

The NSW Health Pathology Finance and Performance Committee (the **Committee**) has been established as a Committee of the NSW Health Pathology Board pursuant to clause 33 of the Board Constitution.

This Charter sets out the role, responsibilities and composition of the Committee.

## 1. Role

The role of the Committee is to assist the NSW Health Pathology Board and Chief Executive by providing oversight and strategic direction in relation to the financial management and organisational performance of NSW Health Pathology.

In fulfilling its responsibilities, the Committee will observe and promote the core organisational values of Respect, Integrity, Teamwork and Excellence. The Committee is an advisory Committee only and has no decision-making powers unless delegated to it by the Board.

## 2. Responsibilities

The Committee is directly responsible and accountable to the Board for the exercise of its responsibilities. In carrying out its responsibilities, the Committee must at all times recognise that the Board has primary responsibility for the governance, risk management and compliance of the organisation and the Chief Executive has primary responsibility for the management of the organisation.

The responsibilities of the Committee are:

- a) Reviewing whether management has in place a current and appropriate performance framework that is consistent with the NSW Health Performance Framework;
- b) Monitoring and reviewing NSW Health Pathology's performance against agreed performance indicators, including those specified in NSW Health Pathology's Statement of Service with the Ministry of Health and Customer Service Charters with other key stakeholders including Local Health Districts and the Department of Communities and Justice (including NSW Police Force and other instrumentalities), in the following areas:
  - performance against strategic priorities;
  - operational performance;
  - financial performance;
  - talent and culture and work health and safety performance;
  - clinical and patient safety performance;
  - project and program performance;
  - research performance
  - innovation performance; and
  - other enablers critical to NSWHP's organisational performance;
- c) Ensuring the integrity and consistency of operational and financial planning and reporting across NSW Health Pathology;
- d) Overseeing the development and approval of NSW Health Pathology's budget and service activity targets;
- e) Overseeing the development and approval of NSW Health Pathology's long-term financial plan and its alignment to the strategic plan;

- f) Monitoring, reviewing and overseeing:
- the annual finance and performance cycle including budget allocation framework, budget performance, cash flow management, investment performance and other financial management and performance indicators;
  - the pricing and costing framework, including alignment with activity-based funding processes of Local Health Districts and the Ministry of Health; and
  - the accounting of research and clinical trials funding;
- g) Monitoring and providing advice to the Board on projects and programs performance and risk. Concerns identified by the Committee in relation to the effectiveness of NSW Health Pathology's project governance framework or risk management plans for major projects or programs should be referred to the Audit and Risk Management Committee;
- h) Monitoring and providing advice to the Board on talent and culture strategies, management and risks (including workforce diversity, culture, development and sustainability, workplace health and safety, and significant industrial relations issues). Concerns identified by the Committee in relation to the effectiveness of NSW Health Pathology's workforce management framework or strategic or statewide people and culture risks should be referred to the Audit and Risk Management Committee;
- i) Monitoring and providing advice to the Board on research and innovation performance, activity and risks. Concerns identified by the Committee in relation to the effectiveness of NSW Health Pathology's research governance framework or strategic or statewide research risks should be referred to the Audit and Risk Management Committee;
- j) Providing strategic direction in relation to the achievement of financial performance targets and initiatives for improving cost efficiency and revenue collection;
- k) Reviewing whether the requirements and provisions of the Accounts and Audit Determination are properly observed across NSW Health Pathology;
- l) Providing direction and oversight in relation to financial, asset and other resource management strategies and policies;
- m) Providing direction and oversight in relation to emerging strategic risks that may impact on NSW Health Pathology's achievement against its strategic objectives and referring concerns to or seeking advice from the Audit and Risk Management Committee as necessary; and
- n) Such other matters as may be delegated to it by the Board from time to time.

## 3. Membership

### 3.1. Members

The Chair of the Committee shall be a Board member who shall be appointed by the Chair of the Board. The Chair shall serve for the duration of their appointment to the Committee.

The Committee shall consist of the following members:

- Chair (being a member of the Board);
- At least two additional Board members appointed by the Board Chair.

Appointment of additional members of the Committee, and removal of Committee members, shall be by the Board in accordance with the Board Constitution.

Board members appointed to the Committee hold office for such a period as the Board may determine, or until the person's appointment as a member of the Board expires and is not renewed or the office is otherwise vacated, whichever occurs first.

### 3.2. Attendees

The following positions will be invited to attend each meeting of the Committee:

- Chief Executive
- Director, Finance and Corporate Services
- Associate Director, Financial Operations
- Associate Director, Revenue and Process Improvement
- Director, People and Culture
- Director, Clinical Transformation
- Associate Director, Planning and Performance
- Chief Operating Officer

The Chair of the Committee may invite any person as it determines to attend and address a meeting of the Committee (either for the duration of the meeting or in relation to a specific agenda item).

## 4. Secretariat Support

The Director, Finance and Corporate Services is responsible for ensuring Secretariat support for the Committee.

## 5. Meetings

### 5.1. Frequency and Location

Committee meetings may be held face to face, by telephone, videoconference, or other electronic means. The Committee shall meet monthly. The Chair of the Committee may request that one meeting be vacated, subject to approval by the Chair of the Board.

The Chair of the Committee may request the Chair of the Board to give written approval to the conduct of a special meeting where the Chair of the Committee considers that a matter is of such urgency that a special meeting should be held. If approved, a special meeting shall be held at least 48 hours but not later than 7 days after receipt by the Chair of the Board of such a request. The Chair of the Committee is to ensure that at least 24 hours' notice is given of a special meeting to every member of the Committee and each person invited to attend the meeting. Notice of a special meeting is to specify the business to be considered at that meeting, and only business specified in the notice is to be considered at the special meeting.

### 5.2. Quorum

A quorum shall consist of a majority of Committee members. Attendees do not count towards the quorum.

## 5.3. Decision-making

Decisions of the Committee shall be by consensus (attendees do not have any voting rights). Decisions unable to be made by consensus are to be escalated to the Board. Decisions may be made at a duly called and constituted meeting, or by a resolution in writing to all members and physically or electronically signed by all members. Decisions made at a meeting are to be stated in the minutes of the meeting at which they were decided.

## 5.4. Agenda and Minutes

The agenda shall be agreed by the Chair prior to the meeting. All papers must be submitted to the Secretariat by the specified submission deadline. The agenda and papers shall be distributed by the Secretariat at least one week prior to the meeting dates. Only with the Chair's permission will late papers be accepted.

All meetings shall be minuted, and the minutes distributed to all members of the Committee with the agenda papers for the next meeting. The deliberations and minutes of the Committee must be submitted to the Board for information.

## 6. Reporting

### 6.1. Reporting to the Board and other Board Committees

The Committee shall provide a report to the Board at each Board meeting which includes matters considered or approved by the Committee or referred to the Board for consideration or decision, any matters of concern and emerging issues. The report is a standing agenda item at each Board meeting and will be prepared by the Director, Finance and Corporate Services and approved and presented to the Board by the Chair of the Committee.

Should the Committee need to refer or report a matter to another Board Committee, the Chair will write to the respective Chair, with a copy to the Board Chair.

In addition, the Committee will, at least once a year, report to the Board and Chief Executive on its operation and activities during the year. The report should include:

- an overall assessment of NSW Health Pathology's financial management and performance against agreed indicators and details of any significant emerging risks;
- a summary of the work the Committee performed to fully discharge its responsibilities during the preceding year;
- details of meetings, including the number of meetings held during the relevant period, and the number of meetings each member attended; and
- a summary of NSW Health Pathology's progress in addressing any recommendations made by the Committee in relation to the organisation's financial management and performance.

### 6.2. Reporting to the Committee

Management is responsible for providing up-to-date financial and performance reports for consideration at each meeting of the Committee.

Financial reports to the Committee should:

- provide relevant information to enable the members to understand NSW Health Pathology's exposure to financial risk, the extent to which financial risks are being effectively managed and the impact of these risks on the financial performance of NSW Health Pathology;
- be succinct and focus on key issues that require the attention of the Committee;
- be prepared in accordance with accounting standards and statutory requirements as well as guidelines issued from time to time by the NSW Ministry of Health;
- include as a minimum:
  - An executive summary;
  - Financial performance that reconciles with NSW Health figures;
  - Liquidity performance;
  - Position of Restricted Financial Assets and Custodial Trust Funds;
  - Status of annual financial reporting including audit certification;
  - Financial/timeframe performance on Capital Works; and
  - Financial/timeframe performance of any private sector initiatives including formal approval status.

Performance reports to the Committee should include as a minimum:

- Activity performance against agreed indicators and targets (consistent with clause 2(b));
- Up-to-date information on the achievement of strategic and operational priorities identified in NSW Health Pathology's Statement of Service with the Ministry of Health and other Customer Service Charters with key clients; and
- An assessment of risks to performance against agreed indicators and targets and achievement of strategic and operational priorities.

Letters to management from the Auditor-General or NSW Ministry of Health relating to significant financial matters should be tabled at the next Committee meeting.

## 7. Conflicts of Interest

Committee members must declare any conflicts of interest at the start of each meeting or before discussion of the relevant agenda item or topic. Details of any conflicts of interest should be appropriately minuted and recorded in NSW Health Pathology's Conflicts of Interest Register in accordance with NSW Health Pathology's Conflicts of Interest and Gifts and Benefits Procedure.

Where members or observers at a Committee meeting are deemed to have a real or perceived conflict of interest in a matter, the Chair may decide to exclude them from Committee deliberations on the matter.

## 8. Evaluation

The Committee shall undertake an annual self-assessment of the effectiveness of the Committee and provide that information to the Board, along with any information the Board requests to facilitate its review of the Committee's performance and its membership.

## 9. Review of Charter

This Charter will be reviewed by the Committee every 2 years. This review will include consultation with the Board. Any substantive changes to this Charter will be recommended by the Committee and formally approved by the Board Chair.

## 10. Version History

| Version No | Approval Date    | Approved By | Details   |
|------------|------------------|-------------|---|
| 1.0        | 16 December 2020 | Board       |   |
| 1.2        | 18 June 2021     | Board Chair | Minor amendments to reflect changes to NSWHP Attendee Position Titles                                       |
| 1.3        | 14 November 2022 | Board Chair | Minor amendments to reflect changes to NSWHP Attendee Position Titles                                       |
| 1.4        | 22 April 2024    | Board Chair | Increase from one to two Board members (plus Board Chair); minor amendments to list of management attendees |