

**Corporate Governance Attestation Statement for
Clinical Excellence Commission
1 July 2015 – 30 June 2016**



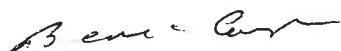
CORPORATE GOVERNANCE ATTESTATION STATEMENT **CLINICAL EXCELLENCE COMMISSION**

The following corporate governance attestation statement was endorsed by a resolution of the Clinical Excellence Commission Board at its meeting on 18 August 2016.

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 2015-16 financial year.

A signed copy of this statement will be provided to the Ministry of Health on 19 August 2016.

Signed:



A/Prof Brian McCaughan AM
Chairperson

Date 18 August 2016



Ms Carrie Marr
Chief Executive

Date 18 August 2016

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 functions 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** 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 2015-16 financial year, the Board consisted of a Chair and ten members appointed by the Minister for Health. The Board met six times during this period.

Authority and role of senior management

All financial and administrative authorities that have been delegated by a formal resolution of the Board 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.

A ENSURING CLINICAL AND CORPORATE GOVERNANCE RESPONSIBILITIES ARE CLEARLY ALLOCATED AND UNDERSTOOD

The Clinical Excellence Commission (CEC) does not directly provide clinical services; however, the CEC has a central role in the responsibility for quality and safety in the NSW health system. It was established in 2004 to promote and support improved clinical care, safety and quality across NSW. A key role of the CEC is building capacity for quality and safety improvement in health services.

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).

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.

C 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 Chief Executive has reviewed the internal liquidity management controls and practices and they comply with Ministry of Health requirements.

The Director of Strategy, Policy and Communications, in her capacity as Head of Internal Audit, has reviewed the above during the financial year.

Service and Performance agreements

A written service agreement (Service Compact) 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 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 Ken Barker and comprises Andrew Cooke and Leon Clark. The Chief Executive attends all meetings of the Finance and Performance Committee unless on approved leave.

The Finance and Performance Committee receives bi-monthly reports that include:

- Assessment of financial performance based on expenses, revenue and net cost of services
- 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 and private sector initiatives.

The Chair of the committee receives a copy of the monthly reports that are provided to the NSW Ministry of Health.

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.

D 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 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 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 Clinical Excellence Commission has established a board committee known as the Citizens Engagement Advisory Council (CEAC) which is responsible for advising on projects and programs. The CEAC is chaired by a board member and membership is taken from the community. The CEAC has a program which enables consumers to join steering committees and participate in the governance of individual projects.

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 <http://www.cec.health.nsw.gov.au/about>.

F 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 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 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 three members, including two 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 Allan Cook and is one of the independent members of the committee. The other members of the committee are Mr Peter Scarlett (independent member), and Dr Andrew Cooke (Board representative). The Audit and Risk Management Committee met on five occasions during the financial year.

G Qualifications to governance attestation statement

Nil



Signed – Chief Executive



Signed – Head of Internal Audit
Ms Colleen Leathley

