

Special Commission of Inquiry into Healthcare Funding

Outline of Evidence of Trevor Danos AM

Name: Trevor Danos AM
Occupation: Board Chairperson, Northern Sydney Local Health District

1. This is an outline of evidence that it is anticipated that the witness will give to the Special Commission of Inquiry into Healthcare Funding.

My Role

2. I am the Chair of the Northern Sydney Local Health District (**NSLHD**) Board. I have held that role since January 2017. I was a member of the Board of Sydney Local Health District from 2011 to 2016. Since November 2019, I have been Chair of the Council of Board Chairs. I hold tertiary qualifications in Law, Economics and Science. A copy of my Curriculum Vitae is Exhibit 7 in the NSW Health Tranche 4 Consolidated Exhibit List.
3. As Board Chair, I am the leader of the Board, the official representative and spokesperson for the Board and the principal link between the Board and the Chief Executive and between the Board and the Ministry of Health. The role of the Board Chair is specified in the *M2013_06 NSW Government Boards and Committees Guidelines* (Exhibit 59 in NSW Health Tranche 4 Consolidated Exhibit List). In summary, the role is as follows:
 - a. ensuring that the board or committee performs its functions, acting within any relevant statutory powers, legal obligations and complying with approved policies relevant to the entity (including whole of government policies);
 - b. facilitating the conduct of meetings to allow frank and open discussion;
 - c. ensuring individual members make an effective contribution;
 - d. developing the capability of the board or committee and its members;
 - e. facilitating the flow of information to members and stakeholders;
 - f. liaising with the relevant Ministers, Secretary and Chief Executives, and
 - g. reviewing the performance and contribution of members.

NSLHD Board

4. The NSLHD Board oversees the performance and progress of NSLHD's services and facilities. The Board is governed by the *Health Services Act 1997* (**Health Services Act**) and model by-laws as determined by the Secretary in accordance with sections 39 and 60 of the *Health Services Act 1997*. A copy of the NSLHD By-Laws is (Exhibit 60 in NSW Health Tranche 4 Consolidated Exhibit List). By-Laws can only be varied with the consent of the Secretary.

5. The NSLHD Board is responsible for setting the strategic direction and overseeing an effective governance and risk management framework for NSLHD, whilst ensuring high standards of professional and ethical conduct are maintained. The Board, particularly myself as Chair, is responsible for holding the Chief Executive accountable for his or her performance. In this role, the Board has developed and approved the *NSLHD Corporate Governance Framework 2023* (**NSLHD Governance Framework**), a copy which is exhibited to this outline (Exhibit 61 in NSW Health Tranche 4 Consolidated Exhibit List). That Framework was developed in line with:
 - a. The *NSW Health Corporate Governance and Accountability Compendium* (Exhibit A.12 SCI.0001.0008.0001);
 - b. *NSW Health Future Health: Guiding the next decade of care in NSW 2022-2032* (**Future Health**) (Exhibit A.14 SCI.0001.0010.0001);
 - c. Current and past NSLHD Corporate Governance Attestation Statements, of which the most recent is *Corporate Governance Attestation Statement 2022-23* (Exhibit 163 in NSW Health Tranche 4 Consolidated Exhibit List);
 - d. *NSLHD Strategic Plan 2022-2027* (**Strategic Plan**) (Exhibit 62 in NSW Health Tranche 4 Consolidated Exhibit List);
 - e. Current and past NSLHD Safety and Quality Accounts, of which the most recent is the *Safety and Quality Account 2023* (Exhibit 209 in NSW Health Tranche 4 Consolidated Exhibit List);
 - f. *Health Services Act 1997*;
 - g. NSLHD By-Laws;
 - h. NSW Health *PD2015_049 Code of Conduct* (Exhibit B.23.030 MOH.0001.0359.0001);

- i. Current and past Service Agreements between the Secretary, NSW Health and NSLHD, of which the most recent is the *Service Agreement 2023-24* (Exhibit 162 in NSW Health Tranche 4 Consolidated Exhibit List);
 - j. Australian Commission on Safety and Quality in Health Care *National Safety and Quality Health Service Standards (ACSQHC Standards)* (Exhibit 22 in NSW Health Tranche 4 Consolidated Exhibit List);
 - k. NSLHD *Clinical Quality Improvement Framework 2022-2025* (Exhibit 65 in NSW Health Tranche 4 Consolidated Exhibit List).
6. A member of the Board is appointed by the Minister as Deputy to the Board Chair. If the Board Chair is unavailable, the Deputy may take on the responsibilities of the Board Chair on a temporary basis.

Board Functions

7. The framework for governance within NSLHD is set out in the *NSLHD Board Charter* (Exhibit 66 in NSW Health Tranche 4 Consolidated Exhibit List).
8. The NSLHD Board is currently comprised of 12 people, being:
 - a. Myself;
 - b. Professor Emerita Mary Chiarella AM (Deputy Board Chair);
 - c. Karen Filocamo;
 - d. The Hon. Patricia Forsythe AM;
 - e. Brad Goodwin;
 - f. Chris Greatrex;
 - g. Adam Johnson;
 - h. Nadia Levin;
 - i. Dr Donna Lynch;
 - j. Dr Michelle Mulligan OAM;
 - k. Kimberley Reynolds; and

- I. Dr Stephanie Teoh.
9. Biographies of each member of the Board are set out in the *NSLHD Governance Framework* (Exhibit 61 in NSW Health Tranche 4 Consolidated Exhibit List).
10. The board member selection criteria are set out at section 26(3) of the *Health Services Act* and require an appropriate mix of skills and expertise. One member is required to have expertise, knowledge or experience in relation to Aboriginal health. Board member terms are for a maximum of five years however once a board member's term expires they are eligible for re-appointment but may not be appointed so as to hold office for more than 10 years in total (whether or not the appointments are consecutive). The current length of tenure of the current Board members is set out in the *NSLHD Governance Framework*.
11. The NSLHD Board members have been appointed by the Minister and the Board has the following functions prescribed by section 28 of the *Health Services Act*:
 - a. to ensure effective clinical and corporate governance frameworks are established to support the maintenance and improvement of standards of patient care and services by the LHD and to approve those frameworks;
 - b. to approve systems to support the efficient and economic operation of NSLHD, to ensure NSLHD manages its budget to ensure performance targets are met, and to ensure NSLHD resources are applied equitably to meet the needs of the community served by NSLHD;
 - c. to ensure strategic plans to guide the delivery of services are developed for NSLHD and to approve those plans;
 - d. to provide strategic oversight of and monitor NSLHD's financial and operational performance in accordance with the State-wide performance framework against the performance measures in the performance agreement for NSLHD;
 - e. to appoint, and exercise employer functions in relation to, the chief executive of NSLHD;
 - f. to ensure that the number of NSW Health Service senior executives employed to enable NSLHD to exercise its functions, and the remuneration paid to those executives, is consistent with any direction by the Health Secretary or condition referred to in section 122(2) of the *Health Services Act*;

- g. to confer with the chief executive of NSLHD in connection with the operational performance targets and performance measures to be negotiated in the service agreement for NSLHD under the National Health Reform Agreement;
 - h. to approve the service agreement for NSLHD under the National Health Reform Agreement;
 - i. to seek the views of providers and consumers of health services, and of other members of the community served by NSLHD, as to NSLHD's policies, plans and initiatives for the provision of health services, and to confer with the chief executive of NSLHD on how to support, encourage and facilitate community and clinician involvement in the planning of NSLHD services;
 - j. to advise providers and consumers of health services, and other members of the community served by NSLHD, as to NSLHD's policies, plans and initiatives for the provision of health services;
 - k. to endorse NSLHD's annual reporting information for the purposes of the *Government Sector Finance Act 2018*;
 - l. to liaise with the boards of other local health districts and specialty network governed health corporations in relation to both local and State-wide initiatives for the provision of health services; and
 - m. such other functions as are conferred or imposed on it by the regulations.
12. Board members also have general legal duties such as complying with laws and policy directives, acting in accordance with fiduciary duties, avoiding conflicts of interest, acting honestly and for the benefit of the organisation, and not misusing the organisation's property, information or opportunities.
13. The Minister may, for any reason or no reason and without notice remove any board member or all board members, or remove all board members and appoint the chief executive or any other specified person as administrator of the LHD in accordance with section 29 of the *Health Services Act*.
14. The Board undertakes an annual review of its own performance, identifying opportunities for improvement, providing feedback on their attributes, competence, effectiveness and performance and opportunities for professional development. The Board Chair also

meets with Board members to discuss their individual performance and that of the Board as a whole.

15. Parts 2 and 3 of schedule 4A of the *Health Services Act* set out the constitution and procedure of Boards.

Board Meetings

16. The By-Laws prescribe that at least six ordinary meetings of the Board must be held at regular intervals and an annual public meeting must be held between 1 July and 31 December each year. The NSLHD Board has eleven ordinary meetings each calendar year. The minutes of these meetings are required to be publicly available and are published on the NSLHD website.
17. Schedule 4A of the *Health Services Act* requires the Board to invite the following to Board meetings:
 - a. The Chief Executive (or his or her nominee);
 - b. the Chair of the NSLHD medical staff executive council, and
 - c. at least one representative of the executive staff (being the persons appointed by NSLHD to its management structure and any persons appointed to act for the time being in those positions).
18. The Board has the discretion to invite any other persons to attend Board meetings. Past invitees have included patients and consumer representatives. The Board also invites one or two members of staff as observers to each Board meeting to give those members of staff an overview of NSLHD's corporate governance practices.
19. Generally, each NSLHD Board meeting runs for three hours. The Board Chair sets the agenda for each meeting. Each agenda contains standing items including reports on the work of the Board Committees (set out below). There may also be ad hoc standing items as was the case with issues relating to the COVID pandemic, issues associated with the recent accreditation of a number of NSLHD hospitals and services, issues associated with the development and sign off on the *Strategic Plan* and with the establishment of the Voluntary Assisted Dying service. A current ad hoc standing item is Ryde Hospital which is in the process of being redeveloped.

20. Board meetings generally include presentations from external persons and partners such as NORTH Foundation or the Primary Health Network. Each quarter the Chief Risk Officer and the Executive Director of People and Culture present on their work areas. The Board maintains an annual calendar to ensure that over an 18-month period, it receives briefings on all relevant topics.

Board Committees

21. Part 5 of the By-Laws requires the following committees to be established:
 - a. Board Audit and Risk Committee, the *Terms of Reference* for which are exhibited to this outline (Exhibit 67 in NSW Health Tranche 4 Consolidated Exhibit List)
 - b. Board Finance, Risk and Performance Committee, the *Terms of Reference* for which are exhibited to this outline (Exhibit 68 in NSW Health Tranche 4 Consolidated Exhibit List), and
 - c. Board Health Care Quality Committee (**HCQC**), the *Terms of Reference* for which are exhibited to this outline (Exhibit 69 in NSW Health Tranche 4 Consolidated Exhibit List).
22. Part 5 of the By-Laws also sets out the constitution, Chairperson, functions, terms of office, and meeting requirements for each committee. I set out a summary of NSLHD's Board Committees below.
23. The Board Audit and Risk Committee meets four times per year with additional meetings held to review annual financial statements. At least one Committee member has accounting or related financial management experience with an understanding of accounting and auditing standards in a public sector environment. The Board Audit and Risk Committee consists of three to five members appointed by the Board. The majority of the members must be independent, including the Chair. The Board appoints the Chair and members of the Committee. It provides independent assistance to the Board and the Chief Executive by monitoring, reviewing and giving advice related to NSLHD governance processes, risk management and control frameworks, and its external accountability obligations. It has no executive powers and is directly responsible and accountable to the Board and the Chief Executive for the exercise of its responsibilities. It is chaired by Jan McClelland AM. Members collectively develop, possess and maintain a broad range of skills and experience relevant to the operations, governance and financial management of the NSLHD, the environment in which the organisation operates

and the contribution that the Committee makes to NSLHD. The Chair of the Board Audit and Risk Committee attends at least two Board meetings a year to present to the Board.

24. The Board Finance, Risk and Performance Committee meets 11 times per year. It is chaired by Chris Greatrex. The Committee consists of one to three members of the NSLHD Board, the Chief Executive, the Director of Finance and Corporate Services, the Executive Director Operations and the Director of Performance and Analytics. The Board appoints the Chair of the Committee. It provides governance oversight, advice and recommendations to the Board and the Chief Executive on the sustainable financial performance of the operations of NSLHD. It is informed of any exposure to financial risks and the extent to which they are being effectively managed. The Committee monitors and advises on financial performance, asset management, major contracts, risk, procurement and other relevant matters. The Committee receives monthly reports concerning:
- a. financial performance of each hospital and service;
 - b. subsidy availability;
 - c. position of Restricted Financial Asset and Trust Funds;
 - d. activity performance against indicators and targets in the performance agreement for NSLHD;
 - e. advice on the achievement of strategic priorities identified in the performance agreement for NSLHD;
 - f. year to date and end of year projections on capital, and
 - g. works and private sector initiatives.
25. The HCQC meets six times per year and identifies opportunities to continually improve the quality of services and all aspects of care. This is achieved through defining, overseeing, measuring, monitoring, improving and reporting on structure, processes and assurance for effective, consistent and best practice patient safety and clinical quality and, where relevant, having regard to National Safety and Quality Healthcare Services Standards. It is made up of the Chief Executive, one to three Board members, NSLHD Executives and representatives from all Hospitals and Services. The HCQC has cross membership with the Consumer Committee (and vice versa), discussed below. It is chaired by Mary Chiarella.

26. The Board has additionally established the following Committees:
- a. Board Consumer Committee, the *Terms of Reference* for which are exhibited to this outline (Exhibit 70 in NSW Health Tranche 4 Consolidated Exhibit List);
 - b. Board JMO Wellbeing Committee; and
 - c. Board Research, Innovation and Technology Committee, the *Terms of Reference* for which are exhibited to this outline (Exhibit 71 in NSW Health Tranche 4 Consolidated Exhibit List).
27. The Board Consumer Committee meets a minimum of five times per year and is chaired by Karen Filocamo. It is responsible for overseeing the consumer engagement and consumer experience strategy and agenda. The Consumer Committee's primary functions include:
- a. providing strategic advice to the NSLHD Board in relation to the consumer experience of health care and, consumer needs, and
 - b. ensuring effective two-way communication, research and, engagement strategies are in place to promote the needs of consumers.
28. It consists of the Chief Executive, the Director Clinical Governance and Patient Experience, a minimum of two NSLHD Board members, representatives from the consumer participation committees of the NSLHD Hospitals and Services, a senior representative from one of the major non-government organisations providing services to NSLHD, Aboriginal and Torres Strait Islander Health Service representative, a representative from the Sydney North Health Network, the NSLHD Consumer and Patient Experience Manager and, representatives from the NSLHD Youth Health Promotion, the Culturally and Linguistically Diverse Community and Carers of the Northern Sydney Community. It has cross-membership with the Health Care Quality Committee. The Committee runs an annual consumer conference and is involved in the preparation of NSLHD annual quality and safety report. The Committee obtains consumer data from:
- a. patient reported outcomes measures, and
 - b. patient reported experience measures.

29. The Committee is also focussed on digital health and providing educational resources to consumers.
30. For each of the Finance, Risk and Performance Committee, the Health Care Quality Committee and the Consumer Committee, the Board, at each relevant Board meeting, in addition to receiving copies of the minutes of those committee meetings, receives a verbal and written report from the committee chair. The written report is known as a STRAAP report and covers Success, Trends, Research, Activities, Alerts and Priorities.
31. The Board JMO Wellbeing Committee meets four times per year. It identifies, prioritises and promotes the implementation of initiatives designed to enhance the working environment of JMOs in NSLHD. The Committee also monitors issues regarding JMO wellbeing including results of relevant JMO surveys and develops responses to address issues identified. The Committee provides feedback and support, to Hospitals and Services, relating to initiatives for JMO wellbeing in NSLHD.
32. The Board Research Innovation and Technology (RIT) Committee was established in 2023 and meets quarterly. It is chaired by Nadia Levin. The NSLHD Board is committed to ensuring the delivery of clinical care is informed and supported by world leading research, innovation and technology that benefits our patients, their families and carers and our community. The RIT Committee oversees the governance of research, innovation and technology and ensures that it complements clinical care. The RIT Committee engages and coordinates with the NSLHD Chair of Research and with NSLHD's university and other research partners to drive the delivery of the NSLHD Research Strategy.
33. In my role as Board Chair, I am an ex-officio member of all Board Committees.
34. The practice of the Board is for the "heavy lifting" to be done at committee level and for the Board to rely on the work of, and to focus on the report of, the relevant committee.
35. In addition, although not Board committees, the Board receives the minutes of the following committees convened or overseen by the NSLHD Chief Executive:
 - a. Clinical and Quality Council;
 - b. Planetary Health Committee;
 - c. Diversity, Equity, Inclusion and Belonging Committee;

- d. Clinical and Quality Council;
 - e. Digital Health Steering Committee;
 - f. Artificial Intelligence Governance Committee, and
 - g. Medical Staff Executive Council.
36. The Board has also established, in accordance with and as required by the By-Laws, a Medical and Dental Appointments Advisory Committee that advises the Chief Executive on issues related to medical appointments. The Board is currently undertaking a piece of work to review that this Committee is properly constituted and run, in accordance with our governance role as set out in the *Health Services Act* and the By-Laws.
37. Where an issue raised in a Board meeting, in committee minutes and/or in a STRAAP report cannot be satisfactorily addressed or answered in a Board meeting, the Board will call for a written report for its next meeting. This is particularly the case when the Board is concerned about an unsatisfactory or unexplained trend. The Board may also ask the Chief Executive to take further necessary steps to resolve the issue.

NSLHD Councils

38. In accordance with Parts 6, 7, 8, and 9 of the By-Laws, NSLHD has established the following councils to obtain input from medical, nursing and allied health staff:
- a. Medical Staff Councils and a Medical Staff Executive Council, whose functions set by the By-Laws, include:
 - i. provide advice to the Chief Executive and Board on medical matters, and
 - ii. nominating from the Medical Staff Executive Council, every 3 years from the date of issuing of the By-laws, a short list of up to 5 medical practitioners to be included on the NSW Health Board Appointments Register to be available to the Minister for Health when considering the appointment of a member or members of the Board.
 - b. Hospital Clinical Councils and Joint Hospital Clinical Councils, whose functions set by the By-Laws, and is to provide leadership of the hospitals by providing advice and recommendations and participating in management decisions the objective of which is to ensure:

- i. the achievement of the benchmarks and targets set out in the performance agreement between the Health Secretary and the organisation as they relate to the hospitals;
 - ii. the implementation of effective quality and safety programs and the achievement of key quality performance indicators by departments and units within the hospitals;
 - iii. the implementation of models of care and evidence based clinical standards developed at a national and state level;
 - iv. the fostering of innovative solutions at a hospital level to improve the efficiency and effectiveness of the hospitals;
 - v. effective linkages between hospital clinical staff and clinician districts within the organisation;
 - vi. effective operational performance, and achievement of key operational performance indicators by departments and units, within the hospitals;
 - vii. effective management of the budget of departments and units within the hospitals subject to conditions and directions under law or Government policy, or established by the organisation;
 - viii. achievement of key financial performance indicators by department and unit managers;
 - ix. the appropriate linkages between hospital services and other services provided within the organisation and appropriate linkages with external local clinicians, including general practitioners, and
 - x. effective communication of key decisions with staff of the hospitals.
- c. A Local Health District Clinical Council, whose functions set by the By-Laws, include:
- i. improving quality and safety in the hospitals within the organisation;
 - ii. planning on the most efficient allocation of clinical services within the organisation;

- iii. translating national best practice into local delivery of services;
 - iv. developing innovative solutions that best address the needs of the local communities, and
 - v. such other related matters as the Board or Chief Executive may seek advice on from time to time.
39. The By-Laws prescribe the composition of those councils, their functions, and other procedural requirements such as meetings, voting and quorums.
40. The Chief Executive briefs the Board on an ad hoc basis on the activities and outputs of these various councils.

Audit and Risk

41. The NSLHD Internal Audit Unit provides objective and independent advice and assurance to the Board, Board Audit and Risk Committee and Chief Executive on the controls and risk management frameworks in place to assist NSLHD in achieving its goals and objectives. The Internal Audit Unit is an objective and independent assurance and consulting function designed to add value and improve NSLHD's hospital and service operations. The Internal Audit Unit evaluates and contributes to NSLHD's governance, risk management, and control processes using a systematic and disciplined approach. The Internal Audit Unit, through its activities, plays an integral part in maintaining a culture of accountability and integrity and promoting a culture of cost-consciousness, self-assessment and adherence to high ethical standards. In addition, the Internal Audit Unit is responsible for facilitating the integration of risk management into day-to-day activities and processes. The Internal Audit Charter is reviewed annually in consultation with the Chief Executive and is endorsed by the Board Audit and Risk Committee. The NSLHD *Internal Audit Charter* is Exhibit 219 in NSW Health Tranche 4 Consolidated Exhibit List. Audit activities and advisory activities align to *PD2022_022 Internal Audit* (Exhibit B.23.158 MOH.0001.0265.0001), and with relevant professional standards including International Standards for the Professional Practice of Internal Auditing. This is in addition to NSLHD policies, procedures and guidelines and cover the following:
- a. risk management:

- i. evaluate the effectiveness, and contribute to the improvement, of risk management processes;
 - ii. provide assurance that risk exposures relating to NSLHD's governance, operations, and information systems are correctly evaluated, including:
 - 1. reliability and integrity of financial and operational information;
 - 2. effectiveness, efficiency and economy of operations;
 - 3. safeguarding of assets;
 - 4. evaluate the design, implementation, and effectiveness of NSLHD's ethics-related objectives, programs, and activities, and
 - 5. assess whether the information technology governance of NSLHD sustains and supports the organisation's strategies and objectives;
 - b. compliance with applicable laws, regulations and Government policies and directions;
 - c. performance improvement – the efficiency, effectiveness and economy of NSLHD business systems and processes;
 - d. new programs, systems and processes - providing advice on the development of new programs and processes and/or significant changes to existing programs and processes including the design of appropriate controls;
 - e. risk management - assisting management to identify risks and develop risk mitigation and monitoring strategies as part of the risk management framework; and
 - f. fraud control:
 - i. evaluate the potential for the occurrence of fraud and how NSLHD manages fraud risk; and
 - ii. assisting management to investigate fraud, identify the risks of fraud and develop fraud prevention and monitoring strategies.
42. The Internal Audit Unit prepare a risk-based annual Internal Audit Unit work plan that is endorsed by the Board Audit and Risk Committee and by the Board. The Chief Audit

Executive presents reports at each Board Audit and Risk Committee meeting that cover audits completed, progress against the IAU work plan and implementation status of agreed internal and external audit recommendations. In addition, a report on the overall state of internal controls in NSLHD and any systemic issues requiring attention is presented to the Board Audit and Risk Committee annually.

43. Part of NSLHD audit requirements include that each service and facility is required to maintain a risk register, which can include assets, financial, staff and other risks. Each quarter, the Board receives a risk report detailing the top 10 risks, as well as any new risks, increased or downgraded risks or risks identified by the Ministry. Any urgent risks are escalated to the Ministry in accordance with their oversight role of local health districts.
44. In relation to the external audit of NSLHD, the Audit Office of NSW has been delegated by the NSW Ministry of Health to undertake the external audit function for NSLHD. The Audit Office of NSW is the independent auditor for the NSW public sector and report directly to the NSW Parliament. The Audit Office of NSW sends relevant reports to the Board Audit and Risk Committee. All external audit activities conducted are coordinated to ensure adequacy of overall audit coverage. External auditors have full access to all NSLHD internal audit plans, working papers and reports.
45. NSLHD approach to risk management aligns with the mandatory requirements outlined in the *NSW Health Enterprise-Wide Risk Management Policy*, a copy of which is exhibited to this outline (Exhibit B.23.165 MOH.0001.0272.0001):
 - a. risk management is embedded into corporate governance, planning, financial, insurable, clinical, workforce management structures, operational service delivery, project management and support functions;
 - b. risk management is included as a part of the strategic, operational and annual business planning activities;
 - c. an up-to-date Risk Register is in place;
 - d. risk Management Plan in place that outlines the approach to further enhance risk management across NSLHD in accordance with the requirements of the relevant NSW Health Policy Directive;
 - e. Enterprise Risk Management Procedure that identifies how NSLHD will manage, record, monitor and address risk, and includes processes to escalate and report

on risk to the Chief Executive and Executive Risk Committee, Board Audit and Risk Committee, and Board

- f. processes in place to monitor and review the risk governance system, and
 - g. Chief Risk Officer appointed and responsible for designing NSLHD's risk management framework and coordinating, maintaining and embedding the framework into NSLHD.
46. The Board's responsibilities, conjunction with Finance, Risk and Performance Committee and Health Care and Quality Committee include:
- a. ensuring an effective risk management framework is established and embedded into NSLHD clinical and corporate governance processes;
 - b. providing strategic oversight and monitoring of NSLHD's risk management activities and performance;
 - c. seeking information from the Chief Executive as necessary to satisfy the Board that risks are being identified and mitigation strategies are in place and effective; and
 - d. reviewing quarterly written reports and presentations from the Chief Risk Officer.

Strategic Planning

47. In 2022, NSLHD developed a *Strategic Plan* (Exhibit 62 in NSW Health Tranche 4 Consolidated Exhibit List) for the following five years. It provides a framework for how NSLHD will deliver care over the next five years. The Strategic Plan builds on existing strengths, outlines key priorities and defines future goals and ambitions. The *Strategic Plan* aligns closely with *Future Health* (Exhibit A.14 SCI.0001.0010.0001). The key priority for both the *Strategic Plan* and *Future Health* is to deliver personalised healthcare and outcomes that matter most to our patients, carers, consumers and community.

Clinical Governance

48. In 2022, the Board endorsed the NSLHD *Clinical Quality Improvement Framework 2022-2025*, a copy of which is exhibited to this outline (Exhibit 65 in NSW Health Tranche 4 Consolidated Exhibit List). That Framework has ensured that roles and responsibilities for safety and quality in health care provided for and on behalf of NSLHD, or within its

hospitals and services, are clearly defined for the Board and workforce, including management and clinicians. Committees of the Board have monitored the action taken as a result of analyses of clinical incidents and have routinely and regularly reviewed reports relating to these, and monitored NSLHD's progress on safety and quality performance in health care.

49. The Board closely monitors NSLHD compliance and preparedness against each of the *ACSQHC Standards*.
50. The Clinical and Quality Council provides the Board and the Chief Executive with advice on clinical matters affecting NSLHD, including on:
 - a. improving quality and safety in the hospitals within NSLHD;
 - b. planning for the most efficient allocation of clinical services within NSLHD;
 - c. focusing on the clinical safety and quality of the health system for Aboriginal people;
 - d. translating national best practice into local delivery of services, and
 - e. working with representatives from local communities to develop innovative solutions that address local community needs.
51. All hospitals and our Mental Health Drug and Alcohol Service have established multidisciplinary Clinical Councils that promote engagement with clinicians and enhance local management decision making. The objectives of these Clinical Councils include:
 - a. providing a local structure for consultation with, and involvement of, clinical staff in management decisions impacting public hospitals and related community services;
 - b. acting as a key leadership group for the hospital;
 - c. working with hospital executive structures to ensure that the hospital delivers high quality health and related services for patients;
 - d. facilitating effective patient care and service delivery through a cooperative approach to the efficient management and operation of public hospitals with involvement from medical practitioners, nurses, midwives and allied health practitioners and clinical support staff; and

- e. being a forum for information sharing and providing feedback to staff (through council members) on relevant issues.
52. The Board ensures that NSLHD's safety and quality priorities address the specific health needs of Aboriginal and Torres Strait Islander people. The Aboriginal and Torres Strait Islander Health Advisory Committee ensures positive and equitable health care outcomes for Aboriginal and Torres Strait Islander people across NSLHD. The Committee plans, monitors and evaluates the provision of Aboriginal and Torres Strait Islander Health Services in line with the strategic direction of NSLHD.
53. A Local Partnership Agreement is in place between the Aboriginal Medical Service Co-operative Limited and NSLHD, South Eastern Sydney Local Health District, Sydney Local Health District, St Vincent's Hospital Network and Sydney Children's Hospital Network. In addition, the Board is satisfied that NSLHD complies with the requirements set out in the Aboriginal Health Impact Statement and Guidelines. The Impact Statement ensures that the needs and interests of Aboriginal people are embedded into the development, implementation and evaluation of all Health initiatives.

Good Governance

54. In addition to the matters outlined above, the Board is pleased to highlight the following:
- a. the Board hosts a bi-monthly breakfast for staff (usually around ten staff members invited from a particular unit or service) so that it can meet and hear direct from staff;
 - b. the Board publishes semi-annually a traffic light report showing progress against the Strategic Plan;
 - c. the Board issues the Chief Executive an annual letter setting out the Board's priorities for, and expectations of, the Chief Executive for the coming financial year, and our letter for 2023-24 is Exhibit 73 in NSW Health Tranche 4 Consolidated Exhibit List;
 - d. the Board holds an annual strategy day (2024 focused on mental health, 2023 focused on research);
 - e. the Board rotates its monthly board meetings across all facilities and where appropriate, incorporates walking tours of relevant facilities before the commencement of each meeting;

- f. the Board acknowledges excellence and achievement through the annual Exceptional People Awards;
- g. the Board holds an in-camera session before the commencement of each Board meeting, where such a meeting is warranted or requested, and
- h. the Board Chair and the Chief Executive meet face to face for an hour each Friday morning.