

Corporate Governance Attestation Statement

CLINICAL EXCELLENCE COMMISSION

1 July 2022 to 30 June 2023



**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 17 August 2023.

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 entity for the 2022-23 financial year.

A signed copy of this statement is provided to the Ministry of Health by 31 August 2023.

Signed:

A handwritten signature in black ink, appearing to read "Andrew Wilson".

Professor Andrew Wilson AM
Board Chair

Date 23/08/2023

Patricia Bradd

Adjunct Associate Professor Patricia Bradd Acting Chief
Executive

Date: 18/08/2023



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STANDARD 1: ESTABLISH ROBUST GOVERNANCE AND OVERSIGHT FRAMEWORKS

Role and function of the Board

The Board carries out their functions, responsibilities and obligations in accordance with the *Health Services Act 1997*, *Government Sector Employment Act 2013*, and the determination of function for the entity 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 the following standards:

- Ensuring corporate governance responsibilities are clearly allocated and understood
- Setting the strategic direction for the entity 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 2022-23 financial year the Board initially consisted of a Chair, with seven members appointed by the Minister for Health, including the CEC Chief Executive whose board membership is a function of his appointment by the Secretary. From 18 July 2022 the number of Board Members increased to ten with the appointment of three additional members. On 20 April 2023 one member retired leaving the Board with nine members at the end of June 2023. 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 and are formally documented within a Delegations Manual for the Entity.

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

The Board also has a mechanism in place to gain reasonable assurance that the Entity 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.

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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 ENTITY 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 Entity. This process includes setting a strategic direction in a 3- to 5-year strategic plan for both the Entity and the services it provides within the overarching goals of the 2022/23 NSW Health Strategic Priorities.

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

- Detailed plans linked to the Strategic Plan for the following:
 - Information management and technology
 - Research and teaching
 - Workforce management
- Corporate Governance Plan

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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 the Finance and Performance Committee and the Ministry of Health are accurate and that relevant internal controls for the Entity 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 Entity'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 entity.
- 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.

Service and Performance

A written Performance 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 entity.

The Board has mechanisms in place to monitor the progress of matters contained within the Performance 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 entity are being managed in an appropriate and efficient manner.

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

- Financial performance of overall agency
- Quarterly activity performance against indicators and targets in the performance agreement for the entity
- Advice on the achievement of strategic priorities identified in the performance agreement for the entity
- Year to date and end of year projections on capital works.

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.



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During the 2022-23 financial year, the Finance and Performance Committee was chaired by Mr Scott Griffiths and comprised of:

- Dr Leon Clark AM, Member, retired on 20 April 2023, and was replaced on 15 June 2023 by Professor Jaqueline Close.
- Dr Michelle Mulligan OAM, Board Representative
- Adjunct Professor Michael Nicholl, Chief Executive.

The Chief Executive, the Director Corporate and the Associate Director Finance & Performance attended all meetings of the Finance and Performance Committee except when on approved leave.



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STANDARD 5: MAINTAINING HIGH STANDARDS OF PROFESSIONAL AND ETHICAL CONDUCT

The Entity 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 entity's learning and development strategy.

The Entity 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 2022-23 financial year, the Chief Executive reported nil 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 entity in accordance with state policy and legislation, including establishing reporting channels and evaluating the management of disclosures.

During the 2022-23 financial year, the Entity reported nil of public interest disclosures.

The Board attests that the Entity has a fraud and corruption prevention program in place.



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STANDARD 6: INVOLVING STAKEHOLDERS IN DECISIONS THAT AFFECT THEM

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

A Consumer Council 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.

During the development of its policies, programs and strategies, the Entity considered the potential impacts on the health of Aboriginal people and, where appropriate, engaged with Aboriginal stakeholders to identify both positive and negative impacts and to address or mitigate any negative impacts for Aboriginal people.

In 2022-23 the Board has been updating the CEC Consumer Council's Terms of Reference and membership to ensure that, post the withdrawal of the ACI from the previously joint Council, that the CEC Council continues to ensure that Board is sensitised to relevant consumer issues and concerns. This encompasses monitoring and reporting on the involvement of consumers in the work of the CEC and making recommendations to the Board to make sure the organisation's performance, regarding consumer engagement and partnerships, continues to mature.

Discussion at the CEC Board in February 2023 had identified the desirability of there being another member both with a consumer perspective and a member from the Indigenous Community. In June 2023 the Board approved a brief to Ministry being issued recommending the appointment of an indigenous woman to the CEC Board.

The Ian O'Rourke Scholarship (IORS) is an initiative of the CEC and is named in honour of the late Dr O'Rourke who was a surgeon, educator, academic and researcher and was passionate about the work he undertook with Aboriginal communities. In late 2022, the CEC, in consultation with the Centre for Aboriginal Health, commenced a revision and redesign of the IORS to support the sustainability and/or spread of continuous improvement and safety initiatives focused on improving the experience of care and/or outcomes for Aboriginal and Torres Strait Islander people.

The CEC Partnering with People Process is an Internal Procedure at the CEC that was developed and launched in 2022/23. The Partnering with People Process promotes a diversity of voice and perspective throughout the problem solving, decision-making and design of the work undertaken at the CEC.

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

The Entity has the following in place:

- Mechanisms to ensure privacy of personal and health information.
- An effective complaint management system.



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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 Entity 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 Entity, and through the Audit and Risk Management Committee ensures that audit recommendations and recommendations from related external review bodies are implemented.

The Entity 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

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

The Entity completed and submitted an Internal Audit and Risk Management Attestation Statement for the 12-month period ending 30 June 2023 to the Ministry without exception.

The Audit and Risk Management Committee comprises 3 members of which all are independent and appointed from the NSW Government's Prequalification Scheme for Audit and Risk Committee Independent Chairs and Members.

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QUALIFICATIONS TO THE GOVERNANCE ATTESTATION STATEMENT

Item:

Qualification

Progress

Remedial Action

Signed:

Patricia Bradd

Adjunct Associate Professor Patricia Bradd
Acting Chief Executive

Date: 18/08/2023

A handwritten signature in black ink, appearing to read "Thomas Weir".

Thomas Weir
Chief Audit Executive

Date: 18/08/2023