

Corporate Governance Attestation Statement

Financial year ending 30 June 2019

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CORPORATE GOVERNANCE ATTESTATION STATEMENT

Financial Year ended 30 June 2019

Bureau of Health Information

The following corporate governance attestation statement was endorsed by a resolution of the Bureau of Health Information (BHI) Board at its meeting on 9 August 2019.

The Board is responsible for the corporate governance practices of BHI. This statement sets out the main corporate governance practices in operation within the organisation for the 2018-2019 financial year.

A signed copy of this statement has been provided to the NSW Ministry of Health by 31 August 2019.

Signed:



Professor Carol Pollock

Chairperson

Date: 7 August 2019



Dr Diane Watson

Chief Executive

Date



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. Accordingly, it has an Audit and Risk Management Committee and a Finance and Performance Committee.

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

- A** Ensuring 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

In 2018-19, BHI's Board consisted of a Chair and eight members until 31 August 2019 and then the size of the Board was reduced to six members when the appointment of two members concluded. The members are all appointed by the Minister for Health, including the BHI Chief Executive as an ex-officio member. The Board met six times during this period, reviewed minutes of its committees at each meeting and met with the Chair of Audit and Risk Management Committee on 19 October 2018.

Authority and role of senior management

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

The roles and responsibilities of the Chief Executive and other senior management are documented in written position descriptions. In early 2019 the Chief Executive established a new approach to operational governance to better support performance, risk management and compliance. The approach included new terms of reference for the Senior Management Team Committee, and its committees including the Data Governance, Reports Plan, Surveys Plan, Information Technology, Workforce Action Plan and Work Health and Safety Committees. The Chief Executive also chairs a Scientific Advisory Committee and the Patient Survey Program Strategy Committee.

Regulatory responsibilities and compliance

The Board is responsible for and has mechanisms in place to ensure that relevant legislation and regulations are adhered to across the organisation, including statutory reporting requirements.

The Board also has mechanisms in place to gain reasonable assurance that BHI complies with the requirements of all relevant NSW Government policies and NSW Health policy directives, as well as policy and procedure manuals issued by the Ministry of Health.

STANDARD 2: 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 Corporate Governance and the safety and quality of care provided to the community.

It is noted that BHI does not deliver patient care nor employ staff in a clinical role therefore there is no Clinical Governance function. Accordingly, BHI does not require a Medical and Dental Appointments Advisory committee or a Credentials Sub Committee.

The Chief Executive has mechanisms in place to ensure that the relevant authority is informed where there are reasonable grounds to suspect professional misconduct or unsatisfactory professional conduct by any BHI employee, including those contracted to the organisation.

STANDARD 3: SETTING THE STRATEGIC DIRECTION FOR THE ORGANISATION AND ITS SERVICES

The Board recently approved a *Strategic Plan: 2019-22*, and a *NSW Patient Survey Program Plan: 2019-22* to support effective planning and delivery of services to the community, healthcare professionals and policy makers. This process included setting strategic direction for the organisation and services in relation to BHI's functions, the NSW Government Priorities, the *NSW State Health Plan* and *NSW Health Strategic Priorities*. The Chief Executive sits on numerous international and NSW committees to ensure that BHI's strategy and services continually learns from or aligns with other relevant health organisations. BHI undertakes an annual stakeholder survey to monitor and inform its strategic direction and services.

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

- Asset management – operating, maintaining, upgrading, and disposing of assets in the most cost-effective manner
- Information management and technology – in partnership with eHealth
- Research and teaching – Supporting and harnessing research and innovation
- Workforce Action Plan – Supporting and developing our workforce
- Aboriginal Workforce Action Plan – establishment of an Aboriginal identified position

STANDARD 4: MONITORING FINANCIAL AND SERVICE DELIVERY PERFORMANCE

Role of the Board in relation to financial management

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 Audit and Risk Management Committee, 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 Audit and Risk Management Committee, Finance & 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 Audit and Risk Management Committee and the Finance and Performance Committee
- All relevant financial controls are in place
- Information reported in the Ministry of Health monthly reports reconciles to and is consistent with reports to the Finance and Performance Committee
- 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 Chief Finance Officer has reviewed the internal liquidity management controls and practices and they comply with Ministry of Health requirements.

The Internal Auditor has reviewed documentation relating to the above as reported to the ARMC during the financial year.

Service and Performance

A *Performance Agreement: 2018-19* approved by the Board and signed by the Chair, Chief Executive and Secretary, NSW Health that sets out the service and performance expectations for the funding and other support provided to BHI. The Agreement articulates direction, responsibility and accountability across the NSW Health system for the delivery of NSW Government and NSW Health priorities. Additionally, it specifies the service delivery and performance requirements expected of BHI that will be monitored throughout the year.

The Board receives progress reports against strategic deliverables in the *Performance Agreement* at all meetings. On 27 February 2019 the Board approved a six month progress report against key performance indicators and strategic deliverables in the *Performance Agreement* for submission to the Ministry of Health.

A professional development and review agreement for 2018-19 was in place between the Board Chair and the Chief Executive. The Secretary of NSW Health was consulted about the agreement before it was signed.

The Finance and Performance Committee

The Board established a Finance and Performance Committee to assist the Board to ensure that the operating funds, capital works funds, resource utilisation and service outputs required by BHI are being managed in an appropriate and efficient manner.

The Finance and Performance Committee is chaired by Ian Gillespie, a Board member, and comprises of three other Board members including the Chief Executive.

The Finance and Performance 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

- 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 and performance matters are also tabled at the Finance and Performance Committee.

STANDARD 5: MAINTAINING HIGH STANDARDS OF PROFESSIONAL AND ETHICAL CONDUCT

BHI 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 BHI's learning and development strategy.

The Chief Executive, as the principal officer for BHI, has mechanisms in place to report all known cases of corrupt conduct, where there is a reasonable belief that corrupt conduct has occurred, to the Independent Commission Against Corruption, and also to provide a copy of those reports to the Ministry of Health.

For the reporting period, BHI reported nil cases of corrupt conduct.

Policies and procedures are in place to facilitate the reporting and management of public interest disclosures in accordance with state policy and legislation, including establishing reporting channels and evaluating the management of disclosures.

For the reporting period BHI reported nil 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 BHI's key stakeholders are incorporated into strategic and corporate plans and that they are provided access to information about BHI and its plans.

BHI's *Strategic Plan: 2019-22* identifies 'alignment and responsiveness' as a strategic priority, stating that:

- We will strengthen engagement processes and relationships to ensure our reports and interactive information products respond to need and better align with the priorities of consumer, healthcare and policy audiences.

Our strategy also commits us to 'strengthen engagement, marketing and communications for the NSW Patient Survey Program', stating that:

- We will make effective use of engagement, marketing and communications to encourage survey participation, ensure we measure what matters to each of our audiences and promote the use of our survey results.

In, 2018-19 our stakeholder engagement and collaborative activities included, for example:

Strategic and scientific guidance

- A wide-ranging program of consultation and engagement of stakeholders was undertaken to inform the development of BHI's *Strategic Plan: 2019-22* and the *NSW Patient Survey Program Strategy: 2019-22, including an External Stakeholder Survey: 2018 and the People Matters Survey: 2018*
- BHI's Scientific Advisory Committee met twice. Members include international experts in healthcare performance measurement and reporting from five countries who offer insights to guide and challenge our plans, priorities and approaches
- The Chief Executive, senior directors and directors also sit on peak NSW committees that relate to BHI functions.

Expert input and advice in the development of reports and surveys

- A Mental Health Advisory Group met four times to support development of BHI's first major report on use and experiences of mental health services in NSW. Members included senior staff from Local Health Districts and the NSW Mental Health Commission, policy and data experts from the Ministry of Health, and consumer and carer representation
- Aboriginal Patient Survey Program Advisory Committee, which is co-chaired with the Centre for Aboriginal Health, was established to offer advice regarding surveys of Aboriginal and Torres Strait Islander people and their experiences of hospital care
- A Patient Safety Advisory Group, which was co-chaired with the Clinical Excellence Commission, was established to offer clinical advice regarding a report to assess the reliability of different patient safety indicators due for release in 2019-20
- A Mortality and Returns to Acute Care Advisory Group was established to offer clinical advice regarding reports on these topics due for release in 2019-20
- Stakeholder interviews and consumer focus groups to inform the development of patient surveys e.g. a new shorter Emergency Department Patient Survey and the 2019 Maternity Care Survey.

Stakeholder involvement in pre-release processes

- Every report is subject to a formal peer review process, involving selected experts and Ministry staff. BHI incorporates the feedback that it deems useful to improve the relevance, accuracy, comparability and interpretability of its reports
- Briefings and embargoed materials are also provided to key stakeholders within and outside NSW Health to prepare for media coverage. BHI also engages with the media in advance of release to support fair and accurate coverage.

Encouraging and equipping stakeholders to make use of BHI information

- BHI has worked pro-actively with the Agency for Clinical Innovation to better understand the information needs of clinicians, and to raise awareness of - and encourage them to use - analyses relating to mortality and returns to acute care
- Working with the Cancer Institute of NSW, we have supported them to use patient survey information and engaged with managers of cancer services across the system
- BHI played an active role as a partner in the organisation of the *NSW Patient Experience Symposium 2019*, delivering a keynote address, chairing sessions and presenting a number of workshops.

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, including the organisation's system of internal control. The Board receives and considers all reports of the external and internal auditors, 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 that is routinely monitored and maintained by the Senior Management Team Committee. 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 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.

BHI completed and submitted an Internal Audit and Risk Management Attestation Statement for the 12 month period ending 30 June 2019 to the Ministry without exception.

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