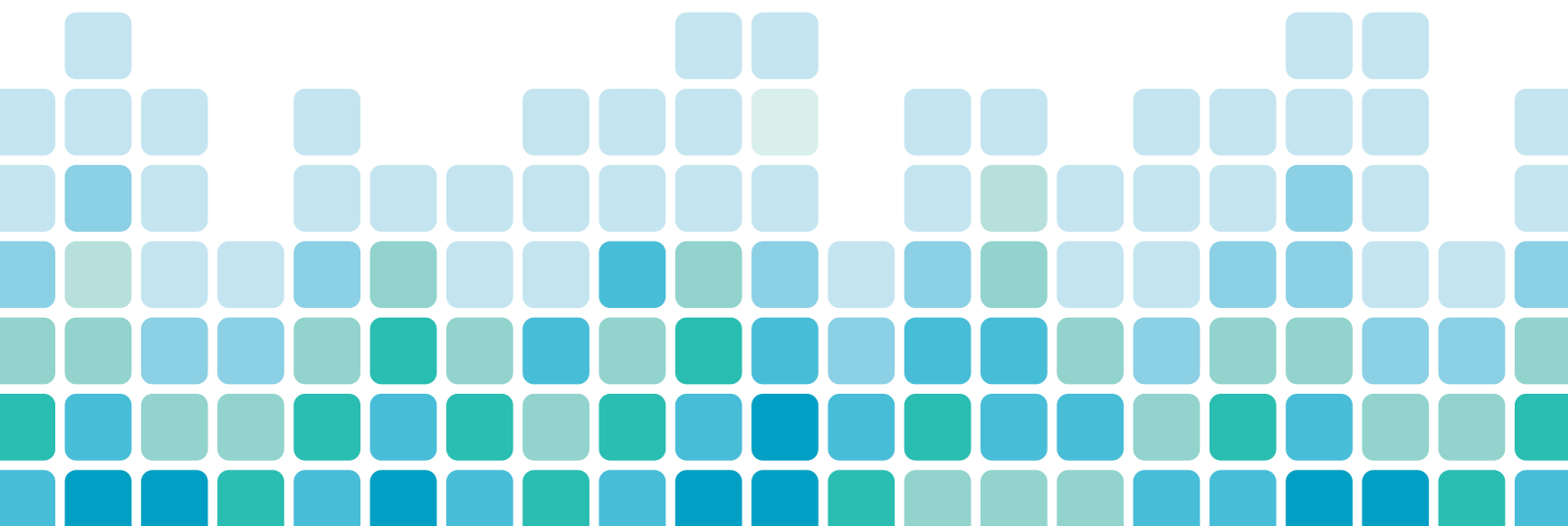


Corporate Governance Statement

Financial Year
2010 – 2011



Corporate Governance Statement Financial Year 2010 - 2011

The corporate governance statement was endorsed by the Board of the Bureau of Health Information. The Board is responsible for the corporate governance practices of the Bureau. The Bureau is an independent board governed statutory health corporation established under the *Health Services Act 1997*.

The Bureau commenced on 1 September 2009 following the *Health Services Amendment (Bureau of Health Information) Order 2009*.

This statement sets out the main corporate governance practices in operation within the Bureau for the financial year 1 July 2010 to 30 June 2011.

The corporate governance statement has been approved by the Chairperson of the Board and the Chief Executive, and a copy of the signed statement has been submitted to the NSW Department of Health.



Professor Bruce Armstrong AM
Chairman

16 November 2011



Dr Diane Watson
Chief Executive

16 November 2011

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Establishment of the Bureau of Health Information

In addition to the general functions set out in section 12 of the *Health Services Act*, on 18 November 2009 the Minister for Health made a formal determination of functions for the Bureau of Health Information as follows:

- To prepare and publish regular reports on the performance of the NSW public health system, including safety and quality, effectiveness, efficiency and responsiveness of the system to the needs of the people of NSW.
- To provide an annual report to the Minister and Parliament on the performance of the NSW public health system.
- To publish reports benchmarking the performance of the NSW public health system with comparable systems.
- To establish and maintain a website providing information and analysis on the performance of the NSW public health system; including tools for data analysis.
- To develop reports and tools to enable analysis of the performance of health services, clinical units and clinical teams across the NSW public health system.
- To advise the NSW Department of Health on the quality of existing data sets and the development of enhanced information analysis and reporting to support performance reporting to clinicians, the community and Parliament.
- To undertake and / or commission research to support the performance by the Bureau of its functions.
- To liaise with other bodies and organisations undertaking reporting on the performance of the health systems in Australia.
- To provide advice to the Minister for Health and the Director-General of the Department of Health on issues arising out of its function.

Establishment of robust governance and oversight frameworks

Role and function of the Board

The Board carried out its functions, responsibilities and obligations in accordance with the *Health Services Act 1997* and the determination of functions for the Bureau 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:

- 1) Setting the strategic direction for the organisation and its services
- 2) Monitoring financial and service delivery performance
- 3) Maintaining high standards of professional and ethical conduct
- 4) Establishing sound audit and risk management practices
- 5) Involving stakeholders in decisions that affect them.

Board membership

For the financial year 1 July 2010 to 30 June 2011, the Board appointed by the Minister for Health consisted of the Chairperson, four members and the Chief Executive as an ex-officio member. The Board met six times during this period.

Table 1: Terms of appointment

Board Members	Terms of Appointment		
Professor Bruce Armstrong AM	chairperson	1 September 2009 to 31 August 2013	4 year term
Professor Jane Hall	member	1 September 2009 to 31 August 2013	4 year term
Mrs Mary E Rummary AM	member	1 September 2009 to 31 August 2013	4 year term
Dr Donald J Weatherburn	member	1 September 2009 to 31 August 2013*	4 year term*
Ms Sue West	member	1 September 2009 to 31 August 2013	4 year term
Dr Diane Watson	ex-officio member	19 October 2009 to 18 October 2014	5 year contract

(*) Resigned as member effective 30 June 2011.

Table 2: Board member meeting attendance 2010 – 2011

Directors	Board member meeting attendance 2010 – 2011					
	2 Aug 2010	14 Sep 2010	17 Dec 2010	25 Feb 2011	15 Apr 2011	28 Jun 2011
Professor Bruce Armstrong AM	✓	✓	✓	✓	✗ annual leave	✓
Professor Jane Hall	✓	✓	✓	✓	✓	✗ annual leave
Mrs Mary E Rummary AM	✓	✓	✓	✓	✓	✓
Dr Donald J Weatherburn	✓	✓	✓	✓	✓	✓
Ms Sue West	✓	✓	✓	✓	✓	✓
Dr Diane Watson	✓	✓	✓	✓	✓	✓

Authority and role of senior management

All financial and administrative authorities have been delegated by a formal resolution of the Board at the inaugural meeting of 1 December 2009 to the senior management of the Bureau, and are formally documented within a delegations manual for the Bureau. The roles and responsibilities of the Chief Executive and other senior management within the Bureau are documented in written position descriptions.

Regulatory responsibilities and compliance

The Board is responsible for and has mechanisms in place to ensure relevant legislation is adhered to within all facilities and units of the Bureau, including statutory reporting requirements.

The Board has mechanisms in place to gain reasonable assurance that the Bureau complies with the requirements of all relevant government policies and NSW Health policy directives and policy and procedure manuals, as issued by the NSW Department of Health.

Setting of strategic direction

The Board has in place a process for the effective planning and delivery of its services to the communities and individuals served by the Bureau. This process includes setting a strategic direction for both the Bureau and the services it provides, within the Bureau's overall governance framework as articulated in the Bureau's Mission, Vision and Values.

Mission

To provide the community, health care professionals and the NSW Parliament with timely, accurate and comparable information about the performance of the NSW public health system in ways that enhance the system's accountability and inform efforts to increase its beneficial impact on the health and well being of people in NSW.

Vision

The community has an accurate understanding of the performance of the NSW public health system and makes optimal use of information to improve the health and well being of people in NSW.

Values

- 1) Excellence in the delivery of evidence-based information to enhance understanding about health system performance
- 2) Independence and objectivity in providing information to our audiences, and in ensuring our methods are valid and interpretations are impartial
- 3) Access to relevant, reliable and valid information in understandable formats
- 4) Respect and fairness in safeguarding the privacy and confidentiality of sensitive information
- 5) Ethical practice ensuring business procedures are just, reasonable and responsive
- 6) Openness in ensuring transparent measurement, analytical methods, report production and release
- 7) Innovation, curiosity, creativity and courage.

The Board has developed a five-year Strategic Plan for 2009 to 2014 that addresses the primary governing responsibilities of the Board in relation to:

- 1) Informing the NSW community about the performance of the public health system
- 2) Informing efforts to improve patient care and strengthen healthcare policy in NSW
- 3) Identifying factors that support high performance public health systems
- 4) Advising on strategies to improve health service performance reporting
- 5) Instituting and maintaining ethical, effective, responsible and reasonable business practices
- 6) Implementing the Strategic Plan through the annual workplan.

Monitoring of financial and service delivery performance

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

The Board is responsible for ensuring that the Bureau complies with NSW Health Accounts and Audit Determination and the annual NSW Department of Health budget allocation advice.

The Board ensures that the financial and performance reports it receives, and submits to its Finance and Performance Committee and to the NSW Department of Health, are accurate, and that relevant internal controls for the Bureau are in place. The Board certifies that:

- The financial reports submitted to the Finance and Performance Committee and the NSW Department of Health represent a true and fair view, in all material respects, of the Bureau's financial condition and the operational results are in accordance with the relevant accounting standards.
- The recurrent budget allocations in the NSW Department of Health's financial year advice reconcile to those allocations distributed to the Bureau.
- Overall financial performance is monitored and reported to the Finance and Performance Committee of the Bureau.
- Information reported in the NSW Department 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 NSW Department of Health requirements.
- The Bureau did not incur any debts that required write-off by authorised delegated officers.
- The Bureau's General Fund has not exceeded the NSW Department of Health approved net cost of services allocation.
- The Bureau did not incur any unfunded liabilities during the financial year.
- The Bureau is deemed to control its Special Purpose Service Entity in accordance with Australian Accounting Standards.
- The Bureau did not have any capital projects.
- The Director of Finance, Health Support Services, who is supporting the Bureau in this function, has reviewed the internal liquidity management controls and practices to ensure that they comply with NSW Department of Health requirements.

The auditor has reviewed the above during the financial year.

Performance agreements

Written performance agreements were in place during the financial year between the Bureau and the Director-General, NSW Health; and the Board and the Chief Executive. Performance agreements are in place for staff of the Bureau.

The Board has mechanisms in place to monitor the progress of matters contained within the performance agreement between the Board and the Director-General, NSW Health, and to regularly review performance against agreements between the Board and the Chief Executive.

The Board receives reports every two months that include:

- Activity performance against indicators and targets in the performance agreement for the Bureau
- Advice on the achievement of strategic priorities identified in the performance agreement for the Bureau.

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 and service outputs required of the organisation are being managed in an appropriate and efficient manner.

The Finance and Performance Committee is chaired by Professor Bruce Armstrong AM and comprises:

- Professor Jane Hall, Board Member
- Mrs Mary Elizabeth Rummery AM, Board Member
- Dr Donald Weatherburn, Board Member
- Ms Sue West, Board Member
- Dr Diane Watson, Chief Executive and ex officio Board Member
- Director of Finance, Health Support Services (in attendance only in an advisory role to the committee).

The Chief Executive attends all meetings of the Finance and Performance Committee unless on approved leave.

The Finance and Performance Committee receives reports every two months that include:

- Financial performance
- Liquidity performance.

Correspondence to management from the Auditor-General, Minister for Health and the NSW Department of Health relating to significant financial and performance matters are also tabled at the Finance and Performance Committee.

Maintaining high standards of professional and ethical conduct

The Chief Executive 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 Chief Executive has systems and processes in place to ensure the Code is periodically reinforced for all existing staff.

The Chief Executive has ensured that all staff have read and signed the Bureau's Confidentiality, Privacy and Code of Conduct Agreement that articulates the requirement to keep all information obtained or accessed through their work private and confidential, and to comply with the NSW Health Code of Conduct.

The Chief Executive as the principal officer for the Bureau is responsible for reporting all cases of corrupt conduct, where there is a reasonable belief that corrupt conduct has occurred, to the Independent Commission Against Corruption. A report is to be provided to the Department of Health on any cases with serious NSW Health wide implications, that is they involve innovative (not encountered previously) corrupt conduct that should be brought to the attention of other health organisations.

There were no cases of corrupt conduct to be reported during 2010 to 2011 to the Independent Commission Against Corruption or the Department of Health.

Involving stakeholders in decisions that affect them

The Board is responsible for ensuring that the rights and interests of its key stakeholders are considered when formulating the plans of the organisation and that they are given access to balanced and understandable information about the organisation and its proposals.

During 2010 to 2011, the Chief Executive formed advisory committees that included representatives of stakeholders. These advisory committees were:

- Annual Performance Report Advisory Committee – to advise the Bureau on the creation of products, in particular *Healthcare in Focus 2010*, that are informative to the community, optimally address needs for information among health care professionals, and offer a fair representation of health system performance.
- The Emergency Care Advisory Committee – to advise the Bureau on the creation of a public report and products, *Hospital Quarterly* September 2010, that are informative to the community, optimally address needs for information among health care professionals, and offer a fair representation of health system performance.
- The Elective Surgery Advisory Committee – to advise the Bureau on the creation of a public report and products, *Hospital Quarterly* November 2010, that are informative to the community, optimally address needs for information among health care professionals, and offer a fair representation of health system performance.

- The Chronic Disease Care Advisory Committee – to advise both the Bureau and Agency for Clinical Innovation on the creation of a report showing admissions for chronic obstructive pulmonary disease and congestive heart failure.
- Ad hoc committees and peer reviewers for healthcare performance data – to provide advice to the Bureau on the contents of its reports.

The community, including stakeholders can readily access public information relating to the Bureau's performance reports and activities including research on its website www.bhi.nsw.gov.au

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

The Bureau implemented a risk management plan in accordance with NSW Health risk management framework. The plan includes the following risk categories:

- a) Leadership and management
- b) Finance (including fraud prevention)
- c) Information Management
- d) Workforce
- e) Security and safety
- f) Facilities and asset management
- g) Emergency and disaster planning
- h) Community expectations.

The audit and risk management committee

NSW Health has adopted NSW Treasury's *Internal Audit and Risk Management Policy for NSW Public Sector* except for the variation that the Chief Executive will be retained as a member of the committee. A requirement of the policy is that the Bureau has an Audit and Risk Management Committee that must comprise independent as well as non-independent members. The independent members are obtained from a panel of prequalified audit and risk a committee independent chairs and members maintained by the NSW Department of Services, Technology and Administration.

The Director-General, NSW Health advised in correspondence of 10 March 2010 that it has been determined that due to the size of the Bureau and financial impact imposed by this requirement that a single Audit and Risk Management Committee be established to service four statutory health corporations. The four statutory corporations are the Bureau of Health Information, the Agency for Clinical Innovation, the Clinical Excellence Commission and the Clinical Education and Training Institute.

The Director-General appointed Mr Allan Cook as the Independent Chair, and Ms Gerry Brus an Independent Member. The transition to the new committee structure was guided by the Department of Health's Corporate and Risk Management Branch.

The Audit and Risk Management Committee's core responsibilities are:

- To assess and enhance the Bureau'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 Bureau's financial reporting, safeguarding of assets, and compliance with the Bureau's responsibilities, regulatory requirements, policies and procedures.
- To oversee and enhance the quality and effectiveness of the Bureau'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 Bureau's outputs efficiently, effectively and economically, so as to obtain best value for money and to optimise the Bureau's performance in terms of quality, quantity and timeliness.
- To maintain a strong and candid relationship with external audit, facilitating to the extent practicable, an integrated internal and external audit process that optimises benefits to the Bureau of Health Information.

The Audit and Risk Management Committee consists of five members including two persons who are not employees of, or contracted to, provide services to the Bureau.

The Chairperson of the Audit and Risk Management Committee is Mr Allan Cook and is one of the independent members of the committee. The Chairperson of the committee has right of access to the Director-General, NSW Health. The other members of the committee are Ms Gerry Brus (independent member), Mrs Elizabeth Rummery, Dr Diane Watson and Ms Ros O'Sullivan. The Audit and Risk Management Committee met on six occasions during the financial year.