



Health
Northern NSW
Local Health District

OFFICE OF THE CHIEF EXECUTIVE

26 August 2020

Mr Phil Minns
Deputy Director General
Governance, Workforce and Corporate
NSW Health Department
Locked Mail Bag 961
NORTH SYDNEY NSW 2059

Dear Mr Minns

Re: Statement of Corporate Governance Attestation Statement 2019-2020

Please find enclosed the original completed and signed Corporate Governance Attestation Statement for Northern NSW Local Health District for 1 July 2019 to 30 June 2020, 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

Northern NSW Local Health District

ABN :67 284 856 520

Head Office: Crawford House, Hunter Street LISMORE NSW 2480

All Correspondence: LMB 11, LISMORE NSW 2480

Tel : 02 6620 2217 Fax : 02 6620 2166

Website : www.ncahs.health.nsw.gov.au

Corporate Governance Attestation Statement

NORTHERN NEW SOUTH WALES LOCAL HEALTH DISTRICT

1 July 2019 to 30 June 2020



**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 (NNSWLHD) Board at its meeting on 26 August 2020.

The Board is responsible for the corporate governance practices of the NNSW LHD. This statement sets out the main corporate governance practices in operation within the District for the 2019-20 financial year.

A signed copy of this statement is provided to the Ministry of Health by 31 August 2020.

Signed:

A handwritten signature in black ink, appearing to read "Brian Pezzutti".

Brian Pezzutti
Chair

Date 26/8/2020

A handwritten signature in black ink, appearing to read "Wayne Jones".

Wayne Jones
Chief Executive

26-8-2020
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

For the 2019-20 financial year the Board consisted of a Chair Dr Brian Pezzutti and twelve (12) members appointed by the Minister for Health. The Board met twelve (12) times (including the AGM) during this period.

Authority and role of senior management

All financial and administrative authorities that have been delegated by a formal resolution of the Board and are formally documented within a Delegations Manual for the District.

The roles and responsibilities of the Chief Executive and other senior management within the District are also documented in written position descriptions.

Regulatory responsibilities and compliance

The Board is responsible for and has mechanisms in place to ensure that relevant legislation and regulations are adhered to within all facilities and units of the District, including statutory reporting requirements.

The Board also has a mechanism in place to gain reasonable assurance that the District complies with the requirements of all relevant government policies and NSW Health policy directives and policy and procedure manuals as issued by the Ministry of Health.

STANDARD 2: ENSURING CLINICAL RESPONSIBILITIES ARE CLEARLY ALLOCATED AND UNDERSTOOD

The Board has in place frameworks and systems for measuring and routinely reporting on Clinical Governance and the safety and quality of care provided to the communities the District 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 District has:

- Clear lines of accountability for clinical care which are regularly communicated to clinical staff and to staff who provide direct support to them. The authority of facility/network general managers is also clearly understood.
- Effective forums in place to facilitate the involvement of clinicians and other health staff in decision making at all levels of the District.
- A systematic process for the identification and management of clinical incidents and minimisation of risks to the District.
- An effective complaint management system for the District.
- A Medical and Dental Appointments Advisory Committee 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.
- An Aboriginal Health Advisory Committee with clear lines of accountability for clinical services delivered to Aboriginal people.
- Adopted the NSW Health *Decision Making Framework for Aboriginal Health Workers to Undertake Clinical Activities* to ensure that Aboriginal Health Workers are trained, competent, ready and supported to undertake clinical activities.
- Achieved appropriate accreditation of healthcare facilities and their services.

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 District.

STANDARD 3: 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 District. This process includes setting a strategic direction for both the District and the services it provides within the overarching goals and priorities of the NSW State Health Plan.

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

- Asset management – Designing and building future-focussed infrastructure
- Information management and technology – Enabling eHealth
- Research and teaching – Supporting and harnessing research and innovation
- Workforce development – Supporting and developing our workforce
- Aboriginal Health Action Plan – Ensuring health needs are met competently

STANDARD 4: MONITORING FINANCIAL AND SERVICE DELIVERY PERFORMANCE

Role of the Board in relation to financial management and service delivery

The Board 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 the information in the financial and performance reports provided to the Board and those submitted to the Finance and Performance Committee and the Ministry of Health and that relevant internal controls for the District are in place to recognise, understand and manage its exposure to financial risk.

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

To this end, 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 District'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 units and cost centres.
- Overall financial performance is monitored and reported to the Finance and Performance Committee of the District.
- 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.

Service and Performance

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 District.

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 District are being managed in an appropriate and efficient manner.

The Finance and Performance Committee receives monthly reports that include:

- Financial performance of each major cost centre
- Subsidy availability
- The position of Special Purpose and Trust Funds
- Activity performance against indicators and targets in the performance agreement for the District

Corporate Governance Attestation Statement

NORTHERN NEW SOUTH WALES LOCAL HEALTH DISTRICT

1 July 2019 to 30 June 2020



- Advice on the achievement of strategic priorities identified in the performance agreement for the District
- 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.

During the 2019-20 financial year, the Finance and Performance Committee was chaired by Mark Humphries - Board Member and comprised of:

- Brett Skinner NNSWLHD - Chief Finance Officer
- Lynne Weir NNSWLHD - Executive Director Clinical Operations
- Matthew Long NNSWLHD - Executive Director Corporate Services
- Michael Carter – Board Member
- Dr John Moran – Board Member
- Emma Webb NNSWLHD - Internal Audit Manager
- Peter Clark NNSWLHD - Associate Director of Financial Services.

The Chief Executive attends all meetings of the Finance and Performance Committee unless on approved leave.

STANDARD 5: MAINTAINING HIGH STANDARDS OF PROFESSIONAL AND ETHICAL CONDUCT

The District 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. Ethics education is also part of the District's learning and development strategy.

The Chief Executive, as the Principal Officer, has reported all instances of corruption to the Independent Commission Against Corruption where there was a reasonable suspicion that corrupt conduct had, or may have, occurred, and provided a copy of those reports to the Ministry of Health.

During the 2019-20 financial year, the Chief Executive reported seven (7) cases to the Independent Commission Against Corruption.

Policies and procedures are in place to facilitate the reporting and management of public interest disclosures within the District in accordance with state policy and legislation, including establishing reporting channels and evaluating the management of disclosures.

During the 2019-20 financial year, the District reported zero (0) 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 the District's plans and initiatives for providing health services, and also provides advice to the community and local providers with information about the District's plans, policies and initiatives.

Northern NSW Local Health District reaffirmed its commitment to community participation with the implementation of a new Community Engagement Framework during 2019-20.

The framework was developed with community members, staff, and the District Board and has delivered a significant increase in community participation in the health service. The framework includes:

- Eight new community advisory groups in areas where NNSWLHD has facilities.
- A new peak advisory council, a sub-committee of the NNSWLHD Board, to oversee engagement across the LHD.
- A 2019-21 Community Engagement Plan which is the LHD's roadmap for engagement.
- New processes to deliver improved coordination and integration of engagement activities.

NNSW LHD's new engagement structure supports our commitment to involving patients, carers and the community to help improve services and patient experiences.

The new local advisory groups enable the community to share opinions and experiences and provide input into key policies, plans and NNSWLHD initiatives.

NNSWLHD now has 15 advisory groups involving more than 125 community representatives.

In addition to advisory groups, the community also participates in the following ways:

- Membership on safety and quality committees, project teams and special interest groups
- Participation in planning and co-design workshops and initiatives
- Developing and reviewing health information
- Participation on recruitment panels
- Providing advice about services
- Assisting with staff education and training
- Participating in focus groups and surveys.

NNSWLHD has a community engagement database where community members and stakeholders can register to receive information about opportunities to participate and provide input into health service decision making processes.

An overview of NNSWLHD's community engagement is available on the NNSW LHD website and can be viewed via this link: <https://nswlhd.health.nsw.gov.au/about/northern-nsw-local-health-district/community-and-clinical-engagement/>

STANDARD 7: ESTABLISHING SOUND AUDIT AND RISK MANAGEMENT PRACTICES

Role of the Board in relation to audit and risk management

The Board is responsible for supervising and monitoring risk management by the District and its facilities and units, including the system of internal control. Through the Audit and Risk Committee the Board receives and considers all reports of the External and Internal Auditors for the District, and through the Audit and Risk Committee ensures that audit recommendations and recommendations from related external review bodies are implemented.

The District has a current Risk Management Plan that identifies how risks are managed, recorded, monitored and addressed. It includes processes to escalate and report on risk to the Chief Executive, Audit and Risk Committee and Board.

The Plan covers all known risk areas including:

- Leadership and management
- Clinical care and patient safety
- Health of population
- Finance (including fraud prevention)
- Communication and information
- Workforce
- Legal
- Work health and safety
- Environmental
- Security
- Facilities and assets
- Emergency management
- 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 District'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 District's financial reporting, safeguarding of assets, and compliance with the District's responsibilities, regulatory requirements, policies and procedures
- to oversee and enhance the quality and effectiveness of the District'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 District'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 District.

The District completed and submitted an Internal Audit and Risk Management Attestation Statement for the 12-month period ending 30 June 2020 to the Ministry without exception.

The Audit and Risk Management Committee comprises three (3) members, two (2) of whom are independent and have been appointed from the NSW Government's Prequalification Scheme for Audit and Risk Committee Independent Chairs and Members and one (1) who is a current NNSWLHD Board Member.

QUALIFICATIONS TO THE GOVERNANCE ATTESTATION STATEMENT

Item:

Qualification

There are zero (0) qualifications to this year's statement.

Progress

Remedial Action

Signed:



Wayne Jones

Chief Executive

17-8-2020

Date



Emma Webb

Chief Audit Executive

Date 17 August 2020