

FOLLOW UP OF THE AUDITOR GENERAL'S 2012 FINANCIAL AUDIT REPORT

Organisation: NSW Ministry of Health
Name: Dr Mary Foley
Position: Director General
Date Received: 28/06/2013



Health

D13/473
Your Ref: LAC13/205

Mr Jonathan O'Dea MP
Chair
Public Accounts Committee
Legislative Assembly
Parliament of New South Wales
Macquarie St
SYDNEY NSW 2000

Dear Mr O'Dea

Thank you for your correspondence requesting a submission from the NSW Ministry of Health in relation to a number of recommendations made in the Auditor-General's 2012 report.

The Ministry has prepared the attached response with an update of actions taken to implement these recommendations.

Should you wish to discuss this matter further, the person to contact within the NSW Ministry of Health is Mr John Roach, [REDACTED]

Yours sincerely

[REDACTED]
Dr Mary Foley
Director General

Encl

17-6-2013

NSW Ministry of Health
ABN 92 697 899 630

73 Miller St North Sydney NSW 2060
Locked Mail Bag 961 North Sydney NSW 2059
Tel. (02) 9391 9000 Fax. (02) 9391 9101
Website. www.health.nsw.gov.au

TAB A

2012 Financial Audits – Implementation of repeat recommendations

RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
<p>1 Local health districts and the Sydney Children's Hospitals Network should:</p> <p>a) Finalise reviews of all special purpose accounts to confirm the nature and intended use by 28 February 2013.</p> <p>b) Record the actual intended use of each account in a central repository.</p> <p>c) Analyse and understand why some special purpose accounts had nil or few transactions during 2011-12.</p> <p>d) Provide the Ministry of Health with a report, in a format to be specified, on the results of reviews by 31 March 2013, signed by the Chief Executive.</p> <p>e) Arrange appropriate approvals to move funds from special purpose accounts to the Public Contributions Trust Fund, to help the delivery of health services, by 30 June 2013.</p>	Accepted	<p>The Ministry wrote to all Local Health Districts (LHDs) and the Sydney Children's Hospital's Networks (SCHN) to complete the review of Special Purpose & Trust fund documentation by no later than 31 March 2013.</p> <p>LHDs and the SCHN have:</p> <ul style="list-style-type: none"> provided advice to the Ministry on outcomes of the review; established and maintained a central repository of information related to the nature and intended use of the vast majority of funds; and provided advice to the Ministry regarding actions LHDs / SCHN can take to consolidate, where appropriate, funds into the Public Contributions Trust Fund. <p>Although the scheduled actions have been taken, further work is now required which is programmed for completion by 31 December 2013, that is:</p> <ul style="list-style-type: none"> determining transfers between special purpose accounts that satisfy donor imposed restrictions. establishing actions required 	<p>31/03/13</p> <p>31/03/13</p> <p>31/03/13</p> <p>31/03/13</p> <p>31/12/13</p>	<p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>On track</p>	<p>Local Health Districts / Sydney Children's Hospitals Network</p> <p>Local Health Districts/ Sydney Children's Hospitals Network/Ministry of Health</p>

			<p>regarding dormant funds through resolution with the consolidation office/public trustee.</p> <p>Better informing the Forward Estimate processes of LHD's, the SCHN and the Ministry to incorporate due consideration of available balances and the conditions attached to such monies.</p>			<p>Local Health Districts/ Sydney Children's Hospitals Network/Ministry of Health</p>
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RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TAKEN	DUE DATE	STATUS (completed, on- track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
2 a) The Ministry of Health and health entities must further improve how they record, reconcile and confirm intra-health transactions and balances with each other. They should reconcile and agree intra-health balances every quarter.	Accepted	Commencing October 2012 and then quarterly thereafter, Local Health Districts and other controlled entities are required by the Ministry to reconcile and certify their indebtedness to each other. The certifications will be reviewed by the Ministry with follow-up with Local Health Districts to occur.	30/06/13	Underway, on-going and on track.	Local Health Districts / Sydney Children's Hospitals Network / NSW Ministry of Health
b) The Ministry of Health should be more active in reviewing, reconciling and following up intra-health discrepancies.	Accepted	In addition to 2(a) above and 2(c) below, as part of the March 2013 early close process, the Ministry required each health entity to provide a reconciliation and certification of intrahealth indebtedness between health entities. This will allow the Audit Office, the Ministry and Health entities to evaluate the effectiveness of the process and enable any corrective actions to be implemented prior to 30 June 2013.	31/03/13	Completed	Local Health Districts / Sydney Children's Hospitals Network / NSW Ministry of Health
c) All health entities should request, and respond to, intra-health confirmations on a timely basis.	Accepted	The Ministry engaged an independent external consultant to conduct a statewide survey of processes related to intra health transactions. Findings of the review have been shared with LHDs and improvement sought. Major system upgrade to accounting software will come into effect in October 2013, which will significantly improve the intra health reconciliation process.	31/12/12 01/10/13	Completed On track	NSW Ministry of Health HealthShare NSW