

# **Corporate Governance Attestation Statement**

Financial Year ended 30 June 2017



## CORPORATE GOVERNANCE ATTESTATION STATEMENT

Financial Year ended 30 June 2017

The following corporate governance attestation statement has been endorsed by the Bureau of Health Information (BHI) Board. The Board is responsible for the corporate governance practices of BHI. This statement sets out the main corporate governance practices in operation within BHI for the financial year 1 July 2016 to 30 June 2017.

A signed copy of this statement has been provided to the NSW Ministry of Health.

Signed:

A handwritten signature in black ink, appearing to read 'Carol Pollock'.

18/8/17

*Professor Carol Pollock*

Chairperson

A handwritten signature in black ink, appearing to read 'Kim Sutherland'.

18/8/17

*Dr Kim Sutherland*

Acting Chief Executive

Date: 30 June 2017

## ESTABLISH ROBUST GOVERNANCE AND OVERSIGHT FRAMEWORKS

### Role and function of the Board

The Board of the Bureau of Health Information (the Board) carries out its functions, responsibilities and obligations in accordance with the *Health Services Act 1997* and the determination of functions for BHI 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 BHI 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 financial year 2016-17 the Board consisted of a Chair and members appointed by the Minister for Health, and the Chief Executive as an ex-officio member. The Board met eight times during this period and two of these meetings were special meetings to review financial statements. The Minister appointed Professor Pollock as the new Board Chair:

- Board Chair
  - Mary Elizabeth Rummery AM – Acting Board Chair to 31 August 2017
  - Professor Carol Pollock – Board Chair from 1 September 2017
- Members
  - Mary Elizabeth Rummery AM
  - Professor Carol Pollock
  - Andrew Goodsall
  - Dr Nigel Lyons
  - Professor Mohammed Khadra
  - Professor Louisa Jorm
  - Professor Jane Hall
  - Ian Gillespie
  - Associate Professor John Worthington
- Ex Officio Member
  - Dr Jean-Frederic Levesque, Chief Executive (ex officio) to 2 June 2017

- Dr Kim Sutherland, Acting Chief Executive (ex officio) from 5 June 2017

### **Authority and role of senior management**

All financial and administrative authorities have been delegated by a formal resolution of the Board and are formally documented in a Delegations Manual for BHI.

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

The Board also has a mechanism in place to gain reasonable assurance that BHI 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**

This is not applicable to BHI as the organisation does not deliver health services, nor employs any registered health professional and as such does not report on any healthcare services or instances of healthcare professional misconduct.

## **B SETTING THE STRATEGIC DIRECTION FOR BHI 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 BHI. This planning process includes setting strategic directions for BHI and for the services it provides.

Organisation-wide planning processes and documentation is also in place, with a three to five year horizon, covering:

- Asset management
- Information management and technology
- Research and teaching
- Workforce development.

## **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 BHI are in place. To this end, the Board certifies that:

- The financial reports submitted to the Finance and Performance Committee and the Ministry of Health represent a true and fair view, in all material respects, of BHI'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 BHI
- 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
- BHI did not incur any unfunded liabilities during the financial year
- The Director, Corporate Services and the Chief Finance Officer have 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 in the form of a 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 BHI.

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 to ensure that the operating funds, capital works funds and service outputs required of BHI are being managed in an appropriate and efficient manner.

The Finance and Performance Committee was chaired by Andrew Goodsall. The committee comprises all members of the Board. 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:

- Financial performance of each major cost centre
- Liquidity performance
- Activity performance against indicators and targets in the performance agreement for BHI
- Advice on the achievement of strategic priorities identified in the performance agreement for BHI.

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**

BHI 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 BHI's learning and development strategy.

The Chief Executive, as the principal officer for BHI, 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 BHI 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**

BHI engages with stakeholders to ensure its work is informed, collaborative and accurate. Prior to the release of each report, BHI informs key stakeholders about the findings and estimated dates of release of the reports.

The community, including stakeholders, can readily access public information relating to BHI's reports and activities, including research, on its website at [bhi.nsw.gov.au](http://bhi.nsw.gov.au)

Stakeholder activity in 2016–17 included:

- Reports – BHI receives feedback from peer reviewers and data custodians on draft reports. BHI incorporates the feedback that it deems useful to improve the relevance, accuracy, comparability and interpretability of its reports.
- Committees – BHI invites participation from international experts, local health districts, the NSW Ministry of Health, Pillars and research institutions on a number of Advisory Committees. These groups are set up as needed to consult and support BHI's reports and work plans. BHI also contributes expert advice to other organisations.
- Working collaboratively – BHI is working collaboratively with other Pillars (Cancer Institute NSW, Agency for Clinical Innovation, Clinical Excellence Commission) and organisations (for example, the Sax Institute) on a range of projects.
- Presentations and conferences – BHI staff, in particular the Chief Executive, presented to a wide variety of audiences in the healthcare sector, attending conferences both within Australia and internationally, meetings and visiting hospitals and local health districts.
- Visits from international experts – International visitors during the year included experts and academics from organisations and universities. This provided a great opportunity to exchange knowledge, look at international best practice and hear about strategies being used in different jurisdictions.
- Online and media – BHI ensures that all its reports and supporting material is available on its website. Coverage is proactively sought in print, radio, television and specialist media as a way of informing the community about BHI's reports.

BHI is guided by its Stakeholder Analysis and Engagement Framework in the development of its relationships with other organisations.

## **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 BHI and its facilities and units, including BHI's system of internal control. The Board receives and considers all reports of the External and Internal Auditors for BHI and, through the Audit and Risk Management Committee, ensures that audit recommendations and recommendations from related external review bodies are implemented.

BHI has a current Risk Management Plan. The Plan covers all known risk areas including:

- Leadership and management
- 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 BHI'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 BHI's financial reporting, safeguarding of assets, and compliance with BHI's responsibilities, regulatory requirements, policies and procedures
- To oversee and enhance the quality and effectiveness of BHI's internal audit function, providing a structured reporting line for the Internal Auditor and facilitating the maintenance of their independence
- To assist the Board to deliver BHI's outputs efficiently, effectively and economically via the internal audit function, so as to obtain best value for money and to optimise organisational performance in terms of quality, quantity and timeliness
- 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 BHI.

The Audit and Risk Management Committee comprises three members, including two persons who are not employees of, or contracted to, provide services to BHI. The Independent Chair is Greg Rochford, and Independent Member is Michael Silk. The BHI Board representative is Ian Gillespie. The invitees to the committee included BHI Chief Executive, the Director of Corporate Affairs and Chief Audit Executive, and the HealthShare Chief Finance Officer.

The Audit and Risk Management Committee held four ordinary meetings and two special meetings to review financial statements during the financial year.

The Chair of the Audit and Risk Management Committee has right of access to the Secretary of the NSW Health.