

Monday, 30 April at 4:40pm | Boardroom, Sydney Hospital

Minutes

Apologies

- A/Prof Ingrid Van Beek
- Ms Kate Munnings
- Ms Kristin Stubbins

Members:

- Mr Michael Still (Chair)
- Ms Patricia Azarias
- Mr Robert Boyd-Boland
- A/Prof Robert Farnsworth
- Ms Deborah Cansdell
- Dr Harry Harinath
- A/Prof Peter Gonski
- Mrs Janet McDonald
- A/Prof Peter Smerdely
- Prof Jeanette Ward (via teleconference)

In Attendance:

- Mr Gerry Marr – Chief Executive
- Ms Kim Olesen – Director Nursing & Midwifery Services
- Ms Karen Foldi – Director of Finance
- Dr Theresa Jacques – Chair Medical Staff Executive Council

Secretariat:

- Ms Melissa Angelucci– Board Secretary

Ms Kristin Stubbins did not attend this meeting due to a conflict of interest. Ms Stubbins' employer PriceWaterhouseCoopers Australia is responding to a Request for Quote (RFQ) which SESLHD recently sent out. Ms Stubbins has detached herself from all Board activities, including her role as the Chair of the Finance and Performance Committee, until the RFQ is closed.

STANDING ITEMS

PATIENT STORY

The SESLHD Board noted the patient story which outlined a patient's positive experience in the Department of Oncology at the Prince of Wales Hospital.

GENERAL BUSINESS

The Chair introduced Dr Theresa Jacques to the meeting. Dr Jacques will be replacing Dr Colebatch as a Board attendee through her role as Chair of the Medical Staff Executive Council. Dr Jacques is the Director of the Intensive Care Unit at St George Hospital. She noted that she looks forward to observing the functions of the Board.

Minutes of Board meeting held 26 March 2014

The Board **approved** the minutes of the SESLHD Board meeting held 26 March 2014 as an accurate record of proceedings.

Resolution 277

“That the Board approves the minutes of the SESLHD Board meeting held on 26 March 2014 as an accurate record of proceedings.”

Moved: R Farnsworth Seconded: J Ward

Minutes of F&P meeting held 12 February 2014

The Board noted the minutes of the SESLHD Finance and Performance Committee Meeting held 19 March 2014. Some concerns were noted with the F&P minutes and it was agreed that the Board Secretary should take on writing these minutes for consistency across both committees.

Minutes of CQC meeting held February 2014

The Board noted the minutes of the Clinical and Quality Council meeting held 12 March 2014.

Actions

The Board noted the Action Log.

Mr Mark Shepherd attended the meeting to provide advice on action item 6, regarding the risks associated with the Service Level Agreement (SLA). The attached PowerPoint presentation was provided as an update.

The Board noted Mental Health’s briefing paper on initiatives SESLHD is undertaking to address the Physical Health of Mental Health patients. The Board suggested that the Mental Health Stream work in Collaboration with the Medicine Stream on this issue.

Action – Director of Mental Health to work with Stream Director, Medicine to address the Physical Health of Mental Health patients.

Action – Director of Mental Health to provide 6 monthly progress reports to the Board for the next 18 months on progress against initiatives to address the Physical Health of Mental Health patients.

Ms Janet McDonald reported that she recently undertook a walk around of the Prince of Wales Hospital (POWH) with the Northern Sector Director of Operations. A number of small refurbishment projects were agreed to and a work plan is being established to the value of approximately \$100 000.

It was noted that confectionary and soft drink vending machines are situated throughout the POWH hospital. The Board questioned the principle of this; given that POWH is a health institution. It was noted that the hospital is required to have a balance of wholefoods available and vending machines are an effective way to make food and drink available to visitors after hours.

Correspondence Register

The Board noted the correspondence received since 26 March 2014

FOCUS

Risk

SESLHD Risk process, audit planning process, risk assurance, risk appetite and top risks

The following members of the SESLHD Managers attended the meeting to discuss Risk process, audit planning process, risk assurance, risk appetite and top risks

- Mr Michael Spence, Manager, Enterprise Risk Management
- Ms Kylie McRae, Director Internal Audit
- Mr Jim Mitchell, Chair Audit and Risk Management Committee
- Mr Mark Shepherd, Deputy Chief Executive

Being the Board representative on risk, Ms Patricia Azarias introduced the focus area. It was noted that this will be the first of two risk sessions that the Board will undertake. The purpose of the first discussion was to understand the process by which risk and internal audit have been developed and are managed within SESLHD. The second session, to follow in the coming months, will give Board members an opportunity to review the top strategic risks and set its appetite for each risk.

Ms Kylie McRae led the presentation on Risk Management and Assurance. The following key points were noted;

- The role of the Board is to supervise and monitor risk management processes including system of internal control and play an active role in the determination of strategic risks and of the organisational risk appetite
- The role of the Audit and Risk Management Committee (ARMC) is to assist the Board by assessing and enhancing SESLHD's corporate governance, including its systems of internal control, ethical conduct and probity, risk management, management information and internal audit
- The role of management is to develop and operate the risk management processes and system of internal control
- At the request of the CE, the Director Internal Audit and the Board Secretary/Executive Officer plan to develop a Board Assurance Framework, which will provide a mechanism for reporting risks to the Board.
- It was noted that routine clinical risk is not recorded formally through any system, rather clinical risk management is imbedded into the daily practice of clinicians. However if there is a succession of related clinical incidences, these incidences would then become a formal clinical risk.
- A recent report by the Ministry of Health found that SESLHD had the most advanced risk maturity in the state. This is because SESLHD has had a high degree of buy in with regards to the Enterprise Risk Management System (ERMS).
- One Board member noted that she finds the ERMS system can be clunky. The Manager, Enterprise Risk Management agreed to collect further feedback regarding the system offline.
- Improper management of financial and clinical risks can lead to significant reputational risks.

It was noted that the reports produced through the ERMS system are designed for the reporting requirements of the Ministry of Health, however this format is not suitable for clinicians who want to use the report to discuss risk with their teams at the front line (i.e. clinicians do not have access to A3, colour printers). The Board agreed that the primary purpose of the system should be to support use by clinicians. The Manager, Enterprise Risk Management to negotiate improvements to the standardised Risk Register template with the Ministry of Health so that it can be better used by clinicians Managers at the front line.

Action – Board to have a 2-3 hour session to review SESLHD’s top strategic risks and set its risk appetite

Action - Director Internal Audit and the Board Secretary/Executive Officer are developing a Board Assurance Framework

Action – The Manager, Enterprise Risk Management to negotiate improvements to the standardised Risk Register template with the Ministry of Health so that it can be better used by clinicians Managers at the front line

GENERAL BUSINESS

GOVERNANCE

Membership/chairperson of board committees (audit and risk, community engagement and F&P)

No discussion held. To be addressed offline.

PERFORMANCE

The Board noted that the SESLHD KPI Summary Report does not provide an accurate picture of the organisations performance and requested some narrative around the KPIs. The Chief Executive noted that it would be more useful for the Board to see trends and annotated data. Furthermore, with the pending introduction of Service Line Reporting, a more sophisticated and less crowded picture of performance will be possible.

The Chief Executive agreed to work with the Performance Unit to develop a test KPI report that is more relevant to both the Executive and Board.

Action – Chief Executive to deliver a revised test KPI report to the June Board meeting.

The Chief Executive reported that he has been meeting with the various staff across the District who are involved in innovation work. There is a need to strategically link these siloed improvement efforts with performance and measurable improvement.

Finance and Performance Overview

The Director of Finance, made the following points in regards to SESLHD’s financial performance;

- The Finance and Performance Committee does not expect the financial position to stray from \$17m unfavourable to budget. The projection has been steady over the past four months.
- Of the \$25m in cash assistants requested, \$15m has been drawn down and another \$4m will be drawn for April.
- The Finance team have been challenged over the past three weeks due to an upgrade in the Oracle system.
- Revenue continues to be a concern and is a major contributor to the budget overrun. If SESLHD had performed to the private patient income target, it would be sitting at \$7m unfavourable to budget. Decreased Length of Stay is contributing to the problem but does not explain the whole variance to target.

The Chief Executive reported that SESLHD has recently released a Request for Quote (RFQ) for external assistance in a finance project. The project will seek assistance with structural issues in the finance department, work to set up a new system of service line reporting and

look at coding performance. Quotes are due back for assessment in mid-May.

STRATEGY

Consumer/Community Strategy

Due to time constraints the Consumer/Community Strategy item could not be discussed in detail. There is a need for the Board to clarify its strategic intent in terms of community engagement and this should be discussed in detail at the next Board meeting.

The Board appointed Ms Janet McDonald as the Chair of the Consumer Advisory Committee and agreed she should represent the Board on all matters relating to community.

SESLHD Smoke-free Health Care Program

The SESLHD Board approved the Smoke-free Health Care Program at its March 2014 meeting. Since the March Board meeting, the Chief Executive was provided with further advice as to the risks associated with implementing the program. The Board noted the detailed risk assessment as outlined in the agenda pack.

The Board reaffirmed its decision to implement the Smoke-free Health Care Program. However a two staged approach to implementation will now take place. Stage One will include locating Designated Smoking Areas on Hospital Campuses and asking smokers to move into those areas to reduce individual's exposure to second-hand smoke and offering Nicotine Replacement Therapy to patients and staff who smoke to improve their long term health. Stage Two will involve reviewing the effectiveness of Stage One at a Board level and move towards issuing Penalty Infringement Notices if Stage One is unsuccessful.

Action – A report on the effectiveness of Stage One, implementing the Smoke-free Health Care Program to be delivered to the Board at the appropriate time

Follow up – research discussion

Due to time constraints, this item will be held over to the May Board meeting

CLOSE

BUSSINESS WITHOUT NOTICE

A Clinical and Quality Council Working Group has been established to review the role and function of the Council in its capacity as a Board sub-committee and peak District quality committee. The outcomes of this working group will be reported at a future Board meeting.

NOTING OF CONFIDENTIAL ITEMS

Nil discussion

Date of next meeting:

4 June 2014

4-7pm – Board meeting, Sutherland Hospital

Focus –Community Engagement

Meeting closed at 19:00



Michael Still

Name

MARSHALL

Signature

4 June 2014

Date