

**Corporate Governance Attestation Statement for
The Agency for Clinical Innovation
30 June 2015**



CORPORATE GOVERNANCE ATTESTATION STATEMENT

The Agency for Clinical Innovation (ACI)

The following corporate governance attestation statement was endorsed by a resolution of the Agency for Clinical Innovation Board at its meeting on 20 August 2015.

The Board is responsible for the corporate governance practices of the Agency for Clinical Innovation. This statement sets out the main corporate governance practices in operation within the organisation for the 2014-2015 financial year.

A signed copy of this statement was provided to the Ministry of Health on 31 August 2015.

Signed:



Associate Professor Brian McCaughan
Chairperson
The Agency for Clinical Innovation

Date: 20/8/15



Chris Shipway
A/Chief Executive
The Agency for Clinical Innovation

Date: 20/8/15

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.

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 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

For the 2014-15 financial year the Board consisted of a Chair and ten members appointed by the Minister for Health. 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 Organisation.

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

The Board also has a mechanism in place to gain reasonable assurance that the Organisation 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 SETTING THE STRATEGIC DIRECTION FOR THE ORGANISATION 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 Organisation. This process includes setting a strategic direction for both the Organisation and the services it provides.

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

- a** Asset management
- b** Information management and technology
- c** Research and teaching
- d** Workforce development

B 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 has approved, and has in place, systems to support the efficient and economic operation of the Organisation, to oversight financial and operational performance and assure itself financial and performance reports provided to it are accurate.

The Chief Executive ensures that the financial and performance reports provided to the Board and those submitted to its 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 Chief Executive 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 Organisation'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 the organisation.
- 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.

- The organisation did not incur any unfunded liabilities during the financial year.
- The Director of Corporate Services has reviewed the internal liquidity management controls and practices and they comply with Ministry of Health requirements.

Service and Performance agreements

A written service 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 organisation.

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 ensure that the operating funds, capital works 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 Mr Ken Barker and comprises Dr Andrew Cooke, Dr Leon Clark and Associate Professor Brian McCaughan. The Chief Executive attends all meetings of the Finance and Performance Committee unless on approved leave.

The Finance and Performance Committee receives monthly reports that include:

- Financial performance of each major cost centre
- Liquidity performance
- The position of Special Purpose and Trust Funds
- Advice on the achievement of strategic priorities identified in the performance agreement for the organisation

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.

C MAINTAINING HIGH STANDARDS OF PROFESSIONAL AND ETHICAL CONDUCT

The ACI 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 the organisation's learning and development strategy.

The Chief Executive, as the principal officer for the organisation, 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 the organisation in accordance with state policy and legislation, including establishing reporting channels and evaluating the management of disclosures.

D INVOLVING STAKEHOLDERS IN DECISIONS THAT AFFECT THEM

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

The ACI is committed to involving consumers and the community in the development of its models of care. Consumers who join ACI clinical networks, taskforces and committees are active partners who provide input to the development of ACI models of care through; their experience as a patient within the NSW health system, as a carer, or as a representative of a peak health or disability community organisation. The Consumer Council advises the Board on its strategic direction when engaging the community.

The ACI Patient Experience and Consumer Engagement (PEACE) team promotes meaningful consumer engagement and the capture and use of patient, carer and staff experience in health care provision and improvement to support NSW Health to deliver person-centred care.

The ACI Consumer Council provides expert advice to the ACI and its Board on consumer engagement strategies and represents consumer members of ACI Networks, Taskforces and Institutes.

Information on the key policies, plans and initiatives of the Organisation and information on how to participate in their development are available to staff and to the public on the ACI Internet as www.aci.health.nsw.gov.au for members of the public and external stakeholders, and on the ACI Intranet for internal staff.

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

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

- Leadership and management.
- Clinical care.
- Health of population.
- 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.

The Audit and Risk Management Committee comprises three members, including three persons who are not employees of, or contracted to, provide services to the organisation.

The Chairperson of the Audit and Risk Management Committee is Mr Allan Cook and is one of the independent members of the committee. The other members of the committee are Mr Peter Scarlett (independent member) and Dr Andrew Cooke (Board Representative). The Audit and Risk Management Committee met on six occasions during the financial year.

The Chairperson of the committee has right of access to the Secretary of the NSW Ministry of Health.

F Qualifications to governance attestation statement

Item:

Nil Qualifications



Chris Shipway
A/Chief Executive
The Agency for Clinical Innovation

Date: 20/8/15



Ms Lisa Cox
Director Corporate Services
The Agency for Clinical Innovation

Date: 20/8/15

