ECH GOOD GOVERNANCE FRAMEWORK

MARCH 2020

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1. Introduction

ECH Inc is a charity and profit-for-purpose enterprise which was established in 1964 and is incorporated under the Associations Incorporation Act 1985 (SA). ECH Inc is also registered with the Australian Charities and Not-for-Profits Commission. Being an incorporated association, ECH Inc acts for the benefit of the people who use its services. ECH Inc has no members under its constitution and all profits are retained to be re-invested into improving the care and services it provides.

Following internal discussions and consultation with stakeholders, ECH Inc has adopted the term 'member' as the collective noun to describe its service users, given that for different service areas users are potentially described as residents, care recipients, consumers, clients, customers etc. Consequently, the term 'member/s' is used throughout this document.

ECH Services include:

- Independent living units and other housing options
- Home support and care for independent living
- Wellness services, community outreach and member interaction
- Care coordination and clinical support services for members with more complex care needs
- Advocacy for improvements in aged care
- Preparing people for the end of life.

1.1 Our Purpose:

Enabling people to live well as they age.
To be an enterprise that promotes self-determination and enables people to have the best life possible as they age.
To live the best life possible, we believe people need to be active, engaged and have confidence in themselves and their environment.

1.2 Our Population:

Our target population is people over the age of 65 who live independently on their own or with others, and their carer/s if they have one.

1.3 Our Focus:

We offer people a range of services and supports which enable them to have control over their lives and life's decisions and to continue to live independently for as long as possible.

1.4 Our Values:

Our work is grounded in our core values of integrity, empathy and respect. However, we also recognise that to excel in delivery of our Purpose we need to be inspirational, courageous and prepared to take risks to evolve and to respect member independence.

1.5 Our Promises:

- To be reliable
- To care about you
- To treat you as an individual
- To be easy to deal with; and
- To always look for new ways to help you

2.Background

This Good Governance Framework has been developed in the context of the ECH Board Charter (August 2018) and the ECH Operational Governance Policy (June 2019).

The purpose of this Framework is to outline the elements of standards and decision-making arrangements within the enterprise that ensure an agreed approach to achieving quality services to our members.

In developing this Framework, consideration has been given to a range of resource materials including *Adding Value to Governance in Aged Care (2017)*[1], *Not-for-Profit Governance Principles (2019)*[2], *National Model Clinical Governance Framework (2017)*[3], *The Aged Care Quality Standards (2019)*[4] and the *User Guide for Governing Bodies (2019)*[5]; and governance obligations under the ACNC.

ECH works within a Human Rights perspective where the right of the individual to self-determination is paramount. Central to ECH achieving its Purpose is to see the services it provides in the context of a Wellbeing Model. This places the member at the centre of all aspects of their circumstances which influence their ability to maintain control over their lives. These include physical and emotional health, a home fit-for-purpose, financial considerations and social connections.

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[1] Governance Institute of Australia: Adding Value to Governance in Aged Care, February 2017

[2] Australian Institute of Company Directors: Not-for-Profit Governance Principles, 2nd Edition, January 2019

[3] Australian Commission on Safety and Quality in Health Care: National Model Clinical Governance Framework, November 2017

[4] Aged Care Quality and Safety Commission: Quality of Care Management (Single Quality Framework) Principles 2018: The Aged Care Quality Standards 2019

[5] Australian Commission on Safety and Quality in Health Care: User Guide for Governing Bodies, March 2019

3. Governance

The Board of ECH is responsible for the good governance of the enterprise and its roles and responsibilities are described in the ECH Inc Board Charter (20 August 2018).

The Board provides the overall strategic focus for ECH with the Chief Executive responsible for ensuring strategic and operational outcomes are achieved.

The Board is accountable for the delivery of safe and quality services. The Board aspires to give members confidence that the organisation is well run and that they can partner in improving the delivery of services.

ECH, through its Board and Chief Executive, has a risk management strategy which is based on the principles and practices described within ISO 31000:2018 Risk Management Guidelines. All risk management activities conducted are aligned with the ECH Risk Appetite Statement, which is set by the Board of Directors and reviewed annually.

ECH has a continuous program of procedure development to support an enhanced approach to good governance. The ECH Policy Framework (2018) establishes the hierarchy and standard approach for procedures and guidelines to help the enterprise ensure consistency and quality in its activities, attain its strategic goals and priorities, and promote operational efficiencies and reduce risk.

Standards exist for both member services and for clinical support services, and processes within the organisation have been established to ensure compliance.

4. Our Governance Structure

2.1. The Board

The Board of ECH Inc consists of people assessed to be of high standard and with a range of relevant skills and knowledge to provide the strategic understanding required to lead a large organisation in challenging times. Board members are selected to provide diverse skills in accordance with a skills matrix through the Board's Nomination Committee. There is a Chairperson and a Deputy Chairperson and usually five other members. The Chairperson and Deputy have 2-year terms and are able to stand for re-election four times. The remaining Board members can serve up to eight years.

The Board meets regularly and has a committee structure in place to ensure good governance.

The roles and responsibilities of the Board are set out in the Charter[6]. The Board is the legal authority for the enterprise and provides the leadership, strategic guidance and oversight for:

- Establishing the strategic objectives and policy frameworks;

- Promoting ethical and responsible decision-making;

- Setting of financial and capital management budgets and reporting;

- Setting the risk appetite for the enterprise and expectations for management inclusive of the risk management framework, associated policy monitoring and evaluation expectations;

- The clinical governance framework designed to provide safe and quality care;

- Ensuring an appropriate Work Health and Safety environment for all staff;

- Ensuring the enterprise is being properly managed through –

  - Monitoring governance and compliance requirements to meet regulatory, contractual, internal and other obligations

  - Appropriate delegations and financial authorisations

  - Providing oversight, advice and direction through standing committees.

4.1 Committees of the Board

The Board has established 'standing' committees which have delegated responsibilities to provide further detailed consideration of matters prior to final Board decisions. The Board may set up time-limited committees on occasions when a matter of importance needs careful oversight.

The standing Committees are:

- **Governance**

The primary purpose of this committee is to assist the Board in reviewing the ECH Rules, Charter and Policies when required.

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[6] ECH Board Charter (2018)

- **Nomination**

The primary purpose of this Committee is to assist the Board to identify and assess the suitability of potential candidates to fill vacant positions which have arisen or will shortly arise as a result of a Director resigning or retiring at the end of their term.

- **HR and Remuneration**

The primary purpose of this Committee is to review the Directors' fees, the Executive Management remuneration structure and the total cost of employment of the Chief Executive and each of the employees who report directly to that position.

- **Audit and Risk Management**

The primary purpose of this Committee is to assist the Board to fulfil its corporate governance responsibilities in the areas of statutory reporting, internal control systems, risk management systems, insurance and legal proceedings and the internal and external audit functions.

- **Investment**

The primary purpose of this Committee is to assist the Board in providing recommendations in relation to business cases including property development, establishment of reserves and the allocation of capital between the reserves, overseeing the implementation and monitoring of the Investment Strategy inclusive of authorising investment decisions in those areas where investment powers have been delegated by the Board.

- **Clinical Quality**

The primary purpose of this Committee is to provide advice to the Board and Chief Executive to ensure oversight of clinical quality. The Committee also ensures that consideration is given to the clinical governance implications of the development of ECH's clinical care and service pathways and key enhanced programs being designed to support our members in being able to remain living independently in their home, and to be able to have a respectful death at home, if they wish.

- **ICT**

The primary purpose of this Committee is to assist the Board in fulfilling its oversight responsibilities for the ICT Strategic Plan and Digital Transformation of ECH.

5.3   Roles and Responsibilities of the Chief Executive

The Board has delegated to the Chief Executive the authority to manage the day-to-day affairs of the enterprise with the expectation that the following principles are implemented and continuously evaluated by:

- Building and maintaining enterprise-wide capability and culture to deliver on our Purpose, Values and Promises in line with the strategic directions and risk appetite set by the Board;

- Engaging constructively with members and key stakeholders including families to ensure the enterprise is listening, adapting and continuously improving care and services to meet our promises;

- Ensuring strong leadership within all areas of the enterprise and that all staff are aware of their roles and responsibilities and provided with mentorship and guidance to be able to fulfil their roles within the enterprise;

- Ensuring that operational governance is inclusive of corporate, member service and clinical systems, setting strategies and priorities to deliver safe and quality care and services with the aim of enhancing our members' quality of life;

- Ensuring that a robust system is in place to identify, monitor and manage all relevant legal (statutory and regulatory) obligations and risks;

- Ensuring that delegations of authority and financial authorisation processes are documented and enacted to ensure decisions are responsible, transparent and informed;

- To act as the spokesperson on behalf of ECH.

The Chief Executive has an Executive Management team to ensure that the governance requirements are being activated, managed and monitored on a continuous basis to ensure that there is an enterprise-wide approach to good governance. The Executive Management team is integral to ensuring the Chief Executive can meet the outcomes as agreed with the Board. The team provides a focus on general performance, updates and new business.

The Chief Executive may determine committees within the enterprise as appropriate.

The Chief Executive has established a Central Work Health and Safety team to facilitate cooperation between site safety committees, carry out measures designed to ensure workers' health, welfare and safety at work and to set standards for compliance. The Chief Executive reports to the Board on staff safety and conditions and reports specifically on exceptional issues for Board attention.

The Chief Executive also chairs the Executive Quality and Improvement Committee which oversights the quality of services provided and is supported by four sub-committees, each focusing on a quadrant of the Wellbeing Model. This Executive Quality and Improvement Committee and the four sub-committees all include members with 'lived experience' of the services provided by ECH.

5. Our Governance Principles

ECH aspires to be an enterprise where the members, staff, stakeholders and the broader community have confidence in the quality and relevance of its services and that it provides a culture of safe and inclusive services.

These Principles underpin the work of the Board, its Committees and the Executive Management Team.

Principle 1

The members are our reason for existence. Members are in control of decisions about services they receive, and able to participate in service design and improvement.

This commitment is reflected in several key strategies:
- Acknowledging the importance of a Human Rights perspective to all that ECH does;
- Engagement of consumers in the co-design of services to ensure that wherever possible, services are reflective of consumer-centred principles;
- Engagement of volunteers in the development and support of programs that can assist members to have active social connections within their communities;
- Active response to consumers who provide feedback to our services and ensuring that information informs any improvements;
- Active participation on Consumer Advocacy Groups such as Dementia Australia, Carers SA and Guide Dogs SA/NT.

In addition, the Board members:
- Attend the AGMs required under the Retirement Village legislation;
- Hold Board Meetings at Villages and service delivery centre sites;
- Respond directly to consumer approaches to themselves;
- Visit service delivery centres on an individual basis to meet with consumers;
- Receive regular reports about complaints/compliments and incidents of adverse events;
- Attend Consumer Reference Groups from time to time;
- Shadow staff members as they go about their duties.

Principle 2

Many members have family and loved ones who care about their wellbeing and they are encouraged to be involved in decision-making if that is the member's wish.

Family members can be very influential in decisions which increase or decrease the independence of members. It is ECH's wish that they are respectfully involved in any planning so that the best decision can be made, respecting the member's right to self-determination and acceptance of risk.

Principle 3
There are service quality standards for all ECH's work, and these must be transparent.

ECH has an ongoing commitment to the Aged Care Quality Standards and the ongoing monitoring of and exceeding opportunities for enhanced quality services. This is achieved through Board and Committee oversight and a range of enterprise-wide procedures and work instructions that support and underpin information management, continuous improvement, financial governance, workforce learning and governance, legislative and regulatory compliance and feedback and complaints.

When clinical support intervention is required our care and service offering can be adjusted. ECH has developed a care management approach that is responsive to changes in individual circumstances or complexity.

Through a commitment to open disclosure, errors are reported and acknowledged without fear of inappropriate blame whilst members and their families are informed of what went wrong and why.

Quality and Safety is everyone's business. Teamwork and information sharing are recognised as crucial elements of quality service delivery.

Principle 4
South Australia is a diverse community and the enterprise will reflect that diversity in its members, staff and community engagement.

When members are invited to nominate for ECH internal committees, expressions of interest are sought from a diverse range of backgrounds including Lesbian, Gay, Bisexual, Transgender and Intersex (LGBTI), Culturally and Linguistically Diverse (CALD) and Aboriginal and Torres Strait Islander communities.

ECH is highly committed to being inclusive of members and staff with differing backgrounds. ECH is constantly tailoring its services to reach diverse social groups such as CALD, LGBTI and Aboriginal and Torres Strait Islander communities. ECH both celebrates and embraces diversity and is also non-faith based and welcomes people from all religious backgrounds.

Principle 5
Members and staff should feel safe within the enterprise.

The ECH Board has moral and legal obligations to provide a safe workplace. Processes are in place for prevention, early intervention and rapid response. Any instance of exception will be closely examined to learn lessons, review procedures and improve systems. This is to be seen in the context that a certain amount of risk has to be taken to ensure a flexible and responsive organisation. The organisation is aware of the balance and has developed a Risk Appetite Statement.

The Board provides leadership by respectful behaviour to its own members, its dealing with the Chief Executive and staff and with any interaction with members.

Principle 6
ECH acts with integrity internally and in business dealings and with other stakeholders.

ECH has processes in place to support ethical and professional practice for all staff in line with the ECH Code of Conduct and where applicable for professional and clinical staff in line with relevant legislative, regulative or professional practice.

ECH actively collaborates with other groups which share our aspirations for older people such as COTA SA, Dementia Australia, Carers SA, Guide Dogs SA/NT.

ECH engages volunteers in the development and support of programs that can assist members to have active social connections within their communities.

ECH sponsors events which are of interest and/or benefit for our members.

Principle 7
ECH should advocate for reforms external to the enterprise that would improve independent living for older people.

The Chief Executive has authority from the Board to use knowledge gained within and without the enterprise to provide good information to policy makers including politicians to encourage service improvement. He also has authority to speak about positive improvement to the media.

ECH supports membership of industry associations which act for reforms consistent with its aspirations.

Principle 8
ECH is a learning organisation and evaluates itself on a regular basis for improvement.

ECH is committed to continuous improvement. It undertakes review and evaluation using a range of different measures. These include but are not limited to:

- Annual Board evaluation process;
- Performance management of the Chief Executive by the Board;
- Performance management of the Executive and their staff by the Chief Executive;
- Receipt and consideration of consumer feedback;
- Internal and external audit activity;
- Attendance at conferences and industry briefings.

The Board ensures Good Governance by:

- Receiving reports from the Chief Executive monthly;
- Being proactive in monitoring identified indicators of good governance;
- By showing leadership on matters of feedback;
- The Chair and Deputy Chair meeting with the Chief Executive in the week either side of the Board Meeting;
- Working with the Chief Executive to ensure members, staff, stakeholders and others understand that this is the way business is done at ECH.

6. Definitions

Term	Definition
Act (of Parliament)	A law made by Parliament; a bill which has passed all three readings in each house and has received royal assent
Association (ECH Rules)	The association means ECH Inc. ECH is incorporated under the Associations Incorporation Act
CE	Chief Executive
Clinical Governance	Clinical governance is defined as an integrated component of an organisation's corporate governance. Clinical governance ensures that everyone within the organisation (from the Board to front line staff) is accountable for ensuring the delivery of safe, effective and high-quality services
Compliance	Conformity in fulfilling official requirements. Compliance may include the following obligations: • Legal or regulatory • Organisation (including obligations arising from policies and procedures as well as risk treatments), and • Contractual.
Consumer / client / member	Consumer / client / member refers to the person receiving care and/or services by ECH. Where applicable, it may also include the person's family member, carer or substitute decision maker
Consumer / client centred care	Refers to the approach to the planning, delivery and evaluation of care and services that is founded in mutually beneficial partnerships among clients and ECH.
Continuous Improvement	Continuous improvement is a systematic, ongoing effort to improve the quality of care and services and: • Takes into account the needs of clients and may involve them in improvement activities • Is part of an overall quality system to assess how well systems are working and the standard of care and services achieved • Is a result focussed activity demonstrated through outputs and outcomes
Corporate Governance	Corporate governance encompasses the system by which an organisation is controlled, operates and the mechanisms by which it,

Term	Definition
	and its people are held to account. Ethics, risk management, compliance and administration are all elements of governance
Delegations of Authority	Is a formal ECH document that establishes who is empowered to make decisions and to take specific actions within ECH. A delegated authority is a reference to the person as defined in the ECHD Delegations of Authority document
ECH	Enabling Confidence at Home
Executive Leadership Team	Includes the Chief Executive and Executive (General Managers)
Governance	Encompasses the rules, relationships, policies, systems and processes whereby authority within the organisation is exercised and maintained. The pertains to both corporate and clinical governance

7. Related documents

7.1 External

- Aged Care Quality Standards 2018
- Adding Value to governance in aged care 2017
- National Model Clinical Governance Framework 2017
- Quality of Care Amendment (Single Quality Framework) Principles 2018 (Aged Care Quality Standards)
- Not-for-Profit Governance Principles 2019
- User Guide for Governing Bodies 2019
- ISO31000:2018 Risk Management Guidelines

7.2 Internal

- Mission Leapfrog: ECH Strategic Plan 2016-2021
- Policy: Operational Governance June 2019 (2nd edition)
- ECH Board Charter, August 2018
- ECH Risk Appetite Statement
- ECH Policy Framework 2018
- Executive Leadership Terms of Reference and associated Schedules 2018

8. Feedback

Contact the Quality and Compliance with feedback on this document at:
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