

**Corporate Governance Attestation Statement for  
Nepean Blue Mountains Local Health District  
01 July 2015 to 30 June 2016**



## **CORPORATE GOVERNANCE ATTESTATION STATEMENT**

### **NEPEAN BLUE MOUNTAINS LOCAL HEALTH DISTRICT**

The following corporate governance attestation statement was endorsed by a resolution of the Nepean Blue Mountains Local Health District Board at its meeting on 31 August 2016.

The Board is responsible for ensuring effective corporate governance frameworks are established for the Nepean Blue Mountains 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 will be provided to the Ministry of Health on 2 September 2016.

Signed:



31/8/16

Andrew Keegan  
Chairperson

Date



31/8/16

Kay Hyman  
Chief Executive

Date

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## **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 2015/16 financial year the Board consisted of a Chair and 11 members appointed by the Minister for Health. The Board met 12 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.

## **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** 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**

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/SN 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/SN, to oversight financial and operational performance and assure itself financial and performance reports provided to it are accurate.

To this end, the Chief Executive certifies 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 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 Director of Corporate Services (or Director of Finance where applicable) 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 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 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 Associate Professor Andrew Keegan and comprises Mr Joseph Grassi – Board Member and Ms Kay Hyman – Chief Executive. The Chief Executive attends all meetings of the Finance and Performance Committee unless on approved leave.

Invitees in attendance are:

- Mr Brian Beatty – Director Workplace People and Culture
- Ms Angela Edwards – Director Finance
- Ms Clair Ramsden – Director Nursing and Midwifery
- Ms Debbie Wyburd – Director Clinical Governance

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/SN 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 LHDs/SNs plans and initiatives for providing health services and also provides advice to the community and local providers with information about the LHDs/SNs plans, policies and initiatives.

Nepean Blue Mountains Local Health District has formed a joint Consumer Engagement Council with Nepean Blue Mountains Medicare Local. Members of the Consumer Engagement Council are involved in key NBMLHD committees and structures include the Healthcare Quality Committee Board Sub-Committee

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 [www.nbmlhd.health.nsw.gov.au](http://www.nbmlhd.health.nsw.gov.au). Staff are advised of key policies, plans and initiatives via internal communication including internet messages and monthly newsletters. Staff can access key documents and provide comment via the intranet.

## **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 4 members, including 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 Barry Shepherd, who has been Chair from 1 December 2014. The other members of the committee are: Ms Shirley Liew - Independent member (from 1 December 2014); Mr John Hunter (from 1 June 2015) all terms are for 3 years. Mr Colin Lenton – Board member has been attending meetings in this capacity from 1 December 2014, previously he was an observer.

The Audit and Risk Management Committee met on 6 occasions during the 2015/16 financial year.

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



## **G Qualifications to governance attestation statement**

### **Item: B**

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

- b) Information management and technology

### **Qualification**

b) The IT Strategic Direction has been delayed due to the separation of IT infrastructure with WSLHD and the need to provide an independent ICT service.

### **Progress**

b) A draft ICT Strategic Plan has been developed but will be reviewed once the separation with WSLHD is complete and appointment of a permanent ICT Director IT for NBMLHD is appointed.

### **Remedial Action**

b) The recently appointed Director IT will review the draft ITC Strategy Plan during 2016/17.



Kay Hyman  
Chief Executive



John Klincke  
Director Internal Audit