

Agency Management Committee Charter

November 2020

1. Purpose

- 1.1** This charter defines the roles, responsibilities and authorities of the Agency Management Committee as the governing Board for Ahpra and the National Scheme. Given the Agency Management Committee's functions it is referred to as 'the Board' throughout this charter as it sets out the approach to the following key corporate governance matters:
- responsibilities and functions
 - structure and composition
 - member roles and responsibilities
 - the relationship between the Board, Ahpra management, National Boards and other entities in the National Registration and Accreditation Scheme for Health Practitioners (the 'National Scheme')
 - powers retained by the Board
 - meeting procedures.
- 1.2** The functions of the Board and Ahpra are set out in the Health Practitioner Regulation National Law, as in force in each state and territory (the 'National Law'). This Charter has been adopted to add context and detail to those functions as described. Where any section or aspect of this charter does not fit with the provisions of the National Law, the National Law shall prevail.
- 1.3** It is not intended that the Board usurp or override any statutory responsibilities that Ahpra and the National Boards have to provide advice to Australian Health Ministers in accordance with the National Law.

2. Overview of the Board's responsibilities and functions

- 2.1** The Board's function is to ensure that Ahpra performs its functions in a proper, effective and efficient way. The Board is responsible for determining and agreeing Ahpra policies and setting the strategic direction for the National Scheme.
- 2.2** The Board's key responsibilities are:
- being accountable to the Ministerial Council for the operation and performance of the Scheme – including providing oversight of the implementation of binding Policy Directions issued by Health Ministers
 - appointing and overseeing the performance of the CEO and through the CEO, the performance of the National Executive
 - approval of Ahpra's development of corporate strategy and performance objectives
 - ensuring effective partnership with National Boards and other entities in the achievement of Scheme objectives and performance
 - reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct, and legal compliance
 - approving and monitoring implementation of the NRAS strategy
 - approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures – including major scheme-wide projects being undertaken by Ahpra (as per the National Boards' Health Professions Agreements and projects from the equity capital pool)
 - approving and monitoring of financial performance.

3. Structure and composition

Board members

- 3.1** The Ministerial Council determines the size and composition of the Board within the framework set out in the National Law, as follows:
- a. the Board must consist of at least five members:
 - at least two of whom are to have experience in with the health or education and training sectors, and
 - at least two of whom are not current or former registered health practitioners but who have business or administration experience.
 - b. members are appointed by the Ministerial Council for a period of up to three years as decided by Ministers and are eligible (if otherwise qualified) for reappointment.

As at 1 October 2020, based on the appointment decisions made by the Ministerial Council, the Board comprises 9 members, including the Chair.

- 3.2** The Board regularly reviews the skills, competencies, experience and characteristics ('Skills') required for the Board as a whole to ensure that the Skills represented on the Board remain relevant.
- 3.3** The Board must institute succession planning, continuing education and training for members, and individual member and collective Board performance evaluations to assist the Ministerial Council make appointments that add to the key Skills that will ensure that the Board is able to fulfil its role.

Committees

- 3.4** The Board may establish committees to assist it in carrying out its work – including time-limited oversight or reference groups for a specific matter or time. Committees provide an opportunity to examine issues in greater detail than what is possible during Board meetings and make recommendations to the Board on matters requiring further consideration or decision.
- 3.5** The purpose of each committee is to undertake activities defined in its formal charter.
- 3.6** The standing committees of the Board are:
- a. Finance, Audit and Risk Management committee
 - b. People and Remuneration committee
 - c. Regulatory Performance committee
 - d. Accreditation Advisory Committee
- 3.7** In carrying out its work, each committee, through the Chair and Ahpra CEO will have access to appropriate resources (e.g. opinions of senior management and, where necessary, independent advice).
- 3.8** Each committee must report to the Board on the outcome of its work and, where appropriate, makes recommendations to the Board, where decisions are required.
- 3.9** Minutes of each committee meeting are to be prepared and included with the meeting papers for the next meeting of the Board. The committee chairs will provide verbal reports to the Board after each committee meeting of key recommendations and discussions of the committee which they chair. Each committee prepares an annual written report which is also circulated to National Boards.
- 3.10** Each committee is comprised of members who are best suited to effectively participate in achieving the objectives of the committee. The specific membership requirements of each committee are set out in its charter.
- 3.11** With the exception of the independent Accreditation Committee, each committee chair must be a member of the Board. The Board is required to review the committee charters on an annual basis.

Review

- 3.12** The Board will conduct an annual review of the performance of:

- a. the full Board
- b. Board committees
- c. individual members
- d. the Chair.

3.13 The method of conducting each review and the extent of that review is for the Board to determine. The Board will undertake a formal externally facilitated review every three years.

4. Member roles and responsibilities

The Chair

4.1 The Ministerial Council is responsible for appointing a member to be the Chair of the Board (Chair). In accordance with the National Law, the Chair must not be a current or former registered Health Practitioner (within the preceding five years).

4.2 The Chair's principal role is to provide leadership to the Board, and to ensure that the Board effectively discharges its responsibilities.

4.3 The Chair's main responsibilities are to:

- a. maintain liaison with National Boards and other major stakeholders, reporting back to the Board
- b. participate as Co-Chair of the Forum of NRAS Chairs
- c. develop the annual Board agenda for approval of the Board and work with the CEO to determine the agenda for Board meetings
- d. preside over Board meetings and meetings with key stakeholders
- e. foster a positive boardroom dynamic, enabling open and robust debate of key issues
- f. in collaboration with the Ahpra CEO, ensure the Board receives the information it requires for informed decision-making
- g. maintain on-going communication with the CEO and senior management, serving as a conduit between the Board and Ahpra
- h. facilitate a performance evaluation process for the Board, committees and individual members
- i. assume the role of spokesperson for the Board.

4.4 The Chair may appoint a deputy to assist with fulfilling their role and to act as chair if the Chair is unavailable. The role and responsibilities of the Deputy Chair shall be agreed by the Board.

Board members

4.5 In carrying out their responsibilities and exercising their powers, members will ensure they act honestly, fairly and diligently, in accordance with the law in serving the interests of AHPRA and, where appropriate, may take account of the reasonable expectations of stakeholders.

4.6 The National Law provides individual protection to members of the Board for actions taken whilst exercising their duties in good faith.

4.7 Board members will observe Ahpra's values as set out in the NRAS Strategy 2020-2025 in all dealings with and on behalf of the Board.

4.8 The members' roles and responsibilities are detailed in a role description approved by the Ministerial Council. Members have the right to seek independent professional advice (at Ahpra's expense) in furtherance of their duties as Board members. The Chair's prior approval is required and the advice will normally be made available to all Board members, unless the Chair decides otherwise.

The Ahpra CEO

4.9 The position of Ahpra CEO is created by the National Law and is accountable to the Board for the overall management and performance of the agency. The CEO is appointed by the Board.

4.10 The CEO manages the organisation in accordance with the strategy, plans and policies approved by the Board.

4.11 The CEO's performance is regularly evaluated against the achievement of agreed goals, targets and performance indicators. The Board considers the annual performance review of the CEO and approves the CEO KPIs.

4.12 The CEO's roles and responsibilities are detailed in a role description approved by the Board.

5. Relationship between the Board, Ahpra management, National Boards and other entities

Ahpra

5.1 The Board is ultimately responsible for the performance of Ahpra and the National Scheme generally. The Board has retained its authority to make decisions on matters specified in this charter, it delegates authority for all other matters to the CEO as formalised through the delegations schedules as approved by the Board from time to time.

5.2 The Board maintains its independence from management through defining the respective roles of management and the Board, scheduling in-camera meetings of its members separate from Ahpra management and the exercise of independent thinking in decision-making.

5.3 The CEO is accountable to the Board for the exercise of the delegated authority and, with the support of senior management, is to demonstrate progress to fulfil this responsibility through the provision of reports, briefings and presentations on a regular basis.

5.4 The CEO is expected to provide candid reporting that accurately portrays Ahpra's performance.

5.5 Members may communicate directly with the Ahpra's senior management provided that any contact is conducted with the approval of the Chair and Ahpra CEO.

National Boards

5.6 The Agency Management Committee as the governing board of Ahpra has a complementary role and functions and works in partnership with National Boards. As National Boards are legally constrained in their powers by the National Law they are required to rely upon Ahpra to enter into contracts, employ staff and deal with procurement and property to deliver the regulatory functions of the National Boards.

5.7 Within the National Law framework the relationship between National Boards and Ahpra is further defined in the Health Professions Agreement (HPA) framework in which fees, budgets and services are agreed. National Boards can and do delegate specific regulatory functions to their committees and also to Ahpra as defined in their instruments of delegation as approved from time to time. Ahpra staff are accountable through the CEO to the Board for the performance of these delegated functions.

6. Powers retained by the Board

6.1 In addition to matters expressly required by law to be approved by the Board, powers specifically reserved by the Board are as follows.

6.2 Strategy

- a. approval of the National Scheme's strategy, objectives and metrics
- b. oversight of performance in relation to strategic objectives
- c. oversight of implementation of Policy Directions
- d. approval of the annual operating and capital budgets and any material changes thereto
- e. review of corporate and financial performance and progress towards strategy implementation.

6.3 Oversight

Oversight of Ahpra's corporate assurance framework to ensure:

- a. robust planning
- b. competent and prudent management
- c. appropriate systems of risk oversight and internal control
- d. appropriate accounting systems, records and reporting systems

- e. adherence to statutory and regulatory requirements.

6.4 Approval of:

- a. major changes to Ahpra's organisational structure
- b. major changes to Ahpra's National Executive and control structure
- c. major capital expenditure and capital management
- d. internal audit plan.

6.5 Financial reporting and controls

- a. approval of statutory reporting.
- b. appointment of external and internal auditor
- c. approval of annual and half-yearly report and accounts, including the director's report and corporate governance statement
- d. approval of any significant changes in accounting policies
- e. approval of financial delegations.

6.6 Contracts

Approval of major contracts which are strategically significant or are above the approved delegations to the CEO.

6.7 Communication

Approval of announcements relating to a decision of the Board.

6.8 Committee membership

Approval of membership of committees, including the appointment and removal of committee chairs and members.

6.9 Senior management, capability and culture

- a. appointment and removal of the CEO and determining his or her terms and conditions of employment (including remuneration)
- b. remuneration framework and conditions of service for Ahpra National Executive and officers on executive contracts.

6.10 Corporate governance

- a. review and approval of the skills matrix of the Board
- b. conduct of an annual performance appraisal of the Board as a whole, its committees and individual members (including the Chair)
- c. review and approval of risk management recording and procedures
- d. review of the overall governance practices and procedures
- e. approval of this charter and all committee charters.

6.11 Review of corporate policies

6.12 Other

- a. Decisions relating to non-regulatory litigation.

6.13 The Board may, from time to time, authorise a committee to undertake certain functions on behalf of, and in the name of, the Board if the power or function is of an administrative necessity and is routine in nature. Any authorisation must be made in writing by the Board. The Board cannot delegate to a committee a power or function that is stated in the National Law to be a power or function of the Board

7. Meeting procedures

7.1 To assist in planning the Board's calendar, the Board adopts an annual agenda detailing the items to be considered at each meeting. The meeting schedule is determined annually in advance by the

Board. In certain circumstances, additional unscheduled meetings may be called to deal with urgent business.

- 7.2 In accordance with the National Law, quorum for a meeting of the Board is a majority of its members for the time being. Based on the composition of nine members as at October 2020 and provided there are no vacancies in office, the majority is 5 members.
- 7.3 The Chair, working with the CEO will normally set the agenda for each meeting, using the actions arising from the previous meeting and the meeting calendar as a basis.
- 7.4 The agenda and supporting papers should be distributed to members prior to each meeting in sufficient time to enable members to read the papers and any associated documents properly to prepare for the meeting.
- 7.5 Draft minutes of each Board meeting are prepared by the Executive Secretariat for review by the Chair and are then circulated to all members as soon as practicable, but no later than 7 working days following the meeting.
- 7.6 A Communiqué is also produced following each meeting for publication on AHPRA's website as a public record of the meeting and distribution to National Boards.
- 7.7 If a member or attending Ahpra staff member has a 'material personal interest' in a matter that is being considered at a meeting, they must not be present for consideration of that matter unless express approval is given by the Chair. Interest declarations must be reviewed on an annual basis.
- 7.8 Members are expected to make every reasonable effort to attend each Board meeting and each meeting of committees on which they serve. Attendance in person is preferred unless a scheduled teleconference meeting; however, participation by teleconference or other electronic means is permitted, if necessary.
- 7.9 Papers on matters for decision by the Board should normally conform to the Board's requirements, as determined from time to time.

8. Review

- 8.1 At least annually, the Board will review this charter and will make any approved changes.

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