

Corporate Governance Attestation Statement

WESTERN SYDNEY LOCAL HEALTH DISTRICT

1 July 2020 to 30 June 2021



**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 27 August 2021.

The Board is responsible for the corporate governance practices of the WSLHD. This statement sets out the main corporate governance practices in operation within the WSLHD for the 2020-21 financial year.

A signed copy of this statement is provided to the Ministry of Health by 31 August 2021.

Signed:

A handwritten signature in blue ink, appearing to read "Richard Alcock".

Richard Alcock AO
Chair

Date 30-8-21

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

Graeme Loy
Chief Executive

Date 30-8-21

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, Richard Alcock AO and Deputy Chair, Loretta Di Mento and 8 members appointed by the Minister for Health. The Board met 11 times during this period.

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

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 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 and regulations 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 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/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 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 and complaint information is used to improve patient care.
- 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 *Decision Making Framework for NSW Health Aboriginal Health Practitioners Undertaking Clinical Activities* to ensure that Aboriginal Health Practitioners 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.

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 WSLHD intends to submit an attestation statement confirming compliance with the NSQHS Standards for the 2020/21 financial year to their accrediting agency by 30 September 2021. The WSLHD submitted an attestation statement to the accrediting agency for the 2019/20 financial year.

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 in a 3- to 5-year strategic plan for both the WSLHD and the services it provides within the overarching goals of the 2020/21 NSW Health Strategic Priorities.

District-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
- Aboriginal Health Action Plan

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:

Nominations Committee

The Nominations Committee consists of 4 members. The Chairperson is Ms Narelle Bell. There were 8 meetings held during the period.

Health Care Quality Committee (HCQC)

The HCQC consists of 9 members. The Chairperson is Adjunct Professor Debra Thoms. There were 8 meetings held during the period.

Research Development Committee

The Research Development Committee consists of 21 members. The Chairperson is Professor John Wheatley. There were 5 meetings held during the period.

Professional Education Committee

The Professional Education Committee consists of 6 members. The Chairperson is Professor Donald Nutbeam. There were 2 meetings held during this period.

Aboriginal Health Advisory Committee

The Aboriginal Health Advisory Committee consists of 4 members. The Chairperson is currently the Chief Executive. There were 3 meetings held during this period.

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, Performance and Asset 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 and Asset 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, Performance and Asset Committee of the WSLHD.
- Information reported in the Ministry of Health monthly reports reconciles to and is consistent with reports to the Finance, Performance and Asset 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 Finance, Performance and Asset Committee

The Board has in place a Finance, 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, Performance and Asset Committee receives monthly reports that include:

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- Financial performance of each major cost centre
 - Subsidy availability
 - The position of Restricted Financial Asset and Trust Funds
 - Activity performance against indicators and targets in the Service Agreement for the WSLHD
 - Advice on the achievement of strategic priorities identified in the Service 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.

During the 2020-21 financial year, the Finance, Performance and Asset Committee was chaired by Mr Andrew Bernard and comprised of:

- Mr Andrew Price (Independent Member)
- Ms Debbie Page (Independent Member)
- Ms Loretta Di Mento (WSLHD Board, Deputy Chair)
- Mr Graeme Loy (Chief Executive, WSLHD)
- Ms Alison Derret (Executive Director Operations, WSLHD)
- Mr Barry Mitrevski (Director Finance, WSLHD)
- Mr Ned Katrib (General Manager, Blacktown & Mt Druitt Hospitals)
- Ms Rebecca Tyson (General Manager, Westmead Hospital)

The Finance, Performance and Asset Committee met 11 times during the financial year. The Chief Executive and Director of Finance attended all meetings of the Finance, Performance and Asset Committee except where on approved leave.

STANDARD 5: MAINTAINING HIGH STANDARDS OF PROFESSIONAL AND ETHICAL CONDUCT

The WSLHD 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 WSLHD's learning and development strategy.

The WSLHD 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 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 6 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 2020-21 financial year, the WSLHD managed 6 public interest disclosures.

The Board attests that the WSLHD has a fraud and corruption prevention plan and policy in place.

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.

WSLHD 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. A key strategy for understanding community needs is via the four WSLHD Community Councils attached to the four hospitals which meet each month with community leaders to identify issues and share information.

Stakeholder consultations are undertaken through:

- District's Staff Clinical and Medical Council,
- Culture Steering Committee,
- Grace Under Pressure - 3 Workshops,
- WSLHD Youth Council,
- Cultural Reform Steering Committee.

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

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.nsw.gov.au

The WSLHD has the following in place:

- A Community and Consumer Engagement Framework to facilitate broad input into the strategic policies and plans.
- A commitment to abiding by the Australian Charter of HealthCare Rights.
- A Local Partnership Agreement with Aboriginal Community Controlled Health Services and Aboriginal community services.
- Mechanisms to ensure privacy of personal and health information.
- An effective complaint management system.

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 WSLHD 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 WSLHD, and through the Audit and Risk Management Committee ensures that 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 established 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

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- 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 & Risk Committee met 6 times during the financial year. The Audit & Risk Committee provide advice to the Chief Executive with respect to the financial reports submitted to the Finance, Performance and Asset Committee. The Chairperson has right of access to the Secretary, NSW Health.

The WSLHD completed and submitted an Internal Audit and Risk Management Attestation Statement for the 12-month period ending 30 June 2021 to the Ministry without exception.

The Audit & Risk Committee comprises 5 independent members of which are appointed from the NSW Government's Prequalification Scheme for Audit and Risk Committee Independent Chairs and Members.

During the 2020-21 financial year, the Audit & Risk Committee was chaired by Mr Allan Cook and comprised of:

- Ms Carolyn Walsh (Independent Member)
- Mr Arthur Butler (Independent Member)
- Mr Jim Mitchell (Independent Member)
- Ms Loretta Di Mento (Independent Member and Board Member)

QUALIFICATIONS TO THE GOVERNANCE ATTESTATION STATEMENT

Item 1:

Standard 3: SETTING THE STRATEGIC DIRECTION FOR THE ORGANISATION AND ITS SERVICES

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

- *Corporate Governance Plan*

Qualification

The District to formalise and establish a WSLHD Corporate Governance Plan.

Progress

At a local level, the District has an outlined corporate governance framework through the Corporate Governance Attestation designed by MOH.

Remedial Action

A draft WSLHD Corporate Governance Plan is to be established for consultation by March 2022 with an aim to be completed prior to the 2021/2022 Corporate Governance Attestation.

Item 2:

Standard 4: MONITORING FINANCIAL AND SERVICE DELIVERY PERFORMANCE

Qualification

For the year ending 30 June 2021, the General Fund has exceeded the Ministry of Health approved Net Cost of Service (NCoS) by \$17.79M.

Progress

The impact of COVID has been extensive on the staff and patients of the District. Many services had been scaled down or not provided as they could not be delivered in the current pandemic environment. This has resulted in the District being unable to achieve its revenue targets for the year ended 30 June 2021. In fact, the District had a shortfall in meeting this target of \$17.19M.

Remedial Action

Depending on the continuation of the effects of the COVID pandemic, the District remains committed to the current turnaround plan commenced in FY2018 and intends to monitor and manage the progress and actions being carried out in increasing revenue and reducing expenditure across the WSLHD.

Item 3:

Standard 4: MONITORING FINANCIAL AND SERVICE DELIVERY 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.

Qualification

Performance agreements for 2020/21 between the Chief Executive and all Health Executive members were not completed.

Progress

Due to the disruptions of service and general operations to focus on the COVID-19 pandemic, the performance agreements of all WSLHD Executive members were not progressed for this financial year.

Remedial Action

Review and sign-off the performance reviews to be progressed for 2020/21 and to be put in place for 2021/22.

Signed:



Graeme Loy
Chief Executive

30-8-21

Date



Ed Alegado
Chief Audit Executive

Date 30/8/21

