



# **Bay of Plenty District Health Board**

## **Terms of Reference 2012**

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## Compliance

The Bay of Plenty District Health Board (the board) is established in accordance with Part 3 and schedules 1 to 3 of the New Zealand Public Health and Disability Act 2000 (the Act).

The Terms of Reference for the board shall be to carry out the following in a manner that is consistent with the New Zealand Health Strategy, the New Zealand Disability Strategy and the National Maori Health Strategy.

## Objectives

- to improve, promote, and protect the health of people and communities:
- to promote the integration of health services, especially primary and secondary health services:
- to promote effective care or support for those in need of personal health services or disability support services:
- to promote the inclusion and participation in society and independence of people with disabilities:
- to reduce health disparities by improving health outcomes for Maori and other population groups:
- to reduce, with a view to eliminating, health outcome disparities between various population groups within New Zealand by developing and implementing, in consultation with the groups concerned, services and programmes designed to raise health outcomes.
- to exhibit a sense of social responsibility by having regard to the interests of the people to whom it provides, or for whom it arranges the provision of, services:
- to foster community participation in health improvement, and in planning for the provision of services and for significant changes to the provision of services:
- to uphold the ethical and quality standards commonly expected of providers of services and of public sector organisations:
- to exhibit a sense of environmental responsibility by having regard to the environmental implications of its operations:
- to be a good employer.
- The board will pursue and demonstrate its objectives in accordance with its district strategic plan, district annual plan, statement of intent, code of conduct and any directions or requirements given to the board by the Minister of Health (the Minister) under sections 32 or 33 of the Act. (Refer to 11.0 Statutory Documents)

## Functions

For the purpose of pursuing and demonstrating its objectives, the board has the following functions:

- to ensure the provision of services for its resident population and for other people as specified in its Crown funding agreement:
- to actively investigate, facilitate, sponsor, and develop co-operative and collaborative arrangements with persons in the health and disability sector or in any other sector to improve, promote, and protect the health of people, and to promote the inclusion and participation in society and independence of people with disabilities:
- to issue relevant information to the resident population, persons in the health and disability sector, and persons in any other sector working to improve, promote, and protect the health of people:

- to establish and maintain processes to enable Maori to participate in, and contribute to, strategies for Maori health improvement.
- Maintain the partnership relationship between the Board and the Maori Health Runanga. (Refer to 9.0 Board Relationship with Bay of Plenty Iwi)
- to continue to foster the development of Maori capacity for participating in the health and disability sector and for providing for the needs of Maori:
- to provide relevant information to Maori for the purposes of fostering Maori participation in Maori health improvement.
- to regularly investigate, assess, and monitor the health status of its resident population, any factors that the DHB believes may adversely affect the health status of that population, and the needs of that population for services:
- to promote the reduction of adverse social and environmental effects on the health of people and communities:
- to monitor the delivery and performance of services by it and by persons engaged by it to provide or arrange for the provision of services:
- to participate, where appropriate, in the training of health professionals and other workers in the health and disability sector:
- to provide information to the Minister for the purposes of policy development, planning and monitoring in relation to the performance of the DHB and to the health and disability support needs of New Zealanders:
- to provide, or arrange for the provision of, services on behalf of the Crown or any Crown entity within the meaning of the Public Finance Act 1989:
- to collaborate with pre-schools and schools within its geographical area on the fostering of health promotion and on disease prevention programmes:
- to perform any other functions it is for the time being given by or under any enactment, or authorised to perform by the Minister by written notice to the board of the DHB after consultation with it.

## Board Membership

Membership of the board shall be seven members elected in accordance with schedule 2 of the Act; and up to four members appointed by the Minister by notice in the *Gazette*. (Refer to Schedule 3, clauses 2-9).

### Chairperson and Deputy Chairperson

The Chairperson and Deputy Chairperson of the Board are appointed by the Minister from among the current appointed or elected members.

## Role of the Board

1. All decisions relating to the operation of the district health board are to be made by or under the authority of the board.
2. The board has all powers necessary for the governance and management of the DHB.

3. The board delegates to the Chief Executive of the board, under clause 39 of schedule 3 of the Act, the power to make decisions on management matters relating to the board, but any such delegation may be made on such terms and conditions as the board thinks fit.
4. This section does not limit clause 44 of schedule 3 of the Act.

### **Delegations**

The Minister of Health has approved a delegation policy for the Board, which is attached at Appendix 1.

### **Accountability of the Board**

The board is responsible to the Minister in the manner set out in the Public Finance Act 1989 and the New Zealand Public Health & Disability Act 2000.

### **Duties of Board Members**

1. A member of the board, when exercising powers or performing duties as a board member, must act:
  - a. in good faith; and
  - b. with reasonable care, diligence, and skill; and
  - c. with honesty and integrity; and
  - d. in accordance with the Board's Code of Confidentiality (attached at appendix 2)
2. The board:
  - a. must ensure that it acts in a manner consistent with the functions of the DHB, and with the board's district strategic plan, annual plan, statement of intent, code of confidentiality, code of conduct and any directions or requirements given under sections 32 or 33 of the Act:
  - b. must not act, or agree to the DHB or any subsidiary of the DHB acting, in a manner that contravenes the Act or any other Act:
  - c. must ensure that the activities of the entity, and those of its subsidiaries, are conducted efficiently and effectively and in a manner consistent with the spirit of service to the public:
  - d. must have regard to the interests of creditors of the DHB, and endeavour to ensure that the DHB operates in a financially responsible manner in accordance with section 41.

### **Disclosure of Board Members' Interests**

An Interests Register is kept by the General Manager Governance & Quality containing conflicts of interest which have been notified by individual board members on their election and/or appointment. The Interests Register is regularly updated by board members and also appears as a regular board and committee meeting agenda item. It is the responsibility of individual board members to inform the board of a conflict or potential conflict of interest prior to an agenda item being discussed. The notified conflict will be recorded in the minutes and the Register updated accordingly.

## Board Members Remuneration

The fees paid to board members are determined by the Minister of Health under the Act.

BOP DHB Guide For Claiming Board and Committee Fees and Expenses together with Ministry of Health board fee advice effective as at July 2003 is attached at Appendix 3.

The Chair receives a base fee of \$44,000 per annum. The Deputy Chair receives a base fee of \$27,500 per annum and the members receive a base fee of \$22,000 per annum. The base fees are annualised and paid monthly. If a member attends less than 10 meetings in a year, the base fee is pro rated.

In addition to the base fees referred to above, meeting fees are offered for attendance at meetings of the two statutory committees (ie the Bay of Plenty Hospital Advisory Committee, the Combined Community and Public Health Advisory Committee and the Disability Services Advisory Committee). Meeting fees are also payable for attendance at ; Audit, Finance & Risk Management Committee. These fees are set at \$312.50 for the Chair and \$250 for members and are payable to external appointees to the committees as well as board members. A maximum of 10 such fees are payable in any one year. Fees are not payable to any officer or elected representative of an organisation that would expect their officers or elected representatives to attend meetings as a normal part of their duties and that pays the persons concerned for those duties.

## Committee Structure

### Statutory Advisory Committees

The board is responsible for establishing the following advisory committees (Section 34 of the Act)

- Community and Public Health Advisory Committee
- Disability Services Advisory Committee
- Bay of Plenty Hospital Advisory Committee
- Non-Statutory Advisory Committees - (Schedule 3, clause 38 of the Act)
- Audit, Risk & Finance Committee
- CEO Remuneration Committee

## Board Relationship with Bay of Plenty Iwi

**Maori Health Runanga** (the Runanga")

Runanga Membership, Interests Register, Memorandum of Understanding with BOPDHB and Terms of Reference can be found at <http://www.bopdhb.govt.nz/boardcommittee/Runanga.aspx>

## Meetings of the Board and Statutory Advisory Committees

**Notice of Meetings** – (Schedule 3, clauses 16-18)

Meetings are advertised in the Bay of Plenty Times, Opotiki News and Eastern Bay News towards the end of each month. The advertisement indicates the date, time and venue of each meeting for the following month. This information is also available at [www.bopdhb.govt.nz](http://www.bopdhb.govt.nz)

**Availability of Agendas and Reports – (Schedule 3, clauses 19-24)**

Agendas are available to the public for viewing at [www.bopdhb.govt.nz](http://www.bopdhb.govt.nz) at least four working days prior to the scheduled meeting. The meeting schedule can be found on the website.

## Statutory Documents

### **District Strategic Plan (DSP)**

The board must:

- a. determine a district strategic plan for fulfilling its objectives and functions during a period of 5 to 10 years
- b. determine a replacement district strategic plan before its current plan expires; and
- c. review its current district strategic plan at least once every three years

A copy of the Strategic Plan is available from the General Manager Governance & Quality.

### **District Annual Plan (DAP)**

The Minister and the board must agree on an annual plan of the board for each financial year beginning on or after 1 July 2001.

A copy of the District Annual Plan is available from the General Manager Governance & Quality.

## Associated Documents

- The New Zealand Public Health and Disability Act 2000
- Board Interests Register
- Board & Committee Membership List
- Meeting Schedule
- BOP Hospital Advisory Committee Terms of Reference
- Combined Community and Public Health Advisory / Disability Advisory Services Committee
- Audit, Finance and Risk Management Committee Terms of Reference
- CEO Remuneration Committee Terms of Reference

## Appendix 1 – Delegations Policy

 <p><b>BAY OF PLENTY</b> DISTRICT HEALTH BOARD HAUORA A TŌI</p>	<p>Policy No.: 3.1.1 Version No.: 3 Category: C Issue Date: Jan 2008 Reviewed: Jan 2008</p>	<p>Review Date: Jan 2011 File Name: 3.1.1 Delegations V3</p>
<p><b>DELEGATIONS</b> Policy</p>		

### DELEGATIONS

#### POLICY

It is the Board's policy to delegate to Management those powers that are necessary to ensure:

1. The Bay of Plenty District Health Board will be managed effectively and efficiently.
2. The Board is able to meet its statutory and other obligations.
3. The Board is able to function in a transparent and accountable manner.
4. The Board meets all planning objectives.

#### PURPOSE

- The Board is required by section 26 and schedule 3, clause 39 of the Public Health and Disabilities Act 2000 to establish and maintain a delegation policy.
- The purpose of the policy is not to impose restrictive control but to ensure responsibility and accountability.
- The Board also wishes to ensure management is able to operate the business without unnecessary delays and enables them to carry out the day-to-day running of the business.

#### DEFINITIONS

<b>Act</b>	The New Zealand Public Health and Disability Act 2000 including amendments and regulations that may be in force from time-to-time.
<b>Advisory Committees</b>	Committees appointed by the Board created in accordance with sections 34-36 of the Act or clause 38 of Schedule 3 of the Act.
<b>Asset</b>	An item of property, plant or equipment is considered an asset if it is more than \$500 in value (either purchase price or purchase price equivalent) and is expected to last more than one year.
<b>Annual Plan(s)</b>	The Annual Plan for the current financial year of Bay of Plenty District Health Board approved by the Minister of Health and includes the associated management plans, operational plans and annual budgets.
<b>Board</b>	Board of the Bay of Plenty District Health Board.

Manual: Finance and Human Resources	Section: Delegations
Authorised by: Minister of Health	Policy Steward: General Manager Governance and Compliance

 <b>DELEGATIONS</b> Policy	Policy No.: 3.1.1 Version No.: 3 Category: C Issue Date: Jan 2008 Reviewed: Jan 2008	Review Date: Jan 2011 File Name: 3.1.1 Delegations V3

<b>Capital Disposal</b>	The sale, disposal or write off of any asset.
<b>Capital Expenditure</b>	The purchase or lease of any asset.
<b>Chair</b>	The person holding the position of Chair of the Bay of Plenty District Health Board, or in his or her absence the Deputy Chair of the Bay of Plenty District Health Board.
<b>Chief Executive Officer (CEO)</b>	A person appointed by the Board in this role (including a person who may be appointed in an acting capacity).
<b>Chief Financial Officer (CFO)</b>	A person appointed by the CEO in this role (or equivalent role).
<b>Committee Chair</b>	Chair, or deputy chair acting in the chairs absence, of an Advisory Committee.
<b>Financial year</b>	The accounting year between 1 July and 30 June the following year.
<b>Minister</b>	The Minister of Health or associates as applicable.
<b>Non-standard Payroll Transactions</b>	These are payments to employees or former employees that are not made up of normal payment for time worked or various types of leave at normal rates, or reimbursements of minor expenditure. Non-standard Payroll Transactions include, but are not limited to, gratuity payments or termination payments. Advice should be sought from HR.
<b>Operating Expenditure</b>	Expenditure related to the day-to-day operations of the organisation excluding the purchase or lease of assets or employee payments. It includes all expenditure on goods and services.
<b>Public Interest</b>	An issue of significant (important, noticeable) interest to the public or a substantial section of the public
<b>Purchase Price Equivalent</b>	For a leased asset the purchase price equivalent is the higher of the price the asset could be purchased for if not leased or the total of the lease payments.
<b>Statutory Powers</b>	Powers and responsibilities imposed by legislation or regulation on the Bay of Plenty District Health Board that the Board wishes to delegate.
<b>Unscheduled Expenditure</b>	This is expenditure not included in the Annual Plan or the associated budgets.

## EXCLUSIONS

There are no exclusions to this policy.

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## STANDARDS TO BE MET

### 1. General

All delegations must be executed in accordance with Annual Plan(s), approved by the Board, including capital purchases and asset disposals. It is noted that the Annual Plan(s) are considered a contract between the Board and the Minister of Health.

The objectives of a District Health Board ("DHB") are set out in section 22 of the NZPHD Act.

The functions of a DHB are set out in section 23, the role of a DHB in section 26, and the duties of Board members in section 27.

Every delegation of the Board of any of the functions, duties or powers of the Board, or of the Bay of Plenty DHB, must be in writing.

Clause 39 of Schedule 3 of the Act provides that the only persons or entity to whom the Board's, or the Bay of Plenty DHB's, functions, duties or powers may be delegated are:

- Any Committee of the Board established pursuant to clause 38 of Schedule 3 of the NZPHD Act;
- Any member of the Board.
- Any employee of Bay of Plenty DHB;
- Any other person or class of persons approved by the Minister for the purpose.

The delegation of a function, duty, or power is revocable at will and does not prevent the Board from performing the function or duty, or exercising the power. A delegation may be to any named person or to any member of a specified class of persons; and, if made to a specified class of persons is, unless it provides otherwise, to each member of the class for the time being, even though the membership of the class has changed since the delegation was made.

It is stressed that with the delegation of authority there is a delegation of accountability, and a requirement to act in a responsible manner.

All delegations will comply with the Office of the Auditor-General's guidelines for sensitive expenditure.

This delegations policy replaces all previous delegation policies of the Bay of Plenty DHB, including the policy originally approved by the Minister of Health in July 2002.

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Authorised by: Minister of Health	Policy Steward: General Manager Governance and Compliance

 <p><b>BAY OF PLENTY</b> DISTRICT HEALTH BOARD H A U G K E A ' A T O T I</p>	<p>Policy No.: 3.1.1 Version No.: 3 Category: C Issue Date: Jan 2008 Reviewed: Jan 2008</p>	<p>Review Date: Jan 2011 File Name: 3.1.1 Delegations V3</p>
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## 2. Powers, functions and duties reserved for Minister

The NZPHD Act, the Public Finance Act 1989, the Crown Entities Act 2004 and government policy require approval by the Minister for the following transactions:

- Sale of land and buildings.
- Finance and operating leases exceeding \$0.5 million or 10% of total assets.
- Borrowing or financing transactions.
- Co-operative arrangements that are subject to section 24(2) of the NZPHD Act.
- Purchasing and holding of shares or securities.
- Creating or settling trusts.

## 3. Powers, functions and duties reserved for Board

The Board retains all of its statutory powers, functions and duties not specifically delegated to any of the persons or entities listed in 1.0. Without limitation, the Board will exercise its authority in respect of:

1. Revenue and funding contracts that exceed the delegated authority of the Chief Executive Officer (CEO) and any contract that relates to an issue of public interest;
2. Capital expenditure that exceeds the delegated authority of the CEO;
3. Expenditure for maintenance that exceeds the delegated authority of the CEO;
4. Financial delegations that exceed the delegated authority of the CEO;
5. Property matters subject to any conditions in respect of the Board's approval.
6. Entering into service agreements that exceed the delegated authority of the CEO;
7. Entering into any building or land lease, licence or tenancy agreement and any variation, termination or assignment that requires Ministerial approval;
8. Entering into financial commitments in relation to the provision of goods or services that exceed the delegated authority of the CEO;
9. Initiating or defending litigation or giving approval of litigation;
10. Signing licensing applications;
11. Making decisions on management matters not delegated to the CEO;
12. Making decisions in respect of the power to borrow or raise finance.

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#### 4. Delegations to Chief Executive Officer

In accordance with section 26(3) of the Act, the Board must delegate to the Chief Executive Officer of the Bay of Plenty DHB, under clause 39 of Schedule 3, the power to make decisions on management matters relating to the Bay of Plenty DHB, but any such delegation may be made on such terms and conditions as the Board thinks fit, (which must be set out in the actual delegation).

The delegation may include without limitation the following areas of responsibility:

1. Human resources;
2. Revenue and funding contracts up to the financial limitation delegated;
3. Capital expenditure or disposal up to the financial limitation delegated;
4. Expenditure for major maintenance up to the financial limitation delegated, does not include expenditure on any matter that relates to an issue of public interest;
5. Financial delegations up to the financial limitation delegated;
6. Property matters subject to any conditions in respect of approval;
7. Legal matters subject to any conditions specified;
8. Administration matters subject to any conditions and relevant policies;
9. Supplies and services subject to any conditions and up to the financial limitation delegated;
10. Research matters subject to any conditions in respect of approval.

The CEO will establish, maintain and review a register of delegated authorities within the limits of this policy.

The CEO will also establish and maintain other policies that are required for the good management of the Bay of Plenty DHB's business including the provision of health and disability services.

Delegations are limited to the activities contained in the Annual Plan(s).

#### 5. Sub-delegation

The NZPHD Act authorises sub-delegation only with the Boards written consent, or in accordance with the provisions of the specific delegation.

The following are the situations in which the Board may consent to sub-delegation, but in all cases, these limitations will be set out in the provisions of the actual delegation.

- The Chief Executive Officer and members of the Management Team can only sub-delegate their authority to their peers or to staff who report directly to them, eg. a General Manager can sub-delegate to Team Leaders. Other staff may sub-

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delegate only with the approval of the person who delegated the function, duty, or power to them.

- Managers are responsible for establishing written sub-delegations for all areas under their control. All written sub-delegations require approval by the person to whom the delegate is responsible. This means that each manager is responsible for preparing sub-delegation documents for all direct reports, and also for ensuring all staff within the areas under their control have written sub-delegations.

Over time the level of sub-delegated authority can, and should, change. Managers making sub-delegations may establish in writing additional control requirements to those shown in this document. Sub-delegation does not diminish the responsibility of the holder of the delegated authority for the way in which the authority is exercised. All sub-delegations must be in writing and specify limits and any special conditions.

All Managers must establish a system of Emergency Delegations that come into effect in the event of a declared Civil or Health Care Emergency. A list of these emergency delegations is to be maintained as part of each departments Emergency Business Continuity Plan.

#### 6. Key principles of all delegations

1. Board approval is required for any action exceeding the limits delegated to the CEO.
2. All delegated authorities are exercised on the Board's behalf and must be exercised in accordance with relevant policies and procedures set by the Board from time to time.
3. All new ventures and changes of policy or practice that are likely to significantly affect outputs or change access to a service require Board Approval.
4. Board approval is required for any proposal that might attract significant adverse publicity or can with reasonable foresight be predicted to result in legal action against Bay of Plenty DHB.
5. The Board will not delegate to any person the authority to raise capital or to specifically borrow money.
6. All individuals must familiarise themselves with the principles and practices of the Bay of Plenty District Health Board and the New Zealand Public Health and Disability Act 2000, Public Finance Act 1989 and Crown Entities Act 2004 before exercising delegated authority.

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## 7. Process for delegating

For delegating functions, duties, or powers of the Bay of Plenty DHB, the Board will:

1. Define the functions, duties, or powers to be delegated specifically outlining the limits of the functions, duties, or powers being delegated;
2. Determine to whom it is proposed the functions, duties, or powers are to be delegated ("the potential delegate"), particularly ensuring that the person does not have any undeclared "interest" in the transaction;
3. Define the criteria to be used in assessing whether to delegate the function, duty, or power;
4. Assess the competence of the potential delegate to perform the functions, duties, or powers being delegated;
5. Determine and then approve the fitness of the potential delegate for delegation;
6. Formally delegate in writing the functions, duties, or powers as defined;
7. Consider the question of sub-delegation of that power and any conditions attached to that sub-delegation.

## 8. Delegation to a person who is outside the DHB

If the Board desires to delegate any functions, duties, or powers to a person who is neither a member of the Board nor an employee of the Bay of Plenty DHB, that person must be a person or one of a class of persons approved by the Minister of Health pursuant to clause 39 of Schedule 3 of the Act.

## 9. Conflicts of interest

Where a person is to perform a function or duty, or exercise a power delegated by the Board, that person must, before performing the function or duty, or exercising the power consider whether or not he or she has (or, as the case requires, will have) on that day any conflicts of interest with the Bay of Plenty DHB. If the person has (or will have) any such conflicts of interest, then the person must give the Board a statement completed by the person in good faith that discloses those conflicts of interest, together with any other such conflicts of interest that the person reasonably believes are likely to arise in future (clause 39(8) of Schedule 3).

A delegate who has completed a statement under subclause (8) must inform the Board of any relevant change in the delegate's circumstances affecting a matter disclosed in that statement, as soon as practicable after the change occurs. (clause 39(9) of Schedule 3).

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A delegate who is interested in a transaction of the Bay of Plenty DHB may not perform a function or duty, or exercise a power, under the delegation, if the function, duty, or power relates to the transaction (clause 40(2) of Schedule 3). However, this limitation does not apply if the Board of the Bay of Plenty DHB gives its prior written consent to the delegate performing the function or duty, or exercising the power, even though the function, duty, or power relates to the transaction (clause 40(3), Schedule 3).

#### 10. Conditions

Any delegations are subject to the following conditions:

1. Delegations supersede all previous and similar delegations.
2. Under no circumstances are delegations to be exceeded.
3. Anyone electing to further delegate a power or responsibility must ensure that the sub-delegation is exercised correctly and limits are not exceeded.
4. The exercise of any delegations is also to meet accepted accounting policies and practices.

#### 11. Policy review

The Board will review this policy annually, or at any other time as it sees fit. The Minister of Health must approve any amendments that the Board wishes to make to this policy for compliance with clause 39 of Schedule 3.

#### References/Associated Forms

- New Zealand Public Health and Disability Act 2000
- Public Finance Act 1989
- Bay of Plenty District Health Board chart 'Summarised Delegated Authorities'
- Bay of Plenty District Health Board form 'Expenditure Authorisations'
- Operational Policy Framework
- Procurement – A Statement of Good Practice: Audit Office (July 2001)
- Government Procurement in New Zealand – A Policy Guide for Purchases: Ministry of Economic Development (July 2002)
- Crown Entities Act 2004
- Bay of Plenty District Health Board Purchasing Policies: 3.5.1 – 3.5.13
- Bay of Plenty District Health Board Fraud Policy
- Bay of Plenty District Health Board Treasury Policy

Manual: Finance and Human Resources	Section: Delegations
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## Bay of Plenty District Health Board - Summarised Financial Delegated Authorities

All contracts must be approved prior to signing by the General Manager, Governance and Compliance

Sub-delegations need to be approved and documented in writing.

Staff Group	Operating Expenditure	Forecast expenditure over budget	Consultancy Fees	Contractual	Agreements to supply health services	Capital Expenditure	Asset Revaluation and write-offs	Sale of Assets*	Selection of Accounting policies
Board	No limit	No limit	No limit	No limit	No limit	No limit. Must approve CapEx budget	No limit	No limit for property, plant and equipment, excluding land	Audit & Risk Committee to recommend to the Board
Chief Executive Officer (CEO)	\$1m per item	\$250k per item.	\$250k per engagement	\$1m over the full term of the agreement	Full delegation to approve. No limit. Sign off within the approved annual purchasing plan unless matter is in relation to an issue of public interest.	Discretionary budget \$250k per item. The CEO in consultation with the chair may approve emergency replacement of equipment and plant to a limit of \$750k while maintaining the overall CapEx budget	Write-offs \$20k per debtor Revaluation of asset \$20k Revaluation of class of inventory \$2k	\$250k for property, plant and equipment, excluding land	Nil
General Managers (GM)	\$100k per item	As delegated by CEO	\$100k per engagement	\$100k over the full term of the agreement	\$100k over the full term of the agreement or as delegated by the CEO	Discretionary budget \$15K per item up to and equal to capital expenditure pool	No delegated authority	Nil	Nil
CFO	\$100k per item	As delegated by CEO	\$100k per engagement	\$100k over the full term of the agreement	NIL or as delegated by the CEO	Delegated by CEO to ensure CapEx budget maintained Discretionary budget \$15K per item up to and equal to capital expenditure pool	As delegated by CEO	Nil	Nil
All other staff	Subdelegation as determined by GM/CFO in writing	Nil	Equal to Operating Expenditure subdelegated by GM/CFO in writing	Equal to Operating Expenditure subdelegated by GM/CFO in writing	NIL	Discretionary budget \$15K per item up to and equal to capital expenditure pool subdelegated by GM/CFO in writing	Nil	Nil	Nil
Comment	Operating Expenditure is that incurred in the provision of services as provided for within operating	Outlines the level of authority for expenditure in excess of operating budgets as approved by the Board at a	Delegated authorities apply subject to Annual Plan and Budgets as approved by Board. Consulting	Relating to health and non-health supplies such as maintenance, cleaning, food services etc	Full delegation to CEO to sign off agreements for the provision of health services, including by Funder or	All capital expenditure must be subject to financial and clinical justification and contestability	Authority to write off amounts due as bad debts Revaluation of a particular fixed asset due to loss, damage or	Sale of 'real' property i.e. land can only be approved by Board and is subject to Ministerial	Includes inventory valuation rate, amortisation/ depreciation method and rate, provisions and accruals, and

	budgets	group/service level	assignments should be subject to a contestable process		subcontracted by the provider. Agreements must be within the programme/ budget agreed by Board . Other agreements approved by the Board on an ad hoc basis. CEO to sign off on behalf of Board.	when purchasing.	obsolescence Revaluation of a particular class of inventory, due to loss, damage or obsolescence	approval	representation of any deferred tax liability or asset
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**Funding Management Committee:**

**Responsibilities:**

1. To access all funding applications and make recommendations to the Chief Executive. The Chief Executive retains the right to decline the recommendations of the Committee.
2. Provide a monthly funding report to the Executive Council

The Funding Management Committee has no delegated authority. It's role is to advise the CEO who then approves or declines the recommendation pursuant to delegated authority from the Board.

## Appendix 2 – Code of Confidentiality and Code of Conduct



### CODE OF CONFIDENTIALITY BAY OF PLENTY DISTRICT HEALTH BOARD

A Board member shall not, during his or her term or at any time thereafter, except so far as may be necessary for the proper performance of the Board member's duties and responsibilities, or as may be required by law:

- i) Disclose to any other person, other than to a member of the organisation's staff, any confidential, sensitive or patient knowledge or information concerning the business, affairs, property or other activities of the organisation including commercially sensitive information which has come to the Board member's knowledge in the course of the performance of his or her term.
- ii) Disclose to any person other than to a member of the organisation's staff, any personal information or any information concerning the condition or medical history of any patient who is receiving or has received services provided by the organisation without the prior consent of the patient or the patient's representative.
- iii) Disclose to any person other than *authorised* members of the BOPDHB's staff, any personal information concerning current, potential or past employees of the organisation (excepting where that individual has authorised the release of such information).
- iv) Use or attempt to use any of the information specified above for the Board member's own personal benefit, or for the benefit of any other person or organisation, or in any manner whatsoever, other than in accordance with the Board member's duties and consistent with the obligation of confidentiality expected of a person in the Board member's position.
- v) Breaches of confidentiality will be considered to be a breach of the BOPDHB's Code of Conduct.

You should note that this does *not* prevent free speech or speaking out on matters of professional or ethical concern.

## Code of Conduct

### 1. Compliance

This Code of Conduct has been developed and agreed to by all Board Members of the Bay of Plenty District Health Board. The Code sets out key principles by which we wish to conduct ourselves.

In developing the Code, Board Members recognise the unique nature of the District Health Board, which falls between the disciplines and accountabilities expected of corporate Board Members, and the wider mandate of publicly accountable individuals. The principles in the Code endeavour to address potential differences in attitudes and behaviours of Board Members. We acknowledge that we are ultimately accountable for the successful performance of the District Health Board, and that our actions, both public and private, should support the decisions and activities of the organisation.

Some sections of the Code will be further supported in time by organisation policies - (e.g. Media Relations, Consultation)

### 2. Principles

#### **Fiduciary Responsibility**

Each of us has the duty to ensure that the District Health Board is properly governed. To meet this obligation, we will:

- act in good faith;
- act with honesty and integrity;
- exercise reasonable care, diligence and skill in our duties at all times;
- lay aside all private and personal interests in our decision-making.

### 3. Commitment

In accepting the position of Board Member we have made a commitment to undertake the work of the Board, and to commit the time required to acquit these responsibilities. We will make every effort to attend scheduled meetings, but recognise that there will be occasional conflicts which require the courtesy of notice.

- We agree to be diligent in preparing for and attending Board meetings.
- We will endeavour to be as informed and as knowledgeable as we can be, about the responsibilities of the District Health Board and the issues presented to us, in order to arrive at the best decisions possible.

### 4. Collective Responsibility

We recognise that there may be tension at times between the concepts of collective accountability of Board Members and individual accountability to the public of elected Members. Therefore we agree to the following principles:

- We will clearly express our views at Board meetings, and endeavour to achieve a particular decision and course of action. However, we accept that once a decision has been formally reached by the Board, this decision becomes the policy of the Board.
- We believe that it is inappropriate for a Board Member to undermine a decision of the Board, or frustrate its implementation.
- We will not attempt to re-litigate previous decisions at future meetings of the Board, unless the majority of Members agree to re-open the debate.
- We are mindful that our personal actions should not bring the Board into disrepute or cause a loss of confidence in the activities and decisions of the District Health Board.

## **5. Clarity of Roles**

We are responsible for the governance of the District Health Board, and delegate to the Chief Executive responsibility for implementing the decisions of the Board, and for providing us with free and frank advice to assist us in reaching high quality decisions.

- We agree that, for the purposes of accountability, clarity between the roles of governance and management is essential and we must not become involved with management's activities.
- We will endeavour to comment publicly only on policy and governance matters for which we are responsible, and to leave public comment on operational and management matters to the Chief Executive and Management according to the District Health Board's media policy.

## **6. Employment Relationship**

We recognise our role as the employer of the Chief Executive and indirectly of all staff within the District Health Board. We will exercise this employment responsibility professionally and responsibly. To that end:

- We will be supportive of employees of the District Health Board, and will not criticise employees nor the service provided by the District Health Board in public. Any concerns we might have will be raised with the Board and/or Chief Executive, as appropriate.
- We will exercise judgement and courtesy in respecting the protocol of communicating through the Chair and/or Chief Executive, (as appropriate), in raising matters with the Chief Executive and/or senior staff.
- We will not attempt to influence any employee of the District Health Board to present material in a particular way, such that it might affect the outcome of a decision to be made by the Board.
- We will exercise care in communicating privately with employees of the District Health Board, and will refer any staff with complaints or concerns back to the Chief Executive.

## **7. Complaints Procedures**

We appreciate our role as Board Members in providing a community voice to the activities of the District Health Board. Equally, however, we recognise that the organisation through the mandate of the Board will have processes in place to seek public consultation, prioritise resources, establish waiting lists and times, and respond to consumer complaints etc.

- We will advise residents / health consumers, who desire personal matters to be brought to the attention of the District Health Board, to follow the proper procedure for raising issues and registering complaints.

- We will not advocate on behalf of an individual beyond advising them of the complaints procedure and later checking that the matter has been addressed satisfactorily by the organisation. ('Satisfactorily' refers to the procedures followed by the organisation in addressing the matter, not necessarily whether the outcome is as the individual would wish.)
- We will not make commitments for Board related work or expenditure which have not been previously approved by the District Health Board, nor create any liability for the District Health Board beyond authorised delegations.

## 8. Legislative Compliance

We are mindful that the position of Board Member brings with it an obligation to act at all times as a responsible member of society.

- We will be familiar with the New Zealand Acts and Regulations that govern our responsibilities as Board Members of the Bay of Plenty District Health Board, and will obey the law, be aware of and respect the processes of the law.
- We will comply with the health and safety policies and procedures operating within the sites and facilities owned by the District Health Board.

## 9. Confidentiality

We recognise that we will receive information that is both public and private and that the release of information, and access to and handling of personal information, about any individual are governed by the Official Information Act 1982 and the Privacy Act 1993. In order to protect the organisation and ourselves from inappropriate use of information:

- We will make ourselves familiar with this legislation, and refer any requests for 'Official Information' to the Chief Executive.
- We will not disclose publicly any business discussed while the public is excluded from a meeting, and/or information for which good reason exists (under the terms of the Official Information Act) for it to be withheld from the public, unless the Board decides by resolution to make such information public.
- We accept that we may acquire information of a confidential nature, for example about health and disability providers and/or other local and national organisations. We agree not to use any such information for personal advantage, nor to disclose it to any other person unless first authorised by the Board.

## 10. Conflict of Interest

We note that the NZ Public Health and Disability Act sets out the definition and procedure for disclosure of Members' interests. This states that:

1. A Board Member who is '*interested in a transaction*' of the District Health Board must, as soon as practicable, disclose the nature of the interest to the Board.
2. The Board Member must not take part in any deliberation or decision of the Board relating to the transaction.
3. The disclosure must be recorded in the minutes and entered in a separate interests register. "*interested in a transaction*" is defined within the NZHDA (Interpretation Section) as: "*if the Board Member:*  
 (a) *is a party to, or will derive a material financial benefit from, the transaction;*  
 (b) *has a material financial interest in another party to the transaction; or*

- (c) is a director, Member, officer, or trustee of another party to, or person who will or may derive a material financial benefit from, the transaction ....;or*
- (d) is the parent, child, or spouse (or de facto partner) of another party to, or person who will or may derive a material financial benefit from the transaction; or*
- (e) is otherwise directly or indirectly materially interested in the transaction.*

- We recognise that at times there may arise a ‘perception of interest’ which is a wider interpretation than that defined in the legislation. We agree that the appropriate procedure is to raise such matters of interest in the first instance with the Chair, who will determine an appropriate course of action.
- We agree that the Board may, where appropriate, decide that a Board Member who has declared an interest in matters to be discussed by the Board should leave the meeting room for the duration of discussion on such matters.
- We will not use our official position for personal gain, or solicit or accept gifts, rewards or benefits which might be perceived as inducements and which could compromise our integrity.
- We will exercise care and judgement in accepting any gifts, and advise the Chair and/or Board of any offer received.

#### **11. Media and Public Comment**

We recognise the freedom of Board Members to communicate with the media, but agree that we should do so in a manner consistent with the principles of the Code of Conduct. Primarily we seek to ensure that the Board can function successfully and make informed decisions in the best interests of the public.

- In accepting that we are each entitled to our own views, we agree to exercise care and judgement when commenting on unresolved policy or matters of public debate.
- In particular we will distinguish clearly to our audience whether we are speaking personally and communicating our own views, or whether we are speaking on behalf of the Board and conveying policy decisions taken by the Board.
- We may comment on matters relating to existing policy and practice which has been formally decided by the Board.
- We agree to refer the media to official spokespeople, where these have been appointed by the Board to respond to specific issues.
- We will refrain from acting in public in a manner that undermines other Board Members, and will not act for self promotion purposes at the expense of the image of the District Health Board itself.
- We agree that our individual activities and contribution to any public debate or discussion should be consistent with the objective of maintaining a non-partisan work environment for the Board.

#### **12. Consultation**

We note our legislative obligations to consult with the public in developing our District Strategic Plan, and are mindful that ‘consultation’ is a term with specific meaning that has been derived from case law. We also express a general philosophy and intention to engage with and welcome dialogue with the community.

- We will endeavour to keep an open mind during formal consultation with the public and be prepared to listen, to develop our understanding, and if appropriate to change our view.
- We will ensure that the consultation process provides the public with an effective opportunity to give their views.

- We will be respectful and attentive to Members of the public.
- We note that the judgement from the Court of Appeal decision in Wellington International Airport v Air New Zealand Limited outlines the Court's view of consultation:

“Consultation does not mean negotiation or agreement. It means setting out a proposal not finally decided upon, adequately informing a party of relevant information upon which the proposal is based, listening to what others have to say with an open mind (in that there is room to be persuaded against the proposal), undertaking that task in a genuine and not cosmetic manner, reaching a decision that may or may not alter the original proposal.”

## Appendix 3 - Guide for Claiming Board / Committee Fees and Expenses, MoH Board Fee Advice

### Guide for Claiming Board / Committee Fees

#### Committee Fees

- Committee fees are paid at a rate of \$250 per meeting up to a limit of \$2500 pa.
- The same fee is payable to Board Members and non-Board Members serving on committees. However, any officer or elected representative of an organisation that would expect their officers or elected representatives to attend committee meetings as a normal part of their duties and who are paid by them for that, are not eligible to be paid committee fees.
- The fee paid to the Chair of each committee is \$312.50 per meeting up to a limit of \$3125 pa.
- Advisory committees covered by this guide are:
  - Combined Community and Public Health / Disability Services Advisory Committee
  - Bay of Plenty Hospital Advisory Committee
- These fees are also payable to members of the Audit, Finance and Risk Management Committee.

#### Board Fees

Board fees are payable to members elected and appointed under the Health and Disability Act 2000.

- The following fees apply:
  - Board Chair \$44,000 pa.
  - Deputy Chair \$27,500 pa.
  - Board Member \$22,000 pa.
- Where an individual receives an annual fee and is absent from body business for a period of greater than two months, then the annualised fee should be pro-rated to take account of this absence (e.g. an absence of 2 months would result in payment of 10/12 of the annual fee). Where there are frequent absences over the period of a year, the annual fee should also be pro-rated to take account of those absences.

In order to operationalise this requirement in the future when a member is absent from Board business for two months (such absence to be measured by the absence from three consecutive Board meetings) then payment of the Board fee shall be held for the next two months.

If in any 12 month period Jan – Dec a member attends less than 50% of scheduled meeting then the Board fee will be prorated for the next year according to the above formula. If the absence should occur in the final year of a Member's appointment then the over payment based on the pro-rata formula will be a debt owed by the Member to the Board.

## Claiming Fees

- The process of payment for Board and committee fees is by way of a claim form. Claim forms must be completed by each Board Member and signed. Before processing, all claim forms must be authorised by the Board Chair or a delegated authority.
- Forms must be completed and submitted within two weeks of a meeting for payment in the next available pay period.

## General

- The practice of claiming additional fees from BOPDHB for consulting work should not occur, although permission may be obtained from the Minister of Health and Cabinet to provide this service.
- The BOPDHB provides a full disclosure of Board Members fees and attendances in its Annual Report.

## Expenses

Board Members travelling to meetings, or on Board business, are entitled to actual and reasonable reimbursement for out-of-pocket expenses related to travelling, meals and accommodation.

## Meal Allowance

An allowance is paid for periods under 24 hours where the member is required by their duties to be away from their usual workplace during the time they would normally eat. An allowance is not paid if a meal is provided:

- Dinner           \$20.00
- Lunch            \$5.00

## Motor Vehicles

- A rate of 0.70cents/km will be paid along with Vehicle expenses must be claimed on the official claim form. The rate of .70cents will be paid per km.

**GST receipts must be attached to claim forms.**

## Appendix 4 – Standing Orders for Board & Committee Meetings

### 1 Notification of Meetings

- 1.1 Meetings of the Board and Committees will be publicly notified pursuant to the requirements set out in Schedule 3, clause 16 of the New Zealand Public Health and Disability Act 2000 (the Act).
- 1.2 Members will be notified of meetings pursuant to the requirements of Schedule 3, clause 18 of the Act.

### 2 Agendas

- 2.1 The agenda for each meeting shall be prepared in consultation with the Chairperson of the Board/Committee.
- 2.2 The meeting agenda will be circulated to Board/Committee members 4 working days prior to the meeting.
- 2.3 The open section of meeting agendas will be publicly available 2 working days prior to the meeting.
- 2.4 The Chief Executive Officer has the authority to make formal recommendations on all matters on any agenda, except those pertaining to the Chief Executive's employment.
- 2.5 Pursuant to Schedule 3, clause 28 of the Act if an item is not on the agenda the Board/Committee may deal with that item if it decides to do so via resolution and the Chairperson explains at the commencement of the session why the item was not included in the agenda and the reason it cannot be held over until the next meeting.

### 3 Exclusion of the Public

- 3.1 The Board/Committee and/or the Chief Executive Officer may decide that an agenda item should be discussed with the public excluded. If this decision is made then pursuant to Schedule 3, clause 32 of the Act the Board/Committee may pass a resolution excluding the public from the meeting.

### 4 Voting

- 4.1 The Board will make every endeavour to reach a consensus decision, failing this all decisions made by the Board/Committee will be by majority vote of those members present.
- 4.2 If there is any doubt as to the vote, voting shall be via show of hands.
- 4.3 If the vote is tied the Chairperson does not have a casting vote and the issue is negated.
- 4.4 A member may request that their vote against the resolution be recorded in the minutes.
- 4.5 Board Members have voting rights at meetings of Committees to which the Board formally appointed them.
- 4.6 Non-Board Members have voting rights at meetings of Committees to which the Board formally appointed them.
- 4.7 At the Board meeting only elected and Ministerially appointed members may vote. The Runanga Representative to the Board has no voting rights at meetings of the Board.

## **5 Resolutions**

- 5.1 Discussion on recommendations shall be broad and informal, however the Chairperson has the authority to set a time limit on discussion and to control the order of speaking.
- 5.2 At the completion of the discussion the resolution must be formally put to the meeting and a mover and seconder recorded.
- 5.3 Once the motion has been moved and seconded silence shall be deemed to constitute an intention not to vote against the motion.
- 5.4 Amendments to the motion may be made by the moving and seconding of the proposed amendment.
- 5.5 Once moved and seconded an amendment must be voted on:
  - a. If the amendment is adopted then it becomes the substantive motion and the original motion stands defeated.
  - b. If the amendment is not adopted then the original motion remains the substantive motion and the Board/Committee must vote on it.
- 5.6 Subsequent amendments to the motion may be made, however each member may only move or second one amendment. The mover and seconder of the original motion may not move or second an amendment.
- 5.7 The Board/Committee may rescind a resolution at a subsequent meeting but must give reasons for the decision.
- 5.8 Resolutions made by the Committees will be approved by the Board when the Board adopts the Committee minutes.

## **6 Minutes**

- 6.1 Minutes will be taken at each meeting of the Board/Committee and shall accurately reflect the proceeding of the meeting.
- 6.2 Minutes will be prepared in draft format by the Board Secretary and circulated to the Chairperson for approval.
- 6.3 Minutes will be finalised when they are confirmed at a subsequent meeting of the Board/Committee.
- 6.4 Committee minutes will be placed on the Board agenda for adoption.
- 6.5 Minutes of the open session of Board/Committee meetings will be made available to the public.
- 6.6 Public requests for confidential minutes will be dealt with on an individual basis under the provisions of the Privacy or Official Information Acts.

## **7 Public Participation**

- 7.1 Public participation at meetings will normally be limited to those individuals/groups who have been invited by the Board/Committee to make a presentation to the meeting.
- 7.2 The Chairperson may however, at their discretion, invite a member of the public to speak to the meeting.

## **8 Quorum**

- 8.1 No decision may be made at any meeting of the Board/Committee unless a quorum is present.
- 8.2 A quorum of the Board/Committee is:
  - a. if the total number of members is even, then half that number
  - b. if the total number of members is odd, then a majority of members