

**Corporate Governance Attestation Statement for
Justice Health & Forensic Mental Health Network
2016/17**



Health

CORPORATE GOVERNANCE ATTESTATION STATEMENT

Justice Health & Forensic Mental Health Network

The following corporate governance attestation statement was endorsed by a resolution of the **Justice Health & Forensic Mental Health Board** at its meeting on 10 August 2017.

The Board is responsible for the corporate governance practices of **Justice Health & Forensic Mental Health Network**. This statement sets out the main corporate governance practices in operation within the organisation for the 2016-2017 financial year

A signed copy of this statement is provided to the Ministry of Health by 31 August 2017.

Signed:



Christopher Puplick AM
Chairperson

Date 10 August 2017



Gary Forrest
Chief Executive

Date 10/8/17

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.

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 2016/17 financial year the Board consisted of a Chair and ten (10) members appointed by the Minister for Health. The Board met *six (6)* 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.

STANDARD 2: ENSURING CLINICAL AND CORPORATE GOVERNANCE RESPONSIBILITIES ARE CLEARLY ALLOCATED AND UNDERSTOOD

[Indicate as not applicable if the organisation does not deliver health services]

The Board has in place frameworks and systems for measuring and routinely reporting on Clinical Governance and the safety and quality of care provided to the communities the Organisation serves.

These systems and activities reflect the principles, performance and reporting guidelines as detailed in NSW Health policy directive 'Patient Safety and Clinical Quality Program' (PD2005_608).

A Medical and Dental Appointments Advisory Committee is established to review the appointment or proposed appointment of all visiting practitioners and specialists. The Credentials Subcommittee provides advice to the Medical and Dental Appointment Advisory Committee on all matters concerning the clinical privileges of visiting practitioners or staff specialists.

The Chief Executive has mechanisms in place to ensure that the relevant registration authority is informed where there are reasonable grounds to suspect professional misconduct or unsatisfactory professional conduct by any registered health professional employed or contracted by the Organisation.

STANDARD 3: 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 within the overarching goals and priorities of the NSW State Health Plan.

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

- a** Information management and technology – Enabling eHealth
- b** Research and teaching – Supporting and harnessing research and innovation
- c** Workforce development – Supporting and developing our workforce
- d** **Aboriginal Health Action Plan is embedded in the Network's other plans**

STANDARD 4; 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 the organisation are in place. To this end, the Board 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 **exceeded** the Ministry of Health approved net cost of services allocation **by \$0.995 (0.50%), due to a 4.4% increase in inmate population as compared with July 2016, with minimal growth funding. This was reported to the Ministry of Health on a regular basis.**
- The organisation did not incur any unfunded liabilities during the financial year.
- The **Executive Director Commercial Services and Chief Financial 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

A written service compact/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 compact/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, resource utilisation 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 of: **Mr. Christopher Puplick AM, JH&FMHN Board Chair, Mr. Gary Forrest Chief Executive, Mr. Rajiv Anand Executive Director Commercial Services, Mr. Steven Bernardi Executive Director Clinical Operations, Ms. Janelle Buncombe Executive Director Performance and Planning, Mr. Ing Yu Chief Financial Officer, Ms. Bronwyn Hughes Director Workforce and Mr. Marcin Pasternak Manager Information Management.** 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 management and performance
- The position of Special Purpose and Trust Funds
- 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.
- **Workplace injury and compensation claims.**

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

The LHD/SN has adopted the NSW Health Code of Conduct to guide all staff and contractors in professional conduct and ethical behaviour. **Justice Health & Forensic Mental Health Network have in addition introduced a code of conduct to make staff aware of additional obligations which results from working in a criminal justice environment.**

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 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.

For the reporting period the Organisation reported *zero (0)* cases of corrupt conduct.

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.

For the reporting period the Organisation reported *one (1)* of public interest disclosure.

STANDARD 6: 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 Community Reference Group is a committee of the Justice Health & Forensic Mental Health Network Board and aims to provide a consumer and community perspective about the operations of Justice Health & Forensic Mental Health Network at a systems level.

When issues arise that concern the whole of the NSW custodial and forensic patient population, the Justice Health & Forensic Mental Health Community Reference Group may be relied on as a means of seeking State-wide consultation and participation in decision-making. Consultation with the Community Reference Group may be by way of presentations and/or discussion papers provided for consideration.

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 at <http://www.justicehealth.nsw.gov.au>

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 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 Organisation completed and submitted an Internal Audit and Risk Management Attestation Statement for the 12 month period ending 30 June 2017 to the Ministry *without* exception.

The Audit and Risk Management Committee comprises *three (3)* independent members, including the Chairperson, and met on *four (4)* occasions during the financial year.

QUALIFICATIONS TO THE GOVERNANCE ATTESTATION STATEMENT

Item: B - Setting the Strategic Direction for the Organisation and its Services

Qualification

Justice Health & Forensic Mental Health Network has been exempted from the Ministry of Health Asset Strategic Planning process due to the small size of its asset base.

Progress Nil required

Remedial Action Nil required


Gary Forrest
Chief Executive

Allison Preobrajensky
A/Director Clinical & Corporate Governance

