

Corporate Governance Attestation Statement

WESTERN SYDNEY LOCAL HEALTH DISTRICT

1 July 2019 to 30 June 2020



**CORPORATE GOVERNANCE ATTESTATION STATEMENT
WESTERN SYDNEY LOCAL HEALTH DISTRICT**

The following corporate governance attestation statement was endorsed by a resolution of the Western Sydney Local Health District (WSLHD) Board on 28 August 2020. This was 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 WSLHD 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 practices in operation within the WSLHD 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 blue ink, appearing to read "Richard Alcock".

28 August 2020

Richard Alcock AO

Chair

Date

A handwritten signature in black ink, appearing to read "Graeme Loy".

Graeme Loy

Chief Executive

31 August 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 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, Richard Alcock AO and Deputy Chair, Professor Jeremy Chapman AC and 10 members appointed by the Minister for Health. The Board met 11 times during this period. Between March and June, the Board met regularly for information meetings in relation to the District's response to COVID-19.

The Board Secretariat is Joyce Semaan, Governance Officer, Office of the Chief Executive.

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 WSLHD.

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

The Board also has a mechanism in place to gain reasonable assurance that the WSLHD complies with the requirements of all relevant legislation, regulations and 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 WSLHD 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 WSLHD 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 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 WSLHD.
- A systematic process for the identification and management of clinical incidents and minimisation of risks to the WSLHD.
- An effective complaint management system for the WSLHD.
- 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 which aims to establish clear lines of accountability for clinical services delivered to Aboriginal people. An Aboriginal Health Advisory Committee was established during 2019/20 and held the first meeting on 25 June 2020.
- Via the Aboriginal Health Advisory Committee, adoption of 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 WSLHD.

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

WSLHD-wide planning processes and documentation are 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

Also, in order to achieve the strategic directions and priorities of the NSW State Health Plan, the Board has put in place the following Committees:

Health Care Quality Committee (HCQC)

The HCQC consists of 20 members. The Chairperson is Associate Professor Michael Hollands AM. There were seven meetings held during the year.

Research Development Committee

The Research Development Committee consists of 15 members. The Chairperson is Professor Jeremy Chapman, WSLHD Board Deputy Chair. There were four meetings held during the year.

Professional Education and Training Committee

The Professional Education and Training Committee consists of five members. The Chairperson is Professor Don Nutbeam, WSLHD Board Member. There were four meetings held during the year.

WSLHD & SCHN Redevelopment Joint Committee

The WSLHD & SCHN Redevelopment Joint Committee consisted of 14 members. The Chairperson was Mr Richard Alcock AO, WSLHD Board Chair. There were three meetings held during the year. In February 2020, the Committee was discontinued noting major redevelopment milestones had been achieved, however the Chief Executives of both WSLHD and SCHN continue to hold regular meetings together with the Board Chairs of both organizations.

Nominations Committee

The Nominations Committee consists of three members. The Chairperson is Ms Narelle Bell, WSLHD Board Member. There were four meetings held during the year.

Governance Sub Committee

The Governance Sub Committee consisted of three members. The Chairperson is Ms Elizabeth Crouch, WSLHD Board Member. The final meeting for this Committee was held on 20 February 2020.

Clinical Council

The Clinical Council consists of 23 members. The co-Chairpersons are Mr Graeme Loy, WSLHD Chief Executive and Professor Michael Hollands. There were 10 meetings held during the year.

STANDARD 4: MONITORING FINANCIAL AND SERVICE DELIVERY PERFORMANCE

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

The WSLHD 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 WSLHD 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 WSLHD, 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 WSLHD'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 WSLHD.
- 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.

The Internal Auditor has reviewed the above six points for the financial year.

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 WSLHD.

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 Financial Performance and Asset Committee

The Board has in place a Financial Performance and Asset 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 WSLHD are being managed in an appropriate and efficient manner.

The Finance and Performance Committee is chaired by Mr Andrew Bernard and comprises of eight members including the Chief Executive, Board Deputy Chair, Executive Director Operations, Executive Director Finance, Deputy Director Finance, General Manager – Westmead & Auburn Hospitals, General Manager – Blacktown & Mount Druitt Hospitals and two independent members.

The Chief Executive attended all meetings of the Finance and Performance Committee unless on approved leave. The Committee met 11 times during this period.

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The Finance and Performance Committee receives monthly reports that include:

- Financial performance of each major cost centre
- Liquidity management and performance
- Subsidy availability
- The position of Special Purpose and Trust Funds
- Activity performance against indicators and targets in the performance agreement for the WSLHD
- Advice on the achievement of strategic priorities identified in the performance agreement for the WSLHD
- 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.

STANDARD 5: MAINTAINING HIGH STANDARDS OF PROFESSIONAL AND ETHICAL CONDUCT

The WSLHD actively adopts 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 Chief Executive lead by example in order to ensure an ethical and professional culture is embedded within the District. Ethics education is also part of the WSLHD's learning and development strategy.

The Chief Executive, as the Principal Officer, has reported all known cases of corruption to the Independent Commission Against Corruption where there was a reasonable belief that corrupt conduct has occurred, and provided a copy of those reports to the Ministry of Health.

During the 2019-20 financial year, the Chief Executive reported 9 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 WSLHD in accordance with state policy and legislation, including establishing reporting channels and evaluating the management of disclosures.

During the 2019-20 financial year, the WSLHD reported 6 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 WSLHD's plans and initiatives for providing health services, and also provides advice to the community and local providers with information about the WSLHD's plans, policies and initiatives.

Western Sydney Local Health District continues to strengthen a culture of community engagement participation as well as encouraging cooperation and teamwork between health professionals, patients, families, carers under the Community and Consumer Engagement Framework and specific initiatives including the capital works program to ensure there is appropriate community consultation and the best care is provided to our population of Western Sydney. Specific initiatives focusing on local decision making and involving the community in health care cover an extensive range of community services and programs. Stakeholder consultations are undertaken through the District's Executive Medical Staff Council, the Clinical Council, three World Cafes, WSLHD Youth Council, Safety Symposium, through social media platforms such as Facebook, and the Cultural Reform Steering Committee.

The Intensive Care Unit (ICU) Steering Committee which oversight the improvements into the Westmead Hospital's Intensive Care Service, has to date achieved the following:

- Reaccreditation of ICU – JMO
- A dedicated project team informs the Westmead Intensive Care Unit (ICU) Working Party
- Junior Medical Officers have been allocated protected training time
- ICU Consultants meet every Monday to discuss/address specific topic areas
- Senior consultant staffing profile has been enhanced to compensate for the loss of 14 accredited trainee positions
- Appointment of a Trainee Welfare Advocate (fellow)
- Engagement of a Psychotherapist with expertise in workplace wellbeing
- Purchases of additional simulation training equipment
- Models of Care are being developed in parallel to the Westmead Redevelopment

WSLHD has effective working relationships with Western Sydney PHN (WentWest), Sydney Children's Hospitals Network (SCHN), the Greater Western Aboriginal Health Service and utilises co-design practices in Mental Health.

The Co-design in Mental Health included:

- Challenging the ways which nicotine dependencies is managed on acute inpatient units
- Working as full members of the multidisciplinary clinical teams
- Peer workers lead training for clinicians and managers
- Impactful use of the consumer narrative - quotes and stories of experience
- Participation in serious incident reviews
- Pivotal and transformational contribution of carers into reducing rates of seclusion and restraint in mental health inpatient units

Information on the key policies, plans and initiatives of the WSLHD and information on how to participate in their development are available to staff and to the public at www.wslhd.health.nsw.gov.au.

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 WSLHD and its facilities and units, including the system of internal control. The Chief Executive develops and operates the risk management processes for the District.

The Board receives and considers reports of the External and Internal Auditors for the WSLHD, and through the Audit and Risk Management Committee monitors their implementation.

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

The WSLHD 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

WSLHD is continuing to improve its Risk Management Framework and processes to better enable senior management to identify, understand, manage and satisfactorily control its exposure to risk.

Audit and Risk Management Committee

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

- to assess and enhance the WSLHD'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 WSLHD's financial reporting, safeguarding of assets, and compliance with the WSLHD's responsibilities, regulatory requirements, policies and procedures
- to oversee and enhance the quality and effectiveness of the WSLHD'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 WSLHD'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 WSLHD.

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

The WSLHD 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 of independent members, including a member who was also appointed to the Board on 1 January 2020. All members are appointed from the *NSW Government's Prequalification Scheme for Audit and Risk Committee Independent Chairs and Members*.

The Audit and Risk Committee provides advice to the Chief Executive with respect to the annual financial and statutory reports that inform the financial reports submitted to the Finance, Performance and Asset Committee. The Chair has right of access to the Secretary, NSW Health.

QUALIFICATIONS TO THE GOVERNANCE ATTESTATION STATEMENT

Item: Standard 4: MONITORING FINANCIAL AND SERVICE DELIVERY PERFORMANCE

Qualification

For the year ending 30 June 2020, the General Fund has exceeded the Ministry of Health approved expenditure allocation by \$6.368M and Net Cost of Service (NCoS) by \$16.791M.

Progress

The impact of COVID has been extensive on District staff and patients. Many services were scaled down as they could not be delivered in the current climate as well as in order to allow capacity build should pandemic increase significantly. This has helped the District make one-off savings which assisted in reducing the unfavourability against budget. As services come back on-line (elective surgery being the largest service) those savings will not be available and efficient use of resources will be required to catch up to and keep abreast of demand.


Remedial Action

The District remains committed to the 2 ½ year turnaround plan commenced in FY18 and intends to continue to monitor and manage the progress and actions carried out in reducing expenditure and increasing revenue across the WSLHD.

Signed:


Graeme Loy
Chief Executive

31 August 2020
Date


Eduardo Alegado
Chief Audit Executive

31 August 2020
Date