

Corporate Governance Attestation Statement for
Clinical Excellence Commission
1 July 2017 – 30 June 2018



Health

CORPORATE GOVERNANCE ATTESTATION STATEMENT

CLINICAL EXCELLENCE COMMISSION

The following corporate governance attestation statement was endorsed by a resolution of the Clinical Excellence Commission Board at its meeting on 16 August 2018.

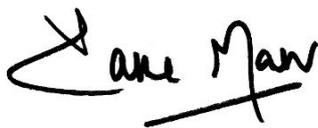
The Board is responsible for the corporate governance practices of the Clinical Excellence Commission. This statement sets out the main corporate governance practices in operation within the Organisation for the 2017-2018 financial year.

A signed copy of this statement was provided to the Ministry of Health by 31 August 2018.



A/Prof Brian McCaughan AM
Chairperson

Date: 16 August 2018



Ms Carrie Marr
Chief Executive

Date: 16 August 2018

STANDARD 1: ESTABLISH ROBUST GOVERNANCE AND OVERSIGHT FRAMEWORKS

Role and function of the Board

The Board carries out its functions, responsibilities and obligations in accordance with the *Health Services Act 1997* and the determination of function for the organisation as approved by the Minister for Health.

The Board has in place practices that ensure that the primary governing responsibilities of the Board are fulfilled in relation to:

- A** Setting the strategic direction for the organisation and its services
- B** Monitoring financial and service delivery performance
- C** Maintaining high standards of professional and ethical conduct
- D** Involving stakeholders in decisions that affect them
- E** Establishing sound audit and risk management practices.

Board Meetings

For the 2017-18 financial year, the Board consisted of a Chair and eleven* members appointed by the Minister for Health. The Board met six times during this period.

** One Board member resigned in September 2017, leaving ten serving members for the remainder of 2017-18.*

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 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 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 Organisation, including statutory reporting requirements.

The Board also has a mechanism in place to gain reasonable assurance that the Organisation 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 Clinical Excellence Commission does not provide clinical services.

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

Organisational-wide planning processes and documentation is also in place, with a 3 to 5 year horizon, covering:

- a** Asset management – Designing and building future-focused infrastructure
- b** Information management and technology – Enabling eHealth
- c** Research and teaching – Supporting and harnessing research and innovation
- d** Workforce development – Supporting and developing our workforce
- e** Aboriginal Health Action Plan – Ensuring health needs are met competently

STANDARD 4: MONITORING FINANCIAL AND SERVICE DELIVERY PERFORMANCE

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

The Board is responsible for ensuring compliance with the NSW Health Accounts and Audit Determination and the annual Ministry of Health budget allocation advice.

The Board is also responsible for ensuring that the financial and performance reports it receives and those submitted to its Finance and Performance Committee and the Ministry of Health are accurate and that relevant internal controls for the organisation are in place.

To this end, the Board 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.
- All relevant financial controls are in place.
- Creditor levels 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 Corporate Services (or Director of Finance where applicable) 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

A written service compact/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 compact/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 to ensure that the operating funds, capital works funds, resource utilisation and service outputs required of the Organisation are being managed in an appropriate and efficient manner. The Committee is chaired by Mr Ken Barker and comprises of Dr Leon Clark, Dr Andrew Cooke, and A/Prof Brian McCaughan. The Chief Executive attends all meetings of the Committee unless on approved leave.

The Committee receives monthly reports that include:

- Financial performance of each major cost centre
- Liquidity management and performance
- 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

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 Clinical Excellence Commission 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.

The Chief Executive, as the principal officer, reports all known cases of corrupt conduct, where there is a reasonable belief that corrupt conduct has occurred, to the Independent Commission Against Corruption, and provides a copy of those reports to the Ministry of Health.

For the reporting period the Clinical Excellence Commission reported zero cases of corrupt conduct.

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.

For the reporting period the Clinical Excellence Commission reported zero of public interest disclosures.

STANDARD 6: INVOLVING STAKEHOLDERS IN DECISIONS THAT AFFECT THEM

The Board is responsible for ensuring that the rights and interests of the Organisation's key stakeholders are incorporated into the plans of the organisation and that they are provided access to balanced and understandable information about the organisation and its proposals.

The Citizen's Council provided strategic level advice about engaging the community, patients, families and carers in improving and promoting quality and safety of health care.

This Committee was superseded by a Consumer Council (a joint Council with the Agency for Clinical Innovation) which has been established to:

1. Advise the Organisations' Boards on consumer representation within the respective organisations
2. Contribute to organisational priority setting for the Organisations.
3. Lead and facilitate effective consumer representation within and across all levels of the Organisations.

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

www.cec.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 is responsible for supervising and monitoring risk management by the Organisation and its facilities and units, including the organisation's system of internal control. The Board receives and considers all reports of the External and Internal Auditors for the Organisation, and through the Audit and Risk Management Committee ensures that audit recommendations and recommendations from related external review bodies are implemented.

The organisation has a current Risk Management framework. The Framework covers all known risk areas including:

- Leadership and management.
- Finance (including fraud prevention).
- Information Management.
- Workforce.
- Security and safety.
- 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 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 Organisation completed and submitted an Internal Audit and Risk Management Attestation Statement for the 12 month period ending 30 June 2018 to the Ministry without exception.

The Audit and Risk Management Committee comprises three independent members, including the Chairperson, and met on five occasions during the financial year.

QUALIFICATIONS TO THE GOVERNANCE ATTESTATION STATEMENT

Nil.