

**Corporate Governance Attestation Statement for
Southern NSW Local Health District
1 July 2015 through 30 June 2016**



Health

CORPORATE GOVERNANCE ATTESTATION STATEMENT **Southern NSW Local Health District**

The following corporate governance attestation statement was endorsed by a resolution of the Southern NSW Local Health District (SNSWLHD) Board on 2 September 2016.

The Board is responsible for ensuring effective corporate governance frameworks are established for the SNSWLHD. This statement sets out the main corporate governance frameworks and practices in operation within the District for the 2015-2016 financial year.

A signed copy of this statement was provided to the Ministry of Health on 5 September 2016.

Signed:



Jenny Symons
Chairperson

Date 2.9.16



Janet Compton
Chief Executive

Date 2/9/2016

ESTABLISHING ROBUST GOVERNANCE AND OVERSIGHT FRAMEWORKS

Role and function of the Board and Chief Executive

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

1.2 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 District 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 2015-2016 financial year, the Board consisted of a Chair and 11 members appointed by the Minister for Health. The Board met 11 times during this period.

Authority and role of senior management

1.3 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 District.

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

Regulatory responsibilities and compliance

1.5 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 District, including statutory reporting requirements.

The Board has mechanisms in place to gain reasonable assurance that the District 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 District serves.

2.1 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).

2.2 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.

2.3 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 District.

B SETTING THE STRATEGIC DIRECTION FOR THE DISTRICT 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 District. This process includes setting a strategic direction for both the District and the services it provides.

3.1 District-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. Research and teaching
- d. Workforce development.

C MONITORING FINANCIAL AND SERVICE DELIVERY PERFORMANCE

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

4.1 The District 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, Performance and Workforce Committee and the Ministry of Health are accurate and that relevant internal controls for the District 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.

4.2 To this end, the Board and Chief Executive certify that:

- a. The financial reports submitted to the Finance, Performance and Workforce Committee and the Ministry of Health represent a true and fair view, in all material respects, of the District's financial condition and the operational results are in accordance with the relevant accounting standards
- b. The recurrent budget allocations in the Ministry of Health's financial year advice reconcile to those allocations distributed to District units and cost centres.
- c. Overall financial performance is monitored and reported to the Finance, Performance and Workforce Committee of the District.
- d. Information reported in the Ministry of Health monthly reports reconciles to and is consistent with reports to the Finance, Performance and Workforce Committee.
- e. A system of internal control is in place.
- f. Creditor levels comply with Ministry of Health requirements.
- g. Write-offs of debtors have been approved by duly authorised delegated officers.
- h. The Public Health District General Fund has not exceeded the Ministry of Health approved net cost of services allocation.
- i. The District did not incur any unfunded liabilities during the financial year.
- j. The Director of Finance and Corporate Services has reviewed the internal liquidity management controls and practices and they comply with Ministry of Health requirements.

4.3 Internal Audit has reviewed the above during the financial year.

Service and Performance agreements

4.4 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 District.

4.5 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, Performance and Workforce Committee

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

The Finance, Performance and Workforce Committee is chaired by **Mr Mark Harrison** and comprises **Mr Michael Hampson (Board Member)**, **Mr Geoff Frost (Board Member)**, the **Chief Executive**, the **Director Finance and Corporate Services**, the **Director Clinical Operations** and the **Director People and Culture**. The **Chief Executive** attends all meetings of the Finance, Performance and Workforce Committee unless on approved leave.

4.7 The Finance, Performance and Workforce 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 District
- Advice on the achievement of strategic priorities identified in the performance agreement for the District
- 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, Performance and Workforce Committee.

D MAINTAINING HIGH STANDARDS OF PROFESSIONAL AND ETHICAL CONDUCT

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

5.2 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 District's learning and development strategy.

5.3 The Chief Executive, as the principal officer for the District, 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.

5.4 Policies and procedures are in place to facilitate the reporting and management of public interest disclosures within the District 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

6.1 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 District's plans, policies and initiatives.

The LHD is committed to working together with consumers, community members and interested groups to build informed and healthy communities throughout the Health District. One of main ways of engaging with community members has been the formation of Community Consultation Committees (CCCs). Each health service facility within the LHD supports a CCC. Members of the Board also attend meetings of the individual CCCs. The Committees are an important link between the community and the Health District to ensure that important local knowledge is considered when planning for the provision of health services.

The Committees form part of an overall community engagement strategy that aims to encourage community members to actively participate in building a healthy community and shaping how health services are provided in their local areas. To ensure an effective two-way flow of communication, regular scheduled meetings take place between the CCCs and the health facilities on a monthly basis. These meetings are supported by the relevant Health Service Managers and the LHD's Manager of Community Engagement, who reports monthly on the CCC meetings directly to the Board.

6.2 Information on the key policies, plans and initiatives of the Health District and information on how to participate in their development are available to staff and to the public at <http://www.snswhd.health.nsw.gov.au> and also through the LHD's Twitter account. In addition, the LHD provides regular staff communications through its intranet at <http://staffnet.snswhd.gsahs.net> and through newsletters, special bulletins and regular emails from the Chief Executive about matters being considered by the Executive.

F ESTABLISHING SOUND AUDIT AND RISK MANAGEMENT PRACTICES

Role of the Board in relation to audit and risk management

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

7.2 The Board receives and considers reports of the External and Internal Auditors for the District and, through the Audit and Risk Committee, monitors their implementation. The Chief Executive ensures that audit recommendations and recommendations from related external review bodies are implemented.

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

- a. Leadership and management
- b. Clinical care
- c. Health of population
- d. Finance (including fraud prevention)
- e. Information Management
- f. Workforce
- g. Security and safety
- h. Facilities and asset management
- i. Emergency and disaster planning
- j. Community expectations

Audit and Risk Committee

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

- to assess and enhance the District'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 District's financial reporting, safeguarding of assets, and compliance with the LHD's responsibilities, regulatory requirements, policies and procedures
- to oversee and enhance the quality and effectiveness of the LHD'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 District'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 District.

The Audit and Risk Committee comprises **three (3) members**, including **two (2)** persons who are not employees of, or contracted to provide services to, the District.

The Chairperson of the Audit and Risk Committee is **Mr David Nott** and he is one of the independent members of the committee. The other independent member of the committee is **Mr Mark McCoy**. The SNSWLHD Chief Executive is also on the committee with **Dr Max Alexander** in this role from 1 July 2015 through December 2015, Acting Chief Executive, **Ms Kate Lyons**, from January through March 2016 and the current Chief Executive, **Ms Janet Compton** as a member from 1 April 2016 through 30 June 2016. The Audit and Risk Committee met on **six (6)** occasions during the financial year.

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