

Non Government Organisation Grant Program - Operation Guidelines

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Summary Provides an overview of NSW Health and the funding criteria for the Non Government Organisation (NGO) Grant Funding Program. Sets out the administrative framework for the operation of the NGO Grant Program.

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This Policy Directive may be varied, withdrawn or replaced at any time. Compliance with this directive is **mandatory** for NSW Health and is a condition of subsidy for public health organisations.

Non-Government Organisation Grant Program - Operational Guidelines

PURPOSE

NSW Health Non-Government Organisation (NGO) Grant Program offers financial assistance to organisations for the provision of specified health services and projects in NSW for the people of NSW.

The attached Operational Guidelines apply to the administration and management of the NGO Grant Program and aim to ensure consistent funding practice across NSW whilst encouraging effective service provision which is responsive to local and regional community and consumer needs.

This policy does not cover circumstances where the Department of Health and Local Health Districts seek to contract out the provision of health services through a formal tendering process, involving the execution of a formal contract for the services.

Under the NGO Grant Program NGOs have their grants administered and funded services monitored by the Local Health Districts where the NGOs are located. This includes NGOs which provide services to a local, regional, and statewide client base.

There are, however, a small number of NGOs including peak organisations, NGOs which are funded to provide policy input to the Department and NGOs funded under specific Programs that have their funding administered and services monitored by the Department.

MANDATORY REQUIREMENTS

Chief Executives are required to have processes in place to ensure the NGO Grant Program is administered and managed in accordance with the operational guidelines.

IMPLEMENTATION

Roles and responsibilities of the Minister for Health, Department of Health, Local Health Districts and Non-Government Organisations under the NGO Grant Program are detailed in Section 3 of the Operational Guidelines.

This version is an interim revision of the Non-Government Organisation Grant Program - operational guidelines. Changes to the document include the following:

- Revision of Section 6.2: Finance (pages 22-24)
- Changes in wording to reflect the establishment of Local Health Districts within the NSW Health system

The Non-Government Organisation Grant Program - operational guidelines will be further revised to reflect the recommendations of the completed NSW Health NGO Review.

REVISION HISTORY

Version	Approved by	Amendment notes
July 2011 (PD2011_049)	Deputy Director- General Strategic Development	Replaces PD2005_583 as an interim revision updating section 6.2 and organisation name change to Local Health District
July 2000 (PD2005_583)	Director-General	Re-release of the Non-Government Organisation Grant Program - operational guidelines as approved August 2000.

ATTACHMENTS

1. Non-Government Organisation Grant Program - Operational Guidelines

NSW HEALTH

OPERATIONAL GUIDELINES

Non Government Organisation Grant Program

JULY 2011

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1. INTRODUCTION

1.1 Overview of NSW Health

The NSW Health system comprises a complex mix of public and private provision of health services and public and private finances. Federal, State and local governments are involved in policy development, financing, planning and delivery of health services.

The role of NSW Health is to support the Minister for Health in carrying out the duties of office in promoting, protecting, developing, maintaining and improving the health and well-being of the people of New South Wales to the maximum extent possible having regard to the financial and other resources available to the State.

The purpose of NSW Health is to enable the people of NSW to have "Better Health Good Health Care". In "Strategic Directions for Health" the Department has set four goals to achieve this purpose. The goals are:

- * Healthier people
- * Fairer access
- * Quality health care
- * Better value

Within NSW Health, there is the Department of Health focussing on policy development and evaluation and Local Health Districts which are responsible for delivering the health services to meet the health needs of populations within their defined boundaries. The devolution of responsibility for service delivery and management to these local levels has allowed the health system to change and provide quality services appropriate to the needs of the community. Health funding for the people of NSW is distributed to a number of sources, with the majority of funding going to the Local Health Districts to provide health services through hospitals and community based services.

1.2 Non Government Organisation (NGO) Grant Funding Program

NSW Health provides a wide range of health services to the people of NSW. Within this diversity of activities, a variety of health services may be provided by the NGO sector, for which financial assistance is available.

NGOs are community based, not-for-profit organisations which exist independently of State Government Departments and instrumentalities but which may receive financial or other assistance from these for the provision of services required by the Government. Non government organisations are independent incorporated organisations with their own management structures which are responsible for the operation of those services. The NGO sector is a complex mix of agencies of varying size incorporated under various legislation and with a plethora of objectives, but all serve the community in one form or another.

Through being close to the community, NGOs are sensitive to new issues and changing

community needs and are well placed to develop innovative forms of service delivery.

In many instances they may act as an advocate for their clients and frequently provide services to those groups who may experience difficulty accessing mainstream health services. The skills and professional base of the NGO sector are a valuable part of the health system, bringing their expertise in community development, social research and community consultation.

NSW Health NGO Grant Funding Program offers financial assistance to eligible organisations for the provision of specified health services and projects in NSW for the people of NSW.

Funding assistance is generally available to meet the core costs of the specified health service or project. This includes necessary recurrent costs (direct and indirect) but would normally exclude capital funding other than as a limited component eg equipment, motor vehicle. Funding is generally not available for major capital items such as building projects.

NGOs meeting the requirements outlined in these Guidelines will be eligible to be considered for funding assistance. Preference may be given, subject to the availability of funds and the priority of identified health need, to NGOs which cannot generate or have limited ability to obtain funds from any other sources.

These Guidelines apply to the administration and management of the NGO Grant Program and aim to ensure consistent funding practice across NSW whilst encouraging effective service provision which is responsive to local and regional community and consumer needs.

These Guidelines do not cover circumstances where the Department of Health and Local Health Districts seek to contract out the provision of health services through a formal tendering process, involving the execution of a formal contract for the services. NGOs are eligible to tender for such service provision. However, this process is separate to, and does not form part of, the NGO Grant Program.

Under the NGO Grant Program NGOs have their grants administered and funded services monitored by the Local Health Districts where the NGOs are located. This includes NGOs which provide services to a local, regional and in some cases, a statewide client base.

There are, however, a small number of NGOs including peak organisations, NGOs which are funded to provide policy input to the Department, NGOs funded under specific Programs and a number of NGOs whose future roles and functions are under consideration by the Department that have their funding administered and services monitored by the Department.

NSW Health is committed to comprehensive and effective consultation with the NGO

sector. In this regard, any proposed major policy and program changes to the NGO Grant Program will be the subject of a consultative process.

1.3 Program Aims

The aims of the NGO Grant Program are in keeping with primary health care principles:

- * To support models of health service delivery developed by local communities which maximise access and support community participation;
- * To build self reliance and responsibility for health at a personal and community level by the development of networks and self help initiatives; and
- * To ensure a range of complementary health services which provide ease of continuity of care and efficiency in the use of local resources;
- * To assist NGOs to provide a range of priority health services.

2. FUNDING CRITERIA

Non government organisations are welcome to consider applying for funding under the NGO Grant Program. Due to the range and diversity of the NGOs applying for funding, the funding criteria are broad and include three categories:- those which are requirements or prerequisites for applying for funding; those which are criteria against which applications are considered; and those which are exemptions under the funding program.

To be eligible for funding, the following are requirements which must be met by the organisation applying for funding :

2.1 Within Legal Constraints

Organisations must have the capacity to comply with all legal, legislative and regulatory requirements relating to the operation of health funded services. NSW Health will not knowingly provide new or continuing funding to agencies which do not comply with, or do not have the capacity to meet all such requirements. Examples include, restrictions or requirements provided by fire regulations; the Anti-Discrimination Act; the relevant Occupational Health and Safety Legislation; award and industrial requirements; or, health professional registration requirements.

2.2 Legal Status of Agency

A requirement for successful funding is that the submitting agency is a **not for profit** organisation established under the Association Incorporation Act 1984, the Co-operatives Act 1992, the Aboriginal Councils and Associations Act 1976, Corporation Law or in another form considered appropriate by NSW Health.

Applications will also be considered from organisations which can provide evidence of a current application for incorporation.

2.3 Compliance with a Formal Funding and Performance Agreement

Agencies granted funding will be required to comply with the General Conditions of Grant (see Appendix 1) and enter into a Funding and Performance Agreement with the Department of Health or Local Health District. While the funding part of the agreement will not vary greatly between organisations, performance agreements will be unique to each organisation.

2.4 Capacity to Provide Services

Organisations applying for funding need to demonstrate that they have the resources, infrastructure and technical capacity to deliver the services to acceptable standards. These standards cover such things as clinical care, accommodation, training, management expertise and safety of operations.

The onus is on the submitting organisations to demonstrate an awareness of the standards that apply to the areas of operation, to have the capacity to meet these standards and have procedures in place to measure, monitor and report on compliance to these standards.

2.5 Organisational Capacity

Organisations applying for funding are required to demonstrate that they have the capacity to plan service delivery, set clear measurable and achievable objectives including qualitative objectives that are linked to a time period and highlight the strategies which the organisation will apply to achieve these objectives.

Organisations may identify whether they can provide other funding for the project/service to enhance the project/service.

2.6 Complaints Procedures

Organisations need to demonstrate that there are policies and protocols in place which inform their clients of their right to make a complaint about any service delivered by the organisation.

The following are criteria against which applications will be considered:

2.7 Within Health Portfolio and identified Priority Health Needs

The range, diversity and extent of potentially funded services is beyond the capacity of the State's health budget. This means that only those NGOs that provide services within a priority health category and are targeted towards a health need identified through the Department's and the Local Health District's planning processes as a priority will be eligible for funding.

Services should therefore be aimed at the priority health needs of the people of NSW and have as their goals the four principal goals of NSW Health. These are improving health; improving equity of access; and improving quality of care and service.

Where Health funds are requested by an organisation already receiving funding from another Government Department, the specific health objectives to be achieved and the specific services to be provided need to be clearly identified.

Health funding will not be provided for services/projects that come within the responsibility of other Government Departments.

Where the proposed service is also provided by another health care sector, an NGO will be funded to provide that service only where it can be demonstrated that it can do so with greater economy, efficiency, effectiveness and equity than another sector.

In general, branches or affiliates of organisations receiving funding will be ineligible for

additional funding for the same or similar services/projects.

Consideration will be given to organisations which demonstrate a capacity and willingness for piloting innovative models of health care delivery.

2.8 Liaison with and Support of Local Community

Organisations need to demonstrate that they have consulted with the local community and the client base which the service will target. This can be demonstrated in a number of ways, including the local support the community will provide, including voluntary assistance and by community representation on the management committee.

Organisations seeking funding to provide services should liaise with the Local Health District prior to submitting any application for funding to the Local Health District. This is to ensure that there is no duplication of services at a local or regional level.

2.9 Exclusions

There are activities which by their nature should be self funding and which in general will not be eligible for funding, eg conference operating expenses.

The Program provides funding to NGOs and not to individuals. Applications from individuals for funding for health care treatment or medication; conference registration costs or overseas travel will not be considered under the NGO Grant Program.

Requests for capital funding for building, renovations and other major works are not eligible for funding under the NGO Grant Program.

3. ROLES AND RESPONSIBILITIES

The responsibility for the administration of the Program is located at a number of different levels of the health system. These roles and responsibilities are as follows:

3.1 The Minister for Health

The Minister for Health approves all grants to NGOs under the NGO Grant Program. Where any variations to grants are recommended by the Department or by Local Health Districts within the funding period, these must also be approved by the Minister.

The Minister has, however, approved the following delegations relating to the NGO Grant Program to, General Manager, Finance and Commercial Services and to Chief Executive Officers of Local Health Districts.

3.1.1 Where a grant surplus is realised and identified for the project/service, which is:

- \$1,000 or less for grants up to \$50,000, or
- up to 2% of the grant up to a maximum surplus of \$10,000

then, the surplus may be retained by the NGO without approval by the Department or Local Health District, but must be used for the currently approved project/service and identified in the subsequent accounting period as surplus grant funds brought forward.

3.1.2 Where the identified grant surplus for the project/service exceeds the maximum amount outlined in 3.1.1 then approval for the use of the surplus must be sought by the NGO from the Department or Local Health District prior to utilisation of the funds. Such an application is to include an explanation of how the surplus came about.

3.2 The Department of Health

The Department is responsible for the overall policy of the NGO Grant Program. Policy and Program units within the Department will set policy directions within specific program areas, eg Drug and Alcohol.

The Department of Health will have Performance Agreements with the Local Health District Boards which detail the key responsibilities of the Local Health Districts. The Department will ensure that contract elements include the efficient and effective management of the administration of the Grant Program and will monitor the performance of the Local Health Districts on these contract elements.

The Department will consult with the NGO peak representatives on the roles and responsibilities to be contained in the Performance Agreement in regard to the NGO Grant Program. Any review of the effectiveness and appropriateness of these contract

elements shall be conducted in consultation with the NGO sector.

The Department of Health has established an NGO Advisory Committee to advise on key issues relating to the NGO Grant Program and NGO policy in general.

In order to facilitate a consultative approach, NSW Health in conjunction with the NGO sector, will develop an appropriate consultation protocol which builds on good quality practice and which can be utilised across the health system. This will be a key task of the NGO Advisory Committee.

The Department will be responsible through the appropriate policy sections within the Department for the funding, the negotiation of Funding and Performance Agreements and the monitoring of any projects/services of NGOs that have their grant administered through the Department, eg peak bodies.

The Department will assist Local Health Districts in the development of local procedures and protocols consistent with these Operational Guidelines for inclusion in the Local Health District "Information Handbook". This includes the provision of standard formats for expressions of interest for new funding, new and continuation of funding application forms and for Funding and Performance Agreements.

The Department will pass on to the NGO Grant Program any cost escalation provided in the Department annual Budget allocation under the expense heading "Grants and Subsidies - Voluntary organisations".

Financial Management and Planning Branch will maintain a comprehensive data base of information on all funded agencies and funding to ensure that timely information on the Program can be provided to the Department and the Minister.

3.3 Local Health Districts

Local Health Districts will have strategic plans which highlight the health priorities of the communities they serve and the specific health policy responses developed in NSW to meet the needs of disadvantaged consumers and communities. These strategic plans will be developed in consultation with major stakeholders including NGOs and the community.

Local Health Districts will have responsibility for the processing of all expressions of interest, applications for new and recurrent funding, negotiation of Funding and Performance Agreements, administering funding and monitoring the organisational performance of NGOs falling within their area of responsibility under devolution. Any disputes arising from this process, excluding breaches of the Funding and Performance Agreement and issues regarding funding recommendations, (see Operational Guidelines Section 4.2.5) will be managed consistent with the Disputes Resolution Process as outlined in Part 5 of the Agreement.

Consultative mechanisms will be established to assist the Local Health District in

establishing health priorities and in liaising with the NGOs.

Where non government organisations provide services to a cross regional or statewide basis client base, the host Local Health District will continue to facilitate and support these functions in liaison with relevant policy units within the Department and negotiate a Funding and Performance Agreement on this basis.

Local Health Districts will ensure that grant funds will only be expended for the purpose of the NGO Grant Program and will be required to separately identify and report on NGO Program grant funds. Ministerial approval must be sought for the reallocation of any surplus grant funds realised under the Program to other NGOs, except as indicated in Section 3.1.

Local Health Districts will ensure that health staff are aware of potential conflicts of interests, both pecuniary and non pecuniary, to ensure the integrity and impartiality are not compromised, consistent with the NSW Health Code of Conduct.

Local Health Districts will assume joint responsibility for the maintenance and update of the "Information Handbook" to facilitate consistent local management of the NGO Grant Program processes.

Local Health Districts may provide support, guidance and follow up counselling and debriefing to NGOs that have experienced a serious adverse incident. This should be determined at a local level between the Local Health District and the NGO.

3.4 Non Government Organisations

Organisations which receive grant funding will be accountable to the Department, Local Health Districts and the community for the use of that funding to provide health services at an acceptable standard.

NGOs which receive funding from NSW Health will be accountable through the Funding and Performance Agreement with the Local Health District or the Department.

NGOs shall provide adequate notice to the Department/Local Health District of any significant changes within the funding which they provide for jointly funded projects/services which may impact on the delivery of those services.

NGOs may at times have serious adverse incidents occur within a service and it may be appropriate to report these incidents to the Department/Local Health District as they could be of public health interest and concern. The type of incidents that may be reported would include suicides, serious assaults and serious public health risks. NGOs wishing to report incidents should liaise with their Local Health District as to the appropriate contact for reporting such incidents. NGOs are already obliged to report criminal activity and seek criminal record checks for all staff as outlined in relevant NSW Health Department and Government bulletins (See General Conditions clause 4.3 for details).

3.5 General

To ensure the ongoing success of the Program it is important for the Department, Local Health Districts contact officers and the NGOs to develop and foster good working relationships based on mutual trust and respect for each others' role in the NGO Grant Program.

4. ADMINISTRATION AND MANAGEMENT

NSW Health Department and Local Health Districts are committed to high quality administration and management of the NGO Grant Program and will provide appropriate program development and support services.

It is recognised that there are a number of tasks involved in the administration and management of the NGO Grant Program and that these are performed by a number of different levels of the health system.

These tasks include the following and are expanded on in the following sections:

1. Planning and priority setting for health services and funding
2. Applications and assessment of new and ongoing projects
3. Negotiation of Funding and Performance Agreements
4. Monitoring and Evaluation of funded organisations

Procedures need to be in place to ensure the integrity of the NGO Grant Program and that the principles of probity, fairness, accountability and transparency of process and decision making are observed at all levels.

One means of achieving this is for adequate documentation and records being maintained at all stages of the administration and management of the Grant Program.

4.1 PLANNING

4.1.1 Health Planning

Health funding priorities are developed by NSW Health and reflected in the Department's Business Plan; in the Departments Performance Agreement with Local Health Districts; and by Local Health Districts in local strategic plans. NGOs also carry out needs assessments and identify gaps in existing health services. Grant funding will be planned within this context and will be consistent with Government social justice principles, health priorities and transparent procedures.

Planning for health services is an ongoing open and participative process which is responsive to and reflects the changing health needs of the community. Planning processes need to include comprehensive consultation with relevant stakeholders including NGOs and provide advice on the outcomes to the relevant participants.

4.1.2 Determining the Model of Service Delivery

An element of the planning process is the identification of options for service delivery and NGOs require consideration as complementary health service providers. Assessment of whether NGOs are the best means of service delivery will include social and economic assessment of costs, benefits and risks as well as other factors such as effectiveness and equity of service delivery.

Assessments about preferred models of service delivery should involve all key stakeholders in the health system including consumers and NGOs.

Where it is decided that a particular health service will be delivered by the NGO sector, this will be identified prior to the invitation of applications for new grant funding and documented in Strategic profiles and Local Health District plans.

4.2. APPLICATION AND SELECTION PROCESS

Information about the NGO Grant Program will be readily made available to any NGO, community or consumer group.

4.2.1 Application Form

A standard application form will be used for all grant applications to allow a fair comparison of applicants and an objective assessment of their capabilities and project feasibility in terms of the program selection criteria.

4.2.2 Applications for New Grants

Applications to fund new initiatives under the NGO Grant Program will be called for if and when funds are available from either the Department or the respective Local Health District.

On calling for applications a functional specification will be provided. This specification will include desired outcomes, performance standards and specific targets and deadlines.

When new NGO Grant Program funding is available and where it is considered that more than one NGO has the potential to deliver services effectively, the Department or Local Health District will invite applications through a process of advertising.

All applications for new grants will be directed to the Local Health District where the NGO is located.

4.2.3 Expressions Of Interest

In instances when NGO Grant Program funding is not available, NGOs will be able to submit an Expression Of Interest (EOI) for future consideration in the event that funding becomes available. EOIs will be submitted to the Local Health District where the NGO is located. EOIs will be retained for a 3 year period after which time they are considered to have lapsed.

EOIs can be lodged at any time of the year and will be included in the first available NGO Grant Program cycle.

An annual summary of EOIs will be submitted to the Department for information.

Confidentiality will be observed in dealing with grant applications.

4.2.4 Applications for Continuation of Funding

All NGOs currently receiving grant funding are eligible to apply for continuation of funding. This excludes NGOs receiving only one-off or project based and/or time limited grant funding.

Continuation of funding applications are lodged with the Department/Local Health District as indicated in the instructions/application form by the nominated due date, for appropriate action.

NGOs currently receiving grant funding are also able to submit an EOI for enhancement or new funding or, where new and/or additional funding has been identified, applications may be made, in accordance with Section 4.2.2.

EOIs may be lodged at any time of the year or with the continuation of grant application to the relevant area of Health.

4.2.5 Assessment Process

The Department/Local Health District will undertake an appropriate assessment of applications for new funding which can include funding to new organisations or an enhancement to existing services. All applications will be assessed on merit against the funding criteria, and Program health priorities, having regard to available funding, with recommendations based on this process.

Local Health Districts will liaise with other relevant Local Health Districts to enable assessment of cross regional and statewide services coming within their administrative responsibility.

The Department/Local Health Districts will maintain adequate records on this and all stages of the assessment process.

4.2.6 Approval Process

The NGO Grant Program is a Ministerial Program, ie the Minister has the sole authority to approve grants. Delegated authority to approve variations to grants in certain circumstances has been outlined in Section 3.1.

All recommendations for new and continuation grants under the NGO Grant Program will be submitted to the Department for approval by the Minister for Health.

Recommendations for continuation of funding will include advice as to whether there is a significant variation in the project being funded.

The assessment and approval process will be a transparent process and significant changes to grants and/or services will be negotiated in a timely manner between NGOs and Department/Local Health Districts. NGOs will be advised of Department/Local Health District recommendations to the Minister which propose to vary funding and/or services and be able to submit a dissenting view to the Department. Peak organisations will also have a right to advocate on the NGOs behalf and will be able to submit a dissenting view.

4.2.7 Variations to Approved Grant Levels

The NGO Grant Program budget can be affected by fluctuations in the Government allocation to NSW Health.

All variations to grants require the approval of the Minister. Advice on any approved variations will be provided to the NGO as soon as possible following Ministerial approval.

Within the funding period consideration will also be given to increasing the base grant by a cost escalation factor, subject to the availability of funding and at the discretion of the Minister and having regard to priorities within Health.

4.3 FUNDING AND PERFORMANCE AGREEMENTS AND FUNDING

4.3.1 Funding and Performance Agreements

Successful applicants will be required to enter into a formal Funding and Performance Agreement consistent with the approved grant to ensure that both parties are clear of their roles and responsibilities. The agreement will clearly define accountability of the NGO for the achievement of certain outputs and possible outcomes and will specify terms and conditions to foster effective service delivery and protection of public funds. The period of the Funding and Performance Agreement will be for a maximum of 3 years which will allow NGOs scope to consolidate activities, to innovate and make refinements to services. A multi year agreement is subject to annual compliance review of funding and performance by the Department/Local Health District.

NSW Health Conditions of Grant are in Appendix 1.

A pro forma of the Funding and Performance Agreement is in Appendix 2.

A standard annual reporting format is in Appendix 4.

4.3.2 Funding Period

NSW Health has introduced a rolling triennial NGO application cycle which effectively results in three year funding. Although Government funding is provided on an annual basis, ie by financial year and therefore the maximum period of each grant is twelve months, the process allows for the provision of three year grants without the need for additional applications. If approved for triennial funding NGOs will be required to submit a continuation of funding application only once every three years.

The Department and Local Health Districts will therefore provide a base grant for three one year periods to approved applicants. Funding in the second and third year of the triennium is conditional upon the NGO meeting the Department's and Local Health District requirements for performance monitoring and accountability as outlined in 4.4 and subject to variations as outlined in 4.2.6.

Other funding periods may apply to specific project funding programs and time limited and one off grants.

4.3.3 Payment of Grants

Grants will be paid by Electronic Funds Transfer (EFT) to approved financial institutions. Grants will be paid at quarterly intervals in advance or at a frequency acceptable, either to the Department or Local Health Districts and the NGO.

4.3.4 Transfer of Funds between Local Health Districts

A NGO may wish to move its service to another location which falls within the boundary of another Local Health District. Any transfer of funds must be the subject of timely negotiations involving the Local Health Districts, the Department and the NGO, so as to ensure minimal disruption to service provision.

4.4. MONITORING AND EVALUATION

Monitoring and evaluation involves the collection of project information that will allow the organisation, Local Health District and the Department to assess whether services being provided are consistent with those documented in the Funding and Performance Agreement. This assessment will be carried out in relation to five areas and must be adequately documented:

1. The achievement of the overall aims and objectives of the program;
2. Compliance with specific terms and conditions of the agreement;
3. Meeting targets for specific inputs, outputs and outcomes;
4. Conforming to the prescribed service standards; and
5. Financial management.

4.4.1 Information Requirements

Reporting requirements are stipulated in the Conditions of Grant and a standard annual reporting format is in Appendix 4. The Department and Local Health Districts will negotiate with NGOs any reporting requirements which are in addition to these requirements at the time of initial funding, following annual review and/or each triennium.

Additional reporting requirements may cover the above five areas and include more frequent written reports describing activities and certifying achievements of specific outputs. It may include regular meetings or compliance with local health data collections.

When Local Health Districts are submitting funding recommendations to the Department they will be required to submit, in addition to the funding recommendation and supporting material, other material as may be stipulated in the annual grant approval instructions.

The Department and the Local Health Districts will undertake to maximise the effectiveness of reporting requirements and minimise unnecessary requirements so that NGOs can devote maximum resources to service delivery.

4.4.2 Financial Reports

Recurrent projects will be required to submit a full set of audited financial statements, at least annually. One off projects will also be required to submit an acquittance in an approved format. Financial reporting is to comply with Australian "Accounting Standards" issued by the "Accounting Bodies" as defined in AUS104. Auditing of a financial report is to comply with Australian "Auditing Standards and Auditing Guidance Statements" as defined in AUS102. Where financial reporting requirements are not met, grant payments will be suspended and consistent defaulting will result in defunding.

The Department/Local Health District will undertake to provide annual feedback to the

NGOs of the review of audited financial grant acquittances as soon as possible. Accounting and Financial Records information is shown in Appendix 3.

4.4.3 Accreditation

There is a commitment to ensure accountability for public funds and monitoring and evaluation is an essential component of this accountability. A requirement of funding is that organisations work towards meeting standards endorsed by NSW Health, however, the nature of the service and the extent of the funding will determine these standards and whether accreditation should be by an external review mechanism.

It is recognised that some NGOs may have difficulty complying with the requirement for accreditation while a number of NGOs are proceeding with accreditation programs. Policy and Program Units within the Department are responsible for working with NGOs and Local Health Districts to develop standards and review mechanisms to meet this requirement. An accreditation subcommittee of the NGO Advisory Committee will oversee the implementation of accreditation and will undertake further work, including consultation with funded NGOs, concerning standards and accreditation processes and the time line for achieving accreditation.

The Department/Local Health District has set aside specific funding to assist NGOs to obtain initial accreditation and to maintain accreditation status. NGOs will therefore be eligible for a subsidy to defray the additional expense of achieving accreditation.

NGOs working towards accreditation under the NSW Disability Services Act, 1993, will not be expected to undertake additional accreditation processes.

CONDITIONS OF GRANT

INTRODUCTION:

The Operational Guidelines NGO Grant Program outlines the conditions under which the Department of Health/Local Health Districts will offer grants to non government organisations. Any organisation accepting a grant will be required to sign a Funding and Performance Agreement which evidences acceptance of and acknowledgment of mandatory compliance with all conditions specified in that Agreement. The Agreement will include the conditions of grant specified hereunder.

(A) GENERAL CONDITIONS:

1. Access

- 1.1 Services and programs must be made accessible to all community groups without regard to Race, Sex, Marital Status, Age, Homosexuality, Disability, Religion, Philosophy or Cultural background within the geographical area served except where exemption is approved under the Anti-Discrimination Act, 1977 (under ss 126 and 126A).

2. Status

- 2.1 Each non government organisation funded will be a not for profit organisation incorporated under, the Association Incorporation Act, 1984, the Cooperatives Act, 1992, the Aboriginal Councils & Associations Act, 1976, Corporation Law or in a form considered appropriate by NSW Health.
- 2.2 Each Organisation will have and provide to the Department/Local Health District a constitution or Memorandum and Articles of Association acceptable to NSW Health.
- 2.3 Activities of the Organisation must be consistent with the NSW Health's Ethnic Affairs Priority Statement (EAPS). Relevant extracts from this document are available upon request from the Department/Local Health District.

3. Management and Review

- 3.1 The Department/Local Health District, with the approval of the Minister, reserves the right to withdraw funding without notice and/or to conduct a review/investigation of the relevant project where it considers there may have been mismanagement of the project/service and/or misappropriation of grant funds and/or other breach of the Funding and Performance Agreement and/or the agency has become bankrupt or insolvent, is wound up, or enters into a scheme of arrangement with its creditors.
- 3.2 In the event that the Department /Local Health District decides to conduct a review under clause 3.1, the organisation shall cooperate fully with the person/s appointed by the Department/Local Health District to conduct the review, shall give such person/s, on request, full access to the premises at which the project/service is conducted and shall make available to such person/s all personnel and records of the organisation relating to the project/service which the organisation may lawfully disclose.
- 3.3 In the event that there is a significant breach of the Funding and Performance Agreement grant conditions, the Department/Local Health District may suspend further grant payments, terminate the Agreement, and/or reclaim a proportion of any grant payments which have not been utilised in the manner specified in the agreement, or have otherwise been misused.
- 3.4 In cases where a review discloses that "on ground services" are found to be provided adequately but the management committee or management structure of the organisation has failed, the Department may seek the appointment of an administrator to manage the project and maintain service provision until identified deficiencies are addressed or the organisation restructures to the satisfaction of the Department or an alternative auspice is located.
- 3.5 Members of Management Committees/Board Directors must be aware of their legal responsibilities under the relevant incorporating legislation (eg Section 8 of the Associations Incorporation Act 1984, Section 588G of Corporations Law) which impose a positive duty of care on office bearers in relation to dealings on behalf of the organisation.
- 3.6 Organisations will be required to disclose to the Department/Local Health District if they come under investigation by another Government Department/ Statutory Authority for matters which relate materially to the funded project/service.

4. Employment Policy for Funded Positions

Employment Policy for Funded Positions

4.1 Funded organisations are to comply with the requirements under the NSW Anti-Discrimination Act 1977 (unless exempt).

4.2 All positions either fully or partially funded by the Department/Local Health District must be adequately advertised when they become vacant (whether it is for replacement of existing staff or new staff) and acceptable selection procedures (in accordance with EEO principles) used to fill such positions on a permanent basis (temporary or relief staff excluded).

4.3 The organisation must ensure that, where applicable, its employment and child protection policies comply with relevant legislation including:

Children and Young Persons (Care and Protection) Act 1998
Commission for Children and Young People Act 1998
Crimes Act 1900 (NSW)
Part 3A of the Ombudsman Act 1974

4.4 The following NSW Health Policies and Procedures on related issues may provide guidance and further information for funded NGOs

PD2008_029 Employment Screening Policy
PD2005_626 Code of Conduct – NSW Health
PD2011_032 Recruitment and Selection of Staff of NSW Health
PD2010_013 Keep Them safe – Keep Them Safe – Information Exchange
Child Wellbeing and Child Protection – NSW Interagency Guidelines
http://www.community.nsw.gov.au/kts/guidelines/info_exchange/introduction.htm

5. Quality Improvement Program

5.1 The organisation must demonstrate its capacity to undertake formal continuous quality improvement program activities to be mutually negotiated and agreed to between the organisation and the Department/Local Health District during the period of this funding agreement.

6. Accountability

6.1 Records

- 6.1.1 The Organisation will ensure that adequate financial and operational records and registers are kept and maintained in relation to the operation of the project/service (Records must be retained for periods as specified under incorporation or other relevant legislation).
- 6.1.2 Upon the request of the Department/Local Health District, the Organisation will make available the records (including computer records), books of account and documents relating to the funded project/service for inspection by an authorised representative of the Department/Local Health District (including the taking of such extracts and the making of such copies as the representative considers appropriate) and will afford all requisite assistance to the representative in carrying out the inspection and not take any action that would hinder this process. (see also Clause 3.2).
- 6.1.3 The Organisation shall maintain an interest bearing account at an approved financial institution (ie, bank, building society or credit union with 100% security of deposits) to process all government receipts and approved expenditures. The organisation must ensure that adequate internal financial controls are in place within the existing accounts for the identification of grant funding and expenditures. **Interest** earned is to be accounted for in the annual financial statement against the funded project/service.
- 6.1.4 The Organisation will provide at least annually, such statistical, financial and program information on the operation of the project/service as is required (See Appendix 4 for Annual Program Report format) and outlined in the Funding and Performance Agreement. In addition, the organisation will cooperate in the provision of other statistical and program information for irregular surveys (provided that the confidentiality of individual clients of the project/service is respected).
- 6.1.5 The Organisation should be aware of Australian privacy legislation including NSW legislation and NSW Health's Information Privacy Code of Practice and ensure that it has privacy guidelines that are consistent with these.

6.2 Financial

- 6.2.1 Organisations are required to provide NSW Health with income and expenditure statements for each NSW Health funded project/service. These statements are to be certified by two members of the Organisation's Board of Management (or equivalent).

Where the Organisation is required, under the law, to prepare audited financial statements in addition to the project based income and expenditure statements, the Organisation is required to provide NSW Health with copies of the audited financial statements. These statements will be at the level of the Organisation as a whole.

The Associations Incorporation Act 2009 and Associations Incorporations Regulation 2010 as well as the Corporations Amendment (Corporate Reporting Reform) Bill 2010 details the thresholds where audited financial statements are required.

The annual financial statements required from the Organisation are to be forwarded to NSW Health within 3 months of the end of the Organisation's financial year

- 6.2.2 If an audited financial statement is required (see 6.2.1), it must be accompanied by an audit certificate signed by an auditor who is a member of any professional accounting or auditing body that meets Australian Auditing Standards. The auditor must be independent of the Organisation and not have any financial interest in the Organisation.
- 6.2.3 Organisations receiving one off or non recurrent grants only, will be required to submit an acquittance for the grant as per NSW Health's requirements.
- Organisations receiving one off grants in addition to recurrent funding will be required to fully acquit the one off grants in the project based income and expenditure statements.
- 6.2.4 Organisations are to seek written approval from NSW Health prior to transferring funds between programs or projects.
- 6.2.5 The Organisation will ensure that any grant surplus greater than outlined in Section 3.1.1, that is grant income including any interest earned from the grant less expenditure of grant funds from the conduct of the funded service, is retained and not utilised or committed until written approval for its use is received from NSW Health. In some instances the surplus may be subsequently recovered by NSW Health.
- 6.2.6 Organisations must submit written proposals for use of any surplus funds,

greater than outlined in Section 3.1.1, to NSW Health as soon as possible after identifying the surplus and prior to the commitment of these funds, including an explanation of how the surplus came about. The level of detail provided in project proposals for use of surplus funds should be commensurate with the funds in surplus.

Organisations are to ensure that the surplus funds are included as surplus grant funds brought forward in subsequent Income and Expenditure statements for each NSW Health funded project/service.

- 6.2.7 Deficits from prior years cannot be carried forward to subsequent Income and Expenditure statements for a NSW Health funded project/service.
- 6.2.8 No arrangements or commitments in relation to the funded service shall be entered into which are incompatible or inconsistent with the purpose of the grant as specified in the Funding and Performance Agreement.
- 6.2.9 Organisations are to seek written approval from NSW Health where a project/service will not be commencing within three months of receipt of funding.
- 6.2.10 Organisations are to advise NSW Health where projects/services have been inactive for a period of three months or more.
- 6.2.11 The Organisation will notify NSW Health in writing in the event that assistance is approved at any time by the Commonwealth Government or any other State Department or authority, towards meeting the cost of the approved project/service to which the Funding and Performance Agreement relates.
- 6.2.12 Insurance

The Organisation will ensure that when carrying out their obligations under this Agreement the Organisation exercises the highest level of care and skill so that the organisation will not cause personal injury or death to any person, or loss or damage to property.

The Organisation agrees that they have undertaken an assessment of risk and maintained adequate insurance cover to protect:

- a. The Organisation's employees by maintaining all insurance required under the Workers Compensation Act 1987.
- b. The Organisation's volunteers for personal injury risk arising during voluntary duties
- c. The Organisation's physical assets against loss and/or damage (including motor vehicles);
- d. The Minister's interest in property and/or other assets purchased wholly or partially with funding provided under this Agreement

- e. The Organisation against legal liability risk for personal injury and/or property damage or other financial loss claims including, without limitation:
 - i. Public liability, and where appropriate
 - ii. Directors' and officers' liability; and
 - iii. Professional indemnity

7. Indemnity

- 7.1 All personnel employed by the organisation in whatever capacity will be the sole responsibility of that organisation. The Department/Local Health District will not indemnify the grant holder in respect of such personnel for any act or claim resulting from such employment or in respect of any liability or claim arising from any act or omission of the organisation, its agents or employees. The organisation is not the agent of, nor does it represent the Department/Local Health District in any capacity whatsoever. Entering the Funding and Performance Agreement does not imply an agency relationship between the organisation and the Department/Local Health District.
- 7.2 The Department/Local Health District does not accept responsibility for any increased costs to the organisation which may arise directly or indirectly from current or future taxation reform introduced by the Commonwealth and/or State Government/s.

8. Assets

- 8.1 A register of assets purchased with grant funds or created with grant funds is to be maintained by the organisation which clearly identifies date of purchase, opening and closing value and description of each asset. In the event of defunding of the NGO, or voluntary cessation of the project/service, the Department/Local Health District reserves the right to determine the disposal of all assets acquired or created with Health grant funds. *(Applicable to all assets purchased from 1 July 1996 and assets created from 1 July 2006)*. The organisation will cooperate fully, including executing all documentation required to assign transfer of ownership or other proprietary interest in assets, in carrying out the Department/Local Health District determination as to the disposal of such assets.
(Assets can be defined as items valued at \geq \$500 with an expected life of 2 years or more. In addition high risk items of \geq \$500 should be recorded in the asset register for safekeeping purposes although no dollar values need to be assigned to these items).

9. Acknowledgment

- 9.1 All Organisations which receive recurrent grant funding from the Department/Local Health District must carry acknowledgment of that funding in all relevant publications (including the organisation letterhead). This includes funding received for specific projects/services, where all publications related to that project/service (including letterhead if applicable) should carry one of the acknowledgments according to the level of funding received.

The following guide should be used to determine how an Organisation acknowledges the funding it receives.

Funding as % of Total Operating Expenses	Acknowledgment (Devolved NGOs use LHD reference)
less than 50% Co-funded	Supported by the NSW Health Department Supported by ___ Local Health District Supported by NSW Health
Greater than 50% Co-funded	Funded by the NSW Health Department Funded by ___ Local Health District Funded by NSW Health

If grants are received from both the Department and through an Local Health District then the acknowledgment "Supported or Funded (as appropriate) by NSW Health" may be used.

The acknowledgment may be printed, stamped or typed on existing letterhead.

10. Third Party Payments

- 10.1 Organisations receiving grants will not pass on or reallocate grant funds (including interest earned on grant funds) to other non government or other organisations, ie third parties, as such organisations do not have a direct (grantor/grantee) relationship with the Department/Local Health District and therefore, the Department/Local Health District has no authority over the purpose for which funds would be used nor any control over the accountability of the grant funds. Such payments may be made but not from Health grant funds.

Examples of third party payments are: the payment of membership fees, levies, subscriptions, donations, direct payments or services in kind to organisations. This condition, however, does not refer to the purchase of goods and services, training, professional journals, payment for religious stipends (made in lieu of wages), fee for service payments, or out of pocket expenses paid to office bearers.

If a non government organisation is unsure as to whether a proposed payment is legitimate, it should contact the Department/Local Health

District to have the issue clarified.

- 10.2 Organisations, proposing to use Health grant funds to employ consultants (where the consultancy relates to the funded project/service), should advise the Department/Local Health District, prior to this activity being undertaken.

11. General

- 11.1 Organisations receiving grants will provide the opportunity for a representative of the Department/Local Health District to:

- * attend board/committee meetings if requested by the Department/Local Health District
- * visit any services provided at any reasonable time.

- 11.2 The Minister for Health is the sole person with the authority to approve NGO grant funding. Specific delegations outlined in part 3.1 of the Operational Guidelines have been approved by the Minister in relation to the NGO Grant Program.

- 11.3 The Minister for Health, the Director-General and the approved delegate of the Department, Chief Executives, Local Health Districts, are the only persons with the authority to approve exemptions to the General Conditions of Funding.

- 11.4 An Organisation which seeks exemption from any of the above conditions is to make such a request in writing within 21 days of the receipt of the Department/Local Health District Funding and Performance Agreement.

- 11.5 Wherever materials/reports are produced with Department/Local Health District grant funds a copy each of such materials/reports shall be forwarded to the relevant Program Manager upon completion. The intellectual property rights associated with the materials/reports shall be negotiated on a case by case basis at commencement of the work. In all cases, the funding of the material/report will confer on the Department/AHS a licence to adapt and reproduce without charge the intellectual property that is created with the grant funds.

(B) SPECIAL CONDITIONS:

Special conditions, if applicable, will be advised to individual organisations in the

Funding and Performance Agreement, eg Joint Commonwealth/State funding ie AIDS grants conditions; or NDS reporting requirements; or a grant evaluation process may be required.

FUNDING AND PERFORMANCE AGREEMENT

INTRODUCTION

THIS AGREEMENT CONSISTS OF 5 PARTS:

- * Part 1 is the funding agreement
- * Part 2 is the performance agreement
- * Part 3 contains details of the budget
- * Part 4 sets out the conditions of grant
- * Part 5 sets out Dispute Resolution procedures

Receipt by the organisation of this partially completed agreement represents an invitation by the Department/ Local Health District for the organisation to offer to provide a service in receipt for the grant specified in Part 1.

Should the organisation wish to proceed with this offer, the additional details in Parts 1, 2 and 3 should be completed. When completed the agreement should be signed by two persons representing the organisation and forwarded to the NSW Health Department/Local Health District.

The receipt by the Department/Local Health District of the agreement signed by the organisation represents an offer by the organisation to provide the services in return for the grant to be provided by the Department/Local Health District.

Should the details of the offer by the organisation be acceptable to the Department/Local Health District, the Director-General/Chief Executive Officer (or authorised delegate) will sign the agreement. A copy will then be returned to the organisation.

If the organisation does not return this agreement to the Department/Local Health District within 45 days of the date of issue, duly signed by the appropriate persons it will be regarded by the Department/Local Health District as a decision by the organisation that it does not wish to proceed with its application.

If either party is in dispute concerning this Agreement or a matter arising from the Agreement in relation to the NSW Health NGO Grant Program Operational Guidelines, the dispute resolution process in Appendix 5 of this Agreement is to be followed.

NB. All official communication with the Department/Local Health District regarding this agreement, conditions of funding, and reporting requirements should be directed to (name & title) as the Department/Local Health District Contact Officer on these matters.

**AGREEMENT BETWEEN THE
(NSW Health Department or (Local Health District))
and
(Name of organisation)**

**PART 1
FUNDING AGREEMENT**

Department/Local Health District

The (Health Administration Corporation through the Department of Health or (Local Health District)) agrees to provide an all encompassing grant of \$_____.

The Department/Local Health District agrees to abide by the roles and responsibilities contained in the Operational Guidelines.

The grant is to be used to provide the services and/or conduct the activities at or above the minimum limits specified which are contained in Part 2 of this agreement.

The funding period is from:- (date from & to).

Signed Name.....
Title
(A duly appointed delegate of the Health Administration Corporation)
(A duly appointed delegate of the Local Health District)

Date

ORGANISATION

We, as duly authorised delegates of the organisation, agree to accept this grant for the purpose of providing the services and/or conduct the activities at the level and standards as specified in Operational Guidelines NGO Grant program and in the performance agreement attached as Part 2 of this document. We will ensure that:

1. expenditure on the Agreed Project/Service will be at the level stated in the Agreed Budget Estimate as specified in Part 3 of this document;
2. the funded project/service is provided in accordance with the attached Conditions of Funding, as specified in Part 4 of this document;

Signed, President/Chairperson/Chief Executive Officer

..... Secretary or Treasurer

Date

PART 2

PERFORMANCE AGREEMENT

SERVICE DETAILS

The Department/Local Health District has agreed to provide the grant to enable the organisation to provide the services described below at or above the minimum levels of service described. The organisation accepts the grant on this basis.

NAME AND LOCATION(S) OF PROJECT/SERVICE:

BRIEF PROJECT/SERVICE DESCRIPTION:

OBJECTIVES:

ACTIVITIES PROPOSED:

PERFORMANCE INDICATORS:

EVALUATION:

CONSULTATION/CO-OPERATION:

**PART 3
AGREED BUDGET**

NAME OF PROJECT/SERVICE: _____

PROJECT/SERVICE BUDGET YEAR: (date)

Please note that if the grant does not fully fund the project/service, the amount allocated under the various cost headings is to be shown separately under **Grant Contribution.**

	<u>TOTAL COST</u>		<u>GRANT CONTRIBUTION</u>
(A) SALARIES & ON COSTS:	_____		_____
(B) ADMINISTRATIVE COSTS:	_____		_____
(C) TRAVEL COSTS:	_____		_____
(D) RENT:	_____		_____
(E) MAINTENANCE:	_____		_____
(F) EQUIPMENT:	_____		_____
(G) OTHER:	_____		_____
	=====		=====
TOTAL EXPENDITURE	\$	TOTAL GRANT	\$
	=====		=====

**PART 4
GENERAL CONDITIONS OF GRANT**

(SEE APPENDIX 1 OF OPERATIONAL GUIDELINES)

PART 5 DISPUTE RESOLUTION

This process excludes breaches of the Agreement as outlined in the Conditions of Grant and issues regarding funding recommendations (see Operational Guidelines Section 4.2.5).

Where the Agreement is between the Department or an Local Health District and an NGO and a dispute arises between the parties to the Agreement, the following steps are to be followed to resolve the dispute.

In the event of a dispute between an Local Health District and an NGO with Statewide service responsibilities, the Local Health District should consult with the relevant policy area of the Department prior to enacting steps 2 or 3.

Step 1 Conciliation

A nominated officer of the NGO and a nominated officer of the other party to the Agreement (Department/Local Health District) are to meet to resolve the issue. Both parties are committed to conciliation as the principal means of dispute resolution and will act in good faith to ensure that conciliation is conducted in a manner which is consistent with this principle. If however the matter is unable to be resolved, mediation will occur.

Step 2 Mediation

In the event of an unsuccessful conciliation the Department or Local Health District, in their capacity as parties to the Agreement, will appoint an independent person agreed to by the parties, to mediate between the disputing parties. This mediator is to be informed in writing of the conciliation process which has been unsuccessful and provided with the terms of reference for the mediation. These terms of reference will have been supported by both parties. If the dispute is not resolved through the mediation process, the matter would be referred to the NGO Advisory Committee.

Step 3 Arbitration by the NGO Advisory Committee

In the event the dispute can not be resolved through steps 1 and 2, any party to the Agreement reserves the right to refer the dispute to the NGO Advisory Committee. The Advisory Committee may convene a Disputes Committee which has an independent chairperson and comprises one representative from an Local Health District or Division of the Department/Local Health District who are not party to the dispute and one representative from the NGO sector who is not a representative of the NGO who is party to the dispute.

The Disputes Committee will examine the matters in dispute by way of written submissions from the parties in dispute and refer its decision to the NGO Advisory Committee for confirmation. The Chairperson will advise the parties of the final determination.

The Chairperson of the Review Committee may make any determination which is appropriate in the circumstances, including, but not limited to, a determination that:

- The NGO or the Department/Local Health District undertake steps to perform the Agreement
- The NGO instigate procedures to allow further monitoring of the Agreement by the Department/Local Health District
- The NGO redress any failures in its service provision

The determinations of the Chairman of the Review Committee are to be complied with by the NGO as if they were a term of this Agreement.

ACCOUNTING AND FINANCIAL RECORDS

Non Government Organisations are required to maintain minimum organisational records (including accounting and financial records) under the various forms of incorporation legislation in order to enable the production of annual reports which facilitate both internal and external scrutiny of the organisation's yearly activities.

The Department/Local Health District also has statutory obligations to ensure that accountability for the expenditure of Health funds is maintained to satisfactory standards. This applies to grants made under the NGO Grant Program.

The NGO Grant Program Operational Guidelines, General Conditions of Grant Section 6, outlines the Department/Local Health District expectation that **all funded organisations** maintain a complete set of **accounting records** and **financial records**.

Additional information on what accounting and financial records should be maintained is shown hereunder:

Accounting Records

- * Cash Book
- * Bank Deposit Book
- * Cheque Butts
- * Petty Cash Book (kept on imprest system)
- * Pre-numbered Official Receipt Book
- * Monthly Bank Reconciliation of Cash Book
- * Documentation of all Expenditure with evidence of approval (eg. Management Committee or Officers as authorised under the organisation's approved constitution)
- * Wages Records/Time Sheets (where staff are employed)

The above may be encompassed in an adequate computerised accounting system.

Financial Records

- * Balance Sheet
- * Profit & Loss Statement or Receipts and Payments
- * Cash Flow Statement
- * Assets/Inventory Register

Audit Statement Pro forma

The Department/Local Health District requirements are that audit certificates from NGOs acquitting grants are to comply with current Australian Auditing Standards. A sample format and scope of an audit statement acceptable to the Department/Local Health District is set out hereunder in order to assist organisations to fulfil the accountability requirements. In the event that an audit is qualified a written explanation on strategies/actions to address the deficiencies should be provided by the NGO as part of the audit.

**SAMPLE
INDEPENDENT AUDIT REPORT**

To (addressee)

SCOPE

We have audited the financial report of for the year ended 30 June as set out on pages to The (members of the governing body) are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to (addressee)

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) and relevant statutory and other requirements so as to present a view which is consistent with our understanding of the (entity's) financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

AUDIT OPINION

Unqualified

In our opinion, the financial report presents fairly, in accordance with applicable Accounting Standards, other mandatory professional reporting requirements and the Funding and Performance Agreement with the Department/Local Health District, the financial position of as at 30 June and the results of its operations and its cash flows for the year then ended.

Audit Certification may also include other Opinion wording for:

Additional disclosure - (Reference to a deficiency, failure or shortcoming in fulfilling the conditions specified in the Funding and Performance Agreement with Department/Local Health District)

Qualified Audit Opinion - (Details of qualification or adverse opinion)

Date
Address

Firm
Partner

CERTIFICATION BY ORGANISATION OFFICE BEARERS

Certificate by the President and Treasurer or Secretary in respect of funded organisations.

We,.....

and.....

hereby certify that the information contained in the books, financial records and financial reports

of.....

present the truth, fairness and accuracy of the accounts including the notes to the accounts of the organisation as at

We are satisfied that:

- a) An amount equal to the total grant paid has been expended on the approved project/service according to conditions specified in the Funding and Performance Agreement with the Department/Local Health District.
- b) Establishment of all reserves and provisions is justified/recorded in the minutes and represents funds set aside for: (detail)
.....
- c) A full and complete set of accounting and financial records has been maintained.

Signature..... Date

(President)

Signature Date

(Treasurer/Secretary)

ADDITIONAL NOTES ATTACHING TO AND FORMING PART OF THE FINANCIAL STATEMENTS

These notes may be completed by the organisation or the auditor and should include:

- Note 1 **Statement of accounting policies:** (Specify) eg accounts have been prepared on the basis of historical cost and accrual accounting or cash accounting (Accountants can provide this information, if unsure).
- Note 2 **Staff & Salaries Schedule:** Includes information on: funded positions, Qualifications, Award, step/grade, average hours worked, salary rate, total salary paid, salary packaging/sacrifice, balance of untaken Annual Leave, years of service for LSL purposes and funding of Leave Provisions.
- Note 3 **Payment to Associated persons, bodies, or groups:** (Specify)
Health grant funds are not to be reallocated to other Organisations or to peak bodies (this does not include the purchase of Goods or Fee for Service payments). Certification that any such payments identified were not made using Health grant funds is to be provided.
- Note 4 **Equipment:** Expenditure on equipment/ furniture/motor vehicles may be either shown on I & E Statement or Balance Sheet and include items over \$500. A copy of the asset register identifying all assets purchased with Health funds is to be provided annually (see *definition in General Condition 8.1*).
- Note 5 **Insurances:** Statement that policies are current and adequate cover exists for workers compensation, public liability, fire, motor vehicle etc.
- Note 6 **Rent:** State to whom Rent is paid (Paid to:.....).
- Note 7 **Repairs and Maintenance:** (Details of items over \$500 are to be provided).
- Note 8 **Donations Expenditure:** (Specify amount paid out and to whom?) Certification that any such payments identified were not made using Health grant funds is to be provided.
- Note 9 **Capital grants received:** (Specify Grant or, amount and purpose of grant.)
- Note 10 **Provisions:** Identify each provision (Ensure that provisions fund current liabilities) - Details of A/L and LSL provisions are to be included on Staff & Salaries Schedule (see Note 2).
- Note 11 **Loans:** (Specify mortgagor, principle and interest rate on loan.)
NB. Health grant funds are not to be used to service loans unless a specific formal approval exists.
- Note 12 **Reserves:** (Specify amount and reason for creating reserves.)
- Other Notes (Please include any other relevant information)

ANNUAL FINANCIAL STATEMENT

Name of Organisation:

Name of Project/Service:

Income and Expenditure Statement for the Year Ended:

<u>Previous</u>	INCOME	<u>Current</u>
<u>Year</u>		<u>Year</u>
_____	NSW Health Grant	_____
_____	Other Government Grants (C/W, State, Local)	_____
_____	Donations and Bequests	_____
_____	Interest Received	_____
_____	Fund Raising	_____
_____	Membership Fees	_____
_____	Other -	_____
_____	Other -	_____
_____	Other -	_____
_____	TOTAL	\$_____
	EXPENDITURE	
_____	Salaries (Note 2)	_____
_____	Superannuation	_____
_____	Payment to assoc persons, bodies, or groups (Note 3)	_____
_____	Equipment and Furniture (Note 4)	_____
_____	Printing / Stationery / Photocopying	_____
_____	Electricity/ Gas/ Heating	_____
_____	Audit/ Accountancy/ Legal Fees	_____
_____	Advertising/ Promotion/ Publicity	_____
_____	Insurances (Note 5)	_____
_____	Telephone/ Postal	_____
_____	Rates and Water Charges	_____
_____	Rent (Note 6)	_____
_____	Repairs and Maintenance (Note 7)	_____
_____	Donations Made (Note 8)	_____
_____	Books/ Journals/ Subscriptions	_____
_____	Provisions - LS Leave Entitlements (Note 10)	_____
_____	Provisions - Annual Leave Entitlements (Note 10)	_____
_____	Provisions for Depreciation (Note 10)	_____
_____	Bank Charges	_____
_____	Interest on Loans (Note 11)	_____
_____	Consumables/ Food	_____
_____	Costs of Fund Raising and Other Activities (specify)	_____
_____	Sundry Expenditure (specify amounts over \$100)	_____
_____	Travelling Costs (inc MV expenses)	_____
_____	Staff Training/ Conferences/ Seminars	_____
_____	Interpreter/Translation Expenses	_____
_____	Other - (specify)	_____
_____	Other -	_____
_____	TOTAL	\$_____

NGO Grant Program

_____	Operating Surplus/Deficit	\$_____
_____	Add Extraordinary Items eg	_____
_____	Capital Grants Received	_____
_____	Insurance Recovery	_____
_____	Other (specify)	_____
_____	TOTAL	_____
_____	Less Transfer to Reserves (Note 12)	_____
_____	Addition/Reduction to Accumulated Funds	_____

BALANCE SHEET

Name of Organisation:

Name of Project/Service:

Balance as at:

<u>Previous Year</u>		<u>Current Year</u>
	Retained Earnings (Previous and Current Year)	
	General or Special Reserves (Note 12)	
	Accumulated Funds	
	TOTAL	

Represented by -

Fixed assets (From Asset Register - at cost or net of depreciation - state):		
	Land and Buildings	
	Plant and Equipment	
	Furniture	

Investments		
	Company Debentures (at cost)	
	Trustee Securities (at cost)	
	Long Term Deposits	

Current Assets		
	Prepayments	
	Debtors	
	Accrued Interest	
	Short Term Deposits (at cost)	
	Petty Cash Float and Advances	
	Cash at Bank(s) (specify various accounts)	
	Other -(specify)	
	TOTAL	

Less - Current Liabilities and Provisions		
	Creditors and Accruals	
	Loans (Note 11)	
	Grants/Subsidies Paid in Advance	
	Leave Provisions (Note 10)	
	Other -(specify)	
	TOTAL	

	Net Assets	TOTAL	
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<u>Signatures:</u>		
	Hon Secretary/President	Treasurer

Acquittance for One Off Grants

EXPENDITURE STATEMENT

Year: Health Grant provided: \$ _____

I hereby certify that an amount of
\$.....

has been expended by
.....
(Name of Organisation)

On the approved project/service
.....

and was spent in accordance with the terms and condition of the grant.

Name.....Signature.....

Designation/Title.....Date.....

(Chairperson/Treasurer etc.)

Please attach relevant supporting documentation such as quotes, invoices, receipts or other to verify the above expenditure (if audited statements showing the expenditure are available, these should be submitted).

NB Unspent funds at the conclusion of the approved project/purchase are to be returned to the Department of Health/Local Health District as a matter of course.

FORWARDED TO:- (Department/Local Health District)
(Address)

Employee Remuneration Form

Organisation Name: _____

Project Name (if applicable): _____

Staff Position	Qual Code	Industrial Award Code	Grade/ Step (Cat/Yr)	Av Hrs worked per week	Salary rate per Hour	Total Gross Salary Paid (Group Cert)	Value of other Benefits/Salary Sacrificing/ Packaging/FB	Balance of Annual leave (Days or Hrs) (specify)	Years of Service for LSL (Yrs & Mths)
						1. \$	2. \$		
Agency comments re any adjustments, terminations, new appts etc (include dates):						Oth Adj -Accruals, ALL etc, state – 3.\$.....		Annual Leave Total Liability	LS Leave Total Liability
						Total (1+2+3)		\$.....	\$.....
# Total should agree with Salaries and Wages total on the Profit & Loss/Inc & Exp Statement						# \$.....		*Total provision	*Total provision
Qualification: 1. Degree 2. Dip/Ass Dip/Cert 3. Other (Name) 4. None			Award: 1. Industrial Award (Name) a)..... b)..... 2. Registered Enterprise Agreement 3. Individual Contract 4. Other					\$..... Actual funds set aside & held	\$..... Actual funds set aside & held

Checklist for use by NGOs for submission of Annual Audited Financial Statements

NGOs should ensure that the following information at least is included when submitting the annual audited financial statements acquitting grants within three months of the close of the NGOs financial period:

1. Audit Certificate - in acceptable format signed by independent qualified auditor
2. Certification by Office Bearers
3. Balance Sheet
4. Asset Register - Identifying and detailing assets purchased with Health grant funds
5. Profit & Loss Statement (Payments & Receipts or Income & Expenditure Statement) - for each funded service/project
6. General notes to the audited statements
7. Specific Health notes
8. Staff & Salaries Schedule
9. Annual Program/Activity Report

If applicable:

10. Proposal for the use of any surplus funds together with an explanation of how the surplus came about.
11. Any other relevant comments on the audit, eg comment on adverse audit opinion.

NGOs should note that the release of grant instalments is subject to satisfactory compliance with the Department/Local Health District auditing requirements including the time frame for the submission of the information.

ANNUAL PROGRAM REPORT

(as specified in Conditions of Funding 6.1.4)

NGOs are required to submit a comprehensive but concise annual program/activity report on each (funded) service to the Department/ Local Health District with the annual audited financial statements. Performance against the Funding and Performance Agreement should be reported and should encompass the information under the suggested headings set out below (where applicable).

1. Were project/service goals achieved? How? (Activity targets and performance indicators including comparative service statistics);
2. Major users of the service (eg number of users who are:- women, NESB, Aboriginal, Aged, people with disability, etc);
3. Comment briefly on how the project/service was of direct benefit to the target group (Identifiable Health outcomes);
4. Any changes in demand for the service? Did activities change to meet the demand?
5. Any difficulties encountered in providing the service to the level as outlined in your Funding and Performance Agreement;
6. Has there been any review of the project/service by an external agency in the period. If so, provide a brief outline.
7. Outline any interaction between your organisation, other NGOs, Government Departments and Health Services in the period, relating to the project/service;
8. Consumer/user involvement in the management of the project/service;
9. Does the project/service use volunteer staff, if so, how are they trained and supported;
10. Operating hours of the service;
11. Other relevant information (Such as copies of annual reports).