

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



## **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 10 August 2016.

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 2015 - 2016 financial year.

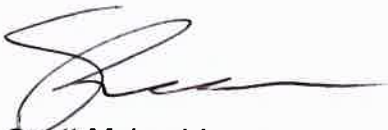
A signed copy of this statement was provided to the Ministry of Health on 31 August 2016.

Signed:



*Dr Robin Williams*  
Chairperson

Date 10 AUGUST 2016



*Scott McLachlan*  
Chief Executive

Date 10 AUGUST 2016

## **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 2016 financial year the Board consisted of the Chair and 9 members appointed by the Minister for Health, including the Chief Executive as an Ex-Officio Member. 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 graduated from London and completed his General Practice training in Wales. He was a Resident Medical Officer at Dubbo Base Hospital and a rural GP locum in 1985-6, and emigrated with his young family to Australia, settling in Gulgong in 1997 where he was in practice for 10 years before setting up a General Practice in HealthOne Molong. 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. He is a past Chairman of the Dubbo/Plains Division of General Practice and of the NSW Rural Doctors Network, and has also served on the Western NSW Medicare Local Board. He is Clinical Lecturer, School of Rural Health University of Sydney, a member of the NSW Health Ministerial Advisory Committee on Rural Health, and a Board member of the Orange Regional Conservatorium of Music. His main medical interest is helping to develop a truly Integrated Health Care System.

#### **Associate Professor Joseph Canalese OAM MBBS (Hons),FRACP Gastroenterologist , School Rural Health, University of Sydney.**

Assoc Prof Canalese is a retired Consultant Physician, and was a VMO at Dubbo Base Hospital for over 30 yrs. He provided outreach clinics at various times to Brewarrina,

Gilgandra, Wellington, Walgett, Condobolin, Coonabarabran, and Bourke Hospitals. He was the Associate Dean of the School of Rural Health, Univ.of Sydney and is involved in various community and professional bodies

**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 PSM**

Formally 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.

**Mrs Julie Ann Maher**

Retired 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 chair of the management committee of Bathurst Seymour Centre. Involved in a number of community voluntary groups. Justice of the Peace. Named one of the 200 Living Legends in Bathurst Bicentennial year in 2015.

**Mr Paul Mann PSM**

General Manager, Gilgandra Shire Council since 1987. Assoc Diploma in Local Govt Administration. As General Manager, Paul also has responsibility for extensive Aged Care & Disability Services. Board Member of Orana Regional Organisation of Councils.

**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. She has experience in primary care, aged care, community liaison and health promotion. Formerly a member of Oberon Health Council and currently a 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. 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. Was a member of the Greater Western Area Health Advisory Council for four years where he headed up the finance committee.

**Mrs Joan Treweeke**

Director & former President Royal Flying Doctor Service South Eastern Section; Director Royal Far West; Board Member Contact Inc; President The Ridge Community Resource Centre Inc; Committee Member NPWS Northern Plains Regional Advisory Committee;

Board Member of former Far West Medical Local Former Councillor Walgett Shire Council; Director family farming enterprise; 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 to 5 year horizon, covering:

- a Asset management
- b Information management and technology
- c 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.

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 General Fund has not exceeded the Ministry of Health approved net cost of services allocation.

- Aside from a contingent liability disclosed in the 2016 draft financial statements, the potential impact of which cannot be estimated with any degree of confidence, the organisation did not incur any unfunded liabilities incurred during the 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.

### **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 and comprises Mr Graham Parker and Mr Paul Mann. 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 actively seeks the views of local providers and communities 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 framework for incorporating the input of consumers of health services, and other members of the community into the key policies, plans and initiatives of the Organisation. The following are some examples of the initiatives undertaken to involve the communities the LHD serves:

- Community input forums and surveys
- Clinician group consultations which involve 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.
- Consultation and partnerships with organisations dedicated to Aboriginal health services
- 36 Health Councils within the Local Health District with over 350 members representing their communities.

The Board, Chief Executive and the Health Care Quality Committee (HCQC) actively engage representatives from the community in organisational management of clinical governance, strategic partnerships, workforce planning, organisational performance review and financial management.



Co-operation and collaboration between the LHD and the Western Primary Health Network is a key element of engaging stakeholders. The Board and Chief Executive are working towards establishing collaborative relationships to ensure engagement and partnerships at appropriate levels.

Regular formal meetings, committees and working parties are held 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.

A broad program of industrial body consultation exists at the Local Health Network Executive level as well as within the local Health Services.

The Audit and Risk Management Committee includes a number of independent members. 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, all five are persons who are not employees of, or contracted to provide services to, the Organisation.

The Chair of the Audit and Risk Management Committee is Mr Peter Moffitt and he is one of the independent members of the committee. The other members of the committee are Ms Christine Feldmanis (Independent Member), Ms Leah Fricke (Independent Member), Ms Joan Treweeke (Independent Board Member) and Mr Paul Mann (Independent Board Member). The Audit and Risk Management Committee met on 7 occasions during the financial year.

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

**G Qualifications to governance attestation statement**

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

Western NSW Local Health District did not have a Research and Teaching Strategy covering the 2016 financial year.

**Progress**

A Research and Teaching Strategy is currently under development.

**Remedial Action**

A Research and Teaching Strategy is to be developed and finalised by Western NSW Local Health District.



*Signed – Scott McLachlan, Chief Executive*



*Signed – Nick Bennett, Manager Internal Audit*