporting of risks as prepared by CAHS Executive;
- (c) annually, in conjunction with CAHS Executive, undertake a review to ensure that there is a common understanding of CAHS key risks and risk profile/appetite statement, together with a clearly documented risk register and system with built in mechanisms for regular review and monitoring of risk;
- (d) 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 to become high or extreme or decreased 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, risk management process and risk mitigation with respect to each risk referred in section 5.2 (d) from (i) to (v);
- (e) review quarterly and make recommendations to the Board on CAHS Executive's plan for the management of ICT risks;
 - (f) review bi-annually and make recommendations to the Board on CAHS business continuity policy, planning and testing;
 - (g) review annually and make recommendations to the Board on CAHS Executive's arrangements for insurance and their appropriateness for CAHS risk management framework; and
 - (h) Consider trends in volume and value of insurance claims across all insurance lines and, in conjunction with Board Committees, provide a consolidated report to Board every six months on Executive's response to significant adverse movements in either claim numbers or value.

5.4 Compliance

The ARC Committee oversees the processes to ensure compliance with relevant laws and regulations within the entity. This includes but is not limited to:

- (a) review bi-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) all applicable Government policies external to WA Health;
 - (iii) WA Health Policy Frameworks;
 - (iv) WA Health mandatory policies;
 - (v) other agency policies and regulations impacting CAHS; and
 - (vi) CAHS policies and procedures.
- (b) monitor compliance pertinent to the ARC Committee as per the Board Reporting Framework; and

- (c) any attestations requiring Board endorsement and/or oversight related to audit, risk, and compliance.

5.5 Integrity and Ethics

The ARC Committee is responsible for overseeing the processes to promoting a strong integrity and ethics culture within the entity. This includes but is not limited to:

- (a) review annually and make recommendations to the Board on CAHS arrangements for monitoring compliance with relevant:
 - (i) codes of conduct and ethics as set down by WA Health and the Public Sector Commission; and
 - (ii) CAHS policies and procedures;
- (b) review annually and make recommendations to the Board on CAHS arrangements for recording, monitoring, and addressing:
 - (i) gifts to CAHS Executive and CAHS staff;
 - (ii) material personal interests of CAHS Executive and CAHS staff; and
 - (iii) actual, potential, or perceived conflicts of interest or duty of CAHS Executive and CAHS staff;
- (c) review annually and make recommendations to the Board on:
 - (d) 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) arrangements for the proportionate and independent investigation of such matters and for appropriate follow-up action; and
 - (iii) reports from CAHS on the outcome, findings or recommendations of such independent investigations and implementation of follow-up action.

6. Powers of the Committee

The ARC Committee will hold the powers delegated to it by the Board.

The ARC Committee will conform to any directions and financial limits within which it is required to operate as imposed on it by the Board.

In discharging its responsibilities, the ARC Committee has the 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 and the Board Reporting Framework;
- (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 ARC Committee, Internal Audit, or any other person or entity, inside or outside of CAHS;

- (d) access information, records, CAHS personnel and other parties in connection with matters within the scope of the ARC Committee's functions and responsibilities as set out in these Terms of Reference;
- (e) request attendance of any CAHS Personnel and other parties at ARC Committee meetings;
- (f) conduct meetings with internal and external auditors as necessary, without the presence of Executive, if required;
- (g) seek advice from external parties including the System Manager as necessary;
- (h) engage external expertise, if necessary, to obtain independent advice in relation to ARC Committee matters with the approval of the Board;
- (i) with the approval of the Board:
 - (i) obtain legal advice in accordance with the Legal Policy Framework; and
 - (ii) obtain independent professional advice of any person or entity outside of CAHS with relevant experience and expertise; and
 - (iii) 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 ARC Committee.

The ARC Committee Chair has the authority to meet formally and informally with:

- (a) the Chief Executive of CAHS and/or any other member of the CAHS Executive;
- (b) the Chairs of Other Board Committees;
- (c) the Chairs of equivalent committees of other health services providers, with the approval of the Board Chairs of those 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.

The Committee does not have the authority to enter into contracts or agreements independently of the Board.

7. Delegation of authority to a committee

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

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.

8. Structure and composition

8.1 Membership and appointment

- (a) The ARC Committee and invitees must possess knowledge and experience in the following areas:

- (i) risk management;
 - (ii) compliance processes;
 - (iii) internal audit processes;
 - (iv) external audit processes;
 - (v) legal issues and legal compliance; and
 - (vi) corporate governance.
- (b) Membership of the ARC Committee is to be determined and approved by the Board and must include at least four Board members with at least one being a clinician.
 - (c) A person who is a staff member of CAHS is not eligible to be a member of the ARC Committee.
 - (d) ARC Committee member who ceases to be a member of the Board shall at the same time cease to be a member of the ARC Committee.

8.2 Committee Chair

- (a) The ARC Committee Chair shall be a member of the Board as nominated by the Board.
- (b) The Board Chair cannot act in the capacity as ARC Committee Chair.
- (c) Before appointing a member to the position of Chair the Board must be satisfied that the person is suitably qualified for the position as prescribed by Part XII of the Treasurer's Instructions, namely:
 - (i) has current membership of CPA Australia as a CPA; or
 - (ii) has current membership of Chartered Accountants Australia and New Zealand as a Chartered Accountant; or
 - (iii) has current membership of the Institute of Public Accountants as a Member of the Institute of Public Accountants; or
 - (iv) has current membership of the Institute of Internal Auditors as a Professional Member; or
 - (v) has 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) possesses relevant experience, skills and knowledge as determined by the Board appropriate for the size and complexity of CAHS.
- (d) If the ARC Committee Chair is absent from a meeting or vacates the Chair at a meeting, the ARC Committee Chair must appoint another member to act as the ARC Committee Chair on a temporary basis. When the ARC Committee Chair is unavailable to or does not otherwise appoint another member to act on a temporary basis as the Chair then the ARC Committee shall elect a temporary Chair from those members of the ARC Committee present at any such meeting.

8.3 Invitees

- (a) Non-members may be invited to attend meetings of the Committee by the Committee Chair.

- (b) Holders of the following positions shall be standing invitees to and shall be given notice of all meetings of the Committee. They may not vote on Committee decisions and are not included in determining a quorum for a meeting of the Committee:
 - (i) Chief Audit Executive;
 - (ii) Director, Financial Audit, OAG;
 - (iii) Chief Executive;
 - (iv) Executive Director, Corporate Services;
 - (v) Executive Director, Contracting, Infrastructure, Projects, and Digital Health;
 - (vi) CAHS Chief Digital Health Officer; and
 - (vii) Chief Integrity Officer.
- (c) The ARC Committee may invite the holders of certain positions, or equivalent positions, as CAHS Invitees but shall not be members of the ARC Committee, may not vote on ARC Committee decisions and are not included in determining a quorum for a meeting of the Committee.
- (d) Any Board Member may attend ARC Committee meetings, although any such Board Member not expressly appointed to the ARC Committee shall not become a member by virtue of such attendance, may not vote on decisions and are not included in determining a quorum for a meeting of the ARC Committee.

8.4 Other participants

The ARC Committee Chair may request CAHS Executive, CAHS staff or external parties to attend a meeting of the ARC 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.

The ARC Committee can recommend appointment of an external advisor with specialist skills to support the discussions and decision-making process of the members. The appointment of the advisor must be endorsed by the Board and made according to Public Sector Commission guidelines, including payment. Any external advisor shall be given notice of all meetings of the Committee but shall not be considered a member of the Committee by virtue of such attendance. They may not vote on decisions, are not included in determining a quorum for the ARC Committee, and may, on invitation of the Chair only, submit papers for consideration and attend Incamera discussions.

8.5 Secretariat Support

- (a) Secretariat support will be provided to the ARC Committee by the CAHS Board Support Office.
- (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.
- (c) Individuals who are not members of the Board shall only have access to the minutes,

reports, recommendations, or documents of the ARC Committee with the prior approval of the ARC Committee Chair, or the Board Chair where the ARC Committee Chair considers it appropriate to refer the matter 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 to all such persons.

9. Meetings

9.1 Meeting schedule

- (a) The ARC 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 ARC Committee will determine its own meeting schedule and work as considered necessary or appropriate to perform its functions under these Terms of Reference. It may organise its meeting schedule and work plan such that in each financial year one meeting of the ARC Committee shall have as its primary focus the consideration of matters within the scope of the ARC Committees functions relating to:
 - (i) internal audit;
 - (ii) external audit;
 - (iii) risk management; and
 - (iv) compliance, corporate governance and legal issues.
- (c) The ARC Committee Chair will convene the meetings of the ARC Committee as per the yearly schedule set at the beginning of the year.
- (d) The ARC Committee Chair will call a- meeting of the ARC Committee if so, requested by any member of the ARC 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 ARC Committee Chair may call additional meetings of the ARC 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.

9.2 Quorum

A quorum for a meeting of the ARC Committee is at least half the number of members of the Committee and must include not less than two Board Members.

9.3 Voting

- (a) The majority of affirmative votes of a quorum at a meeting of the ARC Committee are sufficient to pass a resolution.
- (b) Each Committee member's vote has equal weight. In the case of an equal number of votes, the Chair shall have a casting vote in addition to their deliberative vote as a member.

9.4 Agenda, Papers, Minutes, Actions and Summary

- (a) The Committee meetings will abide by normal meeting procedure and will be minuted.
- (b) Submission of papers will be completed 7 days prior to the meeting with all papers adhering to Board Support standards for paper submission.
- (c) An agenda and supporting papers will be distributed via the nominated Board paper management system to members and invitees not less than 5 working days prior to the meeting.
- (d) Draft minutes will be circulated to Members not more than 7 days after each meeting.
- (e) Actions arising from the meeting will be circulated to responsible officers by the Board Support Office once the draft minutes have been accepted by the Committee Chair.
- (f) The Committee will adhere to the requirements of the State Records Act 2000.

9.5 Reporting

- (a) The Committee will receive reports from CAHS Executive as standing items on the status of matters relating to:
 - (i) Internal Audit;
 - (ii) External audit;
 - (iii) Risk Management;
 - (iv) Compliance
 - (v) Corporate governance and legal issues.
- (b) The Committee will receive reports from CAHS Executive and other identified positions as outlined within the CAHS Board and Committee Reporting Framework.
- (c) The Committee will also receive additional reports as requested by the Committee Chair or the Board on specified topics and on a nominated schedule.

9.6 Out-of-session matters

- (a) Urgent matters can be progressed out-of-session via the Board Support Office and with the agreement of the Committee Chair.
- (b) All Out of Session requests will be submitted and processed as per Board Support Out of Session submission guidelines.
- (c) 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. A reasonable time must be given to vote. A quorum of Committee Members must vote for a resolution or decision to stand.
- (d) 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.
- (e) Any emerging high or extreme risks are to be escalated to the Board Chair and Chair, Audit

and Risk Committee via the Chief Executive as soon as practicable. The emerging risk will be tabled at the next Board Chair and Chief Executive meeting for discussion and then referred to the Board of relevant Committee for action.

9.7 Virtual Attendance

Members may attend meetings by video or teleconference at the discretion of the Board Chair, and as permitted by the *Health Services Act* under section 89. The preferred method of virtual attendance for the WA Health Service is Microsoft Teams.

10. Formal mechanisms for reporting key decisions

10.1 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. When there exists a material 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 via the Board 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 recommended to the Board for referral 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 when relevant then in addition to, the Board.

10.2 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.

11. Ethical Practices

- (a) Committee Members must always comply with the relevant WA health system Policy cahs.health.wa.gov.au

Framework mandatory requirements.

- (b) In accordance with section 79(1)(2) of 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.
- (c) Committee Members will always 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.
- (d) 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.
- (e) 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.
- (f) 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.
- (g) The Board Secretariat will maintain the following registers in accordance with the *Health Service Provider Board Governance Policy*:
 - (i) A register of personal interests of all Committee Members to the Committee meetings, together with any management plan regarding such personal interest;
 - (ii) A register of all declarations of personal interest and/or actual, potential, or perceived conflict of interest declared by members of the Committee; and any management plan regarding such conflict of interest.
- (h) 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 pursuant to the *Health Service Provider Board Governance Policy*.
- (i) 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 Chair and then at the Committee meeting.
- (j) Committee Members in attendance at a Committee Meeting must not be present whilst a matter is being considered, participate in discussions, and vote on any issues where there is a material personal interest or where there exists an actual, potential, or perceived conflict of interest.
- (k) A Committee Member may be present whilst a matter is being considered, participate in discussions and/or vote on the matter where the Committee has passed a resolution 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:

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

12. Confidentiality

- (a) Committee Members and any other invitee to or attendee at a Committee meeting may be in receipt of information that is regarded as confidential. Committee Members and any other invitee to or attendee at a Committee meeting must acknowledge their responsibility to maintain confidentiality of all information that is not in the public domain.
- (b) 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.
- (c) 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 to all such persons.

13. Code of Conduct

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

The CAHS Board Code of Conduct holds the CAHS values of compassion, collaboration, accountability, respect, equity, and excellence as fundamental, and the code describes how these values translate into action. The Code applies to all Board members, with the Chair and Deputy Chair having special responsibility to support all Board members to achieve these standards. The Board Chair also has a duty to investigate where allegations of breaches of the Code of Conduct are raised.

The WA Public Sector Code of Ethics specifies the minimum standard of conduct and integrity required of all public sector bodies and employees. Under section 9 of the *Public Sector Management Act*, all public sector bodies and employees must comply with the Code of Ethics standards of personal integrity; relationships with others; and accountability.

The Committee should refer any breaches of Code of Conduct to the Board Chair in the first instance.

14. Evaluation

- (a) 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.
- (b) Evaluation will include a quantitative assessment against the CAHS Board Reporting Framework to ensure compliance with the WA Health Policy Frameworks and a qualitative assessment of Board member satisfaction.

- (c) The Committee will provide a report on the annual review of performance and achievements to the Board.
- (d) 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.

15. Review Date

This document will be reviewed on an annual basis, no later than one year from the date of the last approval.

16. Endorsement

Audit and Risk
Committee Chair

Signature



/ /

Child and Adolescent Health Service
Board Chair

Signature



/ /

