

## MINUTES

### Present:

Professor Carol Pollock	Chair, Board
Ms Ann Brassil	Board Member
Ms Diane Flecknoe-Brown	Board Member
Dr Michele Franks	Board Member
Mr Anthony Hollis	Board Member
Mr Andrew Goodsall	Board Member
Ms Betty Johnson AO	Board Member
Professor Sue Kurrle	Board Member
Mr Don Marples	Board Member
Associate Professor Annette Schmiede	Board Member
Mr Peter Young	Board Member

### In attendance:

Adj. Associate Professor Vicki Taylor	Chief Executive
Dr Andrew Montague	Director Operations
Mr Lee Gregory	Director Finance
Ms Maree Hynes	Director OES
Ms Judith Hogan-Wright	Secretariat

### Apologies:

Ms Judith Hopwood	Board Member
Dr Adam Rehak	Chair Medical Staff Executive Council

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### Board Discussion

The Board members met in closed session for 30 minutes prior to commencement of the meeting.

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#### 1. Presentation: ACI - Update

Dr Nigel Lyons, Chief Executive, NSW Agency for Clinical Innovation (ACI) presented *Agency for Clinical Innovation Support for LHDs*. Dr Lyons expressed how critical for ACI to have opportunities to present to LHD Boards and to take away their views and comments to better support LHDs in the future.

ACI is seeking to identify the goals specific to NSLHD and how ACI is able to support and meet these goals and to this end sought identification of an Executive as a nominated contact between these two organisations. Dr Lyons asked that NSLHD consider the projects and staff to be developed and be nominated for the Redesign Schools.

Dr Lyons discussed the challenges for the future: Healthcare is a complex system which is people dependent, need for improvement in the skills for the management and successful implementation of changes, improved data collection and dissemination of information.

Director Operations listed a number of partnering projects between NSLHD and ACI that have been successful.

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#### 2. Clinical Excellence

Presented by Clinical Professor Greg Fulcher

The Board noted the presentation which covered the actions and achievements of the Clinical Council for the last 12 months and the focus for the forthcoming year.

The Board Chair commented on the change for the Clinical Council membership undertaken early in 2013 with the recognition of the large capital developments that are completed or are being undertaken and that a stronger network structure was required.

Clinical Professor Fulcher commented that each of the Networks are reviewing the Clinical Services Plan pertinent to that Network and some have been completed. He also commented that this document is an evolving document to improve the Clinical Services Plan and constantly focus on improving clinical service delivery to our community.

For consideration is the need to include a consumer representative on the Clinical Council membership.

This presentation dove-tailed well with the presentation from ACI as both organisations work well together with further opportunities for cooperation and clinical improvements in the future for NSLHD.

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### **3. Patient Story**

Presented by Adj. Associate Professor Vicki Taylor

The Board noted the presentation and the lessons to be learned through the tabling of this patient's story. A letter has been sent to the family of the patient signed by both the Board Chair and Chief Executive.

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### **4. Attendance / Apologies / Quorum / Conflict of Interest**

Attendance and apologies were noted.

Conflict of interest: Nil

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### **5. Confirmation of Minutes**

The Board accepted the minutes of the meeting held on 19 November 2013 as a true and accurate record of that meeting with one amendment: Presentation: Client Service Report page 2 should read. Formal sign-off of the Financial Statements – The Audit Office expectation is that following approval by the Audit Committee, *Finance and Performance and finally NSLHD Board for endorsement...*

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### **6. Ongoing Business (in conjunction with Action List)**

#### **6.1 Chief Executive Report**

The Board **NOTED** the Chief Executive's Report. The updates to this presentation are as follows:

- Letter to Director General is being prepared regarding the Quinquennium appointments.
- Mr Anthony Hollis discussed further Macquarie University and NSLHD partnership opportunities. Macquarie University is seeking to be a Centre of Excellence by creating Models for the Health Economy; how is health going to be funded going forward.

- Director Operations discussed further the Clinical Council's and ACI's cooperation in service delivery levels for vascular surgery and the involvement by the Networks and involved parties.
- North Shore Ryde and Mental Health Drug & Alcohol Health Services have not received final accreditation reports from Australian Council Healthcare Standards with these reports expected to be received in early 2014.

Questions were received: What are the key initiatives for NSLHD and how best to support these initiatives. The Board requested for a Plan to be presented.

**Action:** The Chief Executive to present in February 2014 further information on the key initiatives, the model of change, implementation and planning process with milestones.

## 6.2 Finance and Performance Report

The Board **NOTED** the Finance and Performance Report.

Director Finance presented the report covering finances to the end of November 2013 and following are items of note.

The report has been updated to include dashboards on each of the major hospitals which are utilised at Finance and Performance Meetings and within each of the sites. The Finance and Performance Committee is now operating under its smaller revised membership.

Forecast results: An unadjusted forecast based on the first five months of 2013/14 was presented. It was noted that the majority of the budget deficit occurs in Quarters 1 and 4 which reflect the seasonal pressure points of activity.

The forecast will be further refined by building in the effects of the OESI savings, a critical analysis of the assumptions and application of moderate budget rephasing.

Questions were raised regarding Workforce expenditure and its impacts on NSLHD's financial position; it was noted from November's action item: Presentation in February 2014 by the Director Finance covering Unplanned Activity, Workforce and how FTE is interpreted and analysed. It was also noted that these expenses are actively managed by the sites on an ongoing basis-

**Action:** Director Finance to distribute the December results prior to February 2014 Board meeting.

## 6.3 OESI / Recovery Plan

The Board **NOTED** the OESI Executive Report.

Director OESI presented an update on the OESI / Recovery Plan and noted from the summary report that NSLHD is tracking well compared to target. Projected end of year position is based on the proportion of the year to date surplus/deficit and calculated out for the 12 months and divided by the month currently reported.

The Director OESI reported that accountability of ownership of the traffic light report indicators are having a positive effect and contributing to actions.

The largest challenge is centred on RNS nursing and medical workforce expenses. Mental Health Drug & Alcohol labour management results have resulted in arranging a meeting with the key stakeholders to discuss the large number of nursing vacancies currently being back-filled.

Another targeted area is RNS theatre inventory management where improvements are anticipated to be achieved.

After analysis by outside contractor it is anticipated fleet vehicle reduction target to be 25% via better utilisation of motor vehicles and other identified methods.

Tender process is still under development but locking in reduction in prices until process completed.

Overall NSLHD is tracking well this quarter and is anticipating positive gains in performance.

The Board congratulated the Director OESI and her team on achievements thus far.

**Action:** Investigation into contracts that possibly could be affected by reduction in Australian dollar valuation.

#### **6.4 Kolling Foundation – Constitution**

The Chair updated the Board on the discussions with legal counsel.

The final recommendation from legal and outside advice: The Kolling Foundation to arrange the Foundation to enable them to obtain Deductible Gift Recipient 1 (DGR) & DGR2 status. RNS would contract with that organisation to deliver their fundraising activities and to receipt donations. A detailed contract has been drafted outlining the requirements for NSLHD for auditing, fundraising and the operational requirements necessary for such an undertaking. The naming of this joint venture is anticipated to be Kolling/North Shore etc leaving the opportunity to align with various sites within NSLHD. There will not be any competing fundraising activities outside of NSLHD aligned with Kolling Foundation.

The Board **ENDORSED** the progression of this joint venture.

#### **6.5 Quinquennium – Re-engineering of the Workforce**

As discussed in Chief Executive Report 6.1 and will be included in updated Plan to be presented at February 2014 meeting.

#### **6.6 A Framework for Engaging Physicians in Quality & Safety – Update**

As discussed in Chief Executive Report 6.1 and will be included in updated Plan to be presented at February 2014 meeting.

#### **6.7 Internal Audit Restructure**

The Chair noted the issues raised by Mr Peter Young:

- The process of approval of Financial Statements.  
This issue was raised with MoH and comments received. Compendium states “*approval should be sought from Audit & Risk, Finance and Performance sub committee and endorsed by LHD Board*”.  
The issue was also raised with Director Audit & Risk who commented on an update to the Compendium dated 28 May 2013 which has been overlooked and the process will be amended to align with MoH Compendium as above.

The Director Finance tabled a draft Annual Board Calendar for 2014 detailing the dates for the Approval of Financial Statements.

- The signing of the Attestation Statement.  
Although the Board approves this document it is signed by the Chief Executive of NSLHD.

- **The FY14 Client Service Plan**  
MoH has confirmed that there is a role for the Audit & Risk Management Committee and the Board through the Audit & Risk Management Committee in defining the scope of the audit as articulated in the Client Services Plan but noting it is the Chief Executive who signs the Client Service Plan on behalf of NSLHD.

Mr Peter Young commented on the time limitations for the Approval of Financial Statements process. The process is as follows: Draft Financial Statements to Audit & Risk Committee for comment and referred to Finance & Performance Committee for comment, referred to both Chief Executive & MoH for comment, referred to External Auditor, Final Financial Statements referred to Board and Chief Executive for approval and finally to the Chief Executive for signature.

The Board entered an open and robust debate and **ENDORSED** Proposal 3 with one dissention: Mr Don Marples preferred the blended model.

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## 7. Capital Planning Updates

### 7.1 **Hornsby Ku-ring-gai Hospital**

The Board **NOTED** the report.

### 7.3 **Royal North Shore Developments / Master Plan**

The Board **NOTED** the report.

Associate Professor Annette Schmiede provided additional information and advised that a detailed presentation will occur in February 2014 covering the Master Planning for RNS site and Capital Planning across the NSLHD.

### 7.4 **Northern Beaches Redevelopment – Frenchs Forest update**

The Board **NOTED** the report.

Dr Michele Franks updated the Board on the progress of this project; Integrated Workshop with the respondents have commenced.

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## 8.0. New Business

### 8.1 **Future Operating Models, Macquarie University**

As discussed in Chief Executive Report 6.1.

### 8.2 **New Horizons - Update**

As discussed in Chief Executive Report 6.1.

### 8.3 **Council of Board Chairs - Update**

The Chair updated the Board on the most recent meeting.

### 8.4 **BHI Insights Into Care: 30-day Mortality for five clinical conditions in NSW (NSLHD)**

For Board members' information.

### 8.5 **NSW Health Model By-Laws Review**

MoH has distributed the Model By-Laws to each of the LHDs and to the pillars seeking comments for review.

**Action:** Mr Peter Young will lead this review process and will seek feedback and consultation from Board members and NSLHD Executive in February 2014 with final

submission in March 2013 and forward findings in late March 2014. Mr Young will distribute relevant papers to the Board members as an introduction to seeking comments.

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## **9. Standing Agenda Items**

### **9.2 NSLHD Committee Minutes**

#### **9.2.1 Health Care Quality Committee**

The endorsed minutes from the meeting held 10 October 2013 were **NOTED** by the Board.

#### **9.2.2 Medical and Dental Appointments Advisory Committee (MADAAC)**

The endorsed minutes from the meeting held 6 November were **NOTED** by the Board.

#### **9.2.3 Finance and Performance Committee**

The endorsed minutes from the meeting held 24 September were **NOTED** by the Board.

The endorsed minutes from the meeting held 22 October were **NOTED** by the Board.

#### **9.2.4 LHD Clinical Council**

The endorsed minutes from the meeting held 14 October were **NOTED** by the Board.

The draft minutes from the meeting held 4 November 2013 were **NOTED** by the Board.

#### **9.2.5 Medical Staff Executive Council (MSEC)**

The endorsed minutes from the meeting held 12 August were **NOTED** by the Board.

#### **9.2.6 Peak Community Participation Council (PCPC)**

The endorsed minutes from the meeting held 28 August were **NOTED** by the Board.

The draft minutes from the meeting held 28 October 2013 were **NOTED** by the Board.

#### **9.2.7 NSLHD and Medicare Locals Consultative Council**

Nil – Next meeting scheduled for 10 December 2013.

#### **9.2.8 Capital Asset Planning Committee**

Nil – Next meeting scheduled for 16 December 2013.

#### **9.2.9 Integrated Risk Management Advisory Committee**

The confirmed minutes from the meeting held 22 October were **NOTED** by the Board.

#### **9.2.10 Audit and Risk Management Committee**

The endorsed minutes from the meeting held 16 September were **NOTED** by the Board.

#### **9.2.11 Education Sub-committee**

The endorsed minutes from the meeting held 1 October were **NOTED** by the Board.

The draft minutes from the meeting held 5 November 2013 were **NOTED** by the Board.

#### **9.2.12 Research and Innovation Sub-committee**

The endorsed minutes from the meeting held 24 September were **NOTED** by the Board.

The draft minutes from the meeting held 5 November 2013 were **NOTED** by the Board.

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## **10. Correspondence - tabled for the information of the Board members**

**10.1** Health in Australia

**10.2** Accreditation - Letter of thanks to General Manager, NSR Health Service

**10.3** Accreditation - Letter of thanks to Director, Mental Health Drug & Alcohol

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**Venue and time for next meeting**

Tuesday 4 February 2014 at 4:30pm in the Executive Board Room, Building 51, Royal North Shore Hospital

**Meeting Closed: 8:35pm**

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**CERTIFIED A CORRECT RECORD**

**By Professor Carol Pollock, Board Chair  
On 12 February 2014**