
MODEL CORPORATE GOVERNANCE ATTESTATION STATEMENT FOR LOCAL HEALTH DISTRICTS AND SPECIALTY NETWORKS

Background

Public Health Organisations are required to complete an Annual Corporate Governance Attestation Statement as part of good corporate governance practice as referred by Central Agencies and External agencies like the Audit Office of NSW and as referred in the NSW Health Corporate Governance and Accountability Compendium. The requirement also forms part of the LHDs obligations under the Service Agreement (Schedule F).

Completion Instructions:

Local Health Districts (LHDs) and Specialty Networks (SNs) should use the text provided in the 'Model Corporate Governance Attestation Statement for LHDs and SNs' (attached) as the basis for their Corporate Governance Attestation Statement. Corporate Governance Attestation Statements report retrospectively by financial year.

The Corporate Governance Attestation Statement (including qualifications and any explanatory notes) should be:

- Prepared by the Chief Executive and tabled at the Audit and Risk Management Committee of the LHD/SN;
- endorsed by the Board and signed by the Board Chairperson;
- published in full on the LHD/SN Internet site
- a copy of the statement is provided to the Corporate Governance and Risk Management Unit, Ministry of Health by 31st August 2017.

The Model Statement is designed to support the Organisation's CORE values and structures and address the seven governance standards outlined within the NSW Health Corporate Governance and Accountability Compendium. Organisations must include within their Statement all information contained in the Model Statement as a minimum. Organisations may add information to the Statement as relevant to local needs in order to promote their governance activities to any stakeholders that may be interested in the content of the statement. Text requiring insertion or editing is identified as **blue** within the Model Statement.

Where an organisation has not implemented or met the requirements identified in the Model Statement, the supplied text may be edited to reflect the implementation status within the Organisation, and explain within the Qualifications page the actions to be taken or, provide information to the Ministry of Health explaining the reasons why the requirement has not been met or implemented, and the actions proposed to rectify the identified non-compliance. Where information is not relevant to the business of the Organisation it may be removed.

Appropriate working papers and records should be maintained to support the content included within the Statement, and for audit purposes.

The Statement may be 'desktop published' or otherwise redesigned to reflect the Organisation's preferred publication format. The Statement may also be redesigned in order to be published in full on the Internet as long as the content of the Statement is not compromised.

For further information about the content of the Statement and its completion and submission, please contact the Director, Corporate Governance and Risk Management, Legal and Regulatory Services Branch, in the Ministry on (02) 9391 9654 or at cgrm@doh.health.nsw.gov.au.

**Corporate Governance Attestation Statement for
Western NSW Local Health District
1 July 2016 – 30 June 2017**



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 August 2017 on the basis that the Chief Executive has conducted all necessary enquiries and is not aware of any reason or matter why the Board cannot give the required attestation.

The Board is responsible for ensuring effective corporate governance frameworks are established for the Western NSW Local Health District and not the day-to-day management of the Organisation. To this end, the Board is satisfied and has received assurances from the Chief Executive that the necessary processes are in place.

This statement sets out the main corporate governance frameworks and practices in operation within the organisation for the 2016-2017 financial year.

This attestation statement has been reviewed by Internal Audit to ensure the LHD has implemented and met all necessary requirements. Each section within the attestation statement is supported by relevant and complete documentation, which has been reviewed and signed off by the Chief Audit Executive.

A signed copy of this statement is provided to the Ministry of Health by 31 August 2017.

Signed:



Scott Griffiths
Chairperson

02 August 2017
Date



Scott McLachlan
Chief Executive

02 August 2017
Date

Standard 1: 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 1997* and the *Government Sector Employment Act 2013*.

The Board has approved systems and frameworks that ensure the primary responsibilities of the Board are fulfilled in relation to:

- Ensuring clinical and corporate governance responsibilities are clearly allocated and understood
- Setting the strategic direction for the organisation and its services
- Monitoring financial and service delivery performance
- Maintaining high standards of professional and ethical conduct
- Involving stakeholders in decisions that affect them
- Establishing sound audit and risk management practices.

Board meetings

During the 2016/2017 financial year the Board was chaired by:

Chair	Meetings as Chair in 2017 financial year
Dr Robin Williams	July 2016 to December 2016
Mr Scott Griffiths	February 2017 to June 2017

and consisted of nine members appointed by the Minister for Health. The Board met eleven times during 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.

Standard 2: 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). The Principles underpinning the Patient Safety and Clinical Quality Program as outlined in the Clinical Excellence Commission Directions Statement are:

- Openness about failures
- Emphasis on learning
- Obligation to act
- Accountability
- Just culture
- Appropriate prioritisation of action
- Teamwork and information sharing

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 scope of practice and clinical privileges of visiting practitioners or staff specialists.

An Aboriginal Health Advisory Committee is established, or clear lines of accountability are in place for clinical services delivered to Aboriginal people.

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.

Standard 3: SETTING THE STRATEGIC DIRECTION FOR THE ORGANISATION AND ITS SERVICES

The Board has in place strategic plans, such as a Local Health Services Plan, 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 within the overarching goals and priorities of the *NSW State Health Plan*.

Organisational-wide planning processes and documentation are also in place, with a 3 to 5-year horizon, covering:

- a** Asset management – Designing and building future-focused infrastructure
- b** Information management and technology – Enabling eHealth
- c** Research and teaching – Supporting and harnessing research and innovation
- d** Workforce development – Supporting and developing our workforce

Standard 4: 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 is responsible for confirming the accuracy of information in the financial and performance reports provided to the Board and those submitted to the LHD Finance and Performance Committee and the Ministry of Health, and that relevant internal controls for the Organisation are in place to recognise, understand and manage its exposure to financial risk.

The Board has confirmed that the Organisation has in place systems to support the efficient, effective and economic operation of the LHD, to oversee financial and operational performance and assure itself financial and performance reports provided to it are accurate.

To this end, the Board and Chief Executive attest that:

- 1) The financial reports submitted to the Finance & Performance Committee and the Ministry of Health represent the Organisation's financial position and the operational results fairly and accurately, and are in accordance with generally accepted accounting principles
- 2) The recurrent budget allocations in the Ministry of Health's financial year advice align with those allocations distributed to organisation units and cost centres.
- 3) It is assured overall financial performance is monitored and reported to the Finance and Performance Committee of the Organisation.
- 4) Information reported in the Ministry of Health monthly reports reconciles to and is consistent with reports to the Finance and Performance Committee.
- 5) It is assured all relevant financial controls are in place.
- 6) Creditor levels conform to Ministry of Health requirements.
- 7) Write-offs of debtors have been approved by duly authorised delegated officers, as reported by the Director of Finance/Chief Financial Officer.
- 8) The Public Health Organisation General Fund has not exceeded the Ministry of Health approved net cost of services allocation, as stated in the Organisation's service agreement.
- 9) It is assured the Organisation did not incur any unfunded liabilities during the financial year.

- 10) The Director of Finance has reviewed the internal liquidity management controls and practices and they meet Ministry of Health requirements.

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

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 to ensure that the operating funds, capital works funds, resource utilisation and service outputs required of the organisation are being managed in an appropriate and efficient manner.

The Finance and Performance Committee is chaired by Scott Griffiths and comprised of the following members during the 2017 financial year:

Name	Months active on Committee in 2017 financial year
Mr Scott Griffiths	July 2016 to June 2017
Mr Paul Mann	July 2016 to June 2017
Mr Graham Parker	July 2016 to December 2016
Mr Jason Cooke	February 2017 to June 2017
Ms Fiona Bennett	May 2017 to June 2017

The Chief Executive attends all meetings of the Finance and Performance Committee unless on approved leave. The Committee met ten times during this period.

The Finance and Performance Committee receives monthly reports that include:

- Financial performance of each major cost centre
- Liquidity management and 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.

Standard 5: 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 professional conduct and ethical behaviour.

The Code of Conduct is distributed to, and signed by, 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.

The Board and the Chief Executive lead by example in order to ensure an ethical and professional culture is embedded within the Organisation. 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.

For the period, the Organisation reported six cases of corrupt conduct. 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.

For the period, the Organisation reported two public interest disclosures.

Standard 6: INVOLVING STAKEHOLDERS IN DECISIONS THAT AFFECT THEM

The Board seeks the views of local providers and the local community on LHD plans and initiatives for providing health services and also provides advice to the community and local providers with information about the LHD plans, policies and initiatives.

The following are examples of consultative initiatives in place to facilitate the input of consumers of health services and other members of the community into the key policies, plans and initiatives of the organisation:

- 36 Health Councils operate within the Local Health District and have over 350 members who represent their local communities. This enables the LHD to negotiate strategies, plans, and initiatives with our communities and discuss the health issues that are forefront to them. The Board regularly meets with the Health Councils as part of the annual Health Councils Forum
- Community input forums and surveys are undertaken on a regular basis
- Clinician group consultations that seek the input of specialists in medical services; surgical services; critical care services; 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 such as Bila Muuji and Aboriginal Medical Services

Consumer and community representatives are also actively engaged on the following committees for their strategic input:

- Health Care Quality Committee
- Research and Ethics Committee
- District Disability Advisory Committee

Co-operation and collaboration between the LHD and the Western Primary Health Network is a key element of engaging stakeholders.

Regular formal meetings, committees and working parties are held to manage stakeholder and partner relationships with the Ambulance Service of NSW, HealthShare NSW; NSW Health Pathology; Pinnacle and Spotless for the Public Private Partnership (PPP) services; and consortiums providing Visiting Medical Officer services.

A partnership commitment has been entered into by Western NSW Local Health District and Bila Muuji. Local Partnership Agreements are being negotiated.

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/>.

Standard 7: 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 risk management tools include a risk appetite statement and an enterprise risk register, which is monitored by the Board and the Audit and Risk Management Committee to ensure that it is current, reflects the risk profile of the organisation, and that effective action plans are in place to manage risks.

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 encompassing both clinical and non-clinical risks. The Plan covers all known risk areas including:

- Clinical care.
- Health of population.
- Emergency and disaster planning.

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- Security and safety.
 - Community expectations.
 - Workforce.
 - Information Management.
 - Finance.
 - Fraud prevention.
 - Facilities and asset management.
 - Leadership and management.

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 implemented by management 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.
- to maintain a current Charter outlining its roles and responsibilities to the Organisation.

The Audit and Risk Management Committee met seven times during the financial year.

The Audit and Risk Management Committee provides advice to the Chief Executive with respect to the financial reports submitted to the Finance and Performance Committee. The Chairperson of the Committee has right of access to the Secretary, NSW Health.

Qualifications to the governance attestation statement

Item: Standard 3: setting the strategic direction for the organisation and its services: Organisational-wide planning processes and documentation are in place, with a 3 to 5-year horizon, including an Aboriginal Health Action Plan

Qualification

Western NSW Local Health District has made a Statement of Commitment to improving Aboriginal Health. This commitment is reflected in the WNSWLHD Strategic Plan and in the Workforce Plan.

Although an Aboriginal Health Plan was in place for January 2014 to December 2016, it did not cover January 2017 to June 2017.

Progress

Following a review to align the structure and functions of the Directorate with strategic goals and priorities during the 2017 financial year, a restructured Aboriginal Health and Wellbeing Directorate has been established.

Key initiatives are in place and continue to operate following the 2014 to 2016 Aboriginal Health Plan and include:

- Ensuring programs and services are accessible, affordable, relevant and appropriate for Aboriginal communities;
- Continuing to develop and strengthen effective partnerships and working relationships with the Aboriginal community controlled sector, Primary Health Networks, Aboriginal communities and other key stakeholders;
- Development and support of a skilled Aboriginal workforce;
- Ensuring governance, planning and advisory structures within the organisation are supportive of culturally relevant decision-making.

Remedial Action

A new Aboriginal Health Plan with a 3 to 5-year horizon is currently under development.



Scott McLachlan
Chief Executive



Nicholas Bennett
Manager Internal Audit
16 July 2017