

Chapter 1

Our organisation



Central Queensland's rich cultural, geographic and economic diversities are among its most attractive attributes, and its biggest challenges.

Our organisation is growing in strength and will meet these challenges through its people.

We will change lives for the better.

1.1. Our service

Central Queensland Hospital and Health Service (CQHHS) has 2589 FTE staff focused on patient safety and delivering public hospital and health services from Gladstone in the south, inland to the Southern and Central Highlands and north along the Capricorn Coast, serving a population of around 228,000 people.

In 2013-2014 the organisation treated more than 295,000 patients with services including medical, surgical, emergency, obstetrics, paediatrics, specialist outpatient clinics, mental health, critical care and clinical support.

The geographic footprint of the health service is diverse, ranging from regional cities to remote townships in the west and beach side communities along the coast. Details from the Queensland Government Statisticians Office as at 30 June 2013 revealed the population had grown 2.1% in the five years to 2013 compared with a State average of 2%. The fastest growing Local Government Area in Central Queensland was Gladstone at 2.9% with Banana the lowest at 0.4 %.

Central Queensland has a relatively young population with 21.8% aged 0-14 years compared with 19.9% across the state, and a median age of 35.3, compared with 36.6 in Queensland, as at 30 June 2012.

The Central Queensland population is predicted to grow at 2% per annum to 358,000 at 30 June 2036.

The 2011 census identified Central Queensland as having 5.5% of its population identifying as Aboriginal and Torres Strait Islander where the same figure for all of Australia is 2.5%. The census also revealed 5.1% of the Central Queensland population identify as unemployed, which is comparable to the national figure of 5.6%.

Central Queensland has experienced a slowing of economic development during 2013-2014 as a result of significant downturn in resource sector development in the region.

The health service is responsible for the direct management of facilities within its geographical boundaries including:

- Biloela Hospital
- Capricorn Coast Hospital
- Emerald Hospital
- Gladstone Hospital
- Moura Hospital
- Rockhampton Hospital.

The health service also provides services from a number of Multi-Purpose Health Services (MPHS) and outpatient clinics. MPHS are located in:

- Baralaba
- Blackwater
- Mount Morgan
- Springsure
- Theodore
- Woorabinda.

Outpatient clinics are located at:

- Boyne Valley
- Capella
- Gemfields
- Tieri.

Distance is a challenge to service delivery for the health service. Our large geographic area means we often service rural or remote communities, where it is not possible to have immediate access to 24 hour clinical services. In 2012-2013 the health service introduced and embraced Telehealth, enabling real-time interaction between specialist clinicians and remote communities. Telehealth is used to provide services ranging from core clinical diagnostics to mental health care and antenatal care. Telehealth enables efficiencies in the delivery of quality health care services across the health service.

1.2. Our health

The health service partnered with Central Queensland Medicare Local to complete the Central Queensland Health Needs Assessment 2014 to provide an accurate statement of the future health needs of Central Queenslanders.

The health service will use this information to plan future service delivery, it will develop and initiate programs to address the lifestyle issues that will lead to a significant demand of health resources for the treatment of lifestyle-related chronic disease.

The health service will develop a multi-agency approach to address the key health issues identified. Those issues include:

- Life expectancy at birth for people living in Central Queensland was about 1 year less than the Queensland average, and 1.2 years below the national average (78.5 years for males and 82.9 years for females).
- Indigenous residents of Queensland had a 10.8 year shortfall in life expectancy for males compared with non-Indigenous males, and an 8.6 year shortfall for females.
- The leading causes of avoidable mortality for Central Queensland residents aged 0-74 closely resemble those of Queensland as a whole. Around 40% of all premature deaths are attributed to cancer (with 25% caused by lung and colorectal cancer combined), a further 20% caused by circulatory diseases, and 10% attributed specifically to ischaemic heart disease.
- One in six Central Queensland adults are daily smokers; a higher rate than the Queensland average. Indigenous peoples' smoking rates are particularly high, contributing to the mortality gap. Smoking remains the single largest cause of premature mortality and ill health in Central Queensland, but will soon be overtaken by obesity and nutrition-related conditions.
- The prevalence of obesity in Central Queensland at 29% was significantly higher than the State average of 22.6%. Two-thirds of Central Queensland adults are overweight or obese. Rates have been rising sharply.
- Nearly a quarter of adults (24%) in the Central Queensland population in 2011/12 were estimated to be hazardous drinkers, higher than peer regions and the State average of 21.5%.
- Diabetes rates have been increasing sharply – 9% of the population state they have diabetes or high blood sugar – more than 14,000 people. As obesity rates rise, diabetes prevalence will worsen – high rates of hospitalisation are already evident, particularly for Indigenous residents.
- Central Queensland residents living in Banana and Central Highlands tended to have lower rates of elective surgery – potentially related to access to private facilities.
- With the rate of population growth and ageing, if no change occurred in hospitalisation rates per head there will be a 67% increase in inpatient load to 2031. The increase is particularly driven by those aged 65 and over with a 124% rise in that time. The expected increase in diabetes prevalence will add further pressure.

- Mental health disorders were the third leading cause of total burden of disease (14%) and the largest cause of non-fatal burden of disease for Queensland. Eleven per cent of Central Queenslanders report current mental health and behavioural problems at any one time. Indigenous residents have twice the hospitalisation rate as non-Indigenous - 12/1000 compared with 6/1000 age-standardised rate. Within Central Queensland high mental health service use is apparent for Rockhampton residents, but this may relate mainly to the residential location of the more severe mentally ill patients. There are relatively high suicide rates compared with the Queensland average.

1.3. Our diversity

CQHHS serves a culturally diverse population, with Australian Bureau of Statistics data reporting languages spoken at home in Rockhampton as including Vietnamese, Portuguese, Afrikaans, Tagalog and German, as well as English. In Rockhampton 5.1% of households speak two or more languages. Our staffing profile is changing too, as we recruit more graduate doctors from outside Australia in order to meet the demand for qualified clinical staff in rural and remote Queensland.

It is our responsibility to tailor our services and their delivery to meet the needs of all members of our communities. We utilise translator services where necessary and have specialised programs to assist with the delivery of health services to our multicultural population.

Our community is supported through Queensland Health Multicultural Services which takes the lead role in the coordination of our state wide interpreter and refugee health service, implementation of dedicated strategies aimed at addressing the health issues of our special needs population and the development of health initiatives to promote better health within our multicultural communities.

Resources and initiatives have been implemented to ensure a fair and equitable workplace for all our employees including:

- Aboriginal and Torres Strait Islander Cultural Respect Strategies Policy G12
- Anti-Discrimination Policy E2
- Diversity Policy G1
- Equal Employment Opportunity Policy G2
- Aboriginal and Torres Strait Islander Health Worker Career Structure
- Aboriginal and Torres Strait Islander Workforce Advisory Group
- Aboriginal and Torres Strait Islander Staff Recognition Awards
- Workplace Equity and Harassment Officer Network.

The health service complies with the Queensland Health Cultural Competency Framework. This Framework identifies the four foundation areas which are necessary to achieve organisational cultural competency including:

- Management commitment - a commitment to developing organisational cultural competency;
- National quality standards - a commitment to improve the quality of health services to people from culturally and linguistically diverse backgrounds;
- Culturally inclusive systems and services - a commitment to making all systems and services culturally inclusive;
- Cross-cultural capabilities - a definition of the cross cultural knowledge and skills that are expected.

We all have a shared responsibility to respect and value the contribution diversity brings to our community and our workforce. The strategies that have been implemented within our health service will promote mutual respect and understanding regardless of our cultural, religious, ethnic and linguistic backgrounds.

1.4. Our role

1.4.1. Our Board of Directors

The Central Queensland Hospital and Health Board has oversight of the strategic management of the health service and is responsible for compliance, governance and the setting and pursuit of strategic goals and objectives. The composition of the Board is revised annually through a process of nomination and Ministerial approval. The Board membership for the 2013-2014 period is displayed below.

Chair: Mr Charles Ware

person with legal expertise

term of appointment 18 May 2013 to 17 May 2016

Mr Charles Ware is a Central Queensland lawyer. He is admitted as a solicitor and practises as a legal consultant with a Yeppoon legal firm.

Charles has completed terms as Deputy Chancellor of Central Queensland University and Deputy Chair of Gladstone Ports Corporation Limited. He previously held positions in the Queensland electricity supply industry as Chair of Capricornia Electricity and a Director of Ergon Energy. He was also a director of the Residential Tenancy Authority.

Charles is a former Chair of the Rockhampton Art Gallery Trust and a Director of Queensland Biennial Festival of Music Pty Ltd. He also has served on the board of the Rockhampton Regional Development Ltd and continues to support Capricorn Enterprise as an honorary legal advisor.

Charles has a Masters of Law and Masters of Business (Public Management) from Queensland University of Technology. He has undergraduate degrees in Arts and Law and is a Fellow of the Australian Institute of Company Directors.



Deputy Chair: Dr David Austin

person with clinical expertise

term of appointment: 18 May 2013 to 17 May 2016

Dr David Austin is an Intensive Care and Anaesthetics specialist whose medical career has extended across Australia and New Zealand. David brings with him a wealth of committee experience and expertise in outdoor and sports medicine.

David is currently Director of Intensive Care at Rockhampton Hospital, Discipline Academic Coordinator (Intensive Care) - Rural Clinical School and a member of a number of medical steering groups and committees. He is also author of numerous publications, conference presenter and college examiner for the College of Intensive Care Medicine and the College of Anaesthesia.

David has worked in anaesthesia and intensive care medicine within rural and metropolitan hospitals across New Zealand and Australia.

David has combined his love of sport with his medical knowledge and has been the medical director for Mount Everest treks since 1990, medical advisor and doctor for diving expeditions, ski patrols, yacht races and other mountaineering adventures.

David is currently a Manuscript Reviewer for: The Lancet (1998 - present), Anaesthesia and Intensive Care (2010 - present), Wilderness and Environmental Medicine (1998 - present) and the College of Intensive Care Medicine (2009 - present) and a member of the Primary Exam Committee - CICM (2010 - present). David is also a member of the Steering Group for the Statewide Intensive Care



Network Queensland (2011 - present) and Deputy Chair of the ICU Primary exam. David was also an Examiner for the Australian and New Zealand College of Anaesthesia (2005 - 2014).

David also holds membership for the following:

- Surgical Taskforce Group Rockhampton (2009 - present),
- Responsible Investigation Ordering (RIO) Project Working Group Rockhampton (2010 - present),
- Rockhampton Hospital Simulation Committee (2010 - present),
- Rockhampton Hospital Trauma Committee (2001 - present),
- Rockhampton Hospital Disaster Management Group (2007 - present) and
- Rockhampton Hospital Directors' Group (2007 - present).

David is a Clinical Champion for Central Queensland District for the Deteriorating Patient Project (2009 - present).

David is a Fellow of the Australian and New Zealand College of Anaesthesia and Fellow of the College of Intensive Care Medicine.

Member: Mr Frances (Frank) Houlihan

person with expertise in business management, financial management and human resource management

term of appointment: 18 May 2013 to 17 May 2016

Mr Frank Houlihan is a Partner and Managing Director in HHH Partners a chartered accountancy firm he established in Emerald in 1986.

With more than 30 years experience, Frank graduated with a Bachelor of Commerce from James Cook University and has been in public practice since 1979.

Frank is also a Director of the Central Queensland Rural Division of General Practice, Director of Central Queensland Primary Health Care Pty Ltd and a director of Central Highlands Health Care the operator of the not-for profit GP Super Clinic being developed in Emerald.

His current professional affiliations are: Fellow, Institute of Chartered Accountants, Fellow, Australian Society of Certified Practising Accountants and Associate Member, Institute of Arbitrators and Mediators Australia.



Member: Mr Graeme Kanofski

person with expertise in business management, financial management and human resource management

term of appointment: 18 May 2013 - 17 May 2014; 18 May 2014 - 17 May 2017

Mr Graeme Kanofski has 36 years of experience in local government in Queensland, including three years as Chief Executive Officer of the Gladstone Regional Council and 17 years as Chief Executive Officer of the former Calliope Shire Council. He recently undertook the role of Transfer Manager overseeing the de-amalgamation of Livingstone Shire Council from Rockhampton Regional Council.

Graeme holds a Bachelor of Business degree and has served as President of Local Government Managers Australia, Queensland Division. He is a well-respected local who has an extensive career history in local government and associated organisations in Queensland.

He has studied local government management in El Segundo City in the USA and in the United Kingdom and has a wealth of experience in local government



associated activities including disaster response management. Graeme has experience as a Board Director having served in that role on the Gladstone Economic and Industry Development Board, the Australian Airport Owners Association and other community associations. Graeme has received a Public Service Medal in 2002 for his service to local government. He has owned and operated small businesses in the Gladstone Region. Graeme resides in Calliope.

Member: Ms Elizabeth Baker

person with expertise in health management, business management, financial management and human resource management

term of appointment: 18 May 2013 – 17 May 2014; 18 May 2014 – 17 May 2017

Ms Elizabeth Baker is an experienced commercial/corporate lawyer with experience in Australian and international business environments and has a Bachelor of Laws, Master of Laws, and a Graduate Certificate of Employment Relations.

Elizabeth has served on a number of community boards, including the Gladstone District Health Council and is currently a Director of the Gladstone Airport Corporation. Her professional memberships include:

- Queensland Law Society
- Queensland Industrial Relations Society
- Australian Corporate Lawyers Association
- Resources and Energy Law Association

Elizabeth is currently employed as General Counsel for Queensland Alumina Limited at Gladstone and is an active member of the Gladstone community.



Member: Ms Sandra Corfield

person with knowledge of health consumer and community issues relevant to the operations of the service

term of appointment: 18 May 2013 to 17 May 2014

Ms Sandra Corfield is the Chief Executive Officer of the Central Queensland Rural Division of General Practice and has an extensive nursing career history which has taken her from rural Queensland to international posts including Scotland.

Sandra is a registered nurse and midwife and has practised as a community nurse, accident and emergency nurse and neonatal special care nurse in her diverse nursing career. She holds a postgraduate Midwifery Certificate, was a finalist in the Australian Institute of Management Rural Manager Awards Program in 2012 and winner of the 2013 RDAQ Memorial Medal for services to Rural Medicine.

An affiliate member of the Australian Institute of Company Directors, Sandra has owned a small business and was previously engaged as company secretary for Central Queensland Primary Health Care Pty Ltd.

Sandra and her family run a successful primary production venture at their property “Vandeena”, outside Biloela.



Member: Ms Karen Smith

person with clinical expertise

term of appointment: 18 May 2013 – 17 May 2014; 18 May 2014 – 17 May 2017

Ms Karen Smith is the Nurse Unit Manager for the Intensive Care Unit at Rockhampton Hospital and has held that position since 1993. She has an extensive career in Intensive Care units across Australia and is an active member of the Rockhampton community.

Karen began her nursing career as a student nurse at Rockhampton Hospital and chose to specialise in Intensive Care nursing soon thereafter. She has worked at Royal Melbourne Hospital, various Brisbane hospitals and at Rockhampton Hospital.

She is a member of a number of specialist groups, including: the Australian College of Critical Care Nurses, the Central ICU Clinical Network and the Paediatric Intensive Care Advisory Group.

Karen is a Registered Nurse and has a postgraduate Certificate in Critical Care Nursing from the Royal Melbourne Hospital. She is an active member of the local equestrian community.



Member: Mr Kurt Heidecker

person with other areas of expertise the Minister considers relevant to a service performing its functions

term of appointment: 18 May 2013 – 17 May 2014; 18 May 2014 – 17 May 2017

Mr Kurt Heidecker is the inaugural Chief Executive Officer of the Gladstone Industry Leadership Group which addresses issues of regional concern for six of Australia's largest industrial sites.

Kurt brings with him a wealth of business and industry experience. In his current role, Kurt is responsible for overseeing a virtual team aimed at building an open and trusting relationship between industry and the community.

Some of his achievements include forming strong relationships with industry, activist, government and community and the development of successful Board Advisory Committees. From 2006 to 2008, Kurt led a team of implementation, network and support training specialists in the software company.

Kurt holds various board positions including:

- Director – Fitzroy Basin Association, and
- Member – Central Queensland Institute of TAFE Advisory Council.

Kurt's qualifications include:

- Bachelor of Engineering (Civil),
- Masters of Design Science (Building),
- Graduate Diploma of Management and
- Master Practitioner of Neuro- Linguistic Programming



Member: Ms Bronwyn Christensen

person with knowledge of health consumer and community issues relevant to the operations of the service

18 May 2013 – 17 May 2014, 18 May 2014 – 17 May 2017

Ms Bronwyn Christensen is a successful local farmer and grazier, Cotton Australia's Dawson Valley Regional Manager, Secretary to the Board for the community owned Hotel Theodore Cooperative Association and Principal of Green Cow Communications.

Bronwyn currently highlights the lighter side of farm life with her regular newspaper column and blog 'The Farmer's Wife'.

Bronwyn is a well-respected local who has had significant involvement in local business and community organisations in Central Queensland over many years. She is currently the President of the Theodore Hospital Auxiliary. Bronwyn is a previous Board member of the Hotel Theodore Cooperative Association and she has previously held executive positions on the Theodore District Health Council, Theodore Meals on Wheels, Theodore Show Society and Theodore School of Ballet.

From 2001 to 2005, Bronwyn played a key role in setting up the Theodore District Health Council Inc office, Youth Centre, and in the development of the council's primary health care project plan. She was also instrumental in the submission for and awarding of Queensland's Healthiest Town to Theodore in 2003. In the same year, Bronwyn was awarded the Australian Institute of Management's Rural and Remote Manager of the Year. Bronwyn has recently been awarded a place and is participating in the iconic Australian Rural Leadership Program.



Member: Professor Leone Hinton

person from universities, clinical schools or research centres with expertise relevant to the operations of the service

19 May 2013 – 17 May 2016

Professor Leone Hinton was recently appointed to the position of Dean of School, Nursing and Midwifery, Central Queensland University. Previously she was the Director, Corporate Strategy and Planning. Leone's expertise in this area was recognised when in 2010 she was awarded the Australian Institute of Management Central Queensland Professional Manager of the Year. Her interests are in organisational culture, evaluation, strategic planning and risk management.

Leone began her career as a Registered Nurse working at the Mater Children's and Rockhampton hospitals before changing career paths to nursing training, education and research at CQUniversity.

Leone is a Fellow of the Australian Institute of Management and Member of the Australasian Institute of Public Administrators.

Leone is a Doctor of Professional Studies (Transdisciplinary) and has a Masters of Education (Education Administration).



The CQHH Board has met 12 times since July 2013 and meets monthly. Committees meet either quarterly or bi-monthly, with provision for extraordinary meetings as required.

Costs associated with committee members' fees and incidental expenses totalled \$239,000 for the 2013-2014 financial year.

1.4.2. The Board has three Committees:

Finance and Resource Committee

Chaired by Mr Kurt Heidecker, the Finance and Resource Committee is responsible for monitoring and assessing the financial management and reporting obligations of the health service. It oversees resource utilisation strategies including monitoring the service's cash flow and its financial and operating performance. The committee is also responsible for bringing the attention of the Board to any unusual financial practices. The Finance and Resource Committee works in close cooperation with the Health Service Chief Executive, Executive Director Workforce and the Chief Finance Officer receiving quarterly reports from these areas.

Quality and Safety Committee

Chaired by Professor Leone Hinton, the Quality and Safety Committee is responsible for advising the Board on matters relating to the safety and quality of health services provided by the service, including the service's strategies to address the maintenance of high quality, safe, contemporary health services to patients. The committee works in close cooperation with the Health Service Chief Executive, Executive Director Quality and Safety, Executive Director Accreditation, Executive Director of Medical Services and the Executive Director Workforce, receiving monthly reports from these areas.

Audit and Risk Committee

Membership of the Audit and Risk Committee as at 30 June 2014 comprised:

- Chair: Frank Houlihan
- Charles Ware
- Daniel Nolan (External nominee with relevant experience)
- Nik Fokas (standing rights of attendance as CFO)
- Len Richards (standing rights of attendance as HSCE)
- Nichole Bunning (standing rights of attendance as Executive Director Workforce)
- Lee Peters (standing rights of attendance as internal audit)
- Richard Wanstall (standing rights of attendance as external audit Deloitte Touche Tohmatsu)
- Josh Langdon (standing rights of attendance as external audit Deloitte Touche Tohmatsu)
- Karen Forest (invitee as contract accountant)

As members of the CQHQB Mr Houlihan and Mr Ware are remunerated for their services to the committee.

The Audit and Risk Committee has observed the terms of its charter and had due regard to Treasury's Audit Committee Guidelines.

The Audit and Risk Committee met five times during the 2013-2014 period adopting a new charter and work plan in March 2014.

The role of the committee is to provide independent assurance and assistance to the Board in the areas of:

- risk, control and compliance frameworks
- external accountability responsibilities as prescribed in the Financial Accountability Act 2009, the Hospital and Health Boards Act 2011, the Hospital and Health Boards Regulation 2012 and the Statutory Bodies Financial Arrangements Act 1982; and
- integrity framework.

The functions and responsibilities of the Audit and Risk Committee as contained in its charter and linked to the committee's work plan cover the areas of:

Financial Statements

- Reviewing the appropriateness of the accounting policies adopted by the health service and ensure they are relevant to the health service and its specific circumstances.
- Reviewing the appropriateness of significant assumptions and critical judgements made by management, particularly around estimations which impact on reported amounts of assets, liabilities, income and expenses in the financial statements.
- Reviewing the financial statements for compliance with prescribed accounting and other requirements.
- Reviewing, with management and the external auditors, the results of the external audit and any significant issues identified.
- Exercising scepticism by questioning and seeking full and adequate explanations for any unusual transactions and their presentation in the financial statements.
- Analysing the financial performance and financial position and seek explanation for significant trends or variations from budget or forecasts.
- Ensuring that assurance with respect to the accuracy and completeness of the financial statements is given by management.

Integrity Oversight and Misconduct Prevention

- Providing oversight, direction and guidance on the health service's integrity framework to ensure it is functioning appropriately.
- Overseeing the health service's Lobbyists Contact Register reporting and any significant integrity issues arising.
- Monitoring the effectiveness of the health service's Public Interest Disclosure process.
- Ensuring the health service complies with relevant integrity legislation (e.g. Crime and Misconduct Act 2001, Public Sector Ethics Act 1994, Public Interest Disclosure Act 2010, Integrity Act 2009) and whole of government policies, principles and guidelines (including the Code of Conduct for the Queensland Public Service).
- Providing advice and recommendations on integrity issues to the Board and Executive Management, as necessary.
- Monitoring health service misconduct trends and prevention approaches and address any gaps in dealing with integrity issues in relation to misconduct (including fraud and corruption).
- Ensuring the health service complies with any Crime and Misconduct Commission requirements and recommendations to improve misconduct prevention and response.

Risk Management

- Reviewing the risk management framework for identifying, monitoring and managing significant risks, including fraud.
- Satisfying itself that insurance arrangements are appropriate for the risk management framework, where appropriate.
- Liaising with management to ensure there is a common understanding of the key risks to the health service. These risks will be clearly documented in a risk register which will be regularly Reviewed to ensure it remains up-to-date.
- Assessing and contribute to the audit planning processes relating to the risks and threats to the health service.
- Reviewing effectiveness of the health service's processes for identifying and escalating risks, particularly strategic risks.

Internal Control

- Reviewing, through the internal and external audit functions, the adequacy of the internal control structure and systems, including information technology security and control.
- Reviewing, through the internal and external audit functions, whether relevant policies and procedures are in place and up to date, including those for the management and exercise of delegations, and whether they are complied with.
- Reviewing, through the Chief Finance Officer and the System Manager assurance certifications, whether the financial internal controls are operating efficiently, effectively and economically.

Performance Management

- Reviewing the health service's compliance with the performance management and reporting requirements of the Financial Accountability Act 2009, the Financial and Performance Management Standard 2009 and the 'Annual Report Requirements for Queensland Government Agencies'.
- Reviewing whether performance management systems in place reflect the health service's role/purpose and objectives (as stated in its strategic plan).
- Identifying that the performance reporting and information uses appropriate benchmarks, targets and trend analysis.

Internal Audit

- Reviewing the budget, staffing and skills of the internal audit function.
- Reviewing and approve the internal audit plan, its scope and progress, and any significant changes to it, including any difficulties or restrictions on scope of activities, or significant disagreements with management.
- Reviewing the proposed internal audit strategic plan and annual plan to ensure they cover key risks and that there is appropriate co-ordination with the external auditor.
- Reviewing the findings and recommendations of internal audit and the response to them by management.
- Reviewing the implementation of internal audit recommendations accepted by management.
- Ensuring there is no material overlap between the internal and external audit functions.

External Audit

- Consulting with external audit on the service's proposed audit strategy, audit plan and audit fees for the year.
- Reviewing the findings and recommendations of external audit (including from performance audits) and the response to them by management.
- Reviewing responses provided by management to ensure they are in line with the health service's risk management framework.
- Reviewing the implementation of external audit recommendations accepted by management and where issues remain unresolved ensure that satisfactory progression is being made to mitigate the risk associated with audit's findings.

Compliance

- Determining whether management has considered legal and compliance risks as part of the health service's risk assessment and management arrangements.
- Reviewing the effectiveness of the system for monitoring the health service's compliance with relevant laws, regulations and government policies.
- Reviewing the findings of any examinations by regulatory agencies, and any auditor observations.

Reporting

- Submitting quarterly reports to the Board outlining relevant matters that have been considered by it as well as the committee's opinions, decisions and recommendations.
- Circulating minutes of the committee meetings to the Board, committee members and standing invitees as appropriate.
- Preparing an annual report to the Board summarising the performance and achievements for the previous year.
- Submitting a summary of its activities for inclusion in the health service Annual Report.

1.4.3. Internal audit

For the period July 2013 to February 2014, internal audits were commissioned as required through the Executive Management Team of the Hospital and Health Service. From 1 March 2014, the Sunshine Coast, Wide Bay and Central Queensland Hospital and Health Services approved the Internal Audit Charter to establish an internal audit function under a hub and spoke, co-sourced model. This model ensures the effective, efficient and economical operation of the function.

The service's internal audit function provides independent assurance and advice to the Board Audit and Risk Committee, the Health Service Chief Executive and senior management. It enhances the service's corporate governance environment through an objective, systematic approach to evaluating the effectiveness and efficiency of corporate governance processes, internal controls and risk assessment. This is in keeping with the role and responsibilities detailed in Part 2, Division 5 of the *Financial and Performance Management Standard 2009*.

The role, the operating environment and reporting arrangements of the function are established in an internal audit charter that has due regard to the professional standards and the Audit Committee Guidelines: Improving Accountability and Performance issued by Queensland Treasury and Trade.

Since March 2014, the internal audit function has operated in accordance with a strategic and annual plan approved by the Board's Audit and Risk Committee. The internal audit function is independent of management and the external auditors. The function has:

- discharged the responsibilities established in the charter by executing the annual audit plan prepared as a result of risk assessments, materiality, and contractual and statutory obligations;
- provided reports on the results of audits undertaken to the Health Service Chief Executive and the Audit and Risk Committee;
- monitored and reported on the status of the implementation of audit recommendations to the Audit and Risk Committee. Management is responsible for the implementation of audit recommendations;
- liaised with the Queensland Audit Office to ensure there was no duplication of 'audit effort';
- supported management by providing advice on corporate governance and related issues including fraud and corruption prevention programs and risk management;
- allocated audit resources to those areas considered to present the greatest risk and where the work of internal audit can be valuable in providing positive assurance or identifying opportunities for positive change; and
- reviewed the service's annual financial statements prior to presenting them to the Audit and Risk Committee.

The audit team are members of professional bodies including the Institute of Internal Auditors and CPA Australia. The service continues to support their ongoing professional development.

CQHHS was included in Queensland Audit Office Report 8: 2013-2014 Results of audit: Hospital and Health Services entities 2012-2013. The report is accessible on the QAO website at www.qao.qld.gov.au. The Audit and Risk Committee monitors the implementation of any recommendations associated with these audits.

1.4.4. Our Management Team

Central Queensland Hospital and Health Service Executive Management Team
At 30 June 2014, the Executive Management Team comprised 12 members. See CQHHS Organisational Structure in chapter nine.



Chief Executive

Len Richards

Overall accountability for the strategic development and operational delivery of services.



Executive Director Medical Services

Dr Tony Austin

Responsible for professional oversight for medical recruitment and scope of practice.



District Director of Nursing

Sandy Munro

Responsibility for nursing practice, strategic nursing workforce, nursing standards of practice, workload processes and education.



Executive Director Quality and Safety

Karen Wade

Responsibility for the quality and safety systems, and clinical governance, across the health service.



Chief Finance Officer

Nik Fokas

Responsibility for the provision of strategic advice on budget allocations, auditing and performance monitoring against the Service Level Agreement.



Executive Director Workforce

Nicole Bunning

Responsibility for human resources, organisational development and workplace health and safety.



Executive Director Infrastructure

Janelle Diamond

Responsibility for capital development program, asset management and maintenance programs of equipment and buildings, fleet and accommodation management.



Executive Director Rural Health Services

Rod Hutcheon

Responsible for health service delivery in rural areas of Central Queensland - all facilities and services outside Rockhampton and Gladstone.



Executive Director Rockhampton Hospital

Jennifer Gale

Responsible for health service delivery at Rockhampton Hospital.



Executive Director/Director Medical Services

Gladstone Hospital

Dr Nicki Murdock

Responsible for health service delivery at Gladstone Hospital.



Executive Director Subacute and Community Services

Michele Gardner

Responsible for the delivery of health services in the community, Rockhampton Correctional Centre and Residential Aged Care facilities.



Executive Director Mental Health Services

Lindsay Farley

Responsible for the delivery of mental health services and alcohol and other drug programs across Central Queensland.

The operations of the health service are the subject of routine scrutiny from external agencies including but not limited to coronial inquests, Ombudsman's Office reports and the Crime and Misconduct Commission (CMC).

There were no formal investigations involving the health service completed during 2013-2014. An independent investigation involving safety systems was incomplete at the time of this report.

All health service clinical and business applications operate on a secure network and are password protected. A key strategy in the information systems development space is to increase the information available to healthcare providers by implementing an integrated electronic medical record in alignment with the national Personally Controlled Electronic Health Record. The health service has taken the first steps in this direction implementing key building blocks such as "The Viewer" which is available to authorised users and provides a single point of access where clinicians can view a range of important summary patient information across the health service. Regular access audits are undertaken to monitor appropriate use and management of information.

The health service is committed to upholding the Department of Health's strong commitment to improving record keeping practices and complying with the *Public Records Act 2002*, Information Standard 40: Record keeping and Information Standard 31: Retention and Disposal of Public records.

The Machinery of Government network Group has assisted with the transfer of records from the Department of Health to the health service.

The health service manages its administrative records in accordance with the requirements of the Public Records Act 2002 and relevant Information Standards (IS); IS 40 (Record keeping); IS 34 (Metadata); IS 31 (Retention and Disposal of Public Records) and IS 18 (Information Security).

The health service utilises an electronic system to manage all of the communications of its executive office.

All staff involved in the management of records are conversant with their obligations under the relevant acts including the *Information Privacy Act 2009*.

Records are securely stored to ensure that privacy and confidentiality requirements are met. The security is enhanced by electronic proximity security systems limiting access to the facilities that house records.

1.4.5. Medical Records

All patients and clients are registered on a patient administration system, with a unique identifier and medical Records are stored, managed and accessed in accordance with relevant legislation and standards.

Routine quality monitoring is undertaken, via a number of mechanisms, including manual and electronic audits. In accordance with the *Public Records Act 2002*, the intellectual control of approximately 850,000 clinical records was transferred from the Queensland Department of Health to the Chief Executive of CQHHS. Once transferred, the Chief Executive became responsible for the management and safe custody of these clinical records in accordance with s.8 of the *Public Records Act 2002* and Queensland Government Information Standard: 40 Record keeping and Queensland Government Information Standard: 31 Retention and Disposal of Public Records. The safety and security of these records are monitored via the Quality Management Framework and regularly reported to the Chief Executive.

Queensland legislation which ensures privacy and confidentiality protections for personal information and which is applied at CQHHS include:

- *Information Privacy Act 2009*
- *Information Privacy Regulation 2009*
- *Hospital and Health Boards Act 2011*
- *Hospital and Health Boards Regulation 2012.*

1.4.6. Risk management

CQHHS continually monitors and improves risk management practices across the region, enabling the delivery of effective, appropriate and efficient risk management across the clinical, corporate and governance environments. Within those environments, the health service undertakes to assess risk in alignment with the Risk Management - Principles and Guidelines Standard AS/NZS ISO 31000: 2009, which includes strategic risk, departmental, divisional, program and operational risk.

The health service Risk Management policy was established to ensure all staff will have knowledge of their level of accountability and responsibility in risk identification, assessment, reporting, treatment / control of risks as well as participate in management of risks across the organisation. Aligning with AS/NZS ISO 31000: 2009 Australian/New Zealand Standard - Risk Management and the Queensland Health Policy on Integrated Risk Management, the procedure describes risk escalation and reporting procedures to ensure risk is appropriately managed at all health service sites.

The Audit and Risk Committee is responsible for establishment and maintenance of a single Risk Register to capture all high level risk and reports and escalates risks to the health service Board.

In accordance with the health service Risk Management Policy, CQHHS risks are systematically raised, concluded or escalated as required.

Procedurally, all risks are reported through to the Health Service Management Board. Clinical risks are then reported through to the Board's Safety and Quality Committee. Human Resource related risks are reported through to the Board's Finance and Resource Committee and corporate and financial risks are reported to the Audit and Risk Committee.