



SWD14/8958

Ms Karen Crawshaw
Deputy Secretary
Governance, Workforce and Corporate
NSW Ministry of Health
73 Miller Street
NORTH SYDNEY NSW 2060

Dear Ms Crawshaw

As required by the NSW Health Corporate Governance and Accountability Compendium, please find attached the South Western Sydney Local Health District's (SWSLHD) Corporate Governance Attestation Statement (Attestation Statement) for 2013/14.

The Attestation Statement was reviewed by the SWSLHD Audit and Risk Management Committee and endorsed by the SWSLHD Board at their meeting on 25 August 2014.

Please find attached the final document, signed by Professor Phil Harris, Chair, SWSLHD Board and myself.

If you have any questions about this matter please do not hesitate to contact my office on 9828 6938.

Regards

Amanda Larkin
Chief Executive

Date: 4/9/14

**Corporate Governance Attestation Statement for
South Western Sydney Local Health District
30 June 2014**



Health

CORPORATE GOVERNANCE ATTESTATION STATEMENT

SOUTH WESTERN SYDNEY LOCAL HEALTH DISTRICT

The following corporate governance attestation statement was endorsed by a resolution of the South Western Sydney Local Health District Board at its meeting on 25 August 2014.

The Board is responsible for ensuring effective corporate governance frameworks are established for the South Western Sydney Local Health District. This statement sets out the main corporate governance frameworks and practices in operation within the organisation for the 2013-2014 financial year.

A signed copy of this statement was provided to the Ministry of Health on 27 August 2014.

Signed:



Professor Phillip Harris
Chairperson

Date 25/08/14



Ms Amanda Larkin
Chief Executive

Date 25/08/14

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*.

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 2013/2014 financial year the Board consisted of a Chair, a Deputy Chair and nine members appointed by the Minister for Health. The Board met 11 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 being finalised, with a 3 to 5 year horizon, covering:

- a** Asset management
- b** Information management and technology is being finalised
- 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 Chief Executive ensures that the financial and performance reports provided to the Board and those submitted to the LHD Finance Committee and the Ministry of Health are accurate and that relevant internal controls for the organisation are in place.

The Board has approved, and has in place systems to support the efficient and economic operation of the LHD, 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 certify that

- The financial reports submitted to the Finance 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 Committee of the organisation.
- Information reported in the Ministry of Health monthly reports reconciles to and is consistent with reports to the Finance Committee.
- All relevant financial controls are in place.
- Creditor levels did not comply with Ministry of Health requirements.
- Write-offs of debtors have been approved by duly authorised delegated officers.
- The Public Health Organisation General Fund has not exceeded the Ministry of Health approved net cost of services allocation.
- The organisation did not incur any unfunded liabilities during the financial year.
- The Director of Finance 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 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 Committee

The Board has established a Finance 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 Committee is chaired by Mr John Gordon, Board Member and comprises Ms Carolyn Burlew, Board Member, Dr Neil Merrett, Board member and Ms Nina Berry, Board Member. The Chief Executive attends all meetings of the Finance Committee.

The Finance Committee receives monthly reports that include:

- Financial performance of each major cost centre
- Liquidity performance
- The position of Special Purpose and Trust Funds
- 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 matters are also tabled at the Finance Committee.

D MAINTAINING HIGH STANDARDS OF PROFESSIONAL AND ETHICAL CONDUCT

The LHD 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 LHDs plans and initiatives for providing health services and also provides advice to the community and local providers with information about the LHDs plans, policies and initiatives.

SWSLHD has a number of processes in place to ensure the input of consumers in delivery and development of health services. This includes the Consumer and Community Participation Council that ensure:

- the health service involves consumers, carers and the community in planning, delivery and evaluation of services;
- local communities are well informed about local and district health service issues and priorities; and
- there is transparency and accountability in the health service decision-making and evaluation.

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 LHD's website <http://www.swslhd.nsw.gov.au/>, the LHD's Facebook page and in local media as appropriate.

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.

Through the Audit and Risk Management Committee, the Board receives and considers reports from the External and Internal Auditors for the Organisation and monitors their implementation. The Board is briefed following every Audit and Risk Management Committee meeting. The Chairperson of the Audit and Risk Management Committee meets annually with the Board.

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:

- High Quality Health Service
- Community Partnerships
- Seamless Networks
- Developing our Staff
- Research and Innovation
- Enhancing Assets and Resources
- Supporting Business
- Efficiency and Sustainability

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 organisation'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 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; 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 organisation.

The Audit and Risk Management Committee comprises five members, including three 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 Barrie Martin and is one of the independent members of the committee. The other members of the committee are:

Mr Paul Apps – Independent Member

Ms Christine Feldmanis – Independent Member

Ms Carolyn Burlew – Board Member Representative

Ms Amanda Larkin – Chief Executive (until 25 September 2013)

Mr John Gordon – Board Member Representative (from 16 December 2013)

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

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

G Qualifications to governance attestation statement

Item: Information Management and Technology Plan

Qualification

The draft Information Management and Technology Plan has been completed.

Progress

The Information Management and Technology Plan is currently being developed and is due for completion by the end of September 2014. The District in the meantime continues to operate under the previous Information Management and Technology Plan until the updated plan is finalised.

Remedial Action

Nil required.



Amanda Larkin
Chief Executive



Rosemary Pronger
Manager, Internal Audit

G. Qualifications to governance attestation statement

Item: Creditor levels

Qualification

The creditor levels do not comply with the Ministry of Health requirements.

- General trade creditors unpaid invoices exceeded 45 days as at the end of the month.
- Small business creditors unpaid invoices exceeded 30 days at the end of the month

Pay runs are done twice a week, with an extra run done on the last working day of the month. For the pay run at the end of the month, if an invoice is validated as ready for payment after the pay run has started and before midnight of the current month, it will show as unpaid at the end of the month. This invoice will be paid in the next scheduled pay run so would only show as unpaid for a couple of days.

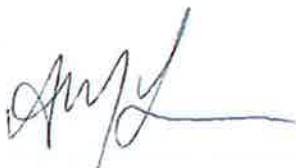
The implementation of Oracle R12 in April 2014 caused an increase in the amount of invoices being put on hold. HealthShare worked extended hours to clear this backlog so that more invoices were released after pay runs were started. This caused an increase in both creditor indicators. As processing times reduce back to normal levels it is expected that the two indicators will return close to target levels.

Progress

Refer above

Remedial Action

Refer above



Amanda Larkin
Chief Executive



Rosemary Pronger
Manager, Internal Audit