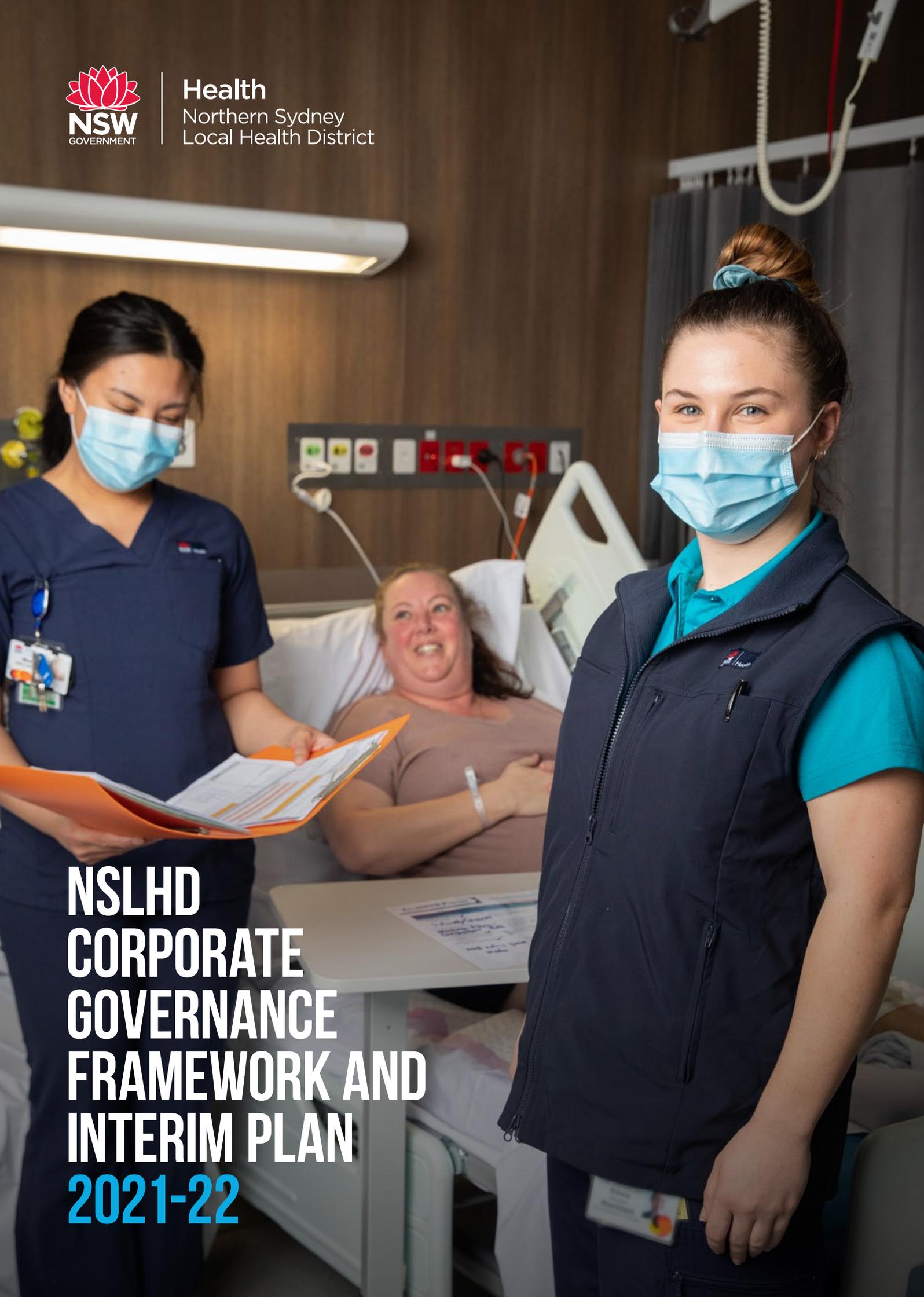




Health
Northern Sydney
Local Health District



**NSLHD
CORPORATE
GOVERNANCE
FRAMEWORK AND
INTERIM PLAN
2021-22**

ACKNOWLEDGEMENT OF COUNTRY

Northern Sydney Local Health District (NSLHD) would like to acknowledge the Traditional Custodians of the lands on which our health services have been built, the Gaimaraigal, Guringai and Dharug peoples and we honour and pay our respects to their ancestors. NSLHD also acknowledges and pays respects to all Aboriginal and Torres Strait Islander peoples and to Elders past, present and emerging. We acknowledge that past, current and future Aboriginal and Torres Strait Islander peoples are the continuing custodians of this country upon which we live, work and meet and that it is from their blood, courage, pride and dignity that we are able to continue to live, work and meet on this ancient and sacred country.



OUR PURPOSE

Embracing discovery and learning, building partnerships and engaging our community, to deliver excellent health and wellbeing.



OUR VISION

Leaders in healthcare,
partners in wellbeing.



OUR VALUES

Collaboration
Openness
Respect
Empowerment



OUR STRATEGY

Realising our vision, we focus on the following five key themes to achieve outcomes while building our internal capacity:

- 1. Healthy Communities**
Prevention, early intervention and community development strategies will improve health outcomes
- 2. Connected Person-Centred Care**
People have a good experience of care, which meets their health needs, in partnership with multiple care providers
- 3. Evidence-Based Decision Making**
Decisions are made on the basis of best available information and a philosophy of continuous improvement
- 4. Responsive and Adaptable Organisation**
Our structure and systems support the delivery of innovative and responsive services in partnership with other providers and our community
- 5. Engaged and Empowered Workforce**
Our staff are confident, capable and committed to the support and delivery of good care every day

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FOREWORD

We are delighted to launch the inaugural Northern Sydney Local Health District (NSLHD) Corporate Governance Framework and Interim Plan for 2021-22.

The NSLHD Board is committed to ensuring NSLHD has the appropriate policies, procedures and guidelines in place to guarantee robust, high standards of corporate and clinical governance within all of its hospitals, services and business units.

In addition, under section 28 of the Health Services Act 1997, NSLHD, as a public health organisation, is required to establish and comply with principles of effective corporate governance. We must ensure that our systems and corporate governance frameworks are established to support the maintenance and improvement of standards of patient care and services.

This Plan has been developed to complement the NSLHD Corporate Governance Attestation Statement 2020-21, and outlines the main corporate governance practices in operation across NSLHD. In alignment with the NSW Health Corporate Governance and Accountability Compendium, the Plan also sets out NSLHD's objectives, expected outcomes and focus initiatives for the coming year.

In 2022, we will be commencing the development of our new 3-5 year Strategic Plan. The new Strategic Plan will articulate NSLHD's long term vision and outline pathways to ensure our continued progressive achievement, as well as ensuring NSLHD has the mechanisms in place to maintain robust corporate governance.



Trevor Danos AM FTSE
Board Chair



Deb Willcox
Chief Executive

CORPORATE GOVERNANCE

This Corporate Governance Plan outlines the key frameworks and activities in place to ensure the appropriate governance, accountability and risk management of all NSLHD operations. The Board considers that NSLHD's corporate governance practices provide the organisation with the appropriate mechanisms to ensure effective decision making, in line with NSLHD's Strategic Plan and overall vision. The principal features of the Corporate Governance Plan have been developed in line with:

- the NSW Health Corporate Governance and Accountability Compendium
- the NSLHD Corporate Governance Attestation Statement 2020-21
- the NSLHD Strategic Plan 2017-22
- the NSLHD Safety and Quality Account 2019-20
- the Health Services Act 1997 No 154
- the NSLHD By-Laws
- the 2021-22 Service Agreement between the Secretary, NSW Health and NSLHD
- the National Safety and Quality Health Service (NSQHS) Standards; and
- NSLHD Clinical Quality Improvement Framework 2016-2022.

NSLHD's vision, as outlined in the NSLHD Strategic Plan 2017-22, to be '*leaders in healthcare, partners in wellbeing*' shapes NSLHD's commitment to providing high quality care for our patients, consumers, carers and broader community. The Board regularly monitors progress against the Strategic Plan by focusing on the achievement of two key outcomes:

1. Quality care by the right provider, in the right place, when needed
2. Minimised impact of illness, maximised health and wellbeing.

Under the *Health Services Act 1997*, NSLHD has been constituted as a local health district (public health organisation) for the purposes of facilitating the conduct of public hospitals and health institutions in the provision of health services for New South Wales residents residing in the Northern Sydney community.

The Board is satisfied that NSLHD complies with the corporate governance requirements set out in the Service Agreement between the Secretary, NSW Health and NSLHD.

All organisational reports requested by the NSW Ministry of Health are provided within the allocated timeframes. The NSLHD Delegations Manual is reviewed and updated regularly to ensure currency in line with the NSW Health Delegations of Authority—Local Health Districts and Specialty Networks Policy Directive. NSLHD ensures that recommendations, where accepted by NSW Health, of the NSW Auditor-General, the Public Accounts Committee and the NSW Ombudsman are actioned in a timely and effective manner and NSLHD puts in place suitable processes and guidelines to avoid repeat issues.

The NSW Health Performance Framework details the performance expected of local health districts to achieve the required levels of health improvement, service delivery and financial performance. The Performance Framework sets out the performance improvement approaches, responses to performance concerns and management processes that support the achievement of these outcomes in accordance with government policy. The Board is required to ensure effective clinical and corporate governance frameworks are established for the health service, and to provide strategic oversight of and monitor the health service's quality, financial and operational performance in accordance with the Performance Framework. Local health districts are assessed against the Performance Framework by the Ministry of Health on a regular basis. Throughout 2020-21, NSLHD achieved Performance Level 0 – 'no performance issues' which is the highest performance level attainable under the Framework.

Service Agreements are a central component of the Performance Framework and set out the service and performance expectations and funding, supporting the devolution of decision making, responsibility and accountability for safe, high quality, patient centred care to local health districts, other health services and support organisations.

In 2020-21, a written Service Agreement was in place between the Secretary, NSW Health and NSLHD.

Corporate Governance Framework

The diagram below describes the delineation between the roles of the NSW Government, NSW Ministry of Health, NSLHD Board and NSLHD Senior Executive Team. The NSW Ministry of Health holds the role of ‘system manager’ and oversees the operation of the NSW public health system. The NSW Ministry of Health delegates responsibility to a network of local health districts and speciality networks (via an annual Service Agreement) and Non-Government Organisations (NGOs). Each local health district has a Board responsible for ensuring that effective clinical and corporate governance frameworks are established to support the maintenance and improvement of standards of patient care and services by the local health district. The NSLHD Board is responsible for NSLHD’s governance, operational efficiency and overarching strategy. A Chief Executive is appointed for each local health district by the local health district board with the concurrence of the Health Secretary.

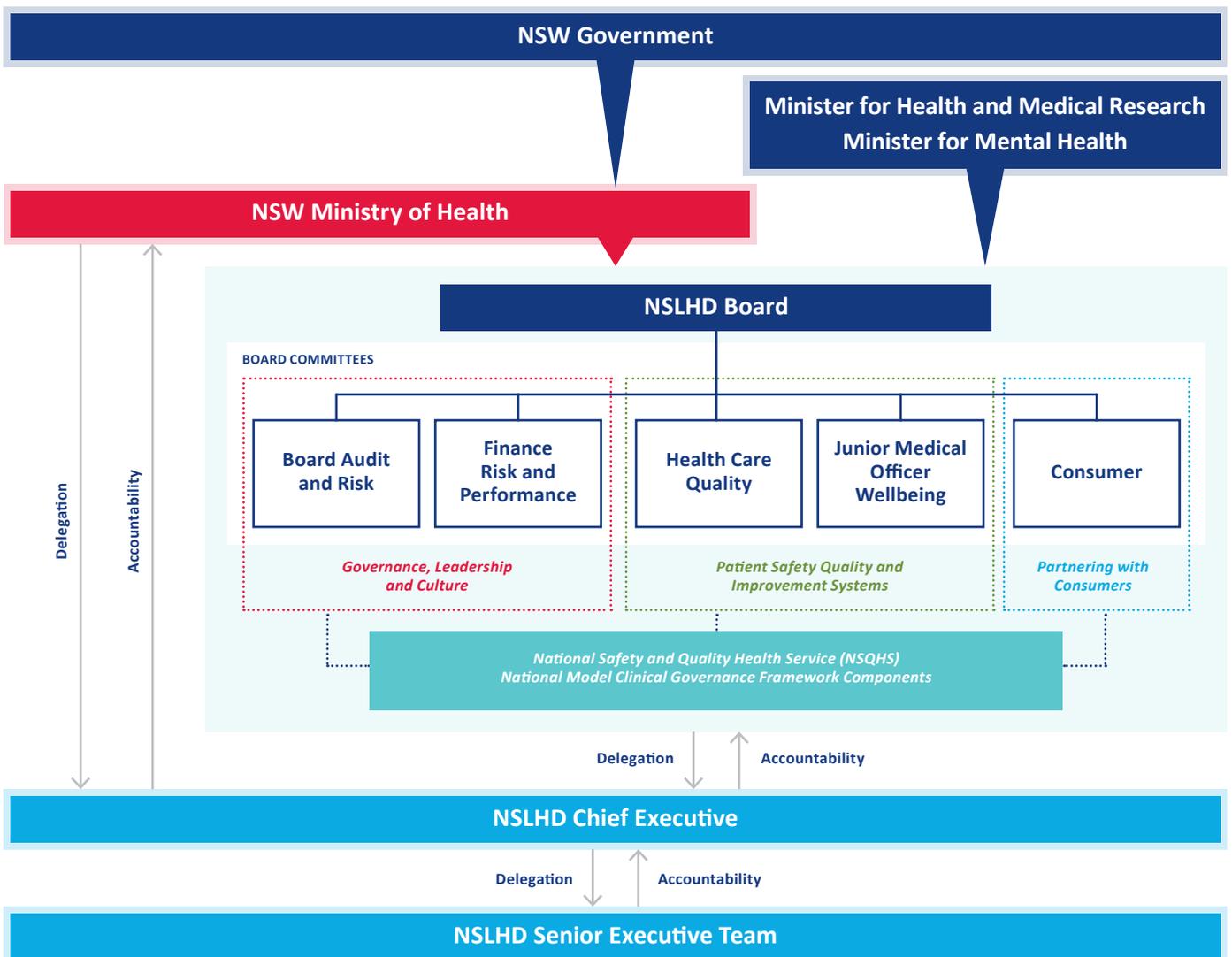
The Chief Executive is responsible for managing and controlling the affairs of the local health district and is accountable to the local health district board.

In accordance with the *Health Services Act 1997* Model By-laws, local health district boards are to establish the following Committees as a minimum, which all exist in NSLHD:

- Audit and Risk
- Finance and Performance
- Quality and Safety.

A local health district may also establish other Board committees as it determines appropriate to provide advice or other assistance to enable it to perform its functions under the *Health Services Act 1997*. NSLHD has additionally established a Consumer Committee and a Junior Medical Officer (JMO) Wellbeing Committee. The NSLHD Board committee structure is detailed in Figure 1. Each NSLHD Board committee regularly reports to the Board on relevant matters.

FIGURE 1 ► NSLHD CORPORATE GOVERNANCE STRUCTURE



NORTHERN SYDNEY

LOCAL HEALTH DISTRICT BOARD

NSLHD ensures that all services are delivered in a manner consistent with corporate governance standards outlined in the NSW Health Corporate Governance and Accountability Compendium:

STANDARD 1:

Establish robust governance and oversight frameworks

STANDARD 2:

Ensure clinical responsibilities are clearly allocated and understood

STANDARD 3:

Set the strategic direction of the organisation and its services

STANDARD 4:

Monitor financial and service delivery performance

STANDARD 5:

Maintain high standards of professional and ethical conduct

STANDARD 6:

Involve stakeholders in decisions that affect them

STANDARD 7:

Establish sound audit and risk management practices



Trevor Danos, AM FTSE
Chair



Professor Emerita Mary Chiarella, AM
Deputy Board Chair

The Board endorsed annually by resolution, the NSLHD Corporate Governance Attestation Statement 2020-21 (the Statement) on the basis that the Chief Executive conducted all necessary enquiries and was not aware of any reason or matter for the Board not to give the required attestation. The Statement sets out the main corporate governance frameworks and practices in operation within NSLHD, in line with the seven Corporate Governance Standards for 2020-21. The Statement was reviewed and signed off by Internal Audit to ensure that NSLHD implemented and met all of the necessary requirements. A signed copy of the Statement has been submitted to the Ministry of Health and is publicly available on the NSLHD website.



Dr Michelle Mulligan
Board Member



Brad Goodwin
Board Member



Dr Stephanie Teoh
Board Member



Kimberley Reynolds
Board Member



Keith Skinner
Board Member



Karen Filocamo
Board Member



Dr Donna Lynch
Board Member



Anthony Hollis
Board Member



Andrew Goodsall
Board Member

NORTHERN SYDNEY LOCAL HEALTH DISTRICT BOARD BIOGRAPHIES

(AS AT 1 JULY 2021)

Trevor Danos, AM FTSE Chair

Trevor has qualifications in Law, Economics and Science. He is a member of the Endeavour Energy, Summer Housing, NSW Circular and the privatised NSW Land Registry Office Boards. Trevor is Chair of the NSW Treasury Social Investment Expert Advisory Group and is a member of the Australia SKA Coordination Committee for the Square Kilometre Array telescope. Trevor is an Adjunct Professor at the University of New South Wales and the immediate past chair of the Dean of Science's Advisory Council. Trevor was previously a Director of the Civil Aviation Safety Authority and TransGrid and a member of the Cooperative Research Centres Committee. Trevor is the author of the book *The Pursuit of Excellence: A History of the Professor Harry Messel International Science School*.

Dr Michelle Mulligan Board Member

Michelle is a Specialist Anaesthetist (FANZCA) at Royal North Shore Hospital and in the private sector. Michelle is the Clinical Network Director of the Northern Sydney Local Health District Surgery and Anaesthesia Clinical Network and is a board member for the Agency for Clinical Innovation and Clinical Excellence Commission. Michelle's qualifications include a Master of Business Administration, Fellowship of the Australian Institute of Company Directors (FAICD) and Associate Fellowship of the Royal Australasian College of Medical Administrators (AFRACMA). Michelle has also served on a number of boards including the Council, Australian and New Zealand College of Anaesthetists.

Dr Stephanie Teoh Board Member

Stephanie is a General Practitioner with over 20 years' experience in both rural and urban practices throughout Australia. From 2008 to 2015, Stephanie worked in Beijing, China for International SOS. She returned to Australia in 2015 as Medical Director for Qualitas Healthcare Australia, a primary healthcare group, focussing on clinical governance, risk management and primary care models. In 2018, Stephanie joined Osana as a Clinical Director to develop innovation in primary care to improve community health outcomes, chronic disease prevention and health network integration. Stephanie is a Fellow of the Royal Australian College of General Practitioners (FRACGP), Diplomate of the Royal Australian & New Zealand College of Obstetrics and Gynaecology (DRANZCOG) and holds a Diploma of Paediatrics.

Professor Emerita Mary Chiarella, AM Deputy Board Chair

Mary has more than 40 years of experience in nursing, midwifery and law. Mary is a Professor Emerita of Nursing at the Susan Wakil School of Nursing and Midwifery, Faculty of Medicine and Health, University of Sydney. Mary is an internationally renowned nurse leader with a distinguished career in nursing services and conducts research covering three broad themes including: safety and quality; law, ethics and regulatory issues; and improvements in nursing practices/models of care. Mary has been invited to the World Health Organisation Nursing and Midwifery Directorate in Geneva, Switzerland, to develop a compendium of nurse-led Primary Health Care models including a review of global models of care from 38 countries.

Brad Goodwin Board Member

Brad has over 20 years' experience as a paramedic, with 12 years' experience as an intensive paramedic specialist. Brad is currently Director Safety and Recovery, NSW Ambulance. As a senior Aboriginal manager with NSW Ambulance, Brad has influenced decisions that have led to better employment and health outcomes for both Aboriginal and Torres Strait Islander employees and patients. Brad has experience in encouraging executive level managers to increase the skills of Indigenous paramedics through recruitment campaigns for Aboriginal paramedic specialists. Brad has an Advanced Diploma in Management, an Advanced Diploma Paramedical Science and qualifications in Corporate Governance.

Kimberley Reynolds
Board Member

Kimberley is a Chartered Accountant with over 30 years of experience as a consultant working across large private and public sector organisations. Kimberley has experience with PWC, Unilever, Transport for NSW, Sydney Metro, Service NSW and Business Australia. Kimberley's background is in leading transformation and improvement programs across customer experience, audit and risk, data and analytics, and digital and organisational performance. She has a strength in driving growth, strategy and capability development, realignment of organisations and developing the customer experience. Kimberley is a strong advocate for improving patient experience and the care journey. Kimberley holds a Bachelor of Commerce and Masters of Business Administration.

Karen Filocamo
Board Member

Karen is the former Chief Executive of Arthritis and Osteoporosis NSW. Karen has a wealth of experience in both NSW Health and the non-government sector having held senior management roles in consumer engagement, health promotion and disability and chronic disease management. In the past, Karen has provided consumer and staff training programs with Health Consumers NSW giving her valuable insight into the needs of health consumers across NSW. Karen holds a Master of Health Services Administration.

Anthony Hollis
Board Member

Anthony is a lawyer and experienced business leader. Anthony has held senior executive roles in Australia and overseas in areas including multinationals, Australian corporates, investment banking and advisory, healthcare and technology start-ups, not-for-profits, the government sector, and as an advisory to Indigenous-owned businesses. Anthony drives strategy and implementation in order to deliver measurable, sustainable value to all stakeholders by combining multidisciplinary commercial and entrepreneurial skills with a special interest in digital transformation, healthcare and commercialisation of early-stage companies.

Keith Skinner
Board Member

Keith was the Chief Operating Officer of Deloitte Australia between 2001 and 2015. Keith began his career in 1974 as an auditor in Deloitte's Sydney office, later moving into the firm's Restructuring Services business. Following secondments to the firm's Melbourne and London offices, Keith returned to Sydney in 1983 and became a partner in 1986. Since retiring from Deloitte, Keith has served as a director of a number of public and private companies. Keith is currently a Director at Invocare Limited and Emeco Limited and acts as an advisor to a number of corporate clients advising on strategy, leadership and operations.

Dr Donna Lynch
Board Member

Donna is trained in anatomical pathology and has spent time as a General Practitioner. Following several years working in the United Kingdom, Donna returned to Australia to manage a specialist surgical practice. During this time, Donna studied Practice Management and Accounting. Donna spent 10 years at DHM pathology where she trained registrars and scientific officers and took an active part in the expansion and development of the laboratory.

Andrew Goodsall
Board Member

Andrew is the senior healthcare analyst with MST Marquee Australia. Andrew has specialised in equity research since 1999, and is rated as the number one sector analyst in each of the major surveys since 2004. Prior to joining MST Marquee in 2017, Andrew worked at UBS and Citi Bank. Andrew has an extensive health policy background culminating in his roles as a Senior Adviser and Chief of Staff to the Victorian Minister for Health.

BOARD PRIORITIES

FOR FINANCIAL YEAR 2020-21

The Board and its Committees focus on a number of key strategic initiatives every year. A consolidated report detailing progress against each Priority area is formally presented to the Board biannually. The Priority Areas are summarised below (Table 1). The summary has been prepared to provide insight into selected key priorities of the Board during 2020-21.

TABLE 1

COVID-19 Response	<p>The COVID-19 pandemic impacted business as usual operations and required a focused shift in to emergency response mode. This involved significant changes to models of care, ways of working and meant that a number of services and projects were paused or postponed. The Board received regular briefings by the Chief Executive on NSLHD's COVID-19 response and COVID-19 was made a standing Agenda item at all Board meetings.</p> <p>The Board engaged with the Health Care Quality Committee, Finance, Risk and Performance Committee and Board Audit and Risk Committee to review and monitor the impact and ongoing management of COVID-19 on NSLHD's operations. The Board received regular reports on COVID-19 from these committees.</p>
Financial Performance	<p>Despite the significant impact of COVID-19 on revenue across NSLHD, the Board and its Committees continued to monitor the implementation of cost control and revenue strategies (separate from COVID-19 strategies), in addition to efficiency improvement plans and other financial sustainability strategies.</p> <p>The operational and strategic challenges experienced by NSLHD were reported to the Finance Risk and Performance Committee and the Board as required through Chief Executive Reports, Board referral notes, NSLHD Executive meetings between the Board Chair, Finance Risk and Performance Committee Chair and the Chief Executive.</p>
Northern Beaches Hospital	<p>The Board remained committed to ensuring oversight of the ongoing and long-term Public Private Partnership between NSLHD and Northern Beaches Hospital. This included ensuring ongoing delivery of safe high quality health services to address current and future health service demand to residents of the Northern Beaches community.</p>
External Partnerships	<p>The Board received regular updates from the Chief Executive on initiatives undertaken by NSLHD to enhance relationships with major University partners including the University of Sydney, Macquarie University and University of Technology Sydney. In addition, programs of work underway to strengthen relationships with Sydney Health Partners, Sydney North Health Network, Royal Rehab and HammondCare are reported to the Board monthly through the Chief Executive Report. The Board regularly discussed opportunities to enhance relationships with Residential Aged Care Facilities, particularly in relation to the COVID-19 pandemic.</p> <p>The Board is committed to ensuring the development of the Royal North Shore Hospital Campus into a vibrant health, research and education precinct. The Board received regularly briefings on progress against the St Leonards Health Campus, Health, Research and Education Precinct Plan that has been developed to define the strengths of the campus, build relationships and leverage value from new and existing partnerships.</p>
Internal Engagement	<p>NSLHD's continued development and implementation of policies and initiatives to enhance clinician engagement remained a focus area for the Board. The Board was updated on programs of work underway to enhance engagement with clinicians including the establishment of the COVID-19 Clinical Advisory group as NSLHD's peak decision making body for COVID-19 related issues. The Board received regular updates through the monthly Chief Executive's Report to the Board on positive internal media stories that have been published to reinforce the value and importance of all clinical and non-clinical staff.</p>
Planetary Health and Environmental Sustainability	<p>The Board was regularly updated on NSLHD's Planetary Health strategy and approach. Two Board members are actively involved in the NSLHD Planetary Health Committee and support the Executive Team in determining priority domains and focus areas to inform the development of the NSLHD Planetary Health Framework 2021-23.</p>



As of July 2021, the Board comprises 11 members all of whom are appointed by the NSW Minister for Health (the Minister). The Board is subject to the control and direction of the Minister, except in relation to the content of a recommendation or report to the Minister. This function is delegated to the Secretary, NSW Health.

A member is appointed to the Board for up to five years and may hold office for such a period as specified in the member's instrument of appointment. When a member's term of office expires, the member is eligible (if otherwise qualified) for re-appointment, but may not be appointed so as to hold office for more than 10 years in total.

Board Composition and Diversity

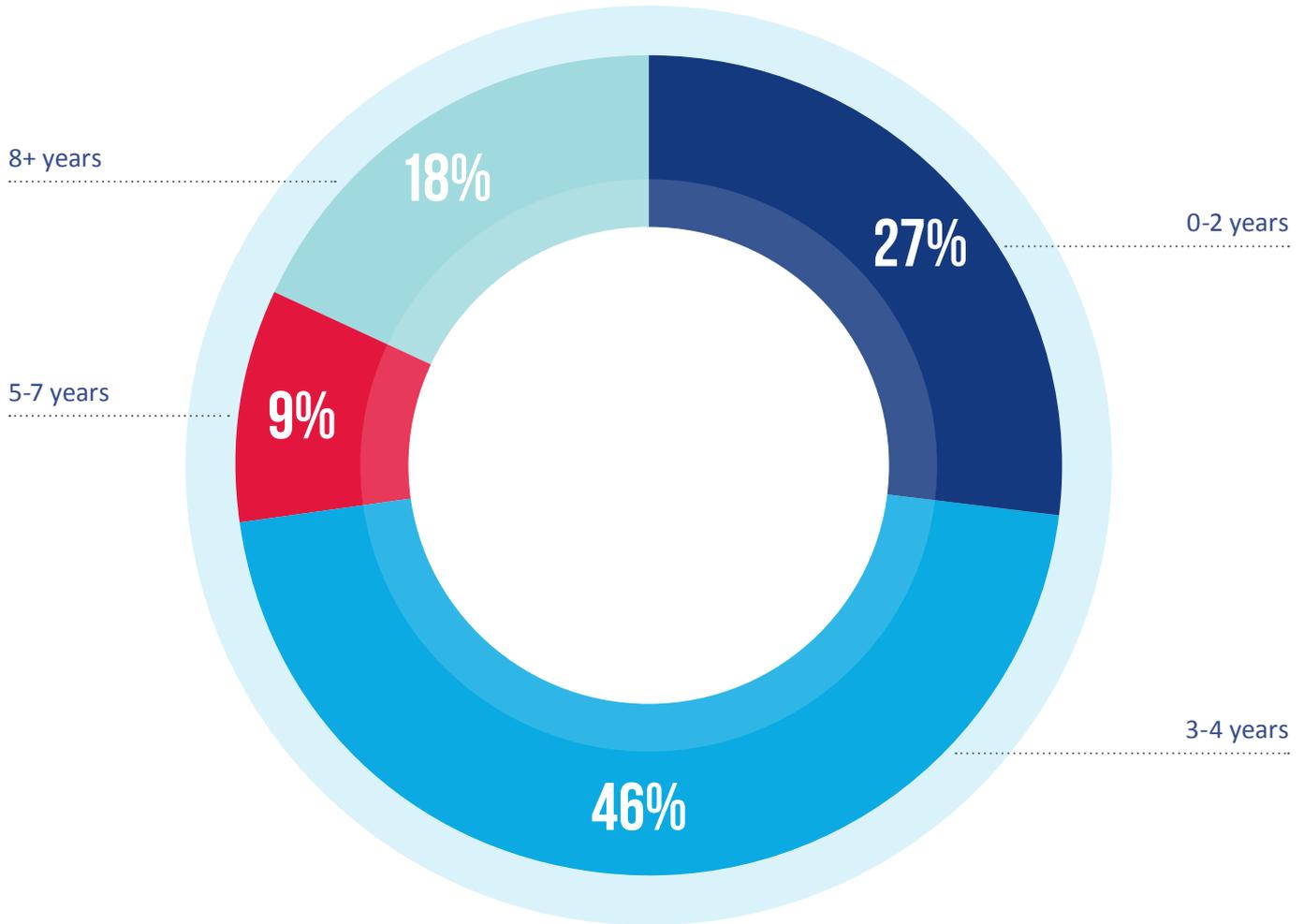
The Minister selects the membership of every local health district board to ensure the board has an appropriate mix of skills and expertise required to oversee and provide guidance to the district. Each local health district board is required to have at least one member who has expertise, knowledge or experience in relation to Aboriginal health. Table 2 details the length of tenure as at 1 July 2021 of each serving Board member and Figure 2 provides a breakdown of Board members by Tenure, Diversity and Committee Chair Diversity.

TABLE 2

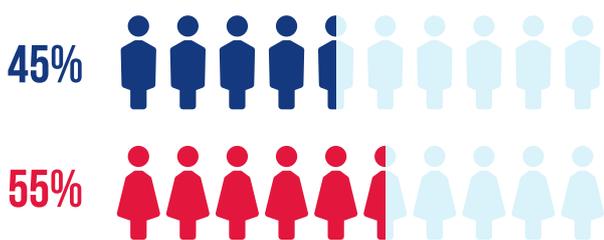
Board Member	Appointed to the Board	Length of tenure
Andrew Goodsall	2013	8 years
Anthony Hollis	2013	8 years
Trevor Danos, AM FTSE (Chair)	2016	5 years
Professor Emerita Mary Chiarella AM (Deputy Board Chair)	2017	4 years
Brad Goodwin	2017	4 years
Dr Michelle Mulligan	2017	4 years
Keith Skinner	2017	4 years
Dr Donna Lynch	2018	3 years
Karen Filocamo	2019	2 years
Kimberley Reynolds	2020	1 year
Dr Stephanie Teoh	2020	1 year

FIGURE 2

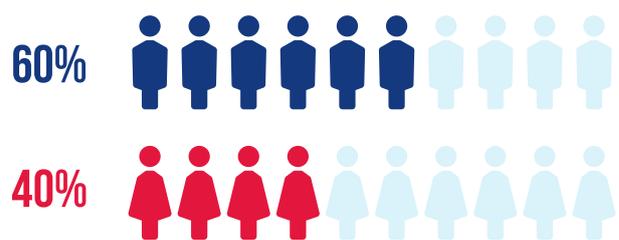
Board Tenure



Board Member Diversity



Board Committee Chair Diversity



Board Evaluation

The Board considers the ongoing development and improvement of its performance as critical to effective governance. An evaluation of the Board’s performance was last undertaken in September 2021. The Board performance evaluation consists of Board members completing an online targeted questionnaire to identify improvement opportunities, areas where Board members are making a positive contribution, feedback on their attributes, competence, effectiveness and performance, and areas that could be done differently or should be improved. The Board Chair meets with each Board member to discuss their performance and the performance of the Board. All Board members are also provided with an opportunity to discuss performance issues with the Deputy Board Chair. During performance reviews, Board members are offered tailored training opportunities.

BOARD ROLES

AND RESPONSIBILITIES

Trevor Danos AM FTSE joined the NSLHD Board and was appointed Chair of the Board in 2016. The Board Chair is the official representative and spokesperson for the Board and the principal link between the Board and the Chief Executive. Professor Emerita Mary Chiarella became Deputy Board Chair in July 2021. When the Board Chair is absent, the Deputy Board Chair takes the responsibilities of the Chair on a temporary basis.

During 2020-21, the Board held 11 scheduled meetings. All Board members prepare comprehensively for each Board meeting and together are equipped to consider all aspects of any issue that impacts the strategic direction of NSLHD.

Accountability

The Board is ultimately responsible for overseeing and establishing an effective governance and risk management framework for NSLHD, endorsing the strategic direction, ensuring high standards of professional and ethical conduct, monitoring service delivery and financial performance and holding the Chief Executive accountable. The functions of the NSLHD Board as defined in the *Health Services Act 1997* and in the NSW Health Corporate Governance and Accountability Compendium are as follows:

- ensure effective clinical and corporate governance frameworks are established to support the maintenance and improvement of standards of patient care and services by NSLHD and approve those frameworks
- approval of systems to
 - support the efficient, effective and economic operation of NSLHD
 - ensure NSLHD manages its budget to ensure performance targets are met
 - ensure that resources are applied equitably to meet the needs of the community served by NSLHD
- ensure strategic plans to guide the delivery of services are developed and approve those plans
- provide strategic oversight of and monitor NSLHD's financial and operational performance in accordance with the State-wide performance framework against the performance measures in the service agreement for NSLHD
- appoint, and exercise employer functions in relation to the Chief Executive of NSLHD
- ensure that the number of NSW Health service senior executives employed to enable NSLHD to exercise its functions, and the remuneration paid to those executives, is consistent with any direction by the Health Secretary or any condition imposed by the Health Secretary
- confer with the Chief Executive in connection with the operational performance targets and performance measures to be negotiated in the service agreement for NSLHD under the National Health Reform Agreement (NHRA)
- approve the service agreement for NSLHD under the NHRA
- seek the views of providers and consumers of health services and of other members of the community served by NSLHD, as to NSLHD's policies, plans and initiatives for the provision of health services, and to confer with the Chief Executive on how to support, encourage and facilitate community and clinician involvement in the planning of district services
- advise providers and consumers of health services and other members of the community served by NSLHD, as to NSLHD's policies, plans and initiatives for the provision of health services
- endorse the NSLHD Annual Report
- liaise with the boards of other local health districts and specialty network governed health corporations in relation to both local and State-wide initiatives for the provision of health services
- such other functions as are conferred or imposed on it by the regulations.

Each Board member carries out their responsibilities independently and in the interests of NSLHD and the Northern Sydney community as a whole.

The Board recognises and values the importance of meeting with key stakeholders and employees, and has a comprehensive internal engagement calendar. Board 'breakfasts' are held monthly with clinical and non-clinical groups for the purposes of enhancing the Board's understanding of the opportunities and challenges faced by NSLHD employees. The Board also conducts regular tours of NSLHD Hospitals and Services. Engagement opportunities that were cancelled due to the COVID-19 pandemic will be rescheduled.

Board Expertise

The Board believes the current mix of skills, knowledge, attributes and expertise is sufficient to ensure balanced views and perspectives to oversee and provide suitable guidance to NSLHD.

To be considered for a position on a NSW Health local health district Board, members are required to nominate an area of expertise which the applicant considers would be their area of most significant contribution. These areas of expertise are listed below.

TABLE 3

Skill	Explanation
Corporate governance and risk	Experience in legal, compliance, strategic planning, audit, risk management, organisational culture and ethics.
Health management or health administration	Experience in leadership, senior public sector management or administration of a large and complex public health system, health care system, hospitals or hospital networks.
Financial management	Strong understanding of financial statements, accounting and financial management of a large organisation.
Business management or public administration	Experience in asset management, information technology, human resource, marketing and senior public sector management.
Clinical practice or provision of health services to patients	Experience in provision of health services to patients with backgrounds in medical, nursing, allied health and other health professional and paraprofessionals.
Aboriginal Health	Expertise, knowledge or experience in relation to Aboriginal Health and matters related to the social and emotional wellbeing of the Aboriginal and Torres Strait Islander community.
Understanding of local community issues	Experience in managing matters related to health care issues that impact the local community issues and understanding of the community served by NSLHD.
Primary health care experience	Experience in the management and/or provision of essential healthcare accessible to individuals and families in the community, including health promotion and prevention and treatment of acute and chronic conditions.

BOARD COMMITTEES

Under the NSW Health Local Health Districts Model By-Laws, the Board is required to establish a Audit and Risk Committee, a Finance and Performance Committee and a Quality and Safety Committee to provide advice or assistance to enable NSLHD perform its functions under the *Health Services Act 1997*. The Board has determined that in order to effectively discharge its duties, two additional Board sub-committees are required, those being the Consumer Committee and Junior Medical Officer (JMO) Wellbeing Committee.

Each Committee has Terms of Reference that are publicly available and published on the NSLHD Internet. The Terms of Reference outline the governance, purpose, objective and responsibilities pertaining to each Committee and are reviewed annually. All Board Committees are required to undergo annual self-evaluations.

Board Audit and Risk Committee (BARC)

The BARC meets four times per year with additional meetings held to review annual financial statements.

The BARC provides independent assistance to the Board and the Chief Executive by monitoring, reviewing and giving advice related to NSLHD governance processes, risk management and control frameworks, and its external accountability obligations. The BARC has no executive powers and is directly responsible and accountable to the Board and the Chief Executive for the exercise of its responsibilities.

BARC members collectively develop, possess and maintain a broad range of skills and experience relevant to the operations, governance and financial management of NSLHD, the environment in which the organisation operates and the contribution that the Committee makes to NSLHD. At least one Committee member has accounting or related financial management experience with an understanding of accounting and auditing standards in a public sector environment.

The BARC consists of three to five members appointed by the Board. The majority of the members must be independent, including the Chair. The Board appoints the Chair and members of the Committee.

Finance Risk and Performance (FRAP) Committee

The FRAP Committee meets 11 times per year.

The FRAP Committee provides governance oversight, advice and recommendations to the Board and the Chief Executive on the sustainable financial performance of the operations of NSLHD.

The FRAP Committee is informed of any exposure to financial risks and the extent to which they are being effectively managed. The Committee monitors and advises on financial performance, asset management, major contracts, risk, procurement and other relevant matters.

The FRAP Committee consists of one to three members of the NSLHD Board, the Chief Executive, the Director of Finance and Corporate Services, the Executive Director Operations and the Director of Performance and Analytics. The Board appoints the Chair of the Committee.

Health Care Quality Committee (HCQC)

The HCQC meets six times per year.

The HCQC identifies opportunities to continually improve the quality of services and all aspects of care. This is achieved through defining, overseeing, measuring, monitoring, improving and reporting on structure, processes and assurance for effective, consistent and best practice patient safety and clinical quality and, where relevant, having regard to National Safety and Quality Healthcare Services Standards.

The HCQC is made up of the Chief Executive, one to three Board members, NSLHD Executives and representatives from all Hospitals and Services. The HCQC has cross membership with the Consumer Committee.

Board Committee Membership

TABLE 4

● Chair ● Member

	Audit and Risk	Finance Risk and Performance	Health Care Quality	Consumer	Junior Medical Officer Wellbeing
Trevor Danos, AM FTSE ¹					
Professor Emerita Mary Chiarella AM ²			●	●	
Dr Michelle Mulligan ³		●			
Keith Skinner		●			
Andrew Goodsall	●	●			
Brad Goodwin				●	●
Anthony Hollis ⁴					
Dr Donna Lynch ⁵				●	●
Karen Filocamo ⁶			●	●	
Kimberley Reynolds			●		
Dr Stephanie Teoh					

- 1 Trevor Danos AM FTSE, in his capacity as Board Chair, is an ex officio member of all Board Committees, and is also a member of the NSLHD Diversity, Inclusion and Belonging Council convened by the Chief Executive
- 2 Professor Emerita Mary Chiarella AM is also a member of the NSLHD Planetary Health Committee convened by the Chief Executive
- 3 Dr Michelle Mulligan is also a member of the NSLHD Leadership Advisory Board convened by the Chief Executive
- 4 Anthony Hollis is also a member of the NSLHD Research Advisory Committee convened by the Chief Executive
- 5 Dr Donna Lynch is also a member of the NSLHD Planetary Health Committee convened by the Chief Executive
- 6 Karen Filocamo is also a member of the NSLHD Research Advisory Committee convened by the Chief Executive

Consumer Committee

The Consumer Committee meets a minimum of five times per year.

The Consumer Committee is responsible for overseeing the consumer engagement and consumer experience strategy and agenda. The Consumer Committee's primary functions include, but are not limited to, providing strategic advice to the NSLHD Board in relation to; the consumer experience of health care and, consumer needs, including ensuring effective two way communication, research and, engagement strategies are in place to promote the needs of consumers.

The Consumer Committee consists of the Chief Executive, the Director Clinical Governance and Patient Experience, a minimum of two NSLHD Board members, representatives from the consumer participation committees of the NSLHD Hospitals and Services, a senior representative from one of the major non-government organisations providing services to NSLHD, NSLHD Aboriginal Health Service representative, a representative from the Sydney North Health Network, NSLHD Consumer and Patient Experience Manager and, representatives from the NSLHD Youth Health Promotion, the Culturally and Linguistically Diverse Community and the Carers of the Northern Sydney Community.

The Consumer Committee has cross membership with the HCQC.

Junior Medical Officer (JMO) Wellbeing Committee

The JMO Wellbeing Committee meets 11 times per year.

The JMO Wellbeing Committee identifies, prioritises and promotes the implementation of initiatives designed to enhance the working environment of JMOs in NSLHD. The Committee also monitors issues regarding JMO wellbeing including results of relevant JMO surveys and develops responses to address issues identified. The Committee also provides feedback and support, to Hospitals and Services, relating to initiatives for JMO wellbeing at NSLHD.

The Committee is accountable for fostering collaboration and disseminating ideas, responding to issues identified and providing a forum for information sharing and feedback on issues affecting JMO wellbeing across NSLHD.

The JMO Wellbeing Committee consists of a NSLHD Board Member, JMO representatives from all NSLHD Hospital and Services, the Chief Executive, the Medical Executive Director, the Director of People and Culture, Director of Health, Safety and Wellbeing, Hospital Director Medical Services and the Clinical Director of Mental Health Drug and Alcohol. One of the JMO representatives chairs the JMO Wellbeing Committee.

GENERAL GOVERNANCE

AND SENIOR EXECUTIVE STRUCTURE

NSLHD has the appropriate structures in place to ensure provisions applied to *Health Service Senior Executives align to the Health Services Act 1997, Government Sector Employment Legislation Amendment Act 2016*, statutory settings and requirements set by the Secretary, and NSW Health policies.

Deb Willcox was appointed NSLHD Chief Executive in November 2017. The NSLHD Board appoint the Chief Executive with the concurrence of the Secretary, under the *Health Services Act 1997*. The affairs of NSLHD are managed and controlled by the Chief Executive. The Chief Executive is accountable to the Board for the overall operations and performance of NSLHD.

The Board is responsible for ensuring that the number of Senior Executives employed by NSLHD enables the organisation to effectively exercise its functions consistent with any Secretary or NSW Health policy or procedure. The Chief Executive is required to seek approval from the Secretary on the number of Senior Executives employed by NSLHD, and the band in which they are employed.

The appropriate band for each Senior Executive role in NSLHD is determined by the NSW Public Service Commission Work Level Standards. There are three bands in which the role of a Senior Executive is established:

- **Band 3** – System linkers with high level cross-agency, cross-sector, national and international experience.
- **Band 2** – Senior Executives focused on strategic activities that align to future requirements of NSLHD and broader government objectives.
- **Band 1** – Senior Executives responsible for a subset of NSLHD's core functions.

All Senior Executives are employed under a written contract of employment signed by the Chief Executive on behalf of the NSW Government. Each Senior Executive has a role description that incorporates the relevant capability levels from the NSW Public Sector Capability Framework. Each Senior Executive has an annual performance agreement in place with the Chief Executive.

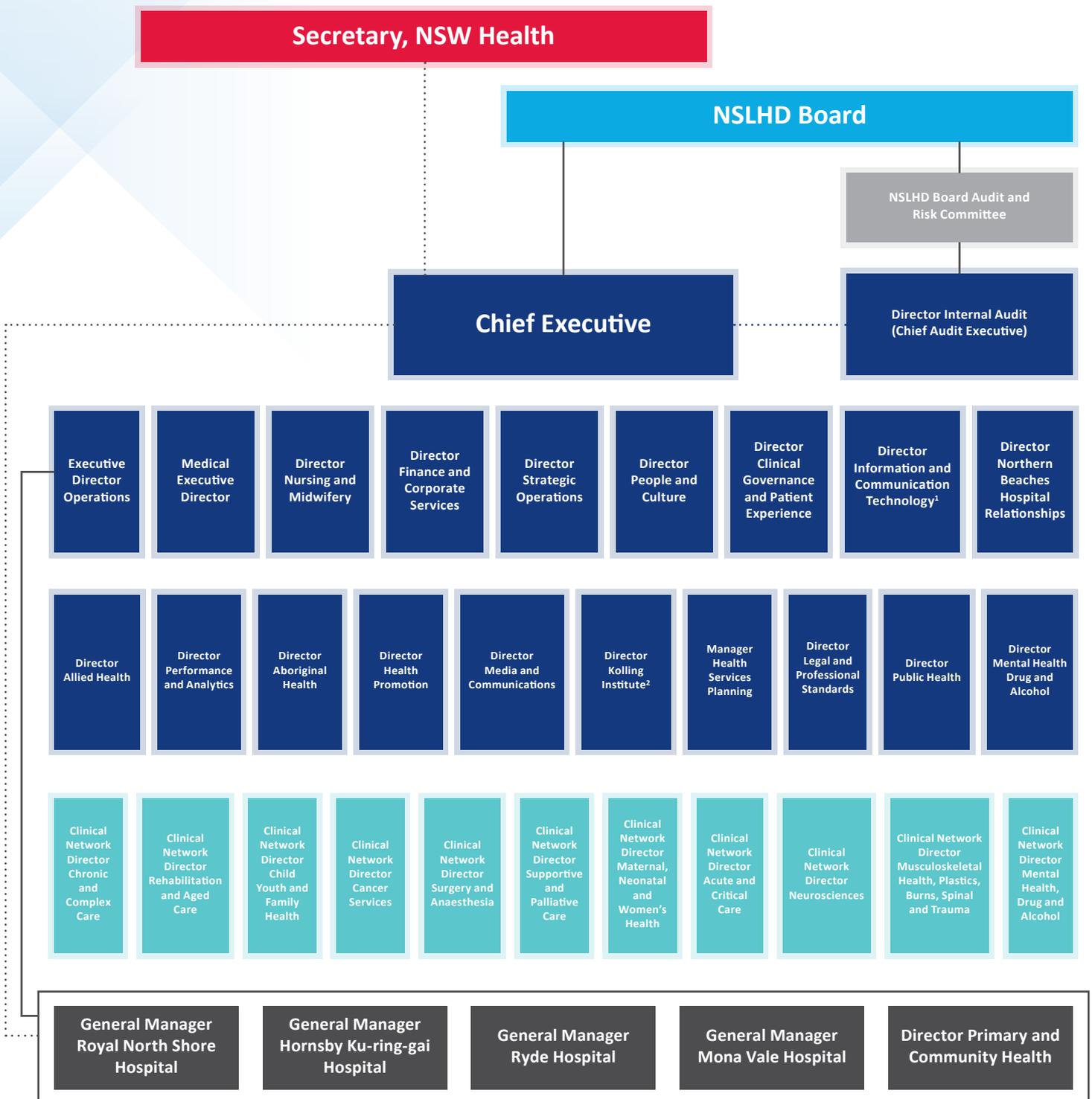
During 2020-21, the Chief Executive had ten Senior Executive direct reports (one Senior Executive reports into the Executive Director Operations), eight Health Service Manager direct reports and 14 medical Staff Specialist direct reports (including the Medical Executive Director, Director Public Health and Director Kolling Institute). All General Managers and the Director Primary and Community Health have a direct reporting line to the Executive Director Operations and a professional reporting line to the Chief Executive. The Director Internal Audit reports administratively to the Chief Executive and functionally to the Board Audit and Risk Committee.

There was one Senior Executive resignation (Executive Director Operations), one medical Staff Specialist resignation (Medical Executive Director), one Health Service Manager resignation (Director Performance and Analytics) and one Senior Executive appointment (Director Nursing and Midwifery).

Clinical Engagement in Organisational Structure

NSLHD, and its associated hospitals and health services, are governed by a network led operating model. Clinical engagement in the Senior Executive structure is critical to empowering clinicians to work with the Chief Executive, divisional structures, Senior Executives, Hospital General Managers and Service Directors. The Clinical Network Directors, reporting directly to the Chief Executive, play an important role in establishing and overseeing standards of care, providing leadership in relation to education and research, and providing advice in relation to service development, resource allocation and workforce requirements. This operating model ensures executive teams across NSLHD are adequately supported to deliver outcomes and to drive change that benefits patients, consumers and carers by delivering the right care, in the right place, at the right time.

FIGURE 3 ► NSLHD ORGANISATION CHART



Remuneration

The remuneration range for each Senior Executive is determined using a job evaluation score and the NSW Public Service Commission Senior Executive Remuneration Framework. The Framework provides a fair and transparent approach to determining Senior Executive remuneration, in line with the Government Sector Employment Act 2013. Remuneration ranges for each Senior Executive band are determined annually by the Statutory and Other Offices Remuneration Tribunal (SOORT). All Senior Executives are reviewed annually against a Performance Assessment Scale where they are assessed from Performance Level ‘Outstanding’ to ‘Unsatisfactory.’

1 Director ICT jointly appointed across Northern Sydney Local Health District and Central Coast Local Health District
 2 Director Kolling Institute jointly appointed between the University of Sydney and Northern Sydney Local Health District

CLINICAL

GOVERNANCE

NSLHD has in place frameworks and systems for measuring and routinely reporting on the safety and quality of care provided. Clinical governance is acknowledged as an integrated component of corporate governance. The Board recognises that the successful implementation of Clinical Governance requires identification of clear lines of responsibility and accountability for clinical care and development of strong and effective partnerships between clinicians and managers.



The Board is satisfied that NSLHD provides the leadership required to develop a culture of safety and quality improvement, and has satisfied itself that such a culture exists within NSLHD.

The Board has endorsed the NSLHD Clinical Quality Improvement Framework 2016 - 2022 and has ensured that roles and responsibilities for safety and quality in health care provided for and on behalf of NSLHD, or within its hospitals and services, are clearly defined for the Board and workforce, including management and clinicians. Committees of the Board have monitored the action taken as a result of analyses of clinical incidents and have routinely and regularly reviewed reports relating to these, and monitored NSLHD's progress on safety and quality performance in health care.

Australian Commission on Safety and Quality in Health Care (ACSQHC)

The Board closely monitors NSLHD compliance and preparedness against each of the ACSQHC National Safety and Quality Health Service (NSQHS) Standards. NSLHD has fully complied with, and acquitted, any actions in the NSQHS Standards relating to the responsibilities of governing bodies generally for Governance, Leadership and Culture. The Standards address the following patient focused areas:

- Clinical Governance
- Partnering with Consumers
- Preventing and Controlling Infections
- Medication Safety
- Comprehensive Care
- Blood Management
- Communicating for Safety
- Recognising and Responding to Acute Deterioration.

In line with the ACSQHC National Model Clinical Governance Framework, the Board ensures compliance with the following responsibilities of governing bodies for corporate governance:

- Establishment of a strategic and policy framework
- Delegates responsibility for operating the organisation to the Chief Executive
- Supervises the performance of the Chief Executive
- Monitors the performance of NSLHD and ensures that there is a focus on continuous quality improvement.

The Clinical and Quality Council provides the Board and the Chief Executive with advice on clinical matters affecting NSLHD, including on:

- Improving quality and safety in the hospitals within NSLHD
- Planning for the most efficient allocation of clinical services within NSLHD
- Focusing on the clinical safety and quality of the health system for Aboriginal people
- Translating national best practice into local delivery of services
- Working with representatives from local communities to develop innovative solutions that address local community needs.

All hospitals and our Mental Health Drug and Alcohol service have established multidisciplinary Clinical Councils that promote engagement with clinicians and enhance local management decision making.

The objectives of the Clinical Councils include:

- Providing a local structure for consultation with, and involvement of, clinical staff in management decisions impacting public hospitals and related community services
- Acting as a key leadership group for the hospital
- Working with hospital executive structures to ensure that the hospital delivers high quality health and related services for patients
- Facilitating effective patient care and service delivery through a cooperative approach to the efficient management and operation of public hospitals with involvement from medical practitioners, nurses, midwives and allied health practitioners and clinical support staff
- Being a forum for information sharing and providing feedback to staff (through council members) on relevant issues.

The Medical and Dental Appointments Advisory Committee reviews the appointment or proposed appointment of all visiting practitioners and specialists. The Credentials Subcommittee provides advice to the Medical and Dental Appointment Advisory Committee on all matters concerning the scope of practice and clinical privileges of visiting practitioners or staff specialists.

Aboriginal Health

The Board has ensured that NSLHD's safety and quality priorities address the specific health needs of Aboriginal and Torres Strait Islander people.

The Aboriginal Health Advisory Committee ensures positive and equitable health care outcomes for Aboriginal and Torres Strait Islander people across NSLHD. The Committee plans, monitors and evaluates the provision of Aboriginal Health Services in line with the strategic direction of NSLHD.

A Local Partnership Agreement is in place between the Aboriginal Medical Service Co-operative Limited and NSLHD, South Eastern Sydney Local Health District, Sydney Local Health District, St Vincent's Hospital Network and Sydney Children's Hospital Network.

In addition, the Board is satisfied that NSLHD complies with the requirements set out in the Aboriginal Health Impact Statement and Guidelines. The Impact Statement ensures that the needs and interests of Aboriginal people are embedded into the development, implementation and evaluation of all NSW Health initiatives.

Partnering with Stakeholders

The Board prioritises and seeks the views of local stakeholders in the decisions that affect them. To align with the NSW Health Corporate Governance and Accountability Compendium, *Standard 6: Involve Stakeholders In Decisions That Affect Them* and the National Safety and Quality Health Service *Partnering with Consumers Standard*, NSLHD has committed to enhancing existing systems to partner with consumers in the design, delivery, measurement and evaluation of their care. Consumers are involved in governance processes through their membership and involvement on District Committees. There are established Consumer Participation Committees, Consumer Advisory Councils and Peer Workforce Committees at all of our hospitals and services. The NSLHD Consumer Committee provides overarching assurance and strategic advice in relation to the consumer and carer experience of health care and to develop effective communication and engagement strategies for the NSLHD community.

The Board is also committed to improving the health, wellbeing and health literacy of the community through the availability and access to information and resources about our services and health-related topics tailored to the specific needs of our consumers.

In addition, NSLHD has a Patient Service Charter to identify NSLHD's commitment to protecting the rights of patients in the public health system. NSLHD protects the rights of patients in the health system by following policy and guidelines including:

- NSW Health My Health Record Security and Access Policy Directive
- NSW Health Your Health Risks and Responsibilities Policy Directive
- Australian Charter of Health and Health Care Rights Policy Directive.

RISK MANAGEMENT

NSLHD is committed to building and maintaining an effective risk management culture that ensures adequate management, mitigation and monitoring of clinical and non-clinical risks across all hospitals, services, and corporate functions.

NSLHD’s approach to risk management aligns to the following mandatory requirements outlined in the NSW Health Enterprise-Wide Risk Management Policy and Framework:

- Risk management is embedded into corporate governance, planning, financial, insurable, clinical, workforce management structures, operational service delivery, project management and support functions
- Risk management is included as a part of the strategic, operational and annual business planning activities
- An up-to-date Risk Register is in place
- Risk Management Plan in place that outlines the approach to further enhance risk management across NSLHD in accordance with the requirements of the relevant NSW Health Policy Directive
- Enterprise Risk Management Procedure that identifies how NSLHD will manage, record, monitor and address risk, and includes processes to escalate and report on risk to the Chief Executive and Executive Risk Committee, Board Audit and Risk Committee, and Board
- Processes in place to monitor and review the risk governance system
- Chief Risk Officer appointed and responsible for designing NSLHD’s risk management framework and coordinating, maintaining and embedding the framework into NSLHD.

Risk management principles and practices reflected within NSLHD’s governance systems, are applied in the development of strategic and operational planning and performance, and are integrated into all functions and activities including clinical care, research, education, support services and management.

Key risk management stakeholder responsibility

In line with the NSW Health Enterprise-Wide Risk Management Policy and Framework, and subsequent changes announced by NSW Health from 1 January 2021, Key Risk Management oversight and Stakeholder Responsibilities at all levels are outlined in **Table 5**.

TABLE 5

Risk Management Stakeholder	Stakeholder Key Responsibilities
NSW Ministry of Health	<ul style="list-style-type: none"> • Champions a culture of risk awareness and monitors systemic risk across NSW Health (including NSLHD) • Updates and monitors compliance with the NSW Health Enterprise-Wide Risk Management Policy and Framework • Identifies systemic risk issues in consultation with health organisations (including NSLHD), central agencies and accountability bodies • Requests twice-yearly responses from Health Organisations (including NSLHD) on Risk Statements to assist Ministry to develop a state-wide report to Health Organisations on the specified area of risk • Reviews quarterly risk register reports received from health organisations (including NSLHD) and provides regular feedback on system-wide trends • Provides feedback to health organisations (including NSLHD), based on quarterly reports received • Monitors compliance with NSW Health annual Audit and Risk Attestation Statements • Maintains the NSW Ministry of Health Risk Register and formal reporting requirements.

TABLE 5 (continued)

Risk Management Stakeholder	Stakeholder Key Responsibilities
Board, in conjunction with Finance, Risk and Performance Committee and Health Care and Quality Committee	<ul style="list-style-type: none"> • Ensures an effective risk management framework (including risk appetite and risk tolerance) is established and embedded into NSLHD clinical and corporate governance processes • Provides strategic oversight and monitoring of NSLHD’s risk management activities and performance • Seeks information from the Chief Executive as necessary to satisfy the Board that risks are being identified and mitigation strategies are in place and effective • Receives quarterly written reports and presentations from the Chief Risk Officer.
Board Audit and Risk Committee	<ul style="list-style-type: none"> • Operates in accordance with the Board Audit and Risk Committee Charter as approved under the NSW Health Internal Audit Policy Directive • Monitors and reviews risk management attestation compliance and reports to the NSW Ministry of Health on risk management and control frameworks within NSLHD • Ensures audit plans for NSLHD include appropriate consideration of risk.
Chief Executive	<ul style="list-style-type: none"> • Champions a risk management culture that includes a focus on continuous improvement and identifying opportunities as well as risks • Ensures the Risk Management Plan is implemented and the Risk Register is current • Ensures appropriate resources are allocated to managing and monitoring risk and to implementing risk mitigation strategies identified through risk planning activities • Allocates accountability for managing individual risks at an appropriately senior level to ensure risk mitigation strategies are implemented • Communicates risk management requirements to management and staff • Takes appropriate action on risks reported or escalated • Provides the Board Audit and Risk Committee and Board with regular reports on risks and management actions being taken to mitigate these risks • Determines the level of management that will be delegated authority to accept risks • Provides quarterly reports to the Ministry of Health on NSLHD’s top 10 risks inclusive of all extreme risks • Approves the annual NSLHD Audit and Risk Management Attestation Statement.
Senior Managers/ Executives	<ul style="list-style-type: none"> • Promotes risk management within their areas of responsibility, including communication of requirements to relevant staff • Are accountable for risks and mitigating controls within their area of responsibility and take appropriate action on risks reported or escalated • Reports on changes and updates to the Risk Register, including updates on risk management strategies, current risk ratings and emerging risks.
Risk owners	<ul style="list-style-type: none"> • Manage the risk, including designing, implementing and monitoring actions to address (or “risk treatments”) for a particular risk • Assess the effectiveness of existing controls and design improvements as required • Escalate the risk for effective management as appropriate to the level of the risk.



The Executive Risk Committee is NSLHD’s peak management committee with respect to Enterprise Risk Management (ERM). The ERC:

- Advises the Chief Executive on NSLHD’s Enterprise Risk Management program
- Reviews registers for relevance and currency of risk information
- Reviews NSLHD’s strategic risks, key operational risks, new and emerging risk, risks where there has been material change to the risk rating, risk trends and closed risks
- Ensures risk ratings are consistently applied from a whole-of-NSLHD perspective and current risk ratings take into consideration the mitigating controls in place
- Ensures risk treatment actions are identified where necessary and monitor progress on those actions within timeframes
- Evaluates the level of risk assessed to determine whether to accept the current risk (within appetite/attitude and tolerances); or if the risk requires further treatment action to mitigate the risk (control likelihood and/or consequence, share with or transfer to another party)
- Reviews the continuous improvement and integration of NSLHD’s ERM Framework
- Provides the Board and Board Audit and Risk Committee with assurance that processes are in place to proactively identify and manage risks to levels within agreed tolerances
- Conducts an annual review of NSLHD’s ERM framework for alignment with NSW Health Policy, effectiveness and continuous improvement
- Reviews any recommendations for improvements made by the Board Audit and Risk Committee, the Finance Risk and Performance Committee, Health Care and Quality Committee, or internal or external Audit reviews.

TYPES OF RISK

NSLHD uses the NSW Health identified types of risk to categorise risk:



Leadership and management



Clinical care and patient safety



Health of population



Finance
(including fraud prevention)



Communication and information



Workforce



Legal



Work health and safety



Environmental



Security



Facilities and assets



Emergency management



Community expectations



ICT (including cyber)

Internal Audit

The Internal Audit Unit (IAU) provides objective and independent advice and assurance to the Board, Board Audit and Risk Committee and Chief Executive on the controls and risk management frameworks in place to assist NSLHD in achieving its goals and objectives.

The IAU is an objective and independent assurance and consulting function designed to add value and improve NSLHD's hospital and service operations. The IAU evaluates and contributes to NSLHD's governance, risk management, and control processes using a systematic and disciplined approach. The IAU, through its activities, plays an integral part in maintaining a culture of accountability and integrity and promoting a culture of cost-consciousness, self-assessment and adherence to high ethical standards. In addition, the IAU is responsible for facilitating the integration of risk management into day-to-day activities and processes.

The Internal Audit Charter is reviewed annually in consultation with the Chief Executive and is endorsed by the Board Audit and Risk Committee.

Audit activities and advisory activities align to NSW Health Internal Audit Policy Directive and Procedures, and with relevant professional standards including International Standards for the Professional Practice of Internal Auditing. This is in addition to NSLHD policies, procedures and guidelines and cover the following:

- Risk Management (*Audit Activity*)
 - evaluate the effectiveness, and contribute to the improvement, of risk management processes
 - provide assurance that risk exposures relating to NSLHD's governance, operations, and information systems are correctly evaluated, including:
 - reliability and integrity of financial and operational information
 - effectiveness, efficiency and economy of operations
 - safeguarding of assets
 - evaluate the design, implementation, and effectiveness of NSLHD's ethics-related objectives, programs, and activities
 - assess whether the information technology governance of NSLHD sustains and supports the organisation's strategies and objectives.

- Compliance (*Audit Activity*)
 - compliance with applicable laws, regulations and Government policies and directions
- Performance Improvement (*Audit Activity*)
 - the efficiency, effectiveness, and economy of NSLHD's business systems and processes
- New programs, systems and processes (*Advisory Service*)
 - providing advice on the development of new programs and processes and/or significant changes to existing programs and processes including the design of appropriate controls
- Risk management (*Advisory Service*)
 - assisting management to identify risks and develop risk mitigation and monitoring strategies as part of the risk management framework
- Fraud control (*Advisory Service*)
 - evaluate the potential for the occurrence of fraud and how NSLHD manages fraud risk
 - assisting management to investigate fraud, identify the risks of fraud and develop fraud prevention and monitoring strategies.

The IAU prepare a risk-based annual IAU work plan that is endorsed by the Board Audit and Risk Committee. The Chief Audit Executive presents reports at each Board Audit and Risk Committee meeting that cover audits completed, progress against the IAU work plan and implementation status of agreed internal and external audit recommendations. In addition, a report on the overall state of internal controls in NSLHD and any systemic issues requiring attention is presented to the Board Audit and Risk Committee annually.

External Audit

The Audit Office of NSW has been delegated by the NSW Ministry of Health to undertake the external audit function for NSLHD. The Audit Office of NSW is the independent auditor for the NSW public sector and report directly to the NSW Parliament. The Audit Office of NSW sends relevant reports to the Board Audit and Risk Committee.

All external audit activities conducted are coordinated to ensure adequacy of overall audit coverage. External audit have full access to all NSLHD internal audit plans, working papers and reports.

DIVERSITY, INCLUSION AND BELONGING

NSLHD is focused on championing and embracing diversity of thinking and working, in order to deliver the outcomes we need for NSLHD employees, patients and consumers. NSLHD believes that when workforces better reflect the communities they serve and employees feel they can contribute in a safe and supportive environment that values difference, the organisation becomes significantly more innovative and high performing.

Diversity in NSLHD refers to the visible and non-visible differences of our people and considers the mix of people, patients, consumers and carers and creation of an inclusive culture. NSLHD defines inclusion as the establishment of a workplace in which all individuals are treated fairly and respectfully, have equitable access to opportunities and resources, and can contribute fully to NSLHD's success. Belonging is recognised as ensuring our people feel safe and valued for embracing what makes them different.

Our Diversity and Inclusion People Profile

TABLE 6

Group	% of total employees
Senior Management Positions held by Women	45%
Female Staff Members	77%
Male Staff Members	23%
Workforce over 34 years [^]	64%
Employees that identify as Aboriginal and/or Torres Strait Islander [^]	0.55%
Employees from Culturally and Linguistically Diverse (CALD) backgrounds [^]	28.5%
Employees who speak a language other than English at home [^]	26%
Employees with a Disability [^]	1.08%
Employees who are LGBTQ+ [^]	3%

[^]Results taken from the 2019 People Matter Employee Survey results.

Leadership and Governance

The Diversity Inclusion Belonging Council (the Council) plays a key role in providing strategic advice to the Chief Executive and Executive Leadership Team and provides a forum for support, knowledge and advice. The Council is responsible for supporting the implementation of the Diversity, Inclusion and Belonging Strategy 2020-2022, maintaining oversight of the programs of work and evaluating the impact of the Strategy and associated projects.

The Council determines the Diversity, Inclusion and Belonging Action Plan and related Key Performance Indicators, including program of work progress and project benefit monitoring. Evaluation of the Council occurs annually by members of the Council and provides regular progress updates to the Board.

Through the Diversity, Inclusion and Belonging Strategy, NSLHD is committed to balancing the needs of specific areas of underrepresentation, building an inclusive culture that leverages all contributions and focuses on identifying opportunities to strengthen diversity across the organisation.

Diversity, Inclusion and Belonging Objectives and Goals

NSLHD supports employees across all diversity groups to maintain engagement and support their wellbeing. NSLHD is dedicated to ensuring that the skills and knowledge of all employees, irrespective of their background, are best supported and utilised. NSLHD has established a broad range of targets in our Diversity, Inclusion and Belonging Strategy across the following key groups to inform our approach:

- Age diverse workforce
- Aboriginal and Torres Strait Islander Workforce
- Culturally and Linguistically Diverse Workforce
- Accessibility and Employees Living with Disability
- Gender Equity in the Workforce
- LGBTQ+ Diverse Workforce

A Diversity, Inclusion and Belonging progress report is published annually that reports on progress against Key Performance Indicators and actions outlined in the Strategy.

WORK HEALTH AND SAFETY

NSLHD is committed to ensuring a proactive and positive approach towards the risk management of work, health and safety (WHS) for all NSLHD employees, patients and visitors. All employees are encouraged to be engaged and empowered to positively contribute to achieving a person centred safety culture and safe workplace. This commitment to proactive WHS management extends to other Persons Conducting Business or Undertakings (PCBU) and their workers where applicable.

The Board was compliant with their Due Diligence obligations as Officers under the NSW WHS Act 2011, and NSW Health Work Health and Safety Audits Policy Directive (PD2016_017) during 2020-21. The Board and Chief Executive are collectively responsible for ensuring the health and safety systems implemented across NSLHD eliminate and minimise workplace injuries.

The Board is satisfied that NSLHD has achieved a WHS focused, person centred safety culture where people are physically and psychologically safe and are supported to maximise their health and wellbeing. NSLHD is committed to managing risks by resourcing, supporting and empowering its employees and managers to proactively participate in the risk



reporting, risk escalation and risk treatment processes implemented and by selecting control measures that are effective, and based on evidence. These include eliminating risks where practicable in order to comply with the NSW WHS Act 2011 and WHS Regulation 2017. NSLHD commits to the implementation and continuous improvement of health and safety by establishing measurable objectives and targets. As an affirmation of NSLHD's WHS commitment, Policy statements signed by the Chief Executive and General Manager and Service Directors are displayed in all NSLHD hospitals and services.

ETHICAL AND RESPONSIBLE

DECISION-MAKING

NSLHD has implemented modes of good practice that provide culturally safe work environments and health services through a continuous quality improvement model. There are systems and processes in place and staff are aware of their obligations to protect vulnerable patients and clients.

All Board members are required to agree to a Declaration of Ethical Behaviour and Confidentiality Undertaking committing to:

Act at all times honestly and in good faith and in the best overall interests of NSLHD

Use due care and diligence in fulfilling the functions the officer and exercising the powers, duties and functions under the *Health Services Act 1997*

Recognise responsibility to the community and to NSLHD

Not use powers of office for an improper purpose or take advantage of the position they hold as a member of the Board

Not allow personal interests or the interests of any associated person to conflict with the interests of NSLHD

Acquaint themselves with Government policy and NSW Health policy as they apply to public health organisations and take all reasonable steps to be satisfied as the soundness of all decisions taken by the Board

Not engage in conduct likely to bring discredit upon NSLHD

Endorse the principles of ethical behaviour contained within the NSW Health Code of Conduct and commit themselves to show leadership by complying with the Code of Conduct in so far as applicable to their dole and duties as a Board member

Have an obligation at all times to comply with the spirit, as well as the letter of the law and with the principles of this declaration.



Board members are expected to adhere to public sector standards and principles of conduct in order to ensure public confidence and trust in the Board is maintained. All Board members are required to have a clear understanding of their public duty and legal responsibilities. Pecuniary or other interests of a Board member that may be in conflict with their role must be disclosed and managed in line with NSW Government standards. A register is kept of all declarations of conflict made by members of the Board.

Code of Conduct

NSLHD has the systems and processes in place to ensure all employees comply with the NSW Health Code of Conduct (the Code) and relevant professional registration and licencing requirements. The Code sets out the standards of ethical and professional conduct that apply to all NSW Health employees and board members, including NSLHD. The Code promotes ethical and professional conduct and decision-making. It is a mandatory requirement that all employees, contractors, volunteers, students, researchers and persons undertaking or delivering training or education in NSW Health abide by the Code of Conduct and Collaboration, Openness, Respect and Empowerment (CORE) Values it promotes.

Fraud and Corruption Prevention Program

Our Fraud and Corruption Control Policy reflects NSLHD's commitment to managing the risks of fraud and corruption in compliance with the NSW Health Corrupt Conduct – Reporting to the Independent Commission against Corruption (ICAC) Policy, NSW Audit Office guidelines, and Fraud and Corruption Control Australian Standards.



Speaking Up for Safety

NSLHD has a strong culture and commitment to speaking up in the workplace. The 'Speaking Up for Safety' program encourages all staff, clinical and non-clinical, to speak up about safety and quality care in the workplace. Speaking Up for Safety covers three important elements:

- Raising your concerns to prevent unintended harm to a patient before it occurs
- Supporting colleagues when they speak up
- Responding in an understanding way when someone speaks up to you.

Conflicts of Interest and Gifts and Benefits

The NSW Health Conflicts of Interest and Gifts and Benefits Policy Directive assists with the management and implementation of a system to satisfactorily and reasonably deal with conflicts of interest and to help staff members develop an awareness of possible conflicts of interest and how to deal with them. Compliance with the Policy in NSLHD is overseen by the Internal Audit Unit.

Employee Assistance Program

The Employee Assistance Program (EAP) provides individual or group support to assist all NSLHD employees manage work or personal challenges, concerns or issues and provides services in areas ranging from crisis management to proactive prevention. NSLHD offers an internal EAP as well as contracts an external provider. Qualified psychologists and social worker counsellors provide staff with access to a professional and confidential service.



NSLHD has the systems in place to support the efficient, effective and economic operation of all our hospitals and services, and to oversight financial and operational performance. All financial and administrative authorities have been appropriately delegated by the Chief Executive with approval of the Board and are formally documented within the NSLHD Delegations Manual.

NSLHD is responsible for ensuring compliance with the NSW Health Accounts and Audit Determination and with the annual Ministry of Health budget allocation advice.

The Chief Executive is responsible for:

- Confirming the accuracy of the information in the financial and performance reports provided to the Board and those submitted to the Finance, Risk and Performance Committee and the Ministry of Health, and ensuring the operational results are in accordance with the relevant accounting standards
- Ensuring the relevant internal controls for NSLHD are in place to recognise, understand and manage its exposure to financial risk
- Ensuring overall financial performance is monitored and reported to the Finance, Risk and Performance Committee
- Ensuing monthly information reported to the Ministry of Health reconciles to and is consistent with reports to the Finance, Risk and Performance Committee
- Write-offs of debtors have been approved by duly authorised delegated officers.

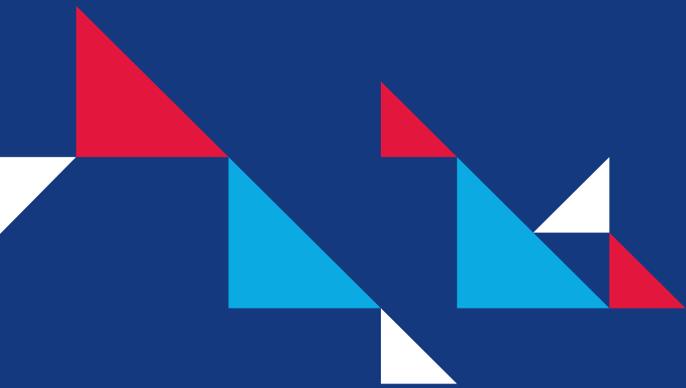
NSLHD and NSW Health Service Agreement

A written Service Agreement between NSLHD and the Ministry of Health was in place during the financial year between the Board and the Secretary, and performance agreements between the Board and the Chief Executive. The Board has the mechanisms in place to monitor the progress of all matters contained within the Service Agreement, including those related to the financial performance of NSLHD.

Finance, Risk and Performance Committee

The Finance, Risk and Performance Committee ensures that the operating funds, capital works funds, resource utilisation and service outputs required of NSLHD are being managed in an appropriate and efficient manner. The Finance, Risk and Performance Committee receives the following monthly reports:

- Financial performance of each hospital and service
- Subsidy availability
- Position of Restricted Financial Asset and Trust Funds
- Activity performance against indicators and targets in the performance agreement for NSLHD
- Advice on the achievement of strategic priorities identified in the performance agreement for NSLHD
- Year to date and end of year projections on capital works and private sector initiatives.



NSW HEALTH CORPORATE GOVERNANCE STANDARDS AND NSLHD INITIATIVES

Establish robust governance and oversight frameworks

Objectives

(NSW Health Corporate Governance & Accountability Compendium)

Ensure that the authority, roles and responsibilities of our governance, management and operating structures are clearly defined, documented and understood.

Expected Outcomes

(NSW Health Corporate Governance & Accountability Compendium)

- The authority, roles and responsibilities of our governing, management and operating structures, including reporting relationships of the Board, Chief Executive and senior management, are documented clearly and understood.
- NSLHD's legal and policy obligations are identified and understood; and responsibilities for compliance are allocated.
- Financial and administrative authorities are approved by the Chief Executive and/or Board and are published in a delegations manual for the organisation which is readily accessible.
- A system is in place to ensure that the policies and procedures of the organisation are documented, endorsed by the Board and/or Chief Executive and are readily accessible to staff.
- Aboriginal leadership in health decisions is embedded at a local level to ensure programs, policies and service delivery are appropriate and meaningful, and focused on Aboriginal community priorities.

Initiatives will focus on:

- ✓ Ensuring all Board member evaluations are completed annually.
- ✓ Supporting all Board members to undertake relevant education.
- ✓ Ensuring the Terms of Reference for all Board Committees are reviewed annually.
- ✓ Ensuring all Board Committees complete annual Committee evaluations.
- ✓ Ensuring all Board declarations of conflicts of interest are undertaken at every Board meeting and reviewed on an annual basis.
- ✓ Maintaining an up to date NSLHD Delegations Manual whereby all financial and administrative authorities have been delegated by formal resolution of the Board.
- ✓ Ensuring the leadership and accountability responsibilities for Aboriginal health are built into the roles of executives and managers at all levels of the organisation.
- ✓ Ensuring the NSW Health and NSLHD Annual Service Agreement is available to the public.

Ensure clinical responsibilities are clearly allocated and understood

Objectives

(NSW Health Corporate Governance & Accountability Compendium)

Ensure that clinical management and consultative structures within the organisation are appropriate to the needs of NSLHD. Ensure that the role and authority of Clinical Directors and General Managers should be clearly defined, documented and understood.

Expected Outcomes

(NSW Health Corporate Governance & Accountability Compendium)

- Clear lines of accountability for clinical care are established and are communicated to clinical staff; and staff who provide direct support to them.
- The authority of Hospital and Service General Managers and Service Directors are clearly understood.
- A Medical and Dental Appointments Advisory Committee (MADAAC) is established to review and make recommendations about the appointment of medical staff and visiting practitioners.
- A Credentials Subcommittee is established to make recommendations to the MADAAC on all matters concerning the scope of practice and clinical privileges of visiting practitioners or staff specialists; and to advise on changes to a practitioner's scope of practice.
- An Aboriginal Health Advisory Committee is established with representation from Aboriginal Community Controlled Organisations (ACCHSs) and/or other Aboriginal community organisations, and with clear lines of accountability for clinical services delivered to Aboriginal people.
- A systematic process for the identification, and management of clinical incidents and minimisation of risks to the organisation is established.
- An effective complaint management system for the organisation is developed and in place.
- Effective forums are in place to facilitate the involvement of clinicians and other health staff in decision making at all levels of the organisation.
- Appropriate accreditation of healthcare facilities and their services is achieved.
- Licensing and registration requirements are checked and maintained.
- The Decision Making Framework for Aboriginal Health Workers to Undertake Clinical Activities is adopted to ensure that Aboriginal Health Workers are trained, competent, ready and supported to undertake clinical activities.

Initiatives will focus on:

- ✓ Submit an attestation statement to the Board to confirm compliance with the National Safety and Quality Health Service (NSQHS) Standards under the Australian Health Service Safety and Quality Accreditation Scheme.
- ✓ Ensuring effective forums opportunities are in place to to enhance engagement with clinicians.
- ✓ Ensuring licence and registration requirements are comprehensively checked in line with NSLHD and NSW Health policies and procedures.

Set the strategic direction for the organisation and its services

Objectives

(NSW Health Corporate Governance & Accountability Compendium)

Ensure clear, articulated and relevant plans are in place to ensure that NSLHD is able to meet its statutory objectives. Ensure that Strategic Plans provide a mechanism for the progressive achievement of the long term vision of NSLHD and act as mechanisms to link the aspiration of the future with the reality of the present.

Expected Outcomes

(NSW Health Corporate Governance & Accountability Compendium)

- The strategic goals of the organisation are documented within a Strategic Plan approved by the Chief Executive and where appropriate by the Board with a 3-5 year horizon.
- Detailed plans for asset management, information management and technology, research and teaching and workforce management are linked to the Strategic Plan.
- A Local Healthcare Services Plan and appropriate supporting plans including operations/business plans at all management levels.
 - A Corporate Governance Plan.
 - An Annual Asset Strategic Plan.
 - An Aboriginal Health Action Plan is developed that aligns with the NSW Aboriginal Health Plan 2013-2023. The action plan must help:
 - Ensure that all relevant NSW Health policies, programs and services consider Aboriginal people as a priority population and reflect the needs of Aboriginal communities.
 - Recognise and strengthen the ongoing role NSW Health has in contributing to the social determinants of health for Aboriginal people through activities such as employment, resource distribution, and education/training.
 - Strengthen Aboriginal health governance, and build and maintain partnerships that facilitate community consultation and self-determination.

Initiatives will focus on:

- ✓ Ensuring the District has in place the necessary governing documents linked to the Strategic Plan.
- ✓ Ensuring that each hospital and service has in place an Operational Plan to guide their strategic direction.

Monitor financial and service delivery performance

Objectives

(NSW Health Corporate Governance & Accountability Compendium)

Ensure that the appropriate arrangements are in place to secure the efficiency and effectiveness of resource utilisation by their organisation; and for regularly reviewing the financial and service delivery of the organisation.

Expected Outcomes

(NSW Health Corporate Governance & Accountability Compendium)

- A committee is established for the organisation and that finance matters and performance and its meeting frequency complements the board meeting cycle.
- The organisation complies with critical government policy directives and policies, including the Accounts and Audit Determination for Public Health Organisations, annual budget allocation advice, the Fees Procedure Manual, Goods and Services Procurement Policy, and the Accounting Manual.
- Local Health District and Network Service Agreements with the Secretary, NSW Health are signed and in place.
- Performance agreements are in place with the chief executive and health executive service staff and performance is assessed on an annual basis.
- Budgets and associated activity/performance targets are issued to relevant managers no later than four weeks after the delivery of the NSW State budget.
- Systems are in place for liquidity management and to monitor the financial and activity/performance of the organisation as a whole, and its facilities.
- Financial reports submitted to the Ministry of Health and the Finance and Performance Committee represent a true and fair view, in all material aspects, of the financial condition and the operational results for the organisation.
- Specific grants or allocation of monies for specific purposes are spent in accordance with the allocation or terms of the grant.
- Aboriginal health performance, service access, service utilisation and quality measures are included in all relevant service agreements.

Initiatives will focus on:

- ✓ Ensuring compliance with the NSW Health Accounts and Audit Determination.
- ✓ Ensuring compliance with the annual Ministry of health budget allocation advice.
- ✓ Ensuring that the Finance Risk and Performance Committee receives all required and relevant reports.

Maintain high standards of professional and ethical conduct

Objectives

(NSW Health Corporate Governance & Accountability Compendium)

Ensure that systems and processes are in place to ensure that staff and contractors are aware of and abide by the NSW Health Code of Conduct and relevant professional registration and licensing requirements. Ensure that policies, procedures and systems are in place to ensure that any alleged breaches of recognised standards of conduct or alleged breaches of legislation are managed efficiently and appropriately.

Expected Outcomes

(NSW Health Corporate Governance & Accountability Compendium)

- The Board and the Chief Executive lead by example in order to ensure an ethical and professional culture is embedded within NSLHD, which reflects the CORE values of the NSW Health system.
- Staff and contractors are aware of their responsibilities under the NSW Health Code of Conduct and that obligations are periodically reinforced.
- All disciplinary action is managed in accordance with relevant NSW Health policies, industrial instruments, legislative, contractual and common law requirements.
- Suspected corrupt conduct, indecent acts, sexual or physical violence or the threat of sexual or physical violence by a staff member against another person (adult or child) is reported to the appropriate agency; and is assessed and managed by an appropriate senior officer within NSLHD.
- There are systems and processes in place and staff are aware of their obligations to protect vulnerable patients and clients.
- Suspected professional misconduct or unsatisfactory professional conduct by staff and visiting practitioners is reported to the relevant healthcare professional council and any other relevant agencies, with appropriate action to be taken NSLHD to protect staff, patients and visitors.
- NSLHD is responsive to external oversight and review agencies such as the Health Care Complaints Commission, NSW Coroner, NSW Ombudsman, the Commission for Children and Young People, NSW Privacy, Independent Commission Against Corruption (ICAC) and the Audit Office of NSW.
- Cultural competence is embedded as a core feature of recruitment, induction, professional development and other education and training strategies.
- Models of good practice are implemented that provide culturally safe work environments and health services through a continuous quality improvement model.

Initiatives will focus on:

- ✓ Ensuring the Chief Executive reports all instances of possible corruption to the ICAC.
- ✓ Ensuring there are the policies and procedures in place to facilitate the reporting and management of public interest disclosures within NSLHD.

Involve stakeholders in decisions that affect them

Objectives

(NSW Health Corporate Governance & Accountability Compendium)

Ensure the rights and interests of key stakeholders are incorporated into the plans of the organisation and that they are provided access to balanced and understandable information about the organisation and its proposals.

Expected Outcomes

(NSW Health Corporate Governance & Accountability Compendium)

- Appropriate consultative and communication strategies are in place to facilitate the input of consumers of health services, and other members of the community, into the key policies, plans and initiatives of the organisation.
- Appropriate consultative strategies are in place to involve staff in decisions that affect them and to communicate the strategies, values and priorities of the organisation to staff.
- A Local Partnership Agreement is in place with Aboriginal Community Controlled Health Services and Aboriginal community services within their boundaries, which enables Aboriginal communities to lead decisions regarding the design, delivery, and evaluation of services provided to local Aboriginal communities.
- Appropriate information on key policies, plans and initiatives of the organisation is made available to the public.
- Policies, plans and initiatives of the organisation are updated regularly and readily accessible to the staff.
- The performance of NSLHD in delivering key plans, targets and initiatives is reported to the public at least annually.
- There are accountability processes in place to ensure partnerships between ACCHSs and Aboriginal community services are established, meaningful, and appropriately facilitate Aboriginal self-determination.

Initiatives will focus on:

- ✓ Ensuring information and advice is provided to the community and local providers about District policies and initiatives.
- ✓ Ensuring the availability and access to information and resources about our health services and health-related topics tailored to the needs of consumers.
- ✓ Ensuring the Consumer Committee continues to provide Board assurance and strategic advice in relation to the consumer and carer experience of health care.

Establish sound audit and risk management practices

Objectives

(NSW Health Corporate Governance & Accountability Compendium)

Establish and maintain an effective internal audit function that is responsible for overseeing the adequacy and effectiveness of NSLHD's internal control, risk management and governance.

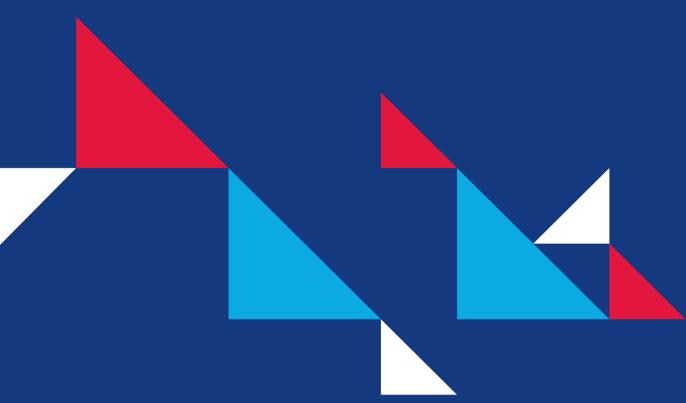
Expected Outcomes

(NSW Health Corporate Governance & Accountability Compendium)

- An Audit and Risk Management committee for NSLHD is established.
- An internal audit function for the organisation is established.
- Risk management is embedded in the culture of the organisation. The risk management framework (enterprise wide) should encompass the identification, elimination, minimisation and management of both clinical and non-clinical risks.

Initiatives will focus on:

- ✓ Ensuring the NSLHD Risk Management Plan identifies how risks are managed, recorded, monitored and assessed.
- ✓ Ensuring that the Board Audit and Risk Committee continues to operate with the following core responsibilities:
 - Assess and enhance NSLHD's corporate governance, including systems of internal control, ethical conduct and probity, risk management, management information and internal audit.
 - Ensure that appropriate procedures and controls are in place to provide reliability in NSLHD's financial reporting, safeguarding of assets, and compliance with NSLHD's responsibilities, regulatory requirements, policies and procedures.
 - Oversee and enhance the quality and effectiveness of NSLHD's internal audit function, providing a structured reporting line for the Internal Auditor and facilitating the maintenance of their independence.
 - Assist the Board, through Internal Audit, to efficiently, effectively and economically deliver NSLHD's outputs.
 - Maintain a strong and candid relationship with external auditors, facilitating to the extent practicable, an integrated internal/external audit process that optimises benefits to NSLHD.

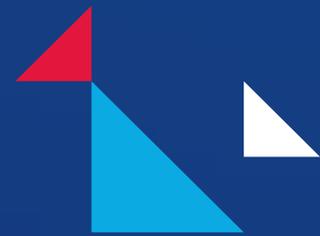


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