

Policy Directive



Corporate Governance

Document No: SLHD_PD2013_023

Functional Sub-Group: Clinical Operations
Corporate Governance

Summary: The Chief Executive has in place practices that ensure that the primary governing responsibilities in relation to the Sydney Local Health District (SLHD) are fulfilled with respect to:

- setting strategic direction
- ensuring compliance with statutory requirements
- monitoring performance of the District
- monitoring financial performance of the District
- monitoring the quality of health services
- industrial relations / workforce development
- monitoring clinical, consumer and community participation
- ensuring ethical practice

Approved by: Chief Executive

Consultation: Corporate Services

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Note: Sydney Local Health District* (SLHD) was established on 1 July 2011 following amendments to the Health Services Act 1997 which included renaming the former Sydney Local Health Network (SLHN). The former SLHN was established 1 January 2011, with the dissolution of the former Sydney South West Area Health Service (SSWAHS).

CORPORATE GOVERNANCE

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1. Introduction

The Chief Executive carries out all functions, responsibilities and obligations in accordance with the Health Services Act of 1997.

The Chief Executive is committed to better practices as outlined in the Guide on Corporate Governance, issued by NSW Health.

The Chief Executive has in place practices that ensure that the primary governing responsibilities in relation to the Sydney Local Health District (SLHD) are fulfilled with respect to:

- setting strategic direction;
- ensuring compliance with statutory requirements;
- monitoring performance of the District;
- monitoring financial performance of the District;
- monitoring the quality of health services;
- industrial relations/workforce development;
- monitoring clinical, consumer and community participation;
- ensuring ethical practice.

2. Strategic Direction

The Chief Executive has in place processes for the effective planning and delivery of health services to the communities and patients serviced by SLHD.

This process included setting of a strategic direction for both the organisation and for the health services it provides.

3. Code of Conduct

The Chief Executive and the District has adopted a Code of Conduct (the Code) to guide all employees and contractors in carrying out their duties and responsibilities. The Code covers such matters as: responsibilities to the community, compliance with laws and regulations, and ethical responsibilities.

A Statement about the Code is included in the annual report.

4. Risk Management

The Chief Executive is responsible for supervising and monitoring risk management by the District, including the SLHD system of internal controls. The Chief Executive has mechanisms for monitoring the operations and financial performance of SLHD.

The Chief Executive receives and considers all reports of SLHD External and Internal Auditors and, through the Audit and Corporate Risk Management (CRM) Committee, ensures that audit recommendations are implemented.

SLHD has a Risk Management Program and Risk Register that includes both clinical and non-clinical risks.

5. Committee Structure

SLHD has a committee structure in place to enhance its corporate governance role. The committees meet regularly, having defined terms of reference and responsibilities and are evaluated against agreed performance indicators.

5.1 Quality Committees

The Chief Executive has in place systems and activities for measuring and routinely reporting on the safety and quality of care provided to the community. These systems and activities reflect the principles, performance and reporting guidelines as detailed in the Framework for Managing the Quality of Health Services in NSW documentation. The key quality committees for SLHD are the Clinical Quality Council and the Clinical Council.

5.2 Audit and Corporate Risk Management (CRM) Committee

The Chief Executive has established an Audit and CRM Committee.

The chair of the Audit and CRM Committee is independent with extensive corporate experience. The membership is as follows:

- Chair: Independent
- Independent
- Chief Executive

Attendees:

- Manager Internal Audit
- Director Clinical Operations
- Chief Financial Officer
- External Auditor(s)

The Audit and CRM Committee meets five times per year. The objectives of the Committee include to:

- maintain an effective internal control framework
- review and ensure the reliability and integrity of management and financial systems
- review and ensure the effectiveness of the internal and external audit functions
- monitor the management of risks to the health service, including responsibility for reviewing and updating the Risk Register. For clinical risks, the Committee utilises the clinical expertise and structures [such as the Clinical Governance Unit, Professional Practice Unit, the Clinical Quality Councils (Eastern and Western Zones)] to analyse clinical risks, implement preventative risk strategies and control risks. For non-clinical risks, the Committee utilises the expertise of nominated officers to analyse non clinical risks, implement preventative risk strategies and control risks, as outlined in the Risk Management Program. The Internal Audit Unit conducts an annual risk assessment of clinical and non-clinical functions to develop its Audit Program.

5.3 *Finance and Performance Committee*

The Chief Executive has established a Finance and Performance Committee. This Committee is chaired by Chief Executive, with the following membership:

- Director Operations
- Chief Financial Officer
- Director Population Health, Planning and Performance
- Director Nursing and Midwifery

The Finance and Performance Committee meet twelve times per year. The objectives of the Finance and Performance Committee are to:

- examine budget allocations
- monitor overall financial performance in accordance with budget targets
- develop and maintain an efficient, cost effective finance function and information systems
- ensure appropriate financial controls are in place
- manage funds effectively

The Chief Executive complies with the provisions of the Accounts and Audit Determination for Health Services issued by the NSW Health.

6. **Performance Appraisal**

The Chief Executive has ensured that there are processes in place to:

- monitor progress of the matters and achievement of targets contained within the Performance Agreement between the Chief Executive and the Director-General of NSW Health
- regularly review the performance of the SLHD through the Annual Governance Review process

Endorsed by: SLHD Manager Corporate Services