

**Corporate Governance Attestation Statement for
Northern Sydney Local Health District
1/7/2013 – 30/6/14**



Health
Northern Sydney
Local Health District

CORPORATE GOVERNANCE ATTESTATION STATEMENT

Northern Sydney Local Health District

The following corporate governance attestation statement was endorsed by a resolution of the NSLHD Board at its meeting on 02/09/2014.

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 2013-2014 financial year.

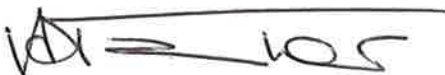
A signed copy of this statement was provided to the Ministry of Health on 04/09/2014.

Signed:



Professor Carol Pollock
Chairperson

Date 3/9/14



Adj Assoc Professor Vicki Taylor
Chief Executive

Date 03.09.2014

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 1/7/2013 – 30/6/14 financial year the Board consisted of a Chair and 11 members appointed by the Minister for Health. The Board held 11 Board meetings and 2 extraordinary meetings throughout this period.

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 and research
- d** Workforce development

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 NSLHD 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 the Organisation's financial condition and the operational results are in accordance with the relevant accounting standards.
- 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 of 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.

There were two matters noted for qualification:

- The Public Health Organisation General Fund exceeded the Ministry of Health approved net cost of services allocation by \$13.3M.
- *In September 2013 this criteria was not met. There was an amount of \$13,714 in unpaid invoices in excess of 45 days.

Service and Performance agreements

A written service agreement was in place during the financial year between the Board and the Secretary, 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 is chaired by Ms Annette Schmiede, NSLHD Board Member and comprises of the Chief Executive, Executive Director Operations, Director Finance, Program Director OESI and one other Board member. The Chief Executive attends all meetings of the Finance and Performance Committee unless on approved leave. There was no meeting of the Finance and Performance Committee in January 2014.

The Finance and Performance Committee receives monthly reports that include:

- Financial performance of each major cost centre
- Liquidity performance
- The position of 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 systems and processes in place to ensure the Code is periodically reinforced for all existing staff. 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 local providers and the local community on the LHDs plans and initiatives for providing health services and also provides advice to the community and local providers with information about the LHDs plans, policies and initiatives.

The Peak Community and Consumer Participation Council (PCCPC) operates as a sub-committee of the Board. Representatives are drawn from each of the Health Service Community Participation Committees and the Mental Health Consumer Network representatives. Ms Betty Johnson AO (Board Member) is the Chair. PCCPC members are involved in a range of community networks and associations. The PCCPC, meets every 2nd month. There are also Community Participation Committees at each site – Macquarie, Ryde, Hornsby, Northern Beaches and Royal North Shore Hospital. There are more than 90 individual community members and consumers active on committees and planning groups across more than 60 committees and networks in the NSLHD.

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 Board rotates its meeting sites so as to visit each hospital facility at least once per year.

The PCCPC continues to host Community Forums at public venues in each health service catchment. These forums generate valuable input into planning processes being run across the NSLHD.

The web site has been updated so that it now provides space for community members to engage with services in a more interactive way. As well as providing information on policies, plans and initiatives of the NSLHD, the website provides information on how to participate in the development of policies. As a key portal to information and access to our services, the website and the feedback we receive through social media @NthSydHealth is monitored on a daily basis. There are a number working groups focussed on designing a better web experience for our consumers and community members.

There is a Consumer Health Publications Committee working on ways to improve the quality of publications that we provide. There are two consumers on this committee providing important feedback about the quality of material that we provide.

Major capital redevelopments like the new hospitals at Royal North Shore, Hornsby Hospital, Northern Beaches and the Mona Vale Community Health Centre have their own web pages to keep the community informed about progress on the building developments, and to provide an opportunity for feedback at critical stages of the development.

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.nslhd.health.nsw.gov.au/Pages/default.aspx> can be accessed by staff and the internet site www.nslhd.health.nsw.gov.au 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.

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 is Mr John Hunter and is one of the independent members of the committee. The other members of the committee are Ms Vicki Taylor, CE and Mr Brian Blood (independent). The Audit and Risk Management Committee met on 5 occasions during the financial year.

The Chairperson of the committee has right of access to the Secretary, NSW Ministry of Health.