

**Submission  
No 12**

**EXAMINATION OF THE AUDITOR-GENERAL'S  
PERFORMANCE AUDIT REPORTS JULY 2015 –  
JANUARY 2016**

**Organisation:** NSW Health  
**Name:** Ms Elizabeth Koff  
**Position:** Secretary  
**Date Received:** 24 November 2016

Ref: S16/608

Mr Bruce Neville Notley-Smith MP  
Chair, Legislative Assembly Public Accounts Committee  
Parliament House  
Macquarie Street  
SYDNEY NSW 2000

Dear Mr Notley-Smith

**Re: NSW Health response to Auditor-General's Performance Audit report  
*Activity Based Funding Data Quality***

I refer to your letter of 24 October 2016 seeking a submission from NSW Health on the response and implementation of the recommendations in relation to the Auditor-General's performance audit report on *Activity Based Funding Data Quality*.

Please find enclosed NSW Health's response on the implementation of the four recommendations made by the Auditor-General (Tab A).

If you have any further queries on the attached response, please contact Mr Paul Giunta, Director, Corporate Governance and Risk Management on 9391 9654 or via email [Paul.Giunta@moh.health.nsw.gov.au](mailto:Paul.Giunta@moh.health.nsw.gov.au).

Yours sincerely



Elizabeth Koff  
**Secretary, NSW Health**

18/11/16

IMPLEMENTATION OF RECOMMENDATIONS

Agency: NSW Health

Performance Audit - Activity Based Funding Data Quality

	RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
1	Commence an initiative to encourage and support Local Health Districts in developing local costing practice and procedure manuals to mitigate the risk of critical information loss should costing staff leave their jobs.	Accepted	NSW Health will address this work as part of a broader costing workforce	October 2016	<p><b>Status: Complete</b></p> <p>A working group of the Costing Standards User Group has been established to develop a local costing practice and procedure manual template to be incorporated into Cost Accounting Guidelines. Key principles have been established, including incorporation of a District and Network Return Checklist with space for local details to be easily added.</p>	ABF Taskforce
2	Continue to progress the implementation of the NSW Health ABF Internal Audit program for costing functions in Local Health Districts and assist Local Health Districts to address any resource issues	Accepted	NSW Health has an implementation program for the NSW ABF Internal Audit in progress which supports LHDs to meet this requirement.	October 2016	<p><b>Status: Complete</b></p> <p>An internal audit of the Local Health District and Specialty Health Network 2014-15 District and Network return (DNR) was conducted in late 2015 –January 2016. A peer review process has been conducted with feedback and learnings incorporated into the 2015-16 audit program.</p>	ABF Taskforce



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**TAB A**

	which may affect their ability to comply with this program.				The requirement for an annual audit of LHD/SHN DNRs is now embedded into Service Agreements between LHDs/SHN and the Secretary of Health and is a condition of subsidy.	
3	Conduct a review and risk assessment of feeder systems used for the collection and reporting of patient activity data.	Accepted	NSW Health will address this work as part of the implementation of the Data Quality Framework.	October 2016	<p><b>Status: Complete</b></p> <p>NSW Health has completed an Evaluation of the Data Quality Audit and Assurance Program which operated between 2011 and 2014. In addition, NSW Health has completed a design of the new Data Quality for Improved Performance Program (DQIPP), which included a risk assessment of activity data (including feeder systems used for the collection and reporting of patient activity data) in order to prioritise the focus of the DQIPP in year 1 (2016).</p> <p>Data Quality for Improved Performance Program (DQIPP) aims to assess the quality of a broad scope of data used across health care settings for multiple uses (including activity data from feeder systems used in the collection and reporting of patient activity data). It uses profiling techniques to conduct a risk assessment of data integrity and quality for high priority data elements, analytics techniques to develop a comprehensive understanding of the nature of those risks and profiling tools to provide LHDs/SHNs information on what actions</p>	Health System Information & Performance Reporting

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					<p>needs to be taken to address those risks.</p> <p>The program looks at data coverage, data standards and classifications, policies and procedures, data capture and collection, data edits and derivations, source system management and testing, timeliness, data compatibility, data integrity and aggregation, documentation, adaptability and relevance, and data quality.</p> <p>Additionally, the DNR Audit Program, implemented as a mandatory audit in 2014/15 includes a test for feeder data. Each year feeder systems are nominated to review and to date have included theatre, imaging and pharmacy.</p>	
4	<p>Assist Local Health Districts in addressing resource or capacity issues that may affect the clinical coding staff's ability to carry out regular coding audits.</p>	Accepted	<p>NSW Health will build on the Clinical Coding Workforce Enhancement Project, which included scholarship funding for the Certificate IV in Health Administration (Clinical Coding), through the launch of the NSW Health Education and Training Institute's (HETI's) Clinical Coding Training Space in 2015-16. This tool will provide a sustainable learning pathway for clinical coding education in NSW Health.</p>	October 2016	<p>Status: Ongoing</p> <p>The Clinical Coding Training Space (CCTS) was piloted between February and May 2016. Four Local Health Districts (LHDs) participated in the CCTS pilot (Murrumbidgee, Central Coast, South Western Sydney and Nepean Blue Mountains). Participants comprised of 15 clinical coders and 7 supervisors.</p> <p>The CCTS pilot data showed that potential benefits were recognised to organisations and their workforce. The pilot identified the need for system improvements and content</p>	<p>Health System Information &amp; Performance Reporting and Workforce Planning &amp; Development/HETI</p>



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					<p>enhancements to ensure consistent coding practices before performance improvements could be realised through usage of the CCTS.</p> <p>Next steps: By February 2017 – HETI will reconvene the steering group to consider the report recommendations. By June 2017 – HETI will prepare a proposal addressing the limitations of the product and make recommendations for consideration by the Ministry of Health (Workforce Planning and Development) regarding the next course of action.</p>	
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