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**CORPORATE GOVERNANCE ATTESTATION STATEMENT**  
**SYDNEY CHILDREN'S HOSPITAL NETWORK**

The following corporate governance attestation statement was endorsed by a resolution of the Sydney Children's Hospitals Network Board at its meeting on 2 September 2021.

The Board is responsible for the corporate governance practices of the Sydney Children's Hospitals Network (Network). This statement sets out the main corporate governance practices in operation within the Network for the 2020-21 financial year.

Signed:



Elizabeth Crouch AM  
Chair

Date: 2 September 2021



Cathryn Cox PSM  
Chief Executive

Date: 2 September 2021

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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 2020-21 financial year the Board consisted of a Chair and eleven 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 that have been delegated by a formal resolution of the Board are formally documented within a Delegations Manual for the Network and are subject to review.

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

The Board also has a mechanism in place to gain reasonable assurance that the Network 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.

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## 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 Network 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 Network has:

- Clear lines of accountability for clinical care which are regularly communicated to clinical staff and to staff who provide direct support to them. Effective forums in place to facilitate the involvement of clinicians and other health staff in decision making at all levels of the Network.
- A systematic process for the identification and management of clinical incidents and minimisation of risks to patients.
- An effective complaint management system for the Network with complaint information used to improve patient care.
- A Medical and Dental Appointments Advisory Committee to review the appointment or proposed appointment of all visiting practitioners and medical and dental 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 medical or dental specialists.
- An Aboriginal Health Strategic Committee with clear lines of accountability for developing clinical services delivered to Aboriginal and Torres Strait Islander peoples. The Committee has identified further work needed to support of Aboriginal and Torres Strait islander staff which includes ongoing development of the Network Aboriginal Employment Strategy and cultural supervision for Aboriginal staff members.
- Reviewed the *Decision Making Framework for NSW Health Aboriginal Health Practitioners Undertaking Clinical Activities* and is planning how to ensure that Aboriginal Health Practitioners have culturally appropriate support 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 Network.

Health services are required to be accredited to the National Safety and Quality Health Service (NSQHS) Standards under the Australian Health Service Safety and Quality Accreditation Scheme (the AHSSQA Scheme).

The Network submitted an attestation statement to the accrediting agency for the 2020/21 financial year.

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### **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 Network. This process includes setting a strategic direction in a 3- to 5-year strategic plan for both the Network and the services it provides within the overarching goals of the 2020-21 NSW Health Strategic Priorities.

Network-wide planning processes and documentation is also in place, covering:

- Detailed plans linked to the Strategic Plan for the following:
  - Asset management
    - Asset management plan (AMP)
    - Strategic asset management plan (SAMP)
  - Information management and technology
  - Research and teaching
  - Workforce management
- Local Health Care Services Plan
- Corporate Governance Plan
- Aboriginal Health Action Plan

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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 Network 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, Capital Works and Performance Committee and the Ministry of Health and that relevant internal controls for the Network 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 Network, 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 Network'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, Capital Works and Performance Committee of the Network.
- Information reported in the Ministry of Health monthly reports reconciles to and is consistent with reports to the Finance, Capital Works 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 Network.

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, Capital Works and Performance Committee**

The Board has established a Finance, Capital Works 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 Network are being managed in an appropriate and efficient manner.

The Finance, Capital Works and Performance Committee receives monthly reports that include:

- Financial performance of each major cost centre
- Subsidy availability
- The position of Restricted Financial Asset and Trust Funds

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- Activity performance against indicators and targets in the performance agreement for the Network
  - Advice on the achievement of strategic priorities identified in the performance agreement for the Network
  - 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, Capital Works and Performance Committee.

During the 2020-21 financial year, the Finance, Capital Works and Performance Committee (previously Finance and Performance Committee) was chaired by Bruce MacDiarmid, Board member and at year end comprised of:

1. Jack Ford - Board member
2. Cathryn Cox - Chief Executive
3. Sayeed Zia - Director Finance and Corporate Services
4. Fiona Yao - Acting Associate Director Finance Operations
5. Joanne Ging – Executive Director Clinical Operations
6. Colin Murray - Associate Director Clinical and Finance
7. Sam Galluccio – Director of People and Culture
8. Tim Hoffman – Director Redevelopment

The Chief Executive and Director Finance and Corporate Services attended all meetings of the Finance, Capital Works and Performance Committee except where on approved leave. In case of approved leave a delegate attends.

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

The Network 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 Network's learning and development strategy.

The Network has implemented models of good practice that provide culturally safe work environments and health services through a continuous quality improvement model.

There are systems and processes in place and staff are aware of their obligations to protect vulnerable patients and clients – for example, children and those with a mental illness.

The Chief Executive, as the Principal Officer, has reported all instances of corruption to the Independent Commission Against Corruption (ICAC) 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 2020-21 financial year, the Chief Executive reported three cases to the Independent Commission Against Corruption. ICAC has advised that no further action was required by ICAC and Network local management was adequate for these matters.

Policies and procedures are in place to facilitate the reporting and management of public interest disclosures within the Network in accordance with state policy and legislation, including establishing reporting channels and evaluating the management of disclosures. The Network complies with the NSW Health requirements for whistleblower as provided in the NSW Health Code of Conduct.

During the 2020-21 financial year, the Network reported zero public interest disclosures.

The Board attests that the Network has a fraud and corruption prevention program in place.

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## **STANDARD 6: INVOLVING STAKEHOLDERS IN DECISIONS THAT AFFECT THEM**

The Board engages with local providers and the local community on the Network's plans and initiatives for providing health services, and also provides advice to the community and local providers about the Network's plans, policies and initiatives.

The Network has a comprehensive consumer participation program, with a Network Consumer Experience Manager to coordinate activities across the organisation. The peak consumer advisory committees for the Network are the Family and Consumer Council, Youth Council and Patient Experience Council. These Councils discuss key Network policies, plans and initiatives and provide valuable input into each of these areas. A number of consumers and community representatives are also on other committees and working groups across the Network.

Information on the key policies, plans and initiatives of the Network and information on how to participate in their development are available to staff and to the public at [www.schn.health.nsw.gov.au](http://www.schn.health.nsw.gov.au).

The Network has the following in place:

- A consumer and community engagement plan to facilitate broad input into the strategic policies and plans.
- A patient service charter to identify the commitment to protecting the rights of patients in the health system.
- An Aboriginal Health Unit. .
- The SCHN Aboriginal Health Strategic Plan 2018-2021.
- Mechanisms to ensure security and privacy of personal and health information.
- An effective complaint management system.

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## **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 Network and its facilities and units, including the system of internal control. The Board receives and considers all reports of the External and Internal Auditors for the Network, and through the Audit and Risk Management Committee ensures that audit recommendations and recommendations from related external review bodies are implemented.

The Network 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 Management Committee**

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

- to assess and enhance the Network's corporate governance, including its systems of internal control, ethical conduct and probity, risk management, management information and internal audit
- to assess that appropriate procedures and controls are in place to provide reliability in the Network's financial reporting, safeguarding of assets, and compliance with the Network's responsibilities, regulatory requirements, policies and procedures
- to oversee and enhance the quality and effectiveness of the Network'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 Network'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 Network.

The Network completed and submitted an Internal Audit and Risk Management Attestation Statement for the 12-month period ending 30 June 2021 to the Ministry with no exception.

The Audit and Risk Management Committee comprises three members of which three are independent and appointed from the NSW Government's Prequalification Scheme for Audit and Risk Committee Independent Chairs and Members.