

Corporate governance statement

Therapeutic Guidelines Limited (TGL) is an Australian incorporated not-for-profit public company limited by guarantee with responsibility to its members in accordance with its constitution. The directors have undertaken to perform their duties with honesty, integrity, care and diligence, according to the law and in a manner that reflects the highest standards of governance.

Board responsibilities

Ultimate responsibility for the governance of TGL rests with the Board of directors. The Board is comprised entirely of independent, non-executive directors with a broad range of health care, business, institutional and governance experience.

TGL maintains the highest level of corporate ethics and the Board has adopted a formal charter.

In particular, the Board:

- approves corporate strategy and performance objectives;
- appoints and evaluates the performance of the Chief Executive Officer;
- approves and monitors the annual budget and TGL's financial and operational performance;
- sets and assesses the objectives and standards by which TGL is governed;
- ensures adequate risk management;
- ensures compliance with laws and policies.

The Chief Executive Officer is responsible to the Board for the management of TGL.

Election of directors

Members of TGL elect directors at the annual general meeting in accordance with the constitution. Directors are subject to re-election.

Board composition and operation

The Board comprises nine independent non-executive directors made up as follows:

- one person appointed by the Board from 3 nominees proposed from the Victorian Medical Postgraduate Foundation Inc.;
- one person appointed by the Board from 3 nominees proposed by the Royal Australian College of General Practitioners;
- one person elected by members who are natural persons;
- six people elected at a meeting of members.

Required Board competencies and the composition of the Board are reviewed on a regular basis to ensure that the Board has the appropriate mix of expertise and experience.

The Board elects the Chairman annually from amongst its number at the Board meeting following every annual general meeting.

Other than in accordance with the constitution, independent directors have no relationship with management of TGL that would interfere with the exercise of their independent judgment and are free from any business or other relationship which could materially interfere with their ability to act in the best interests of TGL.

No fees are paid for serving as a director. TGL meets the cost of any travel and accommodation expenses incurred in connection with Board activities.

Board committees

The Board has, pursuant to its powers of delegation, established a Finance and Risk Management Committee.

Independent professional advice

Directors have access to independent advice when required at TGL's expense.

Board process and performance review

Each year the Board carries out a formal review of its performance and that of individual directors. The Board also reviews its performance at directors' meetings to continually improve the content and outcome of these meetings.

Internal controls and management of risks

The Board has in place controls to safeguard TGL's assets and interests. To assist in discharging this responsibility the Board has in place a control framework which includes:

- development and adoption of a strategic plan;
- adoption of a risk management plan and review program;
- development and adoption of an annual marketing plan;
- adoption of clearly defined guidelines for capital expenditure including annual budgets;
- comprehensive and rigorous requirements for the preparation and publishing of Therapeutic Guidelines to ensure the publications represent independent consensus opinion regarding the distillation and interpretation of the best available evidence at the time of publication of each guideline;
- regular reporting to the Board on all key targets;
- appropriate comprehensive insurance arrangements for a company of its type and operations.

Ethical standards

TGL has developed comprehensive policies that require the highest ethical standards, corporate behaviour and accountability from all its directors, management and staff.

Conflict of Interest and other policies

The independence of TGL is critical to the success of its publications and consequently TGL has in place strict requirements for controlling any conflict of interest issues that may or could arise from directors or from members who are appointed to expert groups. These requirements are reviewed regularly to ensure their effectiveness.

Document information:

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