

DATED the

day of

2008

MEMORANDUM OF ADMINISTRATIVE ARRANGEMENT

between

COUNTRY HEALTH SA HOSPITAL INCORPORATED

and

... HEALTH ADVISORY COUNCIL INCORPORATED

[This Agreement is a DRAFT provided only for the purposes of furthering negotiations between the parties. No party will be legally bound unless and until this Agreement is executed by the parties and any actions taken in anticipation of such formal execution is at the risk of the person taking them.]

[This draft document was prepared for a specific transaction. Do not use this document for any transaction other than the one for which it was prepared. Do not use this draft document to prepare an execution copy. Any such use without legal advice may be inappropriate and have unintended legal consequences. If, contrary to this advice, the document or part of it is used for another transaction, you must not represent or claim that it is a document of the Crown Solicitor's Office.]

TABLE OF CONTENTS

1. STATUS OF MEMORANDUM OF ADMINISTRATIVE ARRANGEMENT (MAA)..... 1

2. COOPERATION 2

3. FUNDRAISING 2

4. PROCUREMENT OF GOODS 2

5. FINANCIAL 3

6. REPORTING 3

7. RESOURCES 3

8. PROBLEM RESOLUTION 3

9. MODIFICATION 4

MEMORANDUM OF ADMINISTRATIVE ARRANGEMENT dated:

PARTIES:

COUNTRY HEALTH SA HOSPITAL INC of [insert address] (“CHSAH”)

AND

... HEALTH ADVISORY COUNCIL INC of [insert address] (“HAC”)

BACKGROUND

- A. Pursuant to the *Health Care Act 2008* (HC Act), all boards of directors of hospitals incorporated under the *South Australian Health Commission Act 1976* (SAHC hospitals) will be [have been] dissolved.
- B. Country Health SA Hospital Inc (CHSAH) has been established to take on the role previously undertaken by the SAHC hospitals to provide hospital services in country areas of South Australia to the various country hospitals.
- C. Health Advisory Councils (HAC) have been established under the HC Act to undertake an advocacy/advice/fundraising role on behalf of the community and to hold assets for the use of CHSAH.
- D. The Minister for Health has approved terms and conditions under section 18(3)(b) of the HC Act on which HAC holds its Assets for the benefit, purposes and use of CHSAH.
- E. HAC has been established pursuant to the HC Act and HAC and CHSAH now wish to record in writing their agreement with respect to other matters.

IT IS AGREED:

- 1. **STATUS OF MEMORANDUM OF ADMINISTRATIVE ARRANGEMENT (MAA)**
 - 1.1 The parties acknowledge that this is an administrative arrangement between instrumentalities of the Crown in right of the State of South Australia and is not intended to create legal relations.
 - 1.2 CHSAH and HAC acknowledge that they are bound by the provisions of the *Health Care Act 2008*.

- 1.3 HAC acknowledges that it is bound by the terms and conditions pursuant to section 18(3)(b) of the HC Act and to its Constitution.
- 1.4 CHSAH acknowledges that it is bound by the terms and conditions pursuant to section 18(3)(b) of the HC Act.
- 1.5 HAC acknowledges that it will provide information about its financial transactions to CHSAH as reasonably requested by CHSAH and will comply with CHSAH's financial policies and procedures as advised by CHSAH.
- 1.6 HAC acknowledges that it is bound by the *Income Tax Assessment Act 1997* (Cth) in relation to any gift fund which it establishes and maintains.
- 1.7 HAC acknowledges that it will comply with Treasurer's Instructions issued pursuant to section 41 of the *Public Finance and Audit Act 1987* (SA).
- 1.8 Both parties acknowledge that they are insured under the Department of Health's self-insurance program for claims of up to \$1,000,000.00 and that thereafter they are covered by the South Australian Government Insurance and Risk Management Arrangements administered by the South Australian Government Captive Insurance Corporation (**SAICorp**).

2. **COOPERATION**

Each party will fully cooperate with the other to fulfil their commitments under this MAA and will act reasonably and in good faith with respect to matters that relate to this MAA.

3. **FUNDRAISING**

Prior to the start of each financial year, and after community consultation, HAC, if it wishes to undertake fundraising activities during that financial year, must meet with CHSAH and determine fundraising priorities for the forthcoming financial year.

4. **PROCUREMENT OF GOODS**

- 4.1 HAC must comply with the Department of Health's policies and procedures when procuring goods and services.
- 4.2 HAC must ensure that in its procurement of goods:
 - 4.2.1 the goods to be procured are of a satisfactory quality;
 - 4.2.2 the goods will be delivered in good order and condition and in accordance with any delivery timetable;
 - 4.2.3 the price paid for the goods procured represents value for money;
 - 4.2.4 there is open and effective competition in the purchasing process to the extent practicable; and
 - 4.2.5 a professional approach is reflected in the purchasing process including ethical behaviour and fair dealing.

5. FINANCIAL

In addition to the matters set out in section 21 of the HC Act, HAC must comply with the following:

- 5.1 Prior to the end of each financial year, HAC must prepare an annual budget for the upcoming financial year based on discussions with CHSAH.
- 5.2 HAC must open a bank account (or such other current account in accordance with its Constitution) in HAC's name and deposit all funds provided by CHSAH and raised through HAC fundraising activities (other than monies and property that are required to be held in HAC's Gift Fund) into that bank account.
- 5.3 There must be at least two signatories to the HAC bank account.
- 5.4 HAC must maintain a sound administrative and financial system capable of verifying all banking transactions.
- 5.5 HAC must also:
 - 5.5.1 keep proper and detailed accounts, records and asset registers along with adequate management records providing clear audit trails in relation to fundraising expenditure;
 - 5.5.2 afford adequate facilities for audit and inspection of the financial records referred to above by CHSAH and its authorised representatives at all reasonable times and allow copies and extracts to be taken; and
 - 5.5.3 preserve the financial records referred to above for a period of 6 years.

6. REPORTING

- 6.1 HAC must provide a monthly report to CHSAH within 7 working days of the end of each month.
- 6.2 Each monthly report must include all amounts received by HAC during the month to which the report relates, whether from fundraising, donations or bequests.
- 6.3 HAC must provide an annual activity report to CHSAH informing CHSAH of the outcome of fundraising activities against the agreed fundraising priorities.

7. RESOURCES

CHSAH will make available to HAC on request, reasonable resources (including staff) and facilities to enable HAC to fulfil its core functions, other than for fundraising activities.

8. PROBLEM RESOLUTION

- 8.1 The parties agree to make best endeavours to resolve problems expeditiously between themselves and will not resort to external processes without attempting to resolve the problem in accordance with clause 8.2.

8.2 If a problem is not resolved within 14 days of notice of the problem being given by one party to the other, the problem must be referred to the Executive Director Operations, Department of Health for resolution.

9. **MODIFICATION**

Any modification to this MAA must be in writing and signed by each party.

SIGNED for and on behalf of **COUNTRY HEALTH**)
SA HOSPITAL INC by)
a person authorised to do so, in the presence of:) *Authorised signatory*

.....
Witness
[Print Name:]

SIGNED for an on behalf of **HEALTH ADVISORY**)
COUNCIL INC by)
a person authorised to do so, in the presence of:) *Authorised signatory*

.....
Witness
[Print Name:]