

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Supplementary Budget Estimates 2011-2012, 21 October 2011

Question: E11-235

OUTCOME 8 : Indigenous Health

Topic: FINANCIAL REVIEW OF THE MALABAM HEALTH BOARD BY DELOITTE  
TOUCHE TOHMATSU

Written Question on Notice

Senator Adams asked:

Financial review of the Malabam Health Board by Deloitte Touche Tohmatsu – refers to answer to Question E11-390 Attachment A concerning the open contract to conduct a financial review of the Malabam Health Board (10/05/2010 31/07/2010 Open \$65,356)

- 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 Department identified concerns about the organisation's financial management capacity and about the adequacy of service delivery, following receipt of financial reports on both Aged Care and Health programs administered by the Malabam Health Board. These reports highlighted significant underspends of program funds as well as some over expenditure on a number of items outside of the agreed budget.
- b) Deloitte Touche Tohmatsu found no evidence of funds being used for purposes outside of the Funding Agreement but did identify a range of excessive expenditure on specific items. Their report also expressed significant concerns regarding the organisation's solvency.
- c) A funds administrator was appointed for three months from 18 October 2010 to 21 January 2011 to administer Malabam's program funds; train staff in financial processes, to ensure future compliance with the Funding Agreements; and assist with necessary recruitment to strengthen governance and management capacity.