

s22

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NSW/Health

14/10/2011 02:19 PM

To s22

NSW/Health@Health\_gov\_au

cc

bcc

Subject Fw: Independent Assessment of Financial Position [SEC=IN-CONFIDENCE]

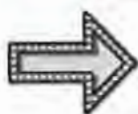
**IN-CONFIDENCE**

s22

Assistant Director  
Service Development, Whole of Government and Substance Use  
Office of Aboriginal and Torres Strait Islander Health  
NSW & ACT Office  
Department of Health and Ageing

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----- Forwarded by s22 NSW/Health on 14/10/2011 02:19 PM -----



Lucelle  
Veneros/NSW/Health  
13/10/2011 06:28  
PM

To s22  
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NSW/Health@Health\_gov\_au  
NSW/Health@Health\_gov\_au

cc

Subject Fw: Independent Assessment of Financial Position [SEC=IN-CONFIDENCE]

FYI

Lucelle Veneros  
State Manager  
NSW and ACT Office  
Department of Health and Ageing

Phone: (02) 9263 3500  
Mobile: s22

----- Forwarded by Lucelle Veneros/NSW/Health on 13/10/2011 06:28 PM -----



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OATSIH/Health  
13/10/2011 06:21 PM

To Garry Fisk/OATSIH/Health@Health\_gov\_au

cc David Learmonth/EXEC/Health@Health\_gov\_au, Lucelle Veneros/NSW/Health@Health\_gov\_au

Subject Re: Independent Assessment of Financial Position [SEC=IN-CONFIDENCE]

thanks

some hard decisions then.  
Pls organise a time for ALL tomorrow to discuss

ta  
s22

Garry Fisk/OATSIH/Health

Garry  
Fisk/OATSIH/Health  
13/10/2011 06:20  
PM

To s22

Veneros/NSW/Health@Health\_gov\_au  
cc David Learmonth/EXEC/Health@Health\_gov\_au

Lucelle

Subject Independent Assessment of Financial Position

[SEC=IN-CONFIDENCE]

The independent assessment of Katungul's financial position has been completed. It confirms the view of AFCB.

The review was undertaken by McGrathNicol and while they have made a number of disclaimers, which is to be expected when they were restricted to undertaking a desk top analysis, they have found as follows:

- in the absence of significant further cash being injected into the organisation, Katungul may be insolvent, or shortly about to become insolvent;
- [if the Dept released the 2nd quarter payment] it appears from the financial position of Katungul, that receipt of the Department's funding may do little more than pay existing debts leaving their ability to fund the next three months' operations in question;
- in the absence of significant injections of cash, it is unclear as to how Katungul will be able to meet its existing debts and fund ongoing operations.

AFCB are now putting the finishing touches, including reference to McGrathNicol's findings, to the audit report, which I hope to receive tonight or early tomorrow morning. Once the report is to hand we can finalise the draft Show Cause letter and get it to Chris Reid for clearance.

I suggest we meet tomorrow to discuss next steps.

Garry Fisk  
Assistant Secretary  
Capacity Development Branch  
Office for Aboriginal and Torres Strait Islander Health  
Department of Health and Ageing

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