

**Corporate Governance Attestation Statement for**  
**The Sydney Children's Hospitals Network (Randwick**  
**and Westmead) (incorporating The Royal Alexandra**  
**Hospital for Children)**  
**1 July 2017 – 30 June 2018**



**Health**

## **CORPORATE GOVERNANCE ATTESTATION STATEMENT**

### **The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)**

The following corporate governance attestation statement was endorsed by a resolution of The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children) Board at its meeting on 1<sup>st</sup> August 2018 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.

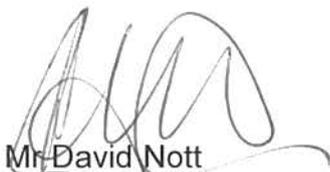
The Board is responsible for ensuring effective corporate governance frameworks are established for The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children) and not the day-to-day management of the Organisation. To this end, the Board is 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 2017-2018 financial year.

This attestation statement has been reviewed by Internal Audit to ensure the Organisation 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 2018.

Signed:



Mr David Nott  
**Deputy Chairperson**

Date 1<sup>st</sup> August 2018



Dr Michael Brydon  
**Chief Executive**

Date 1<sup>st</sup> August 2018

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### **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 2017-2018 financial year the Board consisted of a Chair, Professor Christine Bennett, and 12 members appointed by the Minister for Health. The Board met 10 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.

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### **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 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 Strategic 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 is 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
- e Aboriginal Health Action Plan – Ensuring health needs are met competently.

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### 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 policy manual *Accounts and Audit Determination for the Public Health Organisations* 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 Organisation 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 Organisation, 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 attest that:

- 1) The financial reports submitted to the Finance and 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 and Corporate Services.
- 8) The 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 has implemented strategies to ensure its liabilities are funded during the financial year.
- 10) The Director of Finance and Corporate Services 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.

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### 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 a Board member, Mr Bruce MacDiarmid, and comprises of seven members, including:

- Director, Clinical Governance
- Director, Clinical Operations
- Director, Research
- Director, Clinical Integration
- Director, Nursing, Midwifery and Education
- Director, Community Relations and Marketing
- Director, Workforce.

The Chief Executive attends all meetings of the Finance and Performance Committee unless on approved leave. The Committee met 11 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 Restricted Financial Assets Fund
- 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.

Letters to management from the Auditor-General, Minister for Health, and the Ministry of Health relating to significant financial and performance matters are also tabled at the Finance and Performance Committee meeting.

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### **Standard 5: MAINTAINING HIGH STANDARDS OF PROFESSIONAL AND ETHICAL CONDUCT**

The Organisation 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 one case 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 did not report any 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 Organisation plans and initiatives for providing health services and also provides advice to the community and local providers with information about the Organisation plans, policies and initiatives.

Each facility within the Organisation has a comprehensive consumer participation program, with a Network Manager Consumer Engagement to coordinate activities across the Organisation. The Peak Consumer Advisory Committee for the Organisation is the Families and Consumer Advisory Council. The Families and Consumer Advisory Council discusses key organisational policies, plans and initiatives and provides valuable input into all of these. A number of consumers and community representatives are also on other committees and working groups across the Organisation, for example Oncology and Grace Neonatal Ward.

Local Partnership Agreement is in place with the Sydney Metropolitan Local Aboriginal Health Partnership.

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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 the Organisation's website [www.schn.health.nsw.gov.au](http://www.schn.health.nsw.gov.au).

Key information such as Code of Conduct, Reporting Suspected Fraud or Unethical Behaviour, Policies and Procedures and Annual Review Report are also available to the public on the Organisation's website. All clinical policies are freely available for public review on the Organisation's website.

### **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 Board receives and considers reports of the External and Internal Auditors for the Organisation, and through the Audit and Risk 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:

- Leadership and management.
- Clinical care
- Health of population
- Finance
- 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 organisation's corporate governance, including its systems of internal control, ethical conduct and probity, risk management, management information and internal audit

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- to assess 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
- 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 organization
- to maintain a current Charter outlining its roles and responsibilities to the Organisation.

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

The Audit and Risk Committee provides advice to the Chief Executive with respect to the financial reports submitted to the Finance and Performance Committee.

The Chairperson of the Audit and Risk Committee has right of access to the Secretary, NSW Health.

\*\*\* END OF CORPORATE GOVERNANCE ATTESTATION STATEMENT \*\*\*