



# Performance and Financial Management Review – Australian Capital Territory Primary Health Network

December 2022

## Introduction

A review of the Australian Capital Territory Primary Health Network (ACTPHN) was undertaken by Yardstick Advisory Pty Ltd in 2022 to determine the extent to which the PHN has complied with its financial and performance obligations under the Funding Agreement.

## Findings and Observations

The ACTPHN is committed to continuous quality improvement and has implemented appropriate processes and controls to support its operational capability and capacity, governance, and probity arrangements. Key findings from the review are outlined against three categories.

## Governance

- The audit observed that the ACT PHN Constitution and Board deliberations reference CHN's Skills Matrix for its Board members (directors), which is consistent with principles from the ASX Corporate Governance Principles and Recommendations. The audit also observed, within the Board's meeting minutes over the past three years, the Board's use of, and reference to, the Skills Matrix as part of its deliberations on capability requirements.
- The Board establishes and has strategic plans in place that are published on the PHN's website<sup>1</sup>.
- In relation to improving its performance monitoring and reporting arrangements (how it sets its performance measures that are linked to strategic objectives; and how it measures and reports performance against internal and external requirements), the audit observed that the PHN has developed key performance indicator (KPI) reporting to the Board via its KPI Dashboard report.
- The PHN recently enacted new reporting arrangements supporting compliance with legislative and contractual obligations.

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<sup>1</sup> CHN Strategic Plan 2019-2024 as published at <https://www.chnact.org.au/about-us/publications/strategic-plan/>

- The PHN followed relevant guidelines and processes in applying for the JobKeeper Scheme.

## Organisational Capacity and Capability

- The ACT PHN has developed a Competency Framework<sup>2</sup> which outlines the approach to defining the required capability and competencies from its workforce.
- The audit found that the ACT PHN has maintained finance related policies and/or procedures for key areas of its financial management and a corporate risk register.
- It is recommended that the PHN confirm the audited financial acquittal report format, including the detail on other income, with the Department to validate compliance with the range of requirements across the applicable Schedules for 30 June 2023.
- The audit recommended process improvements for the documentation of future related-party transactions and assets.

## Probity and Commissioning Practices

- The audit found that the ACT PHN had maintained appropriate policies and procedures for commissioning (needs, co-design, plan, procurement and contract management) and the content of these policy documents aligned with the requirements outlined by the Department in its commissioning services guidance.
- The ACT PHN has also maintained appropriate probity-related policies and procedures including conflicts of interest policy, a separate conflicts of interest policy for the Board, and a conflicts of interest procedure and guidelines.
- It is recommended that the PHN ensure that staff involved in making recommendations and in key decisions in commissioning activities document their declarations of conflicts of interest in line with the requirements.

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<sup>2</sup> <https://www.chnact.org.au/wp-content/uploads/2021/08/CHN-Competency-Framework.pdf>