

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Supplementary Budget Estimates 2011-2012, 21 October 2011

Question: E11-233

OUTCOME 8: Indigenous Health

Topic: FINANCIAL INVESTIGATION INTO THE TOWNSVILLE ABORIGINAL AND ISLANDER HEALTH SERVICES

Written Question on Notice

Senator Adams asked:

Concerning the direct contract to Australian Indigenous Business Services Pty Ltd to conduct a Financial Investigation of Townsville Aboriginal & Islander Health Services Ltd (30/05/2011 - 30/07/2011* Direct \$74,983.48)

- a) What prompted this investigation?
- b) What was the finding?
- c) What action will be taken as a result of this investigation?

Answer:

- a) The investigation was prompted by concerns about management of program funds and governance issues, identified through normal contract management processes including analysis of the organisation's Audited Financial Statements, and the Department's regular Risk Assessment Process.
- b) The investigation recommended the appointment of a Funds Administrator due to: concerns about Townsville Aboriginal and Islander Health Services Ltd (TAIHS) capacity to manage Departmental funds; significant breaches of the Funding Agreement; a need for professional assistance and advice to the organisation and board; and the potential for service delivery to be compromised due to mismanagement or governance conflicts within the organisation.
- c) Australian Indigenous Business Services Pty Ltd (AIBS) was appointed to provide Funds Administration and Forensic Auditing services at TAIHS from 21 July 2011.

* Note: the contract period was 30/05/2011 to 31/07/2011.