

**Corporate Governance Attestation Statement for
Northern Sydney Local Health District
1/7/2011 – 30/6/2012**



Health

CORPORATE GOVERNANCE ATTESTATION STATEMENT **Northern Sydney Local Health District (NSLHD)**

The following corporate governance attestation statement was endorsed by a resolution of the Northern Sydney Local Health District Board at its meeting on September meeting.

The Board is responsible for ensuring effective corporate governance frameworks are established for the Northern Sydney Local Health District. This statement sets out the main corporate governance frameworks and practices in operation within the organisation for the 2011-2012 financial year.

A signed copy of this statement was provided to the Ministry of Health on 20 September 2012.

Signed:



Professor Carol Pollock
Chairperson

20/9/12

Date



Adj. Assoc. Prof Vicki Taylor
Chief Executive

Date 20.09.2012

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 period 1/7/2011-30/6/2012, the Board consisted of a Chair and 10 members appointed by the Minister for Health. The Board met 11 times during this period. An additional meeting (extraordinary) was convened in September 2011 when Dr Mary Foley Director General NSW Health made a presentation and met with the Board.

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.

A draft Local Health District (LHD) and Specialty Network Delegations of Authority has been received by the Minister of Health for review by the LHD Executive and Board. The Delegations Manual will be reviewed in line with this policy and approved by the Board

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 developed a strategic plan for the effective planning and delivery of its services to the communities and individuals served by the Organisation. Over the course of 2011/12, new LHD Clinical Services Plan was developed which will aid in the operationalisation of the LHD Strategic Plan.. Whilst the plans were being finalised, the Organisation was operating under the former Northern Sydney Central Coast Area Health Service -Health Care Services Plans.

Organisational wide planning processes are in place and during 2011/12 operational plans covering a 3 to 5 year horizon were being developed to cover:

- a) Asset management
- b) Information management and technology
- c) Research
- d) Education
- e) Workforce development.

The status of these is presented in the following:

An Assets Strategic Plan (ASP) has been developed for 2012 – 2022.

An IM&T Operational Plan 2011 – 2012 was in place for 1/7/2011-30/6/2012. The previous strategic plan has expired. Development of a new plan has been delayed on the advice of the Chief Information Officer, Health Support Services, until final structures have been determined

Research and education -Since 2010/2011 through to the end of 2012 will see significant changes to the overall corporate governance and operational management of Research and Education at NSLHD. This has resulted with the new appointments of Professor Jonathan Morris as the Director of the Kolling Institute for Medical Research (end 2011), while concurrently holding the position of Associate Dean of the University of Sydney Northern Medical School and Ms Karyn Joyner as the Chief Operating Officer for the Kolling Institute for Medical Research (August 2012). This presents a number of significant opportunities to integrate Research across the NSLHD.

A further Board subcommittee is charged with working with HETI to deliver education across the LHD in line with State and Commonwealth reforms

These will be achieved through a number of key strategic initiatives that will evaluate the corporate governance structure for research and education across the NSLHD, identify and implement a model for financial sustainability, improve the research and education performance across multidisciplinary themes across the NSLHD and to implement patient centred health research that drives the operational structure. The plans for the implementation of the initiatives will be completed by Dec 2012."

Workforce Development - NSLHD is commencing planning activities for a Workforce Plan now that the LHD Strategic Plan and Clinical Services Plan have been finalised and endorsed by the Board and LHD Executive.

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.

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
- 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 Director Finance has reviewed the internal liquidity management controls and practices and they comply with Ministry of Health requirements.
- The organisation did not incur any unfunded liabilities during the financial year.

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 \$5.904M.

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 is 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 Care 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 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 also tabled at the Finance and Performance Committee. Letters received are initially registered in Total Record Information Manger (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 is implementing systems and processes 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 LHD's 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.

A Peak Community Participation Council has been set up as a sub-committee of the Board, drawing representative membership from all District facility Community Participation Committees and Mental Health Consumer Network representatives and special interest representatives for youth and ethnic minorities. Ms Betty Johnson AO (Board Member) is the Chair. PCPC members are encouraged to develop broad community networks and association to gauge and represent community views and to attend other District steering and operational committees in order to contribute and assure the council of the work underway.

For purposes of ensuring broad community consultation and information provision the Board has commissioned an Internet site called 'Sounding Board' which receives community feedback and has a staff member appointed to answer all submissions. The PCPC has arranged and hosted 6 Community Forums at public venues in each health service district and two for special interest groups for elderly NESB people and Chinese Diabetics. Feedback from the Forums is entered into a risk and opportunity register, actions delegated to appropriate staff and progress monitored by the PCPC on behalf of the Board. Progress on the implementation of ideas is fed back to Forum participants who provide their preferred contact details and also via the SoundingBoard.

The LHD is actively seeking opportunities to strengthen relationships and linkages with Medicare Locals, the Non Government Organisation (NGO's) and Third Schedules and the private sector to ensure appropriate, timely, cost efficient and quality health prevention and care.

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.nscchahs.nswhealth.net/Pages/default.aspx> can be accessed by staff and the internet site www.health.nsw.gov.au/nslhd can be accessed by both Staff and the Public to attain information about the policies, plans and initiatives of the organisation. The Board rotates its meeting sites so as to visit each hospital facility at least once per yr and meets with the staff prior to the formal Board meeting.

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 Chief Executive 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.
- Legislative requirements.
- Contractual relationships.

The plan and an Enterprise Risk Management software package are being revised and a LHD wide Implementation Plan is being finalised in consultation with the Chief Executive and the Board.

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 Ms Carol Holley and is one of the independent members of the committee. The other members of the committee are the Chief Executive, and Mr John Hunter, Independent Member. 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 Director-General of the NSW Ministry of Health.