



Corporate Governance Statement

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1.0 Overview

The Cancer Institute NSW was established under the Cancer Institute (NSW) Act 2003 (“the Act”). The Act defines the constitution, objectives and functions of the Cancer Institute NSW.

Recognising that external and internal stakeholders, and the community generally, expect high standards of performance, accountability and ethical behaviour from public institutions, the Cancer Institute NSW is committed to the implementation and maintenance of best practice corporate governance standards in all aspects of its decision-making and corporate activities.

This Statement sets out the Cancer Institute NSW’s commitment to corporate governance and identifies the processes in place which contribute to the governance framework within which the Cancer Institute NSW undertakes its responsibilities. This Statement shall be reviewed annually to ensure compliance with best practice governance standards and to reflect statutory and organisational changes.

2.0 Principles

In exercising our functions under the Act, we regard the following principles:

- (a) effective cancer control requires partnership between the public sector, the private sector and the general community,
- (b) resources available for cancer control should be applied so as to maximise the benefit of those resources to the greatest number of people in the most expeditious, efficient and effective manner,
- (c) there should be an equitable, evidence-based, seamless, patient-centred approach to the care and treatment of cancer patients,
- (d) there should be timely, high quality, co-ordinated and multi-disciplinary care available for all cancer patients, with a focus on improving accessibility irrespective of geographic location, including appropriate networking of cancer-related services,
- (e) there should be specific accountability for public funds applied by the Cancer Institute to new cancer control activities,
- (f) there should be co-operation between State and national bodies engaged in cancer control,
- (g) links between cancer control bodies in New South Wales and relevant bodies operating or located interstate or overseas should be developed or enhanced,
- (h) up to date information about cancer control (including cancer-related philanthropic activities) should be publicly available and easily accessible,
- (i) cancer-related research activities should be developed in a manner that maximises gains and builds optimal research depth in a number of key research institutions.

3.0 Objectives, Functions and Powers

Our objectives are conferred by legislation and they are as follows:

- to increase the survival rate for cancer patients;
- to reduce the incidence of cancer in the community;
- to improve the quality of life of cancer patients and their carers;
- to operate as a source of expertise on cancer control for the government, health service providers, medical researchers and the general community.

Specific functions and powers are set out in the Act and these include:

- our general functions;
- collection of cancer control information;
- reporting on our activities;
- powers in relation to property;
- powers to accept gifts, devises or bequests;
- contracts;
- investments;
- by-laws; and
- delegations.

4.0 Our Board

The Cancer Institute NSW is a statutory body governed by the Cancer Institute NSW Board appointed by the Minister for Health and the Minister Assisting the Minister for Health (Cancer).

The Board membership consists of a number of non-executive members and the Chief Cancer Officer who is also the Chief Executive Officer (CEO). Board Members are appointed for a term of three years by the Minister under the Cancer Institute (NSW) Act 2003.

The Board has responsibility for our organisation's broad policies and determines strategic priorities and exercises its functions, responsibilities and obligations under the Cancer Institute (NSW) Act 2003.

The Board delegates responsibility for the management of the Cancer Institute NSW through the Chief Cancer Officer. The Chief Cancer Officer is accountable to the Board for all authority delegated to executive management.

The Board has developed a number of key governance instruments to provide guidance for our organisation and to ensure a high level of accountability:

4.1 Statement of Strategic Intent

The *Statement of Strategic Intent* defines strategic priorities to govern and guide the organisation's strategic position in cancer control in NSW in conjunction with the *NSW Cancer Plan*.

4.2 Board Charter

The *Board Charter* outlines key responsibilities of the Board which are to:

- develop the policies and identify strategies necessary to enable the Cancer Institute NSW to improve cancer control in NSW;
- review and monitor the performance of the CEO;
- ensure appropriate policies and procedures are in place to manage risks and comply with applicable laws and regulations; and
- approve and monitor financial reporting and budgets.

4.3 Code of Conduct and Ethics

The Board of the Cancer Institute NSW has adopted a comprehensive *Code of Conduct and Ethics* that is consistent with best practice. The Code outlines the fundamental values and principles that define the standards of behaviour expected of the Board of the Cancer Institute NSW.

4.4 Register of Interests

In accordance with the Cancer Institute (NSW) Act 2003 a *Register of Interests* and a *Conflict of Interest Register* is maintained and updated for all Board Members.

5.0 Committees

The Board is advised on specific matters by a number of committees. These include an Audit & Risk Committee; Ethics Committees (statutory); a Clinical Services Advisory Committee (statutory); a Research Advisory Committee (statutory); a Quality and Clinical Effectiveness Advisory Committee (statutory); and other committees as the Board considers appropriate to provide advice and assistance to the Board in carrying out its functions.

A complete list of our Committees can be found on our website however the following two are of significance to corporate governance:

5.1 Audit and Risk Management Committee

The Institute operates an Audit and Risk Management Committee in line with the requirements of NSW Treasury Policy TPP09-05: *Internal Audit and Risk Management Policy for the NSW Public Sector*.

A ratified Charter for this Committee is in place. The objective of the Committee is to provide independent assistance to the governing board of the Institute by overseeing and monitoring the Institute's governance, risk and control frameworks, and its external accountability requirements.

Whilst the Committee has no executive powers, it is directly responsible and accountable to the governing board for the exercise of its responsibilities.

5.2 Executive Committee

The Chief Cancer Officer and CEO is responsible for the day-to-day operation of the Cancer Institute NSW, with the support of the Chief Operating Officer.

Both these senior Executives are members of the Institute's Executive Committee which also consists of all Directors and Senior Managers.

The Executive Committee is responsible for the strategic and operational oversight of the Institute's business affairs to ensure that it remains focussed and in line with the Corporate Plan and the NSW Cancer Plan.

6.0 Financial Management

6.1 Overview

The Cancer Institute NSW is predominantly funded by NSW Government appropriations. All purchasing, contracting and other financial activities comply with the requirements of the Public Finance and Audit Act 1983, Treasury Circulars and other government guidelines. The Core Executive and the Audit and Risk Management Committee monitor compliance with internal management and financial control systems.

Internal audit conducts audits to ensure the existence of appropriate systems and documentation, compliance with those systems and the effectiveness of controls. We

are also subject to external audit by the NSW Audit Office under the Public Finance and Audit Act 1983.

We prepare an Annual Report in accordance with the Public Finance and Audit Act 1983 and the Annual Reports (Statutory Bodies) Act 1984 and associated Regulation.

6.2 Delegations

Power to delegate originates from Section 21 of the Health Administration Act 1982, Section 4F of the Public Sector Employment and Management Act 2002 (Department Head) and Section 12 of the Public Finance and Audit Act 1983 (Ministerial).

In order to provide for the expedient exercise and performance of its powers and duties and the efficient management of its business, the Minister and the Director General of the NSW Department of Health have delegated some of their authority to the Cancer Institute NSW Board and to specific staff of the Cancer Institute NSW including the Chief Cancer Officer and the Chief Operating Officer.

The Cancer Institute NSW maintains a Delegations Manual to ensure that its delegations remain compliant and in line with all:

- applicable statutes and legislation;
- NSW government mandates, policies and initiatives;
- conditions imposed by the Minister for Health when approving the Cancer Institute NSW budget; and
- NSW Department of Health Policy Directives and delegations.

7.0 Integrated Management System

7.1 Overview

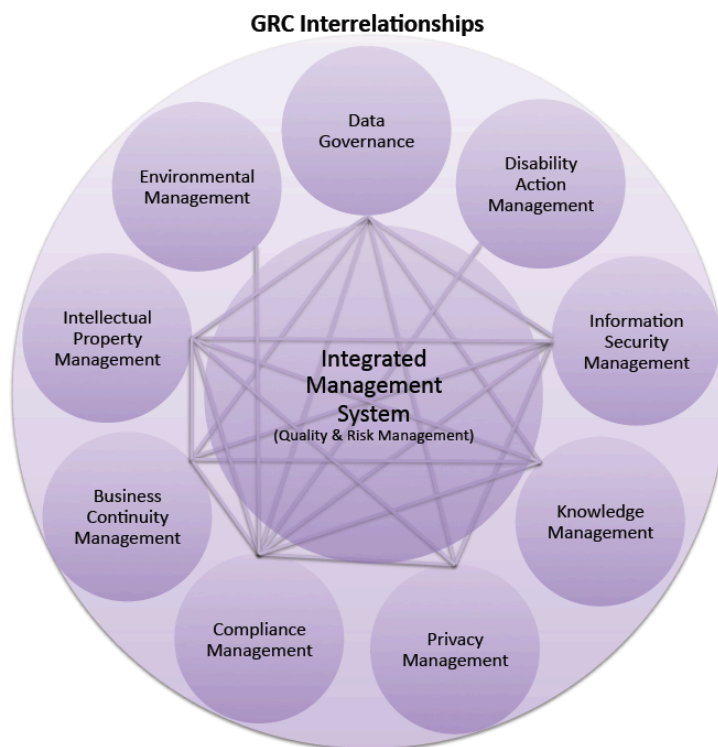
The Cancer Institute NSW has adopted an integrated approach which interfaces the disciplines of corporate governance, risk management, quality management and compliance into a framework referred to as the *Integrated Management System*.

The objectives of our *Integrated Management System* are to ensure that:

- there are improved and consistent governance structures and mechanisms to provide information and assurance that we are successfully performing to deliver results which are aligned with the Government's priorities;
- appropriate governance mechanisms are in place and there is clarity in reporting so that sound information is available for decision-making;
- roles and responsibilities of individuals and committees are clearly understood and there is identification of who is accountable for establishing, maintaining and reporting on key governance mechanisms;

- there is increased awareness by all staff of the meaning and importance of corporate governance and their individual governance roles and responsibilities;
- our corporate values are more firmly embedded throughout our organisation, leading to an improved ethical culture;
- there is improved compliance with statutory requirements and internal values; and
- there is improved stakeholder confidence leading to greater trust in and acceptance of decision-making and willingness to engage and collaborate with us.

Key elements of our Integrated Management System are depicted as follows:



7.2 Risk Management

The Institute operates, maintains and continually improves a mature *Risk Management Framework* aligned with the ISO 31000 standard.

The *Risk Management Framework* is used as an input to the corporate planning process, the Internal Audit planning process, as well as the various other elements of our *Integrated Management System*.

7.3 Compliance Management

The Institute operates, maintains and continually improves a *Compliance Management Framework* aligned with the AS/NZS 3806 standard.

Our *Compliance Management Framework* ensure that we identify and remain compliant with our various obligations including:

- Statute and legislation;
- NSW Treasury policies and guidelines;
- NSW Department of Premier & Cabinet Memos and Circulars;
- NSW Health Policy Directives and Information Bulletins;
- NSW State Records policies and standards;
- NSW Auditor General's recommendations;
- ICAC standards and guidelines; and
- Contractual obligations.

The effectiveness of our *Compliance Management Framework* is subject to both internal and external audit.

7.4 Complaints Management

The Cancer Institute NSW maintains that an effective complaints management system is integral to providing quality customer service. It helps to measure customer satisfaction and is a useful source of information and feedback for improving our services.

We operate, maintain and continually improve a *Complaints Management Framework* in accordance with AS ISO 10002 and the NSW Ombudsman's Complaints Management Guidelines.

7.5 Business Continuity Management

The Cancer Institute NSW is committed to delivering high quality service to the community and to its stakeholders and ensuring that those services remain available when required.

We have developed, implemented and regularly test our Business Continuity Plans, ICT Recovery Plans and a Pandemic Response Plan to ensure that we can continue to deliver services in the event of an incident or disaster. These plans are capabilities are maintained in line with the ISO 24762 standard and Standards Australia's Handbook 221 and are subject to both internal and external audit.

7.6 Information Security and Privacy Management

The Cancer Institute NSW places the utmost importance on preserving and maintaining the confidentiality, integrity and availability of information assets; especially those items which constitute identifiable personal or health records as

defined by the Health Records and Information Privacy Act, the Privacy and Personal Information Protection Act and the Public Health Act.

We have developed, implemented and continually improve an Information Security Management System (ISMS) in accordance with the ISO 27001 standard. We undertake Internal ISMS Compliance Checks and Management Reviews to ensure that our ISMS remains effective and efficient. Our ISMS is subject to both internal and external audit.

8.0 Internal Audit

8.1 Overview

The governing board of the Cancer Institute NSW has established the Internal Audit function as a key component of the Institute's governance framework.

Internal audit is an independent, objective assurance and consulting activity designed to add value and improve the Institute's operations. It helps the Institute to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Internal and external audit activities are coordinated to help ensure the adequacy of overall audit coverage and to minimise duplication of effort.

8.2 Internal Audit Charter and Manual

An Internal Audit Charter and an Internal Audit Manual have been developed in line with NSW Treasury Policy TPP09-05: *Internal Audit and Risk Management Policy for the NSW Public Sector* to provide the framework for the conduct of the Internal Audit function within the Institute. Both documents have been approved by the governing board on the advice of the Audit and Risk Committee.

8.3 Chief Audit Executive

The Internal Audit function is responsible on a day to day basis to the Chief Audit Executive who is the Chief Operating Officer of the Institute.

The Internal Audit function, through the Chief Audit Executive, reports functionally to the Audit and Risk Committee on the results of completed audits, and for strategic direction and accountability purposes, and reports administratively to the governing board to facilitate day to day operations.

Annex A.1 NSW Auditor General Gap Analysis

In 2008, the NSW Auditor General conducted a survey on whether 17 key corporate governance components exist in large New South Wales Government agencies and universities. The areas surveyed were based on the ASX ‘Corporate Governance Principles and Recommendations’, the Audit Office of New South Wales ‘On Board’ and the Australian National Audit Office ‘Public Sector Governance - Better Practice Guide’.

The following is a gap analysis of the Institute’s compliance against the 17 key corporate governance components listed in the Auditor General’s Report to Parliament:

Governance Area	Compliance	Particulars
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Foundations for management and oversight - (accountability and leadership)

1. Strategic and business plans exist and are provided to key stakeholders.	Complies	The Institute has a documented and published Strategic Plan which is aligned with the NSW Cancer Plan. The Cancer Plan is a public document and is published on our website. The Strategic Plan is communicated to key stakeholders including our Minister, the Board and both internal and external audit. Each Division prepares their own (tactical level) Operational Plan which is directly aligned with the Strategic Plan. Within each Division, individual Performance Development Plans are defined in alignment with Divisional Operational Plans.
2. Regular reporting against plans to CEO, Board and Minister.	Complies	Regular reports against plans are provided to the CEO, to the Board and to the Minister.
3. Executive performance evaluation based on achievement of these plans.	Complies	Each Director’s Performance Development Plan is directly linked to the objectives defined within their Division’s Operational Plan. Each Operational Plan is directly linked to the Institute’s Strategic Plan which is in turn linked to the Cancer Plan.

Structure the Board - (accountability)

4. Chairperson and majority of members are independent of management.	Complies	All members of the Board, other than the Chief Cancer Officer, are independent of management. In accordance with the Cancer Institute (NSW) Act 2003 a register of interests and a conflict of interest register is maintained and updated for all Board
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Governance Area	Compliance	Particulars
5. Appropriate range of Board experience and competence.	Complies	<p>Members. See also Governance Area 6 below.</p> <p>Members of the Board have a diverse range of skills and abilities including financial, legal, clinical and consumer.</p> <p>The Board Charter outlines key responsibilities of the Board to: Develop the policies and identify strategies necessary to enable the Cancer Institute NSW to improve cancer control in NSW; Review and monitor the performance of the CEO; Ensure appropriate policies and procedures are in place to manage risks and comply with applicable laws and regulations; and approve and monitor financial reporting and budgets.</p>

Ethical and responsible decision-making - (integrity and stewardship)

6. Code of Conduct exists.	Complies	<p>Codes of Conduct exist for both the Board and for staff.</p> <p>The Board of the Cancer Institute NSW has adopted a comprehensive Code of Conduct and Ethics that is consistent with best practice. The code outlines the fundamental values and principles that define the standards of behaviour expected of the Board of the Cancer Institute NSW.</p> <p>A separate Code of Conduct exists for all staff of the Institute. It sets out a framework for ethical decision making and articulates the standards of behaviour and actions expected of individuals who work within the Institute. It is communicated to all new starters as part of induction training.</p>
7. Fraud and corruption control program exists.	Complies	<p>A formal Fraud & Corruption Control Strategy is documented and in operation. Annual training is provided to ensure that staff remain aware of their obligations. Further, the Code of Conduct addresses various matters pertaining to fraud and corruption control. This is communicated to all staff as part of our standard induction process.</p>
8. Compliance management (procedures are in place to ensure that the agency complies with all relevant laws and government directions).	Complies	<p>A formal Compliance Management framework is in place and is governed by a Compliance Management Policy and a Compliance Management Procedure. The Institute's compliance management framework is aligned with the requirements of AS/NZS 3806 and is subject to both internal and external audit.</p>

Governance Area	Compliance	Particulars
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Integrity in financial reporting - (stewardship)

9. Audit and Risk Committee exists.	Complies	<p>The Core Executive has approved a formal Charter to govern its role as the Audit and Risk Management Committee. The functions of the Committee are to assist the Chief Executive to:</p> <ul style="list-style-type: none"> • fulfil our statutory and fiduciary responsibilities relating to reporting, accounting policies, financial practices and procedures and the internal control systems; • maintain effective and efficient compliance and audit functions; • monitor the effectiveness of the internal and external audit function; • assist in identifying areas of significant business risks; • maintain an effective and efficient business risk management framework; • monitor an action list for minimising and managing risk.
10. Internal and external audit exists.	Complies	<p>Internal audit conducts audits to ensure the existence of appropriate systems and documentation, compliance with those systems and the effectiveness of controls. We are also subject to external audit by the NSW Audit Office under the Public Finance and Audit Act 1983.</p>
11. CEO and CFO sign-off of financial report.	Complies	<p>The Cancer Institute NSW is predominantly funded by NSW Government appropriations. All purchasing, contracting and other financial activities comply with the requirements of the Public Finance and Audit Act 1983, Treasury Circulars and other government guidelines. The Core Executive and the Audit and Risk Management Committee monitor compliance with internal management and financial control systems.</p>

Disclosure - (integrity and transparency/openness)

12. Annual Report published on time.	Complies	<p>We prepare an Annual Report in accordance with the Public Finance and Audit Act 1983 and the Annual Reports (Statutory Bodies) Act 1984 and associated Regulation.</p>
13. A continuous disclosure policy exists and is publicly available on the agency's website.	Complies	<p>The Institute keeps its shareholder ministers advised of events and developments that a reasonable person would expect to have a material effect on its operations and achievements per its key performance indicators. The Institute further provides updates of its achievements and activities against targets as part of its annual reporting process.</p>

Governance Area	Compliance	Particulars
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Key stakeholder management - (transparency/openness)

14. Key stakeholder communication plan exists.	Complies.	The Institute has documented communication plans relating to each of its key stakeholders as part of its Communications Operations Plan. This document is reviewed and updated at least each year, or sooner if required.
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Risk management - (accountability)

15. Risk management program in place.	Complies.	The Institute has a documented Risk Management Policy and an associated document Procedure based on the ISO 31000 standard. As part of its annual cycle of corporate planning, the Institute undertakes a risk assessment across the entire organisation and records the results of its findings (and any associated risk treatment requirements) as part of a formal Risk Register.
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16. CEO and management sign-off on adequacy of internal controls.	Complies	<p>The Institute's Internal Auditors also review and update the Risk Register as part of the internal audit planning cycle.</p> <p>Risk Registers are maintained by each Division and are centrally coordinated by the Chief Operating Officer. Risk Registers specify current controls in place and additional controls which may be required in order to lower current risk levels to acceptable levels. Each Director reviews and approves their local Risk Register (including statements of internal control).</p>
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Further, the Institute's program of internal audits are based upon the Risk Register. Internal Audit Reports are submitted to the relevant Director who then signs off on the report. Internal Audit Reports are also then reviewed by the COO and CEO and are submitted to the Audit & Risk Committee who assess and endorse those reports. The Audit & Risk Committee then further monitor the extent to which audit recommendations (ie additional internal controls) are applied.

Remuneration - (accountability)

17. Board remuneration.	Complies	Members of our Board are remunerated at a rate approved by the Minister and in line with NSW Government standard rates of remuneration. These amounts are disclosed as part of our Annual Report.
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