

THE WORTHINESS OF CORPORATE GOVERNANCE IN PUBLIC SECTOR THE CASE OF PUBLIC HEALTHCARE SECTOR IN GREECE

Georgios K. Papachristou*, Michail K. Papachristou**

Abstract

The objective of this paper is to measure the worthiness which the compliance of governance norms will provide to public organizations. We introduce the principles of corporate governance that should characterize the function of public sector and our analysis focuses on public hospitals. Sending appropriate designed questionnaires to an adequate sample of Greek public hospitals, we measure and analyze the impact that the implementation of a corporate governance code would have to hospitals' administration, control system and communication with stakeholders. According to research's results the implementation of a corporate governance code by public hospitals could add value to the provided healthcare services.

Keywords: Corporate Governance, Greek Public Sector, Health, Public Hospitals, Healthcare Governance Code

*Central Military Accounting Centre of Athens, Ministry of Greek National Defence, Grevenon 31, Chalandri, Greece, PC 15234
Tel: +30 6937256716

Email: g_papachristou@hotmail.com

**Hellenic Air Force, Ministry of Greek National Defence, Grevenon 31, Chalandri, Greece, PC 15234

Tel: +30 6983524045

Email: mipapachristou@hotmail.com

1 Introduction

The latest political and economic circumstances which exist in global economy as a result of financial crisis, led to the quest and integration of new ways of enterprises' governance. The "vehicle" through which is being aimed the change of the way that the businesses are governed is the compliance of a "corporate governance" code. However, for the development of an operating economic environment, it is also necessary the expansion of corporate governance concept in public sector.

The objective of this paper is to measure the worthiness which the compliance of governance norms will provide to public organizations.

First of all, we introduce the principles of corporate governance that should characterize the function of public sector, presenting the organizational structure of Greek public sector and analyzing the subsequent benefits. Our analysis focuses on public hospitals due to the fact that the healthcare sector is a fundamental pillar in every society that requires special government policy. This work concludes by proposing a specific public healthcare governance code.

The assessment of the worthiness that the compliance of the proposed code can provide in the public healthcare services is searched and analyzed via adequate and appropriate designed questionnaires.

Our goal is to measure the impact that the implementation of a corporate governance code would have to hospital's administration, control system and communication with stakeholders.

2 Background

2.1 Corporate governance in public sector

2.1.1 Meaning and significance of public sector

According to international bibliography public sector is considered to be the economy's part which provides mainly civilians with services free of charge. Its composition vary by country to country, but almost to every country it's focused on the provision of health services, education, social care and on the safeguard of order and security not only inside but also outside the country's boards.

Each country's public sector consists an important and integral part, which opposed to private sector, provides services that benefit the whole society and not services that are addressed only to particular people or specific social groups.

However, the function of public sector is complex because of the participation of many bodies that differ each other to function, structure, size and their main goal. The proper function of public bodies could be achieved by better organization and

management, taking into consideration the private sector's entities and the applied corporate governance codes.

2.1.2 Corporate governance in private sector

In order to analyze the application and the importance of corporate governance to public organizations it is necessary the interpretation of the concept "Corporate Governance" in private sector.

Corporate governance is regarded to be a pluralistic sense and in order to be defined it is required the combination of diverse scientific fields (law, economics, business management, information systems management, audit). There are different definitions that are based either on the ownership status of Anglo-Saxon enterprises or on mainland European countries business models (Greece, France, Germany, Italy), a fact that has as a result the development of various definitions.

OECD tried to give a broader interpretation, defining corporate governance as the system via the companies are supervised and controlled (1999). More specifically, in order countries to evaluate and enhance their legal, institutional and regulatory framework that affects corporate governance, OECD formulated a series of principals, namely (a) Responsibility (b) Accountability (c) Integrity and (d) Openness.

2.1.3 Government governance or corporate governance in public sector

Combining the definition of public sector and the concept of corporate governance in private sector, we will try to propose a definition of corporate governance in public sector

Different models of governance are applied in every country, but also in organizations which operate in the same country. Due to the fact that public sector is very complicated, it is not feasible to be applied the same governance framework in every organization. However, based on the principals of corporate governance, that are referred below (2.2), we could define corporate governance in public sector as "*a procedure of management, administration of public funds and control, aiming to the satisfaction of stakeholders and the improvement of public organizations' function*".

2.1.4 Objective of the implementation of corporate governance in public sector

As a result of financial crisis that infests most of the countries during the last years, basically those of Mediterranean, it is a must the compliance of corporate governance principals and rules also in public sector.

The implementation of corporate governance in public organizations could improve their function and

as a consequence the state's financial position. Through proper management, administration and continuous control, either internal or external, it would be possible to be enhanced the efficiency of public organizations and the society's quality of life (better education, reduction of mortality, increase of per capita income).

Moreover, the implementation of corporate governance principles in public entities aims at the provision of high level quality services and the satisfaction of stakeholders.

2.2 Principles of corporate governance in public sector

The development of a common and generally accepted corporate governance framework, which could be applicable in whole public sector, is considered to be a very difficult mission, because there are significant differences among the organizations as it concerns structure, management, administration and control. Although, there are some basic corporate governance principles which are applicable to each organization.

2.2.1 Openness

Openness is thought to be the main pillar of each organization's function in order stakeholders to trust and consider reliable the administration of public funds. It is achieved by the community's information for every action via social media or public announcements. In addition, the use of generally accepted accounting standards (International Public Sector Accounting Standards) would ensure the openness of financial statements of public sector entities and would increase the reliability of financial information.

2.2.2 Integrity

Integrity consists of two factors; straightforward dealing and honesty. It is based on personal high level knowledge and education as it concerns the stewardship of public funds and resources, and also it is depended on specific standards of behavior and professionalism. Ensuring the integrity of the individuals within the entity, it is vital the role of internal audit system, because it prevents matters of fraud, bad administration and it points out matters of conflict of interests.

2.2.3 Accountability

Accountability might be the most important principle of corporate governance. It is managed by each entity's member having clearly defined role and responsibilities. In this way, stakeholders ascertain the proper function of state "machine" and the accountability to the individuals who do not serve the

objectives of public sector, but work for their own benefit.

2.3 Benefits of the implementation of the above principles

2.3.1 Management improvement

The implementation of the above corporate governance principles in public sector would contribute significantly on the improvement of management and administration. Based on these principles it would be feasible the creation of a specific business strategy framework applied by public organizations. In other words, defined objectives would be to implement within deadlines, a hierarchical pyramid would be developed into each organization and the personnel would work in accordance with clearly defined rules and job description.

2.3.2 Function

Taking into consideration the complaints for the public organizations' function during the last years (bureaucracy, unskilled employees), it is a necessity the adoption of certain rules and principles. Through this, the members of public organizations could have defined roles and responsibilities, a fact that could increase the state's efficiency and effectiveness. Also, it could help the management to develop a better control system and measure each employee's efficiency.

2.3.3 Confidence

As far as the organizations of public sector are characterized by openness, integrity and accountability, not only public sector but also government would take back and retain the public trust. As a result, the national economy and financial position would show a significant improvement due to the fact that the civilians would trust government and pay in time their taxes and other financial obligations.

2.3.4 Control and continuous improvement of public sector

As it is already noticed, the implementation of corporate governance principles would make personnel control and financial statements' audit a routine matter. The main objective would not be the suppression of fraud and mismanagement but their prevention. As a consequence the internal and external audit system of public organizations could have the opportunity to consult and give proper advice to managers. More specifically, the auditors would have the time to suggest better administration practices of public funds, ways of attracting investments and in

general would contribute decisively on the public sector enhancement.

2.3.5 Improvement of national profile

The implementation of the above corporate governance principles in broaden public sector would help to the adoption of a specific government policy and development of a certain strategy plan. In this way, the county's financial position and its image to international organizations and markets could be enhanced. As a result, more investments and development projects will be conducted, projects which will not have as a target the short-term and no-continuous development, but the long-term improvement of financial position and the enhancement of people's quality life. This could probably lead to the increase of capital markets' trust and the opportunity of lending, in emergency case, with low interest (e.g. Greece, Ireland).

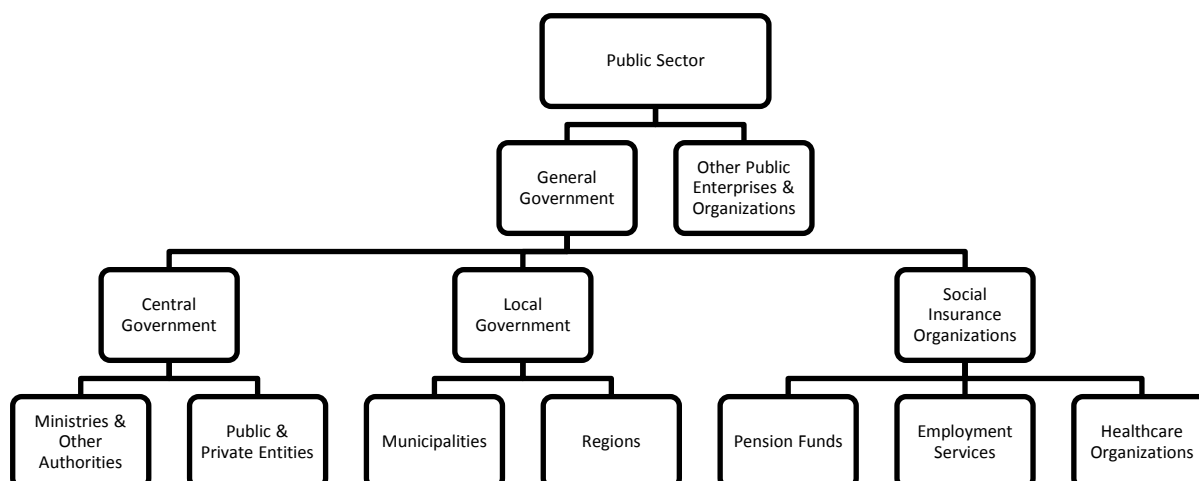
2.4 The structure of Greek healthcare public sector

2.4.1 Public sector in Greece

In general, Greek public sector has a complicated structure, as it is consisted of organizations, services and entities whose structure and function vary. The constitution of Greek public sector is supposed to be a mixture of ideas, principles and rules, which characterize Greece by the moment of its establishment as an organized state. Common target of these principles and rules is public service. Under this meaning, the composition of public sector and its classification to different public organizations and services, take into consideration firstly the constitutional factors, but mainly the functional goal of each organization. In other words, a public body aims at public interest, provides public goods and especially provides vital social services and goods to the society.

Considered all the above, Greek public sector is separated in two categories: General government and other enterprises and organizations which are out of general government. General Government is divided in three particular categories:

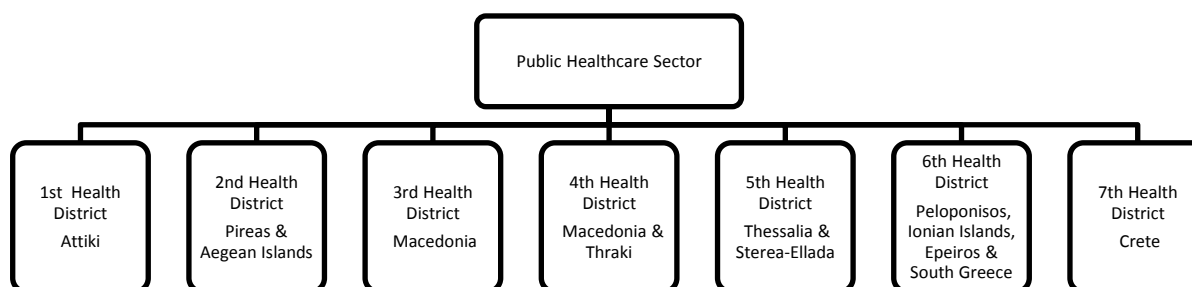
- Central government which includes the Parliament, Ministries, Decentralized Administrations, Independent Authorities and public and private entities.
- Local Government which includes regions and municipalities.
- Social Insurance Organizations which includes pension funds, employment services and healthcare organizations.

Figure 1. The structure of public sector

2.4.2 Public healthcare organizations

With the concept “healthcare services” we mean the provision of services by health suppliers, such as hospitals, doctors etc. Healthcare services are separated in hospital, outpatient and first aid services.

In Greece, these services are provided by a healthcare system which is consisted of 128 public hospitals and is organized in seven different healthcare districts. The objective of this structure is the most efficient hospitals’ control by the Health Ministry in order the necessities in healthcare materials and human resources to be dealt with immediately.

Figure 2. The structure of public healthcare sector

2.4.3 Public hospitals

A usual public hospital is managed by the Board of Directors and the Administrator who is mainly responsible for putting through the BoD’s decisions. Except them, hospital’s structure is consisted of three Services (medical, nursing, financial), an independent department (Intelligence Technology) and citizens’ helpdesk office.

2.5 Why corporate governance in public healthcare sector in Greece?

2.5.1 The social worthiness of public healthcare sector

Healthcare sector is the “cornerstone” of each governance policy. Public insurance aims principally at the provision of pension and healthcare services to people. Each society’s member demands from government to provide a satisfactory level of

healthcare services which should be public and represent civilians’ contributions to public funds. The care that government should show in order to provide qualitative healthcare services must be daily and as far as possible more personalized. To achieve this, public healthcare system must be well organized, managed effectively and adequately controlled. The objective of public healthcare services must be the human.

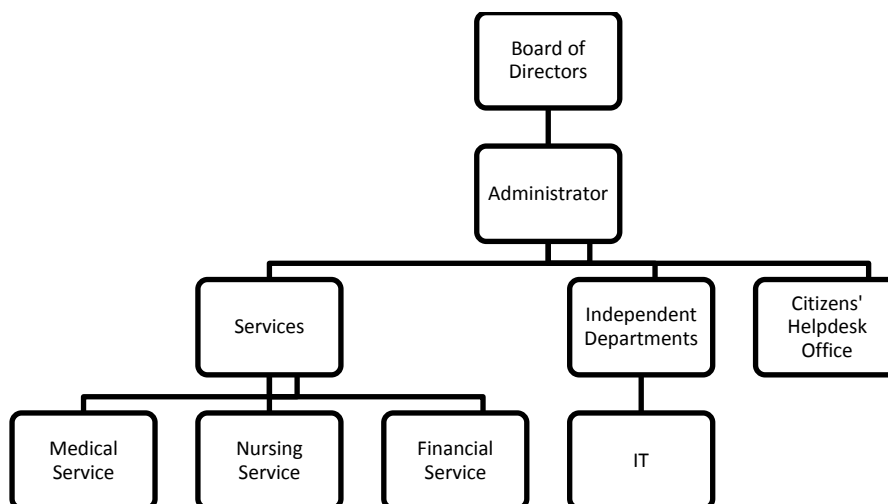
2.5.2 Incidents that have characterized in a negative way public healthcare sector

Although the importance of this social insurance sector was always and continue to be very particular, human’s trust who are the receivers of healthcare services, has negatively be affected by different incidents which happened in healthcare sector. History has recorded several cases of fraud, mismanagement, corruption, waste, political advisability, unskilled managers and wrong controls. As a consequence health system has a significant problem of financial

resources and it is required an absolute and effective reconstruction. However, the most important for

public healthcare sector is to regain human's trust.

Figure 3. The structure of public hospitals



2.5.3 Complexity in structure, function and law

The problems in public healthcare sector have created due to the fact that it is a complicated system, composed of many management levels, which is often characterized by lack of cooperation and ineffectiveness.

The operation of every hospital has main target to provide people with healthcare services. However, patient is not the only stakeholder in the existing health system. Health suppliers, doctors, personnel, administration and government are stakeholders too. So, hospital's function should take into consideration the requirements of each stakeholder.

Both European and Greek law has adopted special institutional rules which regulate public healthcare sector's structure and function. Although, the large number of laws, the latest financial changes and in general hospitals' function in a variable social and economic environment, create many problems of coordination, management and stewardship in every hospital. As a result, there is not a common way of function and the level of healthcare services differs significantly as far as it concerns the quality, effectiveness and efficiency by one hospital to another.

2.5.4 Financial cost

Healthcare services should certainly be a priority in every country and should also be given special interest to people in every way. However, another serious problem is health system's financial cost. The uncontrolled way of hospitals' function and the provision of unlimited healthcare services had as a result Greek public sector to create a huge financial cost and hospitals to owe to health suppliers. Specifically, it is worth to be referred that annually

public hospitals are sponsored in order to pay overdue debts, which have been caused by mismanagement, overpricing and health system's waste.

Healthcare sector is a really sensitive sector of national economy because of hospitals' necessities. For this reason, every country should give the required significance to health system. So, it is obvious that the containment of each country's fiscal aggregates comes in accordance with the fiscal aggregates of public healthcare sector.

2.5.5 Need for financial resources

Based on what we have already reported above (2.5.4) we conclude that hospitals' financial resources, either they derive from national budget or by internal hospitals' financial resources, should be managed as much as more efficiently. Healthcare sector's stewardship, especially in Greece where public dept is huge and hospitals owe much money, should be taken into consideration by each hospital's management. Expenses' streamlining, supply of medicine and healthcare materials by a central organization, development of economy scale, more efficient use of incomes, efficiency's and productivity's measurement of every hospital should be some of hospitals' objectives. In addition, these should also be objectives for the personnel and other stakeholders, so as hospitals to achieve to provide more qualitative and low cost healthcare services.

2.5.6 European framework of health provision

The necessity for quality healthcare services although it should be main objective of every country must also be a European objective at the same time. European citizens demand from their governments to provide healthcare services at least in a standard level

independently of the country in which they are nursed. European Commission should consider this demand expressed by the majority of European citizens in order to take action for the development of a commonly accepted healthcare services framework. To achieve this target, European Union should take action not only through directions, but also by providing the members with the necessary financial resources. Europe is a union and as a union should be presented in every social activity.

3 Proposing a specific healthcare governance code

The importance of a governance code for public hospitals has already been analyzed above. In general, a code should record the best corporate governance practices that a hospital follows both voluntarily and pursuant to the legislation in force.

Especially, this code aims at studying and adopting the best corporate governance practices that must be implemented by any contemporary hospital which belongs to European or even more international health system. In addition, it aims at improving the dissemination of information to stakeholders and also achieving effectiveness, efficiency and compliance with legislation. In other words, this code is a guarantee for hospital's best governance.

Taking into consideration all the above, the public hospitals' governance code must include at least principles and rules referred to:

- Board of Directors
- Control
- Stakeholders

3.1 Board of directors

As in private as in public sector, administration is the most important factor to organization's function. Because of the different structure and goal that each organization serves, it is unapplied the development of a commonly accepted organizational and functional framework. Below follows an analysis of the characteristics that in our opinion should have the public hospitals' administration.

3.1.1 Composition & size

The Board of Directors should be composed of the necessary number of members required for its effective operation and should be in accordance with hospital's size and activities. The BoD members must be marked by a high level of integrity, have diverse knowledge, qualifications and experience, so as to meet the hospital's objectives. In addition, if it's possible the BoD must be composed both of not executive and executive members.

3.1.2 Selection

The selection's procedure of BoD members should be based on meritocracy and objective criteria, such as high level of knowledge, management experience and appropriate qualifications. In order not to be affected the efficient hospitals performance, the succession of its members should be ensured.

3.1.3 Roles and responsibilities

Board of Directors is responsible for proper hospital's function, stewardship of assets and distribution of financial resources either they derive from budget or donations. Moreover, BoD members must care for fulfilling the objectives that have been set by the Administration and Ministry of Health, and also for giving proper attention to every patient. They must care for personnel's continuous training and take into account all parties whose interests are connected to or affected by the interests of the hospital.

Especially, BoD members are responsible for:

- The adoption of a strategic planning process which includes the definition of the vision, mission, annual and longer term objectives and agreeing plans.
- The formal approval and adoption of the annual report and hospital's financial statements.
- The implementation of an effective communication policy.
- The establishment of an effective system of internal control and information.
- The identification and monitoring of the principal risks and opportunities of the hospital and ensuring appropriate systems are in place to manage these risks.
- The identification and solution of existed or possible conflicts of interests.

3.1.4. Board of directors meetings

- BoD convene at hospital's location whenever it is necessary in order its effective performance to be secured. However, it should convene at least one time at the beginning of the year and one at the end so as both the annual strategic plan and the annual report to be decided.
- The BoD Chairman is in charge of the BoD meetings. Meetings could be arranged either by the Chairman or by member's demand.
- The BoD may also convene via teleconference.
- The BoD is in quorum when it is consisted of at least half plus one member and not below three.
- The BoD discussions and decisions are formally being recorded during the meetings and are certified by members after each meeting.
- The BoD ensures the fair and equal treatment of all stakeholders and their interests.

3.1.5 Role of BoD Chairman

The Chairman is in charge of the BoD. Except duties given by the BoD, he or she is also responsible for ensuring that all BoD tasks are organized properly and all meetings conducted efficiently. The Chairman is responsible for ensuring that the BoD members receive timely and proper information and that there is effective communication with all stakeholders.

3.2 Control

3.2.1 Risk management

Risk management can be defined as a measure of uncertainty and can be viewed as a process that aims at understanding the organizational objectives, identifying and assessing the risks and also developing and implementing programs or procedures to address identified risks.

Hospital's Board of Directors needs to ensure that effective systems of risk management are established as part of the framework of control. The governing body needs to identify internal and external risks on an ongoing basis so it can react to changes in an appropriate and timely manner.

Hospital's function in an environment that changes quickly enforces BoD to establish procedures to:

- Identify and assess the internal risks and opportunities attached to the different activities and resources of the hospital.
- Identify and evaluate new risks and opportunities arising from new objectives or external factors.
- Quantify potential liabilities and opportunities.
- Review past risks.
- Attempt to anticipate future risks and changes.

3.2.2 Internal audit

Internal audit is defined as an independent, objective, confirmatory and advisory procedure, designed to add value and enhance hospital's activities. It helps hospital to achieve its objectives, using a systematic and professional procedure for assessing risks, developing effective risk management procedures, high quality internal audit system and appropriate corporate governance.

Internal audit system includes all the procedures implemented by BoD, the Administration and the rest of hospital's staff and it aims at ensuring effectiveness and efficiency of hospital activities, credibility of financial statements and compliance to the applicable laws and regulations.

BoD must implement an effective internal audit system, with aim of safeguarding hospital's investments and assets. At the same time, BoD and Audit Committee must evaluate the adequacy and efficiency of internal audit system annually.

Moreover, it is required to certify with a written statement that the annual financial statements reflect hospital's financial position in an objective manner, and also that hospital's internal audit system is adequate and suitable.

Internal audit unit must operate objectively, must be independent from hospital's management and should apply acceptable audit standards and needs to have relevant documented procedures and other guidelines. Moreover, it needs to respect and cooperate with the BoD, Administration and Audit Committee.

The responsibilities of the Internal Audit Unit include:

- Record, critically review and control the hospital's internal audit and risk management system.
- Review the system of communicating financial and administrative information to hospital's Management.
- Confirm that the policies and procedures introduced with aim of meeting the hospital's objectives are implemented.
- Audit the hospital's accounting and information systems.
- Review the methods for safeguarding the hospital's fixed assets.
- Check whether the internal operation regulation is followed as well as renews it, as specified by hospital's BoD.
- Check whether remunerations and all kinds of benefits to members of Management and BoD are in accordance with national law and hospital's remuneration policy.

3.2.3 External audit

Hospital's BoD must ensure an objective and professional relationship with the external auditors. The responsibilities, duties, rights, remunerations of internal auditors and other audit matters must be documented at the beginning of hospital's audit.

Audit Committee is responsible for managing the relationship with the external auditors. In few words, Audit Committee's responsibilities include:

- Considering the appointment of the external auditor, the audit fee and any questions of resignation or dismissal.
- Considering the objectives and scope of any non-financial audit or consultancy work proposed to be undertaken by the external auditors, and reviewing the remuneration for this work.
- Discussing with the external auditors before the audit commences the scope of the audit, the internal audit system and the accounting information system.
- Discussing with the external auditors any significant issues from the review of the financial statements.
- Reviewing progress on accepted recommendations from the external auditors.

3.2.4 Audit Committee

Board of Directors needs to establish an Audit Committee with the responsibility for independent review of the framework of control and of external audit process.

The Audit Committee has as a mission to ensure the effectiveness of audit mechanisms, operation of risk management systems, compliance with the legislative and regulatory framework and effective application of hospital's governance code.

The Audit Committee consists of at least two non-executive members and one executive member of the BoD after BoD's proposition. Its members could be BoD's members, but in every case they need to be appropriately qualified and have adequate proven knowledge on accounting and audit. In addition, they receive appropriate information, advice and training to enable them to carry out their roles effectively.

To be fully effective, the Audit Committee must be independent of hospital's Administration. The main responsibilities of the Audit Committee include:

- Supervise hospital's internal audit system, assess the activities of internal and external auditors and ensure the cooperation of auditor's activities, independence, quality and performance.
- Evaluate the results of the auditing activities by reviewing the audit reports.
- Review and approve the Internal Audit Unit's work schedule.
- Recommend to Internal Audit Unit the performance of audit activities in order to investigate special issues.
- Evaluate internal auditors in collaboration with the Administration and BoD.
- Evaluate the independence and adequacy of external auditors in collaboration with the

Administration and BoD. Recommend or approve the hiring or removal of the chief external auditor.

- Hold meeting with external auditors and receive updates on their activities. Especially, receive reports from the external auditors on matters referent to the progress of the mandatory audits, the adequacy of the internal audit system and possible inadequacies of the financial information procedures.

- Evaluate the results of auditing activities and refer any significant matters to the hospital's BoD.

- Receive and assess financial reports and discuss the results with hospital's Administration and the external auditors or refer the results to BoD, if it's necessary.

- Evaluate if hospital's activities are in compliance with laws, regulations and governance code. Recommend any changes or improvements which could enhance hospital's efficiency.

3.3 Stakeholders

The reason for the existence of a public hospital is to provide as far as possible better healthcare services. At the same time, a hospital should also care for the satisfaction of stakeholders.

3.3.1 Who is stakeholder for public healthcare sector?

As we have noticed, public organization's stakeholders differ significantly from those of a private entity. However, there are differences from one organization to another, due to the fact that every organization has specific goals and affects different stakeholders.

Figure 4. Stakeholders



3.3.2 Communication with stakeholders

In order to secure stakeholders' satisfaction and confidence, public hospitals should develop a communication network based on openness and mutual trust. Additionally, the communication should be in time, on regular basis, comprehensible and well balanced. In this direction, special network systems should be used through which stakeholders will not be passive receivers but they could be able to react. In few words, stakeholders must be able to report their opinion, complaints or objections. In this way, there would be mutual understanding and confidence as each stakeholder will feel an active and creative hospital's part.

The communication system must include information for financial administration of public resources and their distribution, offered healthcare services and their quality, disclosure of mismanagement or fraud matters, complaints expressed by employees or patients, hospital's liabilities to health suppliers and insurance organizations, training programs and whatever hospital's administration considers important.

The bidirectional communication between Administration and stakeholders must be regular and at least one time every three months so as to be proper and timely. This communication could be formal or informal. Specifically, the Administration must publish the formal quarter report, keep an active web site and use media in order to achieve an interactive and constructive dialogue with stakeholders.

4 Research

Based on the above proposing healthcare governance code, we measure the value that the implementation of this code could add to public hospitals. Especially, we examine the effect that this code could provide to administration, control system and communication with stakeholders.

Our research held by the use of an appropriate designed questionnaire as it is presented in Appendix. Among the population of 128 Greek public hospitals, we chose a sample 28 hospitals by the method of simple random sampling. This choice and data analysis was made by R – programming.

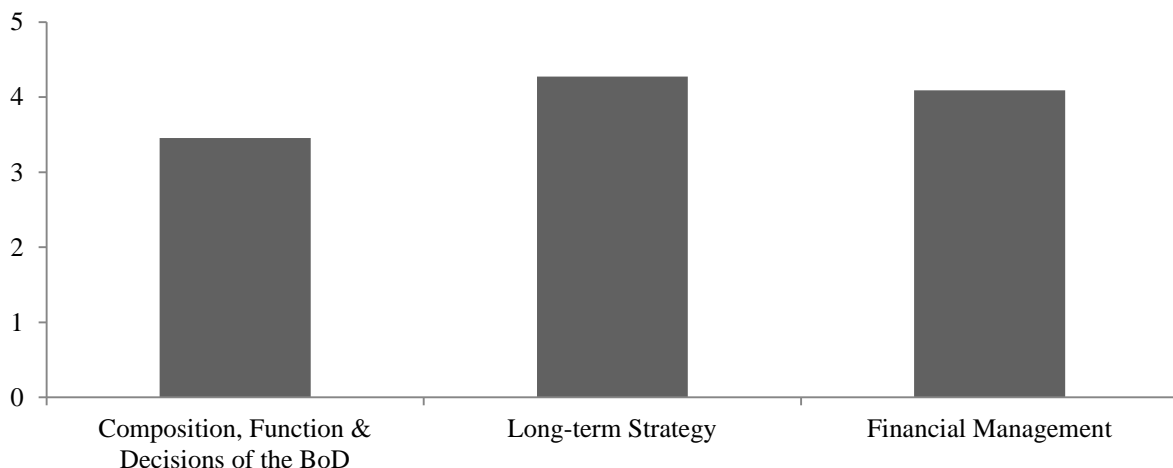
4.1 Data analysis and results

4.1.1 Administration

All the sampling hospitals answered that the development and implementation of a corporate governance code for hospitals could enhance their administration.

Examining the impact that the implementation of this code might have to different aspects of administration, it is observed that there will be enough improvement to the composition, function and decisions of the BoD. Moreover, it is estimated that there will be much improvement in hospitals' long-term strategy and financial management.

Figure 5. Impact to administration fields

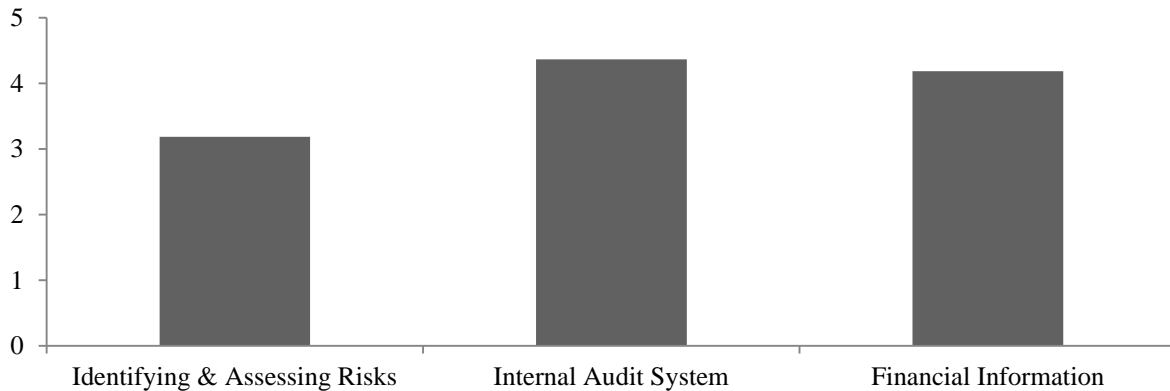


4.1.2 Control

Likewise, all sampling hospitals answered that the development and implementation of a corporate governance code for hospitals could enhance their control system.

In the selected fields of control system, according to our research it is estimated that there will be enough impact to control system's capability to identify and assessing risks. However, it is predicted that the internal audit and financial information system would show much improvement.

Figure 6. Impact to control system

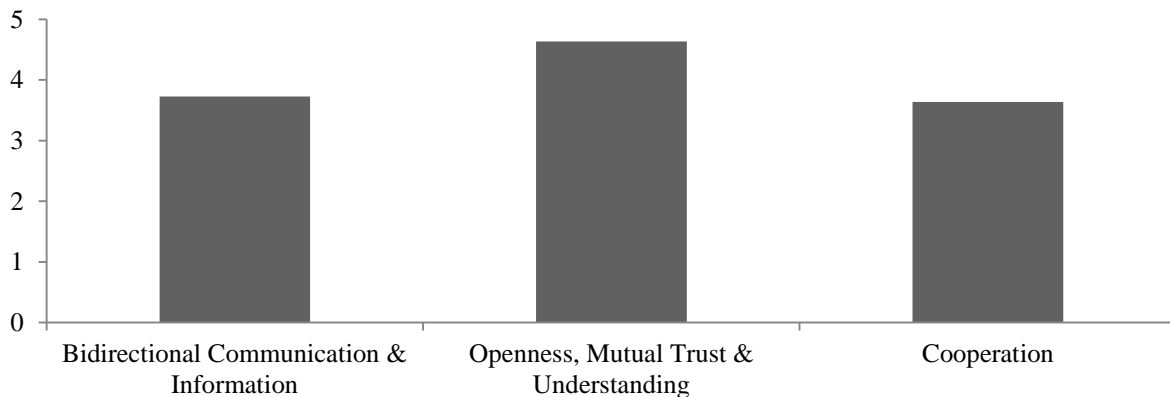


4.1.3 Communication with stakeholders

Respect to the communication with stakeholders, all sampling hospitals also predicted a positive impact owing to the development and implementation of a corporate governance code.

According to research’s results, it is expected enough or much improvement in bidirectional communication and information between hospitals and stakeholders, and also the same results are expected for their cooperation. However, it is estimated that there will be very or very much enhancement to openness, mutual trust and understanding.

Figure 7. Impact to the communication with stakeholders



Finally, all sampling hospitals consider that the development and implementation of a corporate governance code for public hospitals could add value to the provided healthcare services.

5 Conclusions

After reviewing the meaning and importance of public sector, so as its structure and target, it is understood that public sector needs to be managed with openness, integrity and accountability. The effort must be focused on ways that could develop an efficient and effective public administration.

Corporate governance in public sector was defined as “a procedure of management, administration of public funds and control, aiming to the satisfaction of stakeholders and the improvement of public organizations’ function”. The implementation of corporate governance principles

(openness, integrity, accountability) would enhance the public management, public sector would earn people’s trust and as a consequence there will be an improvement of national profile.

Public healthcare sector is supposed to be the “cornerstone” of each governance policy in order to provide satisfactory and qualitative healthcare services to each person. To achieve this, public healthcare system must be well organized, managed effectively and adequately controlled.

A corporate governance code for public hospitals should be developed in every country. The principles, rules and directions of a corporate governance code should mainly focus on the Board of Directors, control system and stakeholders. Their implementation can have positive impact to different fields of hospital’s administration, control system and communication with stakeholders.

The implementation of a corporate governance code by public hospitals could add value to the provided healthcare services.

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Appendix A. Questionnaire

Subject : The Worthiness of Corporate Governance in Public Healthcare Sector
 Researchers : Georgios Papachristou & Michail Papachristou
 Communication : Tel. 6937256716, Fax: 210-6553871, g_papachristou@hotmail.com

Corporate governance in Public Sector could be defined as “a procedure of management, administration of public funds and control, aiming to the satisfaction of stakeholders (Ministries, Civilians, Suppliers, Media, Personnel, Insurance Organizations) and the improvement of public organizations’ function”.
 This survey examines the development of a code that describes the principles and rules which should characterize hospital’s administration, each department’s function and personnel’s behavior.

PART A

The development and implementation of a corporate governance code for public hospitals could enhance their function to the below sectors?

A. Administration	YES	NO
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In case of positive answer, please define from 1 to 5 (1-none, 2-few, 3-enough, 4-much, 5-very much) the impact to the below:

a. Composition, Function and Decisions of the BoD	1	2	3	4	5
b. Long-term Strategy	1	2	3	4	5
c. Financial management	1	2	3	4	5

B. Control System	YES	NO
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In case of positive answer, please define from 1 to 5 (1-none, 2-few, 3-enough, 4-much, 5-very much) the impact to the below:

a. Identifying and Assessing Risks	1	2	3	4	5
b. Internal Audit System	1	2	3	4	5
c. Financial Information	1	2	3	4	5

C. Communication with Stakeholders	YES	NO
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In case of positive answer, please define from 1 to 5 (1-none, 2-few, 3-enough, 4-much, 5-very much) the impact to the below:

a. Bidirectional Communication & Information	1	2	3	4	5
b. Openness, Mutual Trust & Understanding	1	2	3	4	5
c. Cooperation	1	2	3	4	5

PART B

The development and implementation of a corporate governance code for public hospitals could add value to the provided healthcare services?

YES	NO
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Thank you for your cooperation!