

**Corporate Governance Attestation Statement for
The Sydney Children's Hospitals Network (Randwick
and Westmead)(incorporating The Royal Alexandra
Hospital for Children)
2015 - 2016**



Health

CORPORATE GOVERNANCE ATTESTATION STATEMENT


The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children) 2015 - 2016

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 3 August 2016.

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). 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 was provided to the Ministry of Health on 3 August 2016.

Signed:



Professor Christine Bennett
Chairperson

Date 3 August 2016



Dr Michael Brydon
Chief Executive

Date 3 August 2016

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*.

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 – 2016 financial year the Board consisted of a Chair 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.

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 Board has approved, and has in place, systems to support the efficient and economic operation of the Organisation, to oversight financial and operational performance and assure itself financial and performance reports provided to it are accurate.

The Chief Executive ensures that the financial and performance reports provided to the Board and those submitted to the Organisation Finance and Performance Committee and the Ministry of Health are accurate and that an effective system of internal control over the internally managed financial and related operations for the Organisation is in place.

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.
- An effective system of internal control is in place to ensure that financial information presenting the financial position and performance of the Organisation is true and fair in all material respects.
- Creditor levels comply with Ministry of Health requirements.
- Write-offs of debtors have been approved by duly authorised delegated officers.
- The Organisation General Fund has not exceeded the Ministry of Health approved net cost of services allocation as at the financial year ended 30 June 2016.
- The Organisation has implemented strategies to ensure its liabilities are funded during the financial year.
- The Director of Finance and Corporate Services 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 Ministry of 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 a Board Member and comprises:

- Chief Executive,
- Director, Clinical Operations;
- Director, Clinical Governance;
- Director, Clinical Integration;
- Director, Nursing and Midwifery;
- Director, Community Relations and Marketing;
- Director, Research; and
- Director, Workforce

Director, Finance and Corporate Services, attends the meeting to provide information.

A Board representative and Manager Internal Audit attend the meeting as an observer.

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 facility
- 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.

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.

D 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 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 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 Family Advisory Council. The Family 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.

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 internet site www.schn.health.nsw.gov.au.

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

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 a summary of reports of the External and Internal Auditors for the Organisation. The Board 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 review 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 assess 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
- 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 five members, including four 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 Kevin Doyle and is one of the independent members of the committee. The other members of the committee are:

Independent Members:

- Mr John Dunlop
- Ms Dianne Hill
- Ms Susan Lenehan

Non-Independent Member:

- Dr Michael Brydon, Chief Executive

Observer:

- Mr David Nott, Board Member

Manager Internal Audit, Manager Corporate Governance & Legal Counsel, Director Finance & Corporate Services, Director Clinical Operations and Audit Office of NSW representative (external auditor) attend the meeting to provide information.

The Audit and Risk Management Committee met on four occasions during the financial year.

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

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