

**Corporate Governance Attestation Statement**

**AGENCY FOR CLINICAL INNOVATION**

**1 July 2020 to 30 June 2021**



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**CORPORATE GOVERNANCE ATTESTATION STATEMENT  
AGENCY FOR CLINICAL INNOVATION**

The following corporate governance attestation statement was endorsed by a resolution of the Agency for Clinical Innovation Board at its meeting on 19 August 2021.

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 2020-21 financial year.

A signed copy of this statement is provided to the Ministry of Health by 31 August 2021.

Signed:

A handwritten signature in black ink, appearing to read "Brian McCaughan".

Associate Professor, Brian McCaughan AM

Chair

Date 19 August 2021

A handwritten signature in black ink, appearing to read "Jean-Frederic Levesque".

Dr Jean-Frederic Levesque

Chief Executive

Date 27 August 2021

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## **STANDARD 1: ESTABLISH ROBUST GOVERNANCE AND OVERSIGHT FRAMEWORKS**

### **Role and function of the Board**

The Board carries out their functions, responsibilities and obligations in accordance with the *Health Services Act 1997*, *Government Sector Employment Act 2013*, 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 the following standards:

- Ensuring corporate governance responsibilities are clearly allocated and understood.
- Setting the strategic direction for the organisation and its services
- Monitoring financial and service delivery performance
- Maintaining high standards of professional and ethical conduct
- Involving stakeholders in decisions that affect them
- Establishing sound audit and risk management practices.

### **Board Meetings**

For the 2020-21 financial year the Board consisted of a Chair and eleven members appointed by the Minister for Health, except for the June meeting which, following the departure of two members due to lapsing appointments in April, reduced to 9 members . 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.

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**STANDARD 2: ENSURING CLINICAL RESPONSIBILITIES ARE CLEARLY ALLOCATED AND UNDERSTOOD**

The Agency for Clinical Innovation does not provide clinical services.

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### **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 in a 3- to 5-year strategic plan for both the Organisation and the services it provides within the overarching goals of the 2020/21 NSW Health Strategic Priorities.

Organisational-wide planning processes and documentation is also in place, covering:

- Detailed plans linked to the Strategic Plan for the following:
  - Information management and technology
  - Research and teaching
  - Workforce management
- Corporate Governance Plan

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## **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 the 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 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.
- Write-offs of debtors have been approved by duly authorised delegated officers.

### **Service and Performance**

A written Performance 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 Performance 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 receives monthly reports that include:

- Financial performance of each major cost centre
- Subsidy availability
- The position of Restricted Financial Asset 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.

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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.

During the 2020-21 financial year, the Finance and Performance Committee was chaired by Mr Ken Barker, and from June by Mr Scott Griffiths, and comprised of:

- Dr Leon Clark AM, Member
- Associate Professor Brian McCaughan AM, as Board Representative July to September.
- Dr Michelle Mulligan, Board Representative, November to June.
- Dr, Jean-Frederic Levesque, Chief Executive

The Board Chair and the Director of Finance attended all meetings of the Finance and Performance Committee except where on approved leave.

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**STANDARD 5: Maintaining high standards of professional and ethical conduct**

The Organisation 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 organisation's learning and development strategy.

The Organisation has implemented models of good practice that provide culturally safe work environments and health services through a continuous quality improvement model.

There are systems and processes in place and staff are aware of their obligations to protect vulnerable patients and clients – for example, children and those with a mental illness.

The Chief Executive, as the Principal Officer, has reported all instances of corruption to the Independent Commission Against Corruption where there was a reasonable suspicion that corrupt conduct had, or may have, occurred, and provided a copy of those reports to the Ministry of Health.

During the 2020-21 financial year, the Chief Executive reported nil cases to the Independent Commission Against Corruption.

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.

During the 2020-21 financial year, the Organisation reported nil public interest disclosures.

The Board attests that the Organisation has a fraud and corruption prevention program in place.

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## **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.

A Consumer Council (a joint Council with the Clinical Excellence Commission) has been established to:

1. Advise the Organisations' Boards on consumer representation within the respective organisations
2. Contribute to organisational priority setting for the Organisations.
3. Lead and facilitate effective consumer representation within and across all levels of the Organisations.

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 <https://aci.health.nsw.gov.au/>

The Organisation has the following in place:

- A consumer engagement strategy to facilitate broad input into the strategic policies and plans.
- Mechanisms to ensure privacy of personal and health information.
- An effective complaint management system.



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## **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 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 that identifies how risks are managed, recorded, monitored and addressed. It includes processes to escalate and report on risk to the Chief Executive, Audit and Risk Committee and Board.

The Plan covers all known risk areas including:

- Leadership and management
- Clinical care and patient safety
- Health of population
- Finance (including fraud prevention)
- Communication and information
- Workforce
- Legal
- Work health and safety
- Security
- Facilities and assets
- Emergency management
- 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 2021 to the Ministry without exception.

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The Audit and Risk Management Committee comprises three members of which all are independent and appointed from the NSW Government's Prequalification Scheme for Audit and Risk Committee Independent Chairs and Members.

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## QUALIFICATIONS TO THE GOVERNANCE ATTESTATION STATEMENT

### Item:

### Qualification

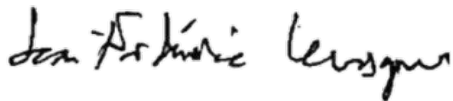
Nil

### Progress

### Remedial Action

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Signed:



Dr Jean-Frederic Levesque

Chief Executive

Date 27 August 2021



Thomas Weir

Chief Audit Executive

Date 19 August 2021