

31 August 2016

Ms Karen Crawshaw
Deputy Director General
Governance, Workforce and Corporate
NSW Health Department
Locked Mail Bag 961
NORTH SYDNEY NSW 2059

Dear Ms Crawshaw

Re: Statement of Corporate Governance Attestation Statement 2015-2016

Please find enclosed the original completed and signed Corporate Governance Attestation Statement for Northern NSW Local Health District for 1 July 2015 to 30 June 2016, as required.

Should you require further information concerning the Corporate Governance Statements please contact me on telephone 6620 2217.

Yours sincerely,



Wayne Jones
Chief Executive

**Corporate Governance Attestation Statement for
Northern New South Wales Local Health District
1 July 2015 to 30 June 2016**



Health

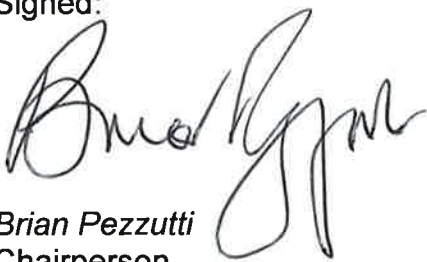
CORPORATE GOVERNANCE ATTESTATION STATEMENT **NORTHERN NEW SOUTH WALES LOCAL HEALTH DISTRICT**

The following corporate governance attestation statement was endorsed by a resolution of the Northern New South Wales 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 Northern New South Wales Local Health District. This statement sets out the main corporate governance frameworks and practices in operation within the LHD for the 2015/15 financial year.

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

Signed:



Brian Pezzutti
Chairperson

Date 4/8/16



Wayne Jones
Chief Executive

Date 1-8-16

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 LHD 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 twelve members appointed by the Minister for Health. The Board met thirteen 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 LHD.

The roles and responsibilities of the Chief Executive and other senior management within the LHD 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 LHD, including statutory reporting requirements.

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

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 LHD. This process includes setting a strategic direction for both the LHD 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 NNSW LHD 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 LHD 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 LHD'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 LHD units and cost centres.
- Overall financial performance is monitored and reported to the Finance and Performance Committee of the LHD.
- 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 NNSW LHD General Fund has not exceeded the Ministry of Health approved net cost of services allocation.
- The LHD did not incur any unfunded liabilities during the financial year.
- The Executive Director Financial Operations has reviewed the internal liquidity management controls and practices and they comply with Ministry of Health requirements.

The Internal Auditor did not undertake any specific reviews of the above during the financial year. An oversight of these functions was undertaken.

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 LHD.

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 LHD are being managed in an appropriate and efficient manner.

The Finance and Performance Committee is chaired by Mr Malcolm Marshall and comprises Mr Mark Humphries and Dr John Moran, Board Members, Executive Director of Finance, Executive Director of Clinical Governance, Chief of Staff, Executive Director Tweed Byron Health Service Group, Executive Director Richmond Clarence Health Service Group, Executive Director Nursing & Midwifery, Manager Workforce Change and Sustainability, Manager Capital Works and Assets and Manager Internal Audit.

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 LHD
- Advice on the achievement of strategic priorities identified in the performance agreement for the LHD
- 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 LHD's learning and development strategy.

The Chief Executive, as the principal officer for the LHD, 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 LHD 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 plans and initiatives for providing health services and also provides advice to the community and local providers with information about the LHDs plans, policies and initiatives.

NNSW LHD COMMUNITY AND STAKEHOLDER ENGAGEMENT FRAMEWORK

The Northern NSW Executive and Board have endorsed a Community and Stakeholder Engagement Framework for the NNSW LHD.

<http://nswlhd.health.nsw.gov.au/about/northern-nsw-local-health-district/community-and-clinical-engagement/community-and-stakeholder-engagement-framework/>

Section 1 of this framework provides an overview of the formal structures for community and stakeholder engagement established by the NNSW LHD Board and Executive and Section 2 provides some supporting guidelines for NNSW LHD staff and management in considering community or stakeholder engagement at the local facility, network and service level.

This framework is a living document and sections of the document are updated to accommodate changes as they occur.

PLANNING AND PERFORMANCE - GUIDE TO PLANNING PROCESSES

The Planning and Performance Unit has developed a Guide to Planning Processes which describes the Northern NSW Local Health Districts (NNSW LHD) approach to planning processes and included the legislated functions of the LHD Boards under the Health Services Act 1997 (NSW) are factored into NNSW LHD planning processes to ensure: the development of strategic plans; processes are in place to seek the views of providers and consumers of health services; inclusion of community and clinicians in the planning of health services; advice is supplied to providers and consumers of health services about policies, plans and initiatives for the provision of health services.

F

COMMUNITY ENGAGEMENT DATABASE

The Northern NNSW LHD has established a database whereby interested individuals and community organisations can register to receive the NNSW Local Health District newsletter to be kept informed of involvement opportunities. The database is available at: <https://www.surveymonkey.com/s/NNSWCommunity>

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://nswlhd.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 NNSW LHD and its facilities and units, including the system of internal control. The Chief Executive develops and operates the risk management processes for the organisation.

The Board receives and considers reports through the Audit and Risk Committee which monitors implementation of recommendations from Internal and External Audits.

The Chief Executive ensures that audit recommendations and recommendations from related external review bodies are implemented.

The NNSW LHD 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 Committee

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

- to assess and enhance the LHD'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 LHD'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 LHD'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 LHD.

The Audit and Risk Committee comprises three members, including two persons who are not employees of, or contracted to, provide services to the LHD.

The Chairperson of the Audit and Risk Committee is Barry Shepherd and is one of the independent members of the Committee. The other members of the Committee are Dr Felicity Barr (Independent) and Mr David Frazer (Board Member). The Audit and Risk Committee met on six 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. QUALIFICATION TO GOVERNANCE ATTESTATION STATEMENT

There are zero (0) qualifications.



Wayne Jones
Chief Executive

Date 4/8/16



Emma Webb
Internal Audit Manager

Date 4/8/16