

TERMS OF REFERENCE

STRATEGY AND RISK COMMITTEE

Purpose

The responsibilities of the EMPHN Board are set out in clause 3.4 of the EMPHN Board Charter and include oversight of the finances, values and culture, and risk and compliance frameworks of EMPHN. Pursuant to clause 17.6 of the Constitution of Eastern Melbourne Healthcare Network Ltd (trading as Eastern Melbourne PHN – EMPHN) a committee of the Board will be known as the Strategy and Risk Committee (“the Committee”). The primary objective of the Committee is to assist the Board with its duties and responsibilities on matters of strategy including oversight of the organisation’s five year strategic vision; monitoring and reviewing strategic projects, initiatives and frameworks; risk management and oversight of the compliance framework.

Membership

The Committee shall comprise:

- At least four members who shall be appointed by the Board.
- The Chief Executive Officer (ex officio).

The Board will have the option to appoint an independent member with relevant specialist expertise.

The Chair of the Committee will be a Director who is not the Board Chair.

The Chair and membership of the Committee will be reviewed and determined by the Board annually.

Secretary

The Board Secretariat will be the Secretary of the Committee.

Attendance by Non-Committee Members

Attendance at Committee meetings by EMPHN officers is by invitation of the Chair of the Committee.

The Committee will invite Auditors or others to attend meetings to provide pertinent information, as necessary.

Meetings

The Committee shall meet as frequently as required or otherwise six times per year.

The Chair or the Secretary may call a meeting.

Three members shall constitute a quorum. In the Chair’s absence from a meeting, the Members present will select a chair for that particular meeting.

Role and Responsibilities

The Committee shall report to the Board on all matters relevant to the Committee’s role and responsibilities. The Committee has the following specific delegations from Board:

a) Strategy and Performance

- Endorse for Board approval EMPHN’s Strategic Plan.
- Monitor and review the organisation’s performance against the Strategic Plan.
- Monitor the organisation’s performance against agreed targets, performance indicators and Commonwealth compliance indicators.
- Monitor and review EMPHN’s strategic frameworks to foster innovation.
- Review and advise the Board on business cases for new strategic projects and initiatives.
- Monitor progress on the implementation of new strategic projects and initiatives and advise the Board on the achievement of outcomes and any corrective actions required to achieve objectives, including improving the health services in the region.

- Receiving reports from Management on regular reviews.
- Review arrangements with other agencies and service providers to enable effective and efficient delivery of health services and continuity of care across the region.

b) Risk Management

- Monitor and review the strategic direction, objectives and effectiveness of EMPHN's risk management framework and supporting policies, procedures and controls to ensure the effective identification, assessment and prioritisation of potential material risks and that management is operating within the risk appetite set by the Board.
- Review, and recommend to the Board for approval any changes to EMPHN's risk management framework, risk appetite and supporting policies.
- Receive reports from management on new or emerging risks and the risk controls and mitigation measures to address those risks.
- Review at least annually EMPHN's risk management framework to satisfy itself that it continues to be sound, effectively identifies all areas of current and potential material risk and that the Company is operating with due regard to the risk appetite set by the Board.
- Review the implementation of, and evaluate the adequacy and effectiveness of, the Company's policies, procedures and systems in relation to internal controls, management of business risks and safeguarding of assets.
- Receive reports from the internal auditor concerning reviews of the Company's risk management framework, including the adequacy of the Company's processes for managing risk.
- Approve quarterly risk management reports.

c) Compliance

- Review the effectiveness of EMPHN's systems and processes for ensuring compliance with laws, regulations and internal policies, and the results of management's investigation and follow-up of any instances of non-compliance.
- Review, and recommend to the Board for approval, and any changes to, EMPHN's compliance framework and relevant policies to ensure compliance with EMPHN's legal and regulatory obligations (particularly those which have a major potential impact on EMPHN).
- Annually review and evaluate the adequacy and effectiveness of EMPHN's compliance framework, including relevant supporting policies, procedures and systems. Receive regular updates from management on EMPHN's compliance profile and compliance matters, and report any material issues to the Board where necessary.
- Review updates from management, the Company Secretary, internal and external auditors, and legal advisors regarding compliance matters that may have a material impact on EMPHN's reputation or financial statements.
- Review the findings of any examinations conducted by regulatory or other external bodies in relation to compliance matters.
- Review reports from the CEO about any current pending litigation or regulatory proceedings in which EMPHN is a party and which may have a material effect on EMPHN.

d) Other Responsibilities

- Approve significant policies that pertain to the Committee's functions and responsibilities.
- Contribute as required to the internal audit program and monitor implementation of internal audit recommendations.
- The Committee will, in discharging its duties, seek to co-ordinate its activities with the Finance, Audit and Value Committee where appropriate. The Committee Chair will liaise with the Chair of the Finance, Audit and Value Committee on an ongoing basis to ensure that no material matter is overlooked by the two Committees.
- Perform other activities as requested by the Board.

- Institute and oversee special investigations as needed.
- Review and assess the adequacy of the Terms of Reference annually, requesting Board approval for changes and ensuring appropriate disclosure as required by-law or regulation.

Authority

In carrying out its duties the Committee shall have the authority to:

- Retain independent counsel, accountants or others to advise the Committee or assist in the conduct of an investigation.
- Discuss directly with the CEO and where necessary senior management any issue within its remit and to request reports, explanations and information of any of the activities, procedures or accounts of the Company.

Reporting Procedures

The Committee shall keep minutes of its meetings. The Board Secretariat shall circulate the minutes of the meeting to all members of the Committee for comment within 10 working days of the meeting and make any amendments before being signed by the Chair of the Committee and circulated to the Board with the papers for the next Board Meeting.

Evaluation

The Committee will annually evaluate its performance against the roles and responsibilities as set out in the Terms of Reference. This evaluation will form part of a broader review of Board performance.

Amendment History			
Version	Details of change	Approved by	Date
3.2	Format updates only	Board	22 August 2025
3.1	Update to Committee Chair and membership – annual Board review	Board	15 March 2024
3	Update to reflect new Committee structure @1 Jan 2020 with inclusion of responsibilities around risk	Board	11 Sept 2020
2	Update to responsibilities to better align with the purpose; to reflect the transformative strategies & commissioning re-design work and to include monitoring of high risk commissioning & performance/impact of commissioning	Board	3 May 2019
1	Inaugural TOR	Board	4 May 2018