



Reporting and Compliance Monitoring System for the Health and Hospitals Fund – Department of Health & Ageing

The \$5 billion Health and Hospital Fund (HHF) was established in 2009 by the Australian Government as part of its broader nation-building infrastructure program.

The objectives of the HHF, while not replacing State and Territory effort, are to:

- invest in major health infrastructure programs that will make significant progress towards achieving the Commonwealth's health reform targets
- make strategic investments in the health system that will underpin major improvements in efficiency, access or outcomes of health care.

Under the HHF, the Department of Health and Ageing will have upwards of 150 projects for which it had provided funding ranging from \$500k to almost \$500 million. The rapid expansion and announcement of further funding rounds for the HHF program meant that the Department required a mechanism for reporting on progress of the projects and monitoring compliance with the conditions of funding and Federal, State and Local regulations.

Evans & Peck's role

The Department engaged Evans & Peck to conduct a review of the HHF program and to provide recommendations around the development of a reporting and compliance monitoring system.

The Evans & Peck recommendations adopted a risk-based approach to the development of a high-level reporting and compliance management process. This involved:

- tailoring specific project monitoring and compliance systems to the project management capability of the funded organisation and the specific risk profile of the project
- identifying key risks across the HHF program and developing key performance indicators to measure these risks to inform reporting and monitoring requirements

- developing reporting systems that recognise accountabilities for project outcomes sit with the funded organisations, but provide assurance to the Department on the status of key program wide risks
- to the greatest extent possible, leveraging existing project management and reporting systems of funded organisations
- developing an on-line reporting portal to allow ease of access and to simplify the reporting process
- providing recommendations to embed the reporting and compliance monitoring processes in the agreement negotiation stage for future HHF projects.

Results

In February 2011, the HHF Advisory Board endorsed the recommendations in the Evans & Peck report. In late March 2011, the Department approached Evans & Peck to assist with the roll-out and implementation of the recommendations which included the development of an on-line reporting portal, the creation of a Centre of Excellence and the procurement of a Panel of Independent Certifiers.

FACTS AND FIGURES

Client: Federal Department of Health and Ageing

Portfolio value: \$5 billion

E&P involvement: 2010-2011

Developing systems for government to monitor progress of major infrastructure projects and compliance with funding conditions



POLICY AND STRATEGY

Reporting and Compliance Monitoring System for the Health and Hospitals Fund – Department of Health & Ageing (continued)

Our team provided strategic advice and support in developing the processes, development plans, development program and supporting documentation.

This support allowed the HHF Capital Works Reporting System to go live on 12 May 2011 and facilitated the development, structure and resourcing of the Centre of Excellence – Capital Works which was established within the Office of the Chief Financial Officer.

It also enabled the development of the Funding Agreement for the Round 3 of the HHF and the development of the suite of procurement documentation for the nationwide procurement of a Panel of Independent Certifiers.

Evans & Peck was further approached by the Department to develop a review of the post project evaluation and compliance regime for Medical Research Infrastructure projects (nine of which were funded by the HHF) and to develop a reporting template which captured the objectives and measured the outcomes around the funding, development and use of this specific form of infrastructure.

