

MINUTES

Present:

Professor Carol Pollock	Chair, Board
Adjunct Professor Ann Brassil	Board Member
Ms Diane Flecknoe-Brown	Board Member
Mr Andrew Goodsall	Board Member
Ms Beata Kuchcinska	Board Member
Mr Peter Young	Board Member
Mr Anthony Hollis	Board Member
Adj. Associate Professor Annette Schmiede	Board Member
Dr Dianne Ball	Board Member
Ms Betty Johnson AO	Board Member
Dr Michele Franks	Board Member
Mr Don Marples	Board Member

In attendance:

Adj. Associate Professor Vicki Taylor	Chief Executive, NSLHD
Dr Andrew Montague	Executive Director Operations NSRHS & NSLHD
Mr Lee Gregory	Director Finance & Corporate Services
Dr David Jollow	Chair, Medical Staff Executive Council
Ms Judith Hogan-Wright	Secretariat

Apologies:

Nil

The Board congratulated Dr David Jollow on his appointment as Chair of NSLHD Medical Staff Executive Council (MSEC) and welcomed him as an attendee to the NSLHD Board meetings.

1. Presentations

1.1 Calcutta Group – HealthRoster Benefits Realisation

The Chief Executive introduced Mr Richard Parkin, Calcutta Group consultant and Ms Jane Street, Director Workforce & Culture providing information on the value proposition of implementation of HealthRoster within NSLHD.

Over the last few years, NSLHD has embarked on business and process improvement of allocation of workforce, reducing excessive leave and best roster practices. Currently within NSLHD there are two separate rostering systems, one of which is no longer able to be supported. eHealth along with NSLHD are implementing HealthRoster, a new rostering system for all staff, with the exception of Visiting Medical Officers (VMOs). NSLHD is working in partnership with eHealth to engage a consultancy company to investigate the benefits of the new roster system. The Calcutta Group outlined their extensive and inclusive process undertaken to arrive at identification of potential benefits. This process has confirmed areas within the District that incur excessive agency usage, staff overtime, over / under / late payments and staff with excessive leave. Mr Parkin commented that the NSLHD had already achieved substantial reduction of excessive leave. For NSLHD to realise all the benefits of HealthRoster, a change management process will be undertaken at all levels of the organisation.

The Calcutta Group will define the deliverables of the framework and benefits to the NSLHD. The Board sought information on the implementation and ownership of these practice changes. HealthRoster rollout has commenced with Primary & Community Health and

Medical Imaging Diagnostic Service (MIDS) and it is anticipated that it will take five months to realise benefits from implementation. There will be a phased LHD rollout over the next 12 months assisted by staff from eHealth. The Board thanked Mr Parkin and Ms Street for an informative presentation. The progress of the project will be followed up in the Chief Executive's report to the Board.

Action: The Board will be provided with the Calcutta presentation.

1.2 Progress report on the Innovation Program

Tabled and **noted** was the referral note from Ms Maree Hynes, Director Performance, Innovation and Integrated Care, which provided an update to the Board on the innovation initiatives.

The Chief Executive acknowledged that this program has slipped and provided additional information to the referral note. Discussions with external groups covering engagement and exploration of the long term potentials for the organisation have been undertaken. Further discussions have been held with the Lakeba Group, an innovation accelerator / incubator organisation and representatives from the LHD will be participating in a workshop to progress this initiative. The LHD is also working with Gartner Inc, a technology research organisation on innovation in the information, communication and telecommunications area.

The Chair referred to the recent Translational Research Grants which will inform the workplan of the Innovation Program, and successful applications will in turn be supported by the Program.

The Board commented upon and sought further information on the following:

- Clarity of the strategic direction and structured mile-stones.
- Identification of measurable deliverables / outcomes.
- Existing capability within the LHD to effectively implement the innovation programs.
- Process for re-direction of potential savings (if considered a deliverable).
- Differentiating operating efficiencies versus innovation achievements in reporting.
- Aligning this innovation program with the SPARK Sydney program via the Northern Sydney Academic Health Science Centre.

Action: Ms Hynes to provide a detailed update to the Board in September 2016.

The Operational Efficiencies Service Integration (OESI), of which Ms Hynes was the Program Director, will transform to business as usual (BAU) as at 30 June 2016 after a three year focus on the NSLHD Recovery Plan. The OESI program will transition into the Finance and Performance Directorate. The OESI program will be rebranded and refocused on a number of initiatives and projects.

2. Patient Story

In lieu of a specific patient story, the Board sought information from the Chief Executive (CE) and the Executive Director Operations in respect of the impact of severe weather that affected the Sydney area over a 72 hour period. This put pressure on the NSLHD facilities and staff to maintain operational services.

The CE detailed the facilities within NSLHD that had sustained damage and the operational contingencies implemented to ensure that optimal patient care was maintained throughout this period. The CE gave credit to the organisation as a whole, commended the leadership and the manner in which NSLHD worked as a team.

In addition to the impact of this weather situation on the organisation, the CE also touched on the impact of a mental health patient who caused property damage and the flow on effect. At no time

patients care and safety, or services were compromised which is a testament to the organisational resilience of NSLHD.

The Board thanked the CE and asked that their comments be passed to all staff for their outstanding work over a very demanding 72 hours.

3. Attendance / Apologies / Quorum / Conflict of Interest

Attendance and apologies were noted.

Professor Carol Pollock has been appointed as board member of Bureau of Health Information (BHI) which will be included in the Registration of Interests register.

4. Confirmation of Minutes

Minutes of the meeting held 3 May 2016 were confirmed as a true and accurate record of the meeting with the following correction noting that point 5. *Ongoing Business* was reduced to one sentence to encapsulate the essence of the discussion around the over-arching framework for a risk management plan.

5. Ongoing Business (in conjunction with Action List)

The Board discussed at length the documents presented under points 5.1 and 5.2 which were provided to give the Board evidence and assurance of the undertakings by the organisation around Enterprise Risk Management and governance in Clinical Audits.

5.1 Update on improvements to the Enterprise Risk Management Framework

The referral note was **noted** with comments on the changes still currently underway and the conflicting interpretation regarding ownership of risk management i.e. does it sit with the Board or with the CE. To ensure clarity on the responsibility for risk management, the NSLHD has made a recommendation to the Ministry of Health (MoH) to amend the NSW Health Model By-Laws accordingly. This has previously been discussed at Board meetings held in February and March 2014.

In principle the Board should be confident that risk mitigation strategies are in place to provide surety to the Board that the LHD is in a position to manage risk and opportunities, when they arise.

Management outlined the current structure of risk management and included the various committees that cover risk as an integral part of their responsibilities.

The Chair noted that in the MoH Capacity Assessment, NSLHD rated well on risk management compared to other LHDs. The Chair sought clarity from the Board as to what evidence based documentation is required to satisfy the Board's confidence that risk and opportunities within the NSLHD is being proactively identified and managed.

Board made the following suggestions:

- Reporting to include trends on a quarterly basis.
- Reports covering risk as well as quality indicators.
- The governance framework but not operational detail is required.
- Strengthen the oversight by the Audit & Risk Management Committee of enterprise risk management.
- It was noted that the BHI website reports datasets and comparisons against peers and is an independent method of review and could be incorporated within the reporting to the Board.

- A board member offered to prepare a short paper proposing the governance model the Board might adopt for, risk management reporting to the Board
- Consideration be given to the governance / reporting lines of IRMAC (a management committee) versus Audit & Risk (Board sub-committee) and seek clear separation from the Executive's versus Board's responsibilities.
- Build more visibility for the board on the extent of risk management opportunities and risk appetite.

In response management added the following recommendations for consideration:

- The Chair of IRMAC updates the board quarterly.
- The top 10 risks are tabled at the Board quarterly.
- Investigate and identify the Board's tolerance / appetite for risk.
- Audit & Risk Committee to consider strengthening oversight of Clinical Audits.

The CE commented that a piece of work is currently being undertaken in the area of risk management and where it sits within the LHD, its responsibilities covering clinical, corporate, strategic, project risks and where these risks are investigated separately and equally. Currently being investigated is a new role, NSLHD Chief Risk Officer and it is proposed that this position could chair IRMAC.

Overall:

- All Board members seek clarity around quality and quantity and timelines for reporting of risk.
- Board members have differing views as to what is required to satisfy their governance responsibilities.

It was agreed that a consensus of reporting to the Board on this matter is required. It was also agreed that the Board's time should not be focused predominantly on risk but a more holistic approach to the responsibilities of a Board be adopted. In particular greater focus should be placed on the strategic issues and opportunities of relevance to the NSLHD.

5.1.1 Risk Management Procedure Enterprise-Wide – NSLHD

The Board **noted** this procedure is still under review.

5.1.2 IRMAC Terms of Reference

The Board **noted** the Terms of Reference are still under review.

5.1.3 Changes in MoH ERM Policy – October 2015

The Board **noted** this paper.

5.1.4 NSLHD Top 10 Risks Report to MoH (January – March 2015)

The Board **noted** this report and reiterated that this would be beneficial to receive on a quarterly basis.

Discussion occurred as to where risk assessments are considered high, can they be risk managed to mitigate risk or does inherent risk not change despite recognition and management.

Action: This will be included as part of the risk framework to be presented to the Board.

5.1.5 Enterprise Risk and Opportunity Plan Summary Report.

The Board **noted** this report.

5.2 Governance in Clinical Audits

The referral was **noted** by the Board. The documents listed in point 5.2 covers the action item, Clinical Governance Trends in Adverse events, as listed in the Board Calendar.

To a question from a Board member regarding obtaining more detailed information on trends in clinical indicators, the Chair responded that the Board had previously requested not to receive such granular reporting on Clinical Performance measures and these now go to the Finance and Performance Committee monthly.

The Board made the following comments / suggestions:

- The tabled documents were vast and varied and audits occurred at multiple levels of the organisation, which created confusion for some of the non-clinical members of the Board.
- Reporting should include trends and where possible comparisons to peers, to provide Board assurance on the level and extent of the clinical audits conducted throughout the LHD, from departmental through to NSLHD oversight.
- The Annual Internal Audit Plan should include clinical audits and be tabled at the Audit & Risk Committee meeting prior to being tabled for the Board's information.
- List the schedules of audits conducted, ratified at Audit & Risk and have the opportunity to undertake ad hoc audits should a hot spot arise – this function already exists.

Management's responses to the above:

- The Audit & Risk Committee only sits three times a year. Another forum where clinical risks are monitored on a regular basis is Finance & Performance, by exception of our service agreement, which is undertaken monthly. Additionally, site and district level Quality & Safety Committees sit on a regular basis and report through to the LHD Health Care Quality Committee and where relevant to performance measures, to Finance & Performance.
- The NSLHD Audit team has been strengthened and has been undertaking excellent work.

5.2.3 Consumer Feedback including Types & Trends 2016-06-13

The Board **noted** the report and commented it was very informative but did not include rate comparisons, only numbers. It was suggested that the report be broken down by nature of complaint / by site and a method to identify any possible trends.

5.2.1 Clinical Quality Indicators

The Board **noted** this report.

5.2.2 Health Service Audit Schedule

The Board **noted** the report.

5.2.3 – Consumer Feedback including Types & Trends 216

The Board **noted** the report and advised it was very helpful and insightful.

5.2.4 – RCA Causal Statement

The Board **noted** this report.

5.3 PCCPC Business Plan

This item was held over until the July Board meeting.

6. Standing Business

6.1 Chief Executive Summary

The Board **noted** the report.

In answer to the questions from the Board the CE provided additional information:

- The length of stay (LoS) at Ryde Hospital increased in July and August 2015 and has significantly improved. The increased LoS has been attributed to increased acute medical admissions.

- The 360 talent development program has gone live with 67 senior managers participating in this leadership program. At the conclusion of this process, a de-identified list of individual's skills sets and feedback will be received to facilitate the inclusion of new representatives into various projects and innovation ventures. Mentoring and coaching will be part of this process to ensure the right fit into the most appropriate project. The CE stated that this is a priority for the LHD and one that the LHD would like to invest in on an on-going basis. This initial process has been funded by identified savings. The LHD Executives are seeking to cascade this process down through the organisation.

6.2 Finance and Performance Report

The Board **noted** the Financial Summary for April 2016.

The Director Finance and Corporate Services (DF&CS) provided additional information to the tabled report as listed below.

Previously the No Gap Scheme involved the NSLHD paying additional fees (top up payment should the patient have an excess on their PHI) to VMOs for private health patients at Hornsby Ku-ring-gai Health Service and the Northern Beaches Health Service. This has been ceased and the LHD is on target to have a balanced budget by end of financial year. The General Manager HKHS / NBHS has in place a range of actions to address the impact of the cessation of the No Gap Scheme at Hornsby and Mona Vale Hospitals. There has not been any significant impact on hospital admissions due to Influenza. This may change over the next couple of months.

The ASB Positive Negative Pressure Room rectification is due to commence in November, when historically activity is lower and impact will be reduced.

Reported in the May Board papers, the Automatic Guided Vehicles (AVG) units were expected to be down for six weeks due to the change of telecommunication supplier but downtime was limited to only three weeks.

The DF&CS advised that an investigation is underway into the possible effect on the NSLHD Profit and Loss once the Northern Beaches service contract has been signed and the flow of private patients from NSLHD to the Northern Beaches Hospital.

Action: DF&CS to provide an update on the foodservice standards within the RNS PPP Update.

The Board congratulated the CE and DF&CS for the fiscal achievements and the advice that the NSLHD is on track to have a balanced budget by the end of the financial year.

6.2.1 March Early Close Financial Statement – Audit Update

The Board **noted** the tabled document. The pro forma Financial Statements are tabled at the Audit & Risk Committee.

6.2.2 Operational Efficiency & Service Integration (OESI) report to 30 April 2016

The DF&CS spoke to this report and was **noted** by the Board. Again it was commented that the Hornsby, Mona Vale and Manly Performance has been impacted by the No Gap Scheme as mentioned in the F&P report. The OESI will be incorporated within the F&P referral note from 30 June 2016.

Action: The DF&CS will investigate the Excess Leave Liability traffic light indicator / target variance and include an explanation in the F&P report at the next Board meeting.

6.3 Overview of Finance & Performance Committee

This item will be held over until the July Board meeting.

Action: The Service Agreement is due for release on 21 June 2016 and will be distributed to the Board out of session and discussed at the July Board meeting.

6.4 Client Services Plan year ending 30 June 2016

This document has been reviewed by the Audit & Risk Committee prior to tabling at the Board and **noted** by the members.

The DF&CS advised that a consultant has been engaged to provide detail on the life-cycle maintenance costs at Graythwaite Rehabilitation Centre (GRC). This is required for the legal process the MoH is undertaking so that the balance of the Graythwaite Trust can be transferred to NSLHD.

Action: In respect of eHealth Internal Security Audit, the Board sought assurance that ICT cyber security, including privacy risks, are addressed either by the Auditor-General as part of the annual audit or by the NSLHD Internal Audit Group.

7. New Business

7.1 NSLHD Policy Procedure Governance

The document was **noted** by the Board. It was commented that the Model By-Laws of the Health Services Act 1997 are currently being revised. It is hoped that clarity on the ultimate ownership of risks will be outlined in the updated document.

The Board sought assurance that policies were implemented in a timely manner.

7.2 NSLHD Policy Procedure Governance Committee – Terms of Reference

The Board **noted** the tabled document.

7.3 NSLHD Policy Directives Process – May 2016

The Board **noted** the tabled document.

7.2 NSLHD Policy Procedure Governance

The Board **noted** the tabled document.

8. NSLHD Committee Minutes

8.1 Audit and Risk Management Committee

The Board **noted** the draft March 2016 minutes. The CE added that the Chair of Audit & Risk and the other independent member and Sally Bond, Audit Office of NSW and a colleague from same, will be undertaking a tour of the LHD.

8.2 Capital Asset Planning Committee

The Board **noted** that the next meeting will be held on 22 June 2016.

8.3 NSLHD Clinical Council

The Board **noted** the endorsed April 2016 minutes.

8.4 Finance and Performance Committee

The Board **noted** the endorsed March 2016 minutes.

8.5 Health Care Quality Committee

The Board **noted** the endorsed March 2016 minutes.

8.6 Medical and Dental Appointments Advisory Committee (MDAAC)

The Board **noted** the endorsed April 2016 minutes. The Board congratulated Dr Michele Franks on her appointment to the Chair of MDAAC.

Action: The Board Chair to send a letter of thanks to the outgoing Chair, Professor Jonathan Morris for his commitment to MDAAC.

8.7 Medical Staff Executive Council (MSEC)

The Board **noted** that the next meeting will be held in May 2016. Ramsay Health Care is in the planning phase to expand its service provision including providing an emergency department to the Royal North Shore Private Hospital.

8.8 Peak Community and Consumer Participation Council (PCCPC)

The Board **noted** the draft March 2016 minutes.

8.8.1 PCCPC Action Plan

The board **noted** the action plan.

8.8.2 PCCPC Monthly Report – June 2016

The Board **noted** the June monthly report.

9. Correspondence

9.1 Letter from Ministry of Health

The Board **noted** the letter from the Deputy Secretary, System Purchasing & Performance, MoH to the CE regarding the Performance Review and achieving the performance level of '0'.

10. Other information

The Chair relayed a meeting with the Minister for Health and the Minister's Chief of Staff held today.

The Minister for Health congratulated NSLHD on its achievements moving from level 3 to level 0 over a three year period and specifically acknowledged the commitment and performance of the NSLHD CE.

The Chair commented on the LHD and Networks Board members' symposium scheduled for 20 June 2016 which is focused on strategic partnering opportunities and will provide to the Board information on the direction of health care for the future. Professors Pollock and Taylor will be presenting at the symposium.

11. Date, Time & Venue for Next Meeting

5 July 2016, commencing at 4pm
Boardroom, Lumby Building, Hornsby Ku-ring-gai Hospital

Meeting Closed: 8:00pm

CERTIFIED A CORRECT RECORD

**By Professor Carol Pollock, Chair
On 13 July 2016**