Appendix two – Status of 2016 recommendations

Last year's Auditor-General's Report to Parliament on the Health cluster included 11 recommendations for the cluster entities.

Recommendation	Current status	
Ministry of Health and NSW Health entities		
The Ministry should issue guidance as soon as possible and work with each health entity to determine what should be done with dormant Restricted Financial Assets or funds whose purpose is unclear. Health entities should arrange appropriate approvals to move funds from Restricted Financial Assets to the Public Contributions Trust Fund.	The Ministry issued guidance in October 2017 to help determine what should be done with dormant Restricted Financial Assets or funds whose purpose is unclear. The Ministry has requested health entities provide quarterly status reports on applications it has made to use dormant Restricted Financial Assets for other purposes.	⊖
NSW Health entities		
Health entities should ensure they have appropriate information technology controls including: • establishing formal IT policies and periodic reviews of accounts with access to critical financial systems • approving IT policies with guidance on password parameters • ensuring all sensitive information is encrypted.	Health entities continue to implement policies and periodic reviews to target information technology access controls. Weak user administration processes at health entities accounted for most IT issues identified in 2016–17, however the number of IT issues has decreased. Refer to the financial reporting and controls chapter.	⊖
Health entities should continue reviewing the approach to managing excessive annual leave in 2016–17. They should: • monitor current and projected leave balances to the end of the financial year on a monthly basis • agree formal leave plans with employees to reduce leave balances over an acceptable timeframe.	In 2016–17, the number of employees with excess leave decreased. NSW Health advise they implemented State-Wide Management Reporting Services to monitor employees' current and projected leave balances. Managing excess annual leave is raised at statewide Executive Forums and reported regularly as part of health entities' service agreements with the Ministry. The 2016–17 audits identified some health entities have not agreed formal leave plans with employees to reduce leave balances to an acceptable level. Refer to the financial reporting and controls chapter.	⊖
Health entities should: • ensure timesheets are approved by supervisors before pay runs are completed • subsequently approve timesheets that were pre-approved or force approved • ensure access rights to approve and amend timesheets is only granted to delegated officers • review rostering and leave recording practices and address control weaknesses.	With the implementation of HealthRoster, health entities have established practices to ensure access rights to approve and adjust timesheets are only granted to delegated officers. Despite of this, unapproved employee timesheets continue to be a problem for health entities. The 2016–17 audits identified many timesheets were not approved before pay runs were completed in some health entities. Refer to the financial reporting and controls chapter.	⊖
Health entities should discourage Visiting Medical Officers (VMOs) from submitting claims late by discounting them as allowed under the VMO pay determination.	Most health entities advise they are discounting late claims as allowed under the VMO pay determination.	⊖

Recommendation	Current status	
Health entities should work with eHealth NSW to ensure sufficient resources are dedicated to information technology change management.	Most major IT projects have not experienced further delays to completion. However, continued investment in information technology change management programs within health entities is required. Refer to the financial reporting and controls chapter.	⊖
The Secretary of NSW Health and health entities should finalise service agreements by 31 July each year.	Most of the service agreements between the Secretary of NSW Health and health entities were signed earlier than prior years. Refer to the service delivery chapter.	⊖
Health entities should take action to fully comply with the NSW Health Enterprise Risk Management policy directive. Progress should be reported to Audit and Risk Management Committees.	Most NSW Health entities report full compliance with the NSW Health Enterprise Risk Management policy directive.	⊖
Relevant Chief Audit Executives should review their health entity's 2015–16 conflict of interest registers to ensure they are complete, all actions have been addressed, trends analysed, and instances requiring action followed up.	Health entities reported the Chief Audit Executive has reviewed their health entity's conflicts of interest register.	✅
NSW Ambulance		
NSW Ambulance should continue to implement and monitor targeted human resource strategies to address the challenges it faces managing sick leave.	NSW Ambulance continues to implement and monitor targeted human resource strategies to reduce sick leave taken. Despite significant efforts, it continues to have the highest average sick leave rate, across the health sector, higher than the NSW Health average. Refer to the financial reporting and controls chapter.	❗
NSW Ambulance should continue to review the effectiveness of its strategies and rostering practices to reduce excessive overtime payments.	NSW Ambulance advises it is reviewing the effectiveness of its strategies and rostering practices to reduce the different overtime categories. Despite significant efforts, overtime payments continue to be significantly higher than other health entities. Refer to the financial reporting and controls chapter.	❗

✅ **Fully addressed**   ⊖ **Partially addressed**   ❗ **Not addressed**