

**Corporate Governance Attestation Statement for
Western NSW Local Health District
1 July 2014 to 30 June 2015**



Health

CORPORATE GOVERNANCE ATTESTATION STATEMENT

Western NSW Local Health District

The following corporate governance attestation statement was endorsed by a resolution of the Western NSW Local Health District Board at its meeting on 2 September 2015.

The Board is responsible for ensuring effective corporate governance frameworks are established for the Western NSW Local Health District. This statement sets out the main corporate governance frameworks and practices in operation within the Organisation for the 2014 - 2015 financial year.

A signed copy of this statement was provided to the Ministry of Health on 3 September 2015

Signed:



Dr Robin Williams
Chairperson

2 September 2015



Scott McLachlan
Chief Executive

2 September 2015

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 2015 financial year, the Board consisted of a Chair and 9 members appointed by the Minister for Health. The Board met 11 times during this period.

Board membership

Dr Robin Williams – Chair

Dr Williams is a General Practitioner VMO at Molong and Yeoval. Dr Williams commenced as a Resident Medical Officer at Dubbo Base Hospital in Australia in 1985, immigrating to Australia from the United Kingdom and settling in Gulgong in 1997. Dr Williams was a member of the Greater Western Area Health Advisory Committee before becoming Chair of the Western NSW LHD Board. He has been a General Practitioner VMO at Molong Health Service and Yeoval UPA since 2007, and prior to that was a GP VMO at Gulgong Health Service. He is Chairman of the Dubbo/Plains Division of General Practice and a Board Director of the NSW Rural Doctors Network since 2003. Current member Interim Board Western Medicare Local. Clinical Lecturer, School of Rural Health University of Sydney.

Associate Professor Joseph Canalese OAM MBBS (Hons), Univ. Sydney - Gastroenterologist

Associate Professor, School Rural Health, University of Sydney. Consultant Gastroenterologist, Dubbo Base Hospital.

Mrs Patricia Doolan PSM

Aboriginal Elder in Dubbo with extensive background in Aboriginal Health. Past member of Greater Western AHAC. Relationship Counsellor, Awarded Public Service Medal 'Women out West' Outstanding Leadership Award. Member of the Charles Sturt

University - Elders Advisory Committee. Awarded Women of the Electorate (Parkes).
President of the Aboriginal Education Group.

Mr Scott Griffiths

Formerly Regional Executive Director, Western Region NSW Department of Family & Community Services. Former Chair Western Region Justice & Human Services Manager Network. Former Joint Chair Murdi Paaki Regional Engagement Committee. MBA, Charles Sturt University, Grad Dip Business Studies, University of New England, Registered Nurse, NSW.

Mrs Julie Ann Maher

Registered physiotherapist with many years of rural and regional work in both private and public sectors. Previous involvement in setting up early intervention centres. Currently involved with aged care services as a member of the management committee of Bathurst Seymour Centre, and some input in Macquarie Care Centre. Involved in a number of community voluntary groups. Justice of the Peace.

Mr Paul Mann

General Manager, Gilgandra Shire Council since 1987. Assoc Diploma in Local Govt Administration. Member Gilgandra MPS Advisory Committee. As General Manager, Paul also has responsibility for extensive Aged Care & Disability Services.

Mrs. Amanda O'Brien

A registered nurse and farmer with a BA majoring in Indigenous Studies who has lived and worked in rural NSW for over forty years in a variety of health and community service settings. Previous involvement in primary care, community liaison and health promotion. A member of Oberon Health Council and volunteer with Oberon Community Transport.

Mr Graham Parker

A qualified accountant with extensive commercial experience in the heavy construction and mining industries both in Australia and overseas. He has participated at board level in the management of smaller public companies and been on the governing council for several large joint ventures in mining and petroleum. He was a member of the Greater Western Area Health Advisory Council for four years where he headed up the finance committee.

Dr Aubrey (John) Tooth

VMO Ob/Gyn, Dubbo Base Hospital and Dubbo Private Hospital. Clinical Tutor, School of Rural Health, University of Sydney. Member, Medical Staff council, Dubbo Base Hospital. BSc. MBBS. FRCOG. FRACOG.

Mrs Joan Treweeke

President, Management Committee, Lightning Ridge Community Centre; Chair of Yawarra Meamei Women's Group Inc. Management committee Member for Contact Inc. Northern Plains Regional Advisory Committee Member, National Parks and Wildlife Service. Director and Vice President of the Royal Flying Doctor South East Section.

Former Councillor, Walgett Shire Council, Extensive experience as Company Director. LLB University of Melbourne.

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 year horizon, covering:

- a** Asset management
- b** Information management and technology

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.
- Write-offs of debtors have been approved by duly authorised delegated officers.
- The Director of Finance has reviewed the internal liquidity management controls and practices and they comply with Ministry of Health requirements.
- Creditor levels comply with Ministry of Health requirements

- The Public Health Organisation General Fund has not exceeded the Ministry of Health approved net cost of services allocation
- The Organisation did not incur any unfunded liabilities during the financial year.

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

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 Scott Griffiths (Board member) and comprises Mr Graham Parker (Board member) and Paul Mann (Board member). 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.

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 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 LHD has a formal committee structure that is representative of its communities and its service providers. The Board, Chief Executive and the Health Care Quality Committee (HCQC) engage consumers and the community in organisational management of clinical governance, strategic partnerships, workforce planning, organisational performance review and financial management. The Board is active in incorporating the input of consumers of health services and other members of the community into the key policies, plans and initiatives of the Organisation. A number of programs have been implemented to facilitate this:

There are 36 Health Councils comprised of over 350 community representatives throughout the Local Health District. The Health Councils play a key role in advocating for the community on health matters. They work with the Health Service and service partners to promote and enhance the health of the community. Their role is to:

- Bring local health needs and issues to the attention of the Health Service;
- Allow communities to participate in service planning and delivery;
- Promote and improve the health of the local community in partnership with the Health Service and others; and
- Develop and strengthen networks and links within the community

The Local Health District also conducts regular Community Input Forums and surveys and consults with Bila Muuji Aboriginal Health Services Inc.

A broad program of industrial body consultation also exists at the Local Health Network Executive level as well as within the local Health Services. Clinician Group Consultations are regular occurrences. They include the following groups:

- Medical services;
- Surgical services;
- Critical care services;
- District, Multi-Purpose Services and GP services;
- Cancer and palliative care services;
- Maternity and paediatric services; and
- Mental health services

Regular formal meetings, committees and working parties are in place to manage relationships and the performance of external government and non-government contracts and inter Health activities including the Ambulance Service of NSW, HealthShare NSW (e.g. employee, payroll, linen services); NSW Health Pathology; Pinnacle and Spotless for the Public Private Partnership (PPP) services; and consortiums providing Visiting Medical Officer Services. Co-operation and collaboration between the LHD and the Western NSW Medicare Local is a key element of the National Health Reform. The Board and Chief Executive are working towards establishing collaborative relationships to ensure engagement and partnerships at appropriate levels.

The Human Research and Ethics Committee incorporate representation from the clergy and universities.

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 at <http://wnswlhd.health.nsw.gov.au/>

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 five members, including three 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 Peter Moffitt* who is an independent member of the committee. The members of the committee during the 2015 financial year were *Ms Christine Feldmanis* (Independent Member), *Mr Paul Apps* (Independent Member), *Ms Joan Treweeke* (Board member) and *Mr Paul Mann* (Board member). The Audit and Risk Management Committee met on seven occasions during the financial year.

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

G Qualifications to Corporate Governance Attestation Statement 2015

Qualification to Item B: Setting the Strategic Direction for the Organisation and its Services

Western NSW Local Health District does not currently have organisational-wide planning processes and documentation in place with a 3 to 5 year horizon, covering:

- a** Research and teaching
- b** Workforce development

Remedial Action

- a** A research and teaching plan with a 3 to 5 year horizon is to be developed
- b** A workforce development plan with a 3 to 5 year horizon has been developed and is in the process of endorsement and adoption.



Signed – Scott McLachlan, Chief Executive



Signed – Nicholas Bennett, Manager of Internal Audit