

**Corporate Governance Attestation Statement for
Northern Sydney Local Health District
1/7/2012 – 30/6/13**



Health

CORPORATE GOVERNANCE ATTESTATION STATEMENT

Northern Sydney Local Health District

The following corporate governance attestation statement was endorsed by a resolution of the NSLHD Board by out of session distribution on 1 October 2013.

The Board is responsible for ensuring effective corporate governance frameworks are established for the NSLHD. This statement sets out the main corporate governance frameworks and practices in operation within the organisation for the 2012-2013 financial year.

A signed copy of this statement was provided to the Ministry of Health on 2 October 2013.

Signed:



Professor Carol Pollock
Chair

Date 02.10.2013



Adj Assoc. Professor Vicki Taylor
Chief Executive

Date 02.10.2013

ESTABLISH ROBUST GOVERNANCE AND OVERSIGHT FRAMEWORKS

Role and function of the Board and Chief Executive

The Board and Chief Executive carry out their functions, responsibilities and obligations in accordance with the *Health Services Act*.

The Board has approved systems and frameworks that ensure the primary responsibilities of the Board are fulfilled in relation to:

- A** Ensuring clinical and corporate governance responsibilities are clearly allocated and understood
- B** Setting the strategic direction for the organisation and its services
- C** Monitoring financial and service delivery performance
- D** Maintaining high standards of professional and ethical conduct
- E** Involving stakeholders in decisions that affect them
- F** Establishing sound audit and risk management practices.

Board meetings

For the 1/7/2012 – 30/6/13 financial year the Board consisted of a Chair and 10 members appointed by the Minister for Health. The Board met 16 times during this period. 13 ordinary and 2 extraordinary meetings.

Authority and role of senior management

All financial and administrative authorities have been appropriately delegated by the Chief Executive with approval of the Board and are formally documented within a Delegations Manual for the Organisation.

The roles and responsibilities of the Chief Executive and other senior management within the Organisation are also documented in written position descriptions.

Regulatory responsibilities and compliance

The Chief Executive is responsible for and has mechanisms in place to ensure that relevant legislation, regulations and relevant government policies and NSW Health policy directives are adhered to within all facilities and units of the Organisation, including statutory reporting requirements.

The Board has mechanisms in place to gain reasonable assurance that the Organisation complies with the requirements of relevant legislation, regulations and relevant government policies and NSW Health policy directives and policy and procedure manuals as issued by the Ministry of Health.

A ENSURING CLINICAL AND CORPORATE GOVERNANCE RESPONSIBILITIES ARE CLEARLY ALLOCATED AND UNDERSTOOD

The Board has in place frameworks and systems for measuring and routinely reporting on the safety and quality of care provided to the communities the Organisation serves.

These systems and activities reflect the principles, performance and reporting guidelines as detailed in NSW Health policy directive '*Patient Safety and Clinical Quality Program*' (PD2005_608).

A Medical and Dental Appointments Advisory Committee is established to review 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 clinical privileges of visiting practitioners or staff specialists.

The Chief Executive has mechanisms in place to ensure that the relevant registration authority is informed where there are reasonable grounds to suspect professional misconduct or unsatisfactory professional conduct by any registered health professional employed or contracted by the Organisation.

B SETTING THE STRATEGIC DIRECTION FOR THE ORGANISATION AND ITS SERVICES

The Board has in place strategic plans for the effective planning and delivery of its services to the communities and individuals served by the Organisation. This process includes setting a strategic direction for both the Organisation and the services it provides.

Organisational-wide planning processes and documentation is also in place, with a 3 to 5 year horizon, covering:

- a** Asset management
- b** Information management and technology
- c** Teaching
- d** Workforce development

A Strategic Research Plan is being developed.

C MONITORING FINANCIAL AND SERVICE DELIVERY PERFORMANCE

Role of the board in relation to financial management and service delivery

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

The Chief Executive ensures that the financial and performance reports provided to the Board and those submitted to the LHD Finance and Performance Committee and the Ministry of Health are accurate and that relevant internal controls for the organisation are in place.

The Board has approved, and has in place systems to support the efficient and economic operation of the LHD, to oversight financial and operational performance and assure itself financial and performance reports provided to it are accurate. Certification of financial documents will be discussed by the NS LHD Finance and Performance Committee to ensure that a robust and efficient internal certification process is in place.

To this end, the Board and Chief Executive certify that

- The financial reports submitted to the Finance & Performance Committee and the Ministry of Health represent a true and fair view, in all material respects, of the Organisation's financial condition and the operational results are in accordance with the relevant accounting standards. There was one occasion where the net cost of service documented in the narrative letter to the MoH differs from that reported to the Finance and Performance Committee. This was attributed to an error in the SMRT report.
- The recurrent budget allocations in the Ministry of Health's financial year advice reconcile to those allocations distributed to organisation units and cost centres.
- Overall financial performance is monitored and reported to the Finance and Performance Committee of the organisation.
- Information reported in the Ministry of Health monthly reports reconciles to and is consistent with reports to the Finance and Performance Committee.
- All relevant financial controls are in place.
- Creditor levels comply with Ministry of Health requirements.
- Write-offs of debtors have been approved by duly authorised delegated officers.
- The organisation did not incur any unfunded liabilities during the financial year.
- The Director Finance has reviewed the internal liquidity management controls and practices and they comply with Ministry of Health requirements.

The Internal Auditor has reviewed the above during the financial year.

The Public Health Organisation General Fund exceeded the Ministry of Health approved net cost of services allocation by \$34.4 M.

Service and Performance agreements

A written service agreement was in place during the financial year between the Board and the Director-General, NSW Health, and performance agreements between the Board and the Chief Executive, and the Chief Executive and all Health Executive Service Members employed within the organisation.

The Board has mechanisms in place to monitor the progress of matters contained within the Service Agreement and to regularly review performance against agreements between the Board and the Chief Executive.

The Finance and Performance Committee

The Board has established a Finance and Performance Committee to assist the Board and the Chief Executive ensure that the operating funds, capital works funds and service outputs required of the organisation are being managed in an appropriate and efficient manner.

The Finance and Performance Committee was chaired by Mr Michael Still, Board Member and comprises of the Chief Executive, a Board Member, Director Finance, Director Operations, Director Nursing & Midwifery, Director Clinical Governance, General Manager North Shore Ryde Health Service (NSRHS), General Manager Northern Beaches & Hornsby Ku-ring-gai Health Service, Director Mental Health, Drug & Alcohol, Director Primary & Community Health, Acting Chief Information Officer and Director Internal Audit. The Chief Executive attends all meetings of the Finance and Performance Committee unless on approved leave.

The Finance and Performance Committee receives monthly reports that include:

- Financial performance of each entity at the major expense item level
- Liquidity performance
- The position of the Special Purpose and Trust Funds
- Activity performance against indicators and targets in the performance agreement for the organisation
- Advice on the achievement of strategic priorities identified in the performance agreement for the organisation
- Year to date and end of year projections on capital works and private sector initiatives.

Letters to management from the Auditor-General, Minister for Health, and the NSW Ministry of Health relating to significant financial and performance matters are initially registered in Total Record Information Manager (TRIM) system and allocated to officers for the appropriate action as per delegation. Issues arising from such matters are referred to the appropriate committee such as the Audit & Risk Management and the Finance and Performance Committees.

D MAINTAINING HIGH STANDARDS OF PROFESSIONAL AND ETHICAL CONDUCT

The LHD has adopted the NSW Health Code of Conduct to guide all staff and contractors in ethical conduct.

The Code of Conduct is distributed to all new staff and is included on the agenda of all staff induction programs. The Board has implemented systems and processes to ensure the Code is periodically reinforced for all existing staff including the incorporation of the Code into the Values and Behaviour charter poster's distributed to all facilities/ wards/ units. Ethics education is also part of the organisation's learning and development strategy.

The Chief Executive, as the principal officer for the organisation, has reported all known cases of corrupt conduct, where there is a reasonable belief that corrupt conduct has occurred, to the Independent Commission Against Corruption, and has provided a copy of those reports to the Ministry of Health.

Policies and procedures are in place to facilitate the reporting and management of public interest disclosures within the organisation in accordance with state policy and legislation, including establishing reporting channels and evaluating the management of disclosures.

E INVOLVING STAKEHOLDERS IN DECISIONS THAT AFFECT THEM

The Board seeks the views of clinicians, general staff, Ministry of Health, local providers and the local community on the LHD's plans and initiatives for providing health services and also provides advice to the community and local providers with information about the LHD's plans, policies and initiatives.

The Peak Community Participation Council (PCPC) continues to operate as a sub-committee of the Board. Representatives are drawn from all of the Health Service Community Participation Committees and the Mental Health Consumer Network representatives. Ms Betty Johnson AO (Board Member) is the Chair. PCPC members have a range of community networks and associations. As part of the preparations for accreditation this year the NSLHD conducted an audit of the extent of community participation on governance committees. There are more than 90 individuals engaged in such activities across more than 60 committees and networks in the District.

For purposes of ensuring broad community consultation and information provision the Board has set up 'Sounding Board' which is an email address for receiving community feedback and has a staff member appointed to answer all submissions. The web site is in the process of being refurbished so that it can provide a platform for more interactive exchange between the Local Health District and local communities.

The PCPC continues to host Community Forums at public venues in each health service district. These forums generate valuable input into planning processes being run across the District. In 2013 to date we have held two Ageing issues forums, an Aboriginal Health Forum and a forum on Disability services.

Information on the key policies, plans and initiatives of the Organisation and information on how to participate in their development are available to staff and to the public. The intranet site <http://intranet.nscchhs.nswhealth.net/Pages/default.aspx> can be accessed by staff and the internet site www.health.nsw.gov.au/nsllhd can be accessed by both Staff

and the Public to find information about the policies, plans and initiatives of the organisation. Major service developments like the new hospitals at Royal North Shore and the Northern Beaches have their own web sites to keep the community informed about progress on the building developments. The Board rotates its meeting sites so as to visit each hospital facility at least once per year.

F ESTABLISHING SOUND AUDIT AND RISK MANAGEMENT PRACTICES

Role of the Board in relation to audit and risk management

The Board supervises and monitors risk management by the Organisation and its facilities and units, including the organisation's system of internal control. The Chief Executive develops and operates the risk management processes for the organisation.

The Board receives and considers reports of the External and Internal Auditors for the Organisation, and through the Audit and Risk Management Committee monitors their implementation.

The Chief Executive ensures that audit recommendations and recommendations from related external review bodies are implemented.

The organisation has a current Risk Management Plan. The Plan covers all known risk areas including:

- Leadership and management.
- Clinical care.
- Health of population.
- Finance (including fraud prevention).
- Information Management.
- Workforce.
- Security and safety.
- Facilities and asset management.
- Emergency and disaster planning.
- Community expectations
- Teaching and Research.

Audit and Risk Management Committee

The Board has established an Audit and Risk Management Committee, with the following core responsibilities:

- to assess and enhance the organisation's corporate governance, including its systems of internal control, ethical conduct and probity, risk management, management information and internal audit
- to ensure that appropriate procedures and controls are in place to provide reliability in the Organisation's financial reporting, safeguarding of assets, and

- compliance with the Organisation's responsibilities, regulatory requirements, policies and procedures
- to oversee and enhance the quality and effectiveness of the Organisation's internal audit function, providing a structured reporting line for the Internal Auditor and facilitating the maintenance of their independence
 - through the internal audit function, to assist the Board to deliver the Organisation's outputs efficiently, effectively and economically, so as to obtain best value for money and to optimise organisational performance in terms of quality, quantity and timeliness; and
 - to maintain a strong and candid relationship with external auditors, facilitating to the extent practicable, an integrated internal/external audit process that optimises benefits to the organisation.

The Audit and Risk Management Committee comprises 3 members, including 2 persons who are not employees of, or contracted to, provide services to the organisation.

The Chairperson of the Audit and Risk Management Committee was Ms Carol Holley who was one of the independent members of the committee. The other members of the committee were Adj. Assoc. Professor Vicki Taylor, CE and Mr John Hunter (independent). The Audit and Risk Management Committee met on 6 occasions during the financial year. From June 2013 the Chairperson is Mr John Hunter and the members of the committee are Adj. Assoc. Professor Vicki Taylor, CE and Mr Donald Marples (independent).

The Chair of the committee has right of access to the Director-General of the NSW Ministry of Health.