

Financial

Contents

Finance Return.....	1
Form F1	1
Reporting Requirements	3
Return of Forms	3
Assistance.....	3
Instructions for Completing Form F1	4
Fund Accounting	5
Elimination Column	6
Part 1A: Revenue.....	7
Part 1B: Expenses	13
Part 2A: Balance Sheet—Equity and Liabilities	19
Part 2B: Balance Sheet—Current Assets	23
Part 3: Indicators.....	26
Part 4: Statement of Cash Flow	29
Part 5: Supplementary Data on Expenses.....	30
Part 6: CEO's or CFO's Comments on Performance.....	32
Form 2: Annual Report	33

***Finance Return
Form F1***

Finance	Finance Return
Form F1	

Reporting Requirements

Form F1 is used to report agency level financial data for all sources of funding. The data is requested in accordance with the Health Services Act 1988. The key feature of the financial statements and ratios on the AIMS Form F1 return is to provide the Department of Human Services with information to determine the performance and viability of each reporting entity.

AIMS Form F1 is divided into six parts:

- Profit and Loss Statement
- Balance Sheet
- Indicators
- Statement of Cash Flows
- Supplementary Data on Expenses, and
- CEO's or CFO's Comments.

Return of Forms

Forms are to be returned to the Department *within 14 calendar days* following the end of the month. Hospitals in the metropolitan regions are to forward electronic data direct to the AIMS Collection Officer, Acute Health Division. Rural hospitals are to submit electronic data to their Regional Office.

Print outs of the original signed forms must be retained by the hospital and be available to officers of the Department upon request.

Assistance

If assistance is required with the completion of this return, please contact your Regional Office (for regional and rural hospitals) and respective account manager (for metropolitan Health Service). For technical assistance on AIMS related problems, please contact the AIMS Help Desk.

Finance	Finance Return
Form F1	

Instructions for Completing Form F1

The instructions for completing the F1 are found in the following pages arranged in the numerical order of the F1 format. These instructions are applicable to the actual as well as the projected position. The instructions should be closely adhered to so that the monthly financial returns of the metropolitan health services (MHS) and hospitals are prepared on a consistent and comparable basis. The disclosures requirements of item 38 to 45 would further enhance the understanding and comparability of the financial result and position of the MHS and hospitals.

The projections required of the profit and loss statement, balance sheet and cash flow statement are for the whole of the financial year 2000-2001. These projections should be based on the budgets of the MHS and hospitals periodically adjusted for change in assumptions and new developments.

Accounting and reporting issues

The monthly F1 provides information on the financial result and position of MHS and hospitals to the Department. The analysis carried out on this information forms the basis of monitoring the industry by the Department and the Minister. The outcome of this monitoring process is formalised in the Highlight Reports prepared for MHS and rural hospitals. There have been inconsistencies in the reporting of certain revenue and expenses between MHS and hospitals. The inconsistencies have distorted the comparability of financial result and performance between MHS and hospitals. Particular, the issues relate to treatment of:

- Non reciprocal transfers or grants
- The timing of recognising funding revenue for salary increases
- Changes in provision for employee entitlements
- Accounting for public holiday expenses
- Industrial disputes or force majeure events

The working party established for the review of the F1 realises that there are differing views on accounting policies and Boards may have differing opinions on the best way of recording these items. Instead, the working party suggested the introduction of a disclosure box that allow DHS to collect further information relevant to explaining and understanding the financial performance of the MHS and hospitals. ***Accordingly, it is essential that MHS and hospitals comply fully with the disclosure requirements which are found in item 38 to 45 of the F1.***

Major changes are:

Statement of Cash Flow Projection

This is an addition for the 2000 - 2001 F1 replacing the 1999-2000 Part 4 on cash flow statement. The statement provides the combined presentation of information on actual as well as the projected cash flow for the year in review.

Profit & Loss Format

Finance	Finance Return
Form F1	

- Merging of SP and Capital Funds
- Elimination column discontinued
- Specific reporting of donations and specific activities (item 13 & 14)
- Depreciation is categorised as in annual report presentation
- Capital Purpose Grants are categorised into DHS and Others. Working party indicated it was not practical to categorise these into programs or output groups
- Full year projection of revenue and expenses

Abnormal Items

- (a) In 2000-2001, the concept of abnormal items disappears from the accounting standards. However, the working party has supported the retention of the “*abnormal items*” line in the F1 for 2000-2001 for comparability and consistency with previous years. The consensus is that the F1 serves the specific monitoring purpose of the Department and the disclosure of these items (which are not extraordinary items) due to the **size, nature or incidence** is relevant in explaining and understanding the financial performance of the MHSs and hospitals. Please refer to item 33 for more details

Balance Sheet

- Under “Equity” section, a ‘specific purpose equity’ line is introduced to capture all the SP and perpetual reserves.
- Income in Advance line is split into DHS and Others.
- Inclusion of projected financial position as at 30.6.2001

Fund Accounting

The Finance and Accounting Manual for Public Hospitals describes ‘Fund Accounting’ as separate accounting for cash inflows according to their source and a matching of expenditure according to the source of funds used in expenditure transactions.

Three funds namely the Operating Fund, Capital Fund and Specific Purpose Funds are used to enable a distinction to be drawn in relation to both stocks and flows of funds between those relating to activities undertaken at the behest of government and those undertaken as a result of local community initiatives.

For purpose of monitoring the financial performance of MHSs / public hospitals, the reporting of operating revenue and expenses in the F1 are grouped into “Services supported by Health Service Agreement” which represents the Operating Fund and “Non HSA initiatives” which combines the Specific Purpose and Capital Funds. This presentation brought the F1 in line with the format of the Revenue and Expense Statement in the annual report. As the non HSA initiatives play an important part in the financial management of the MHSs / hospitals, the format provides greater emphasis on these initiatives.

Finance	Finance Return
Form F1	

Elimination Column

The elimination column appearing in all previous years F1 has been discontinued. As such all elimination of inter Funds transactions should be done outside the F1 in your consolidation worksheet. The 'consolidated' column in AIMS F1 reports only transactions between the entity and third parties.

Finance	Finance Return
Form F1, Part 1A	Profit/Loss Report

Part 1A: Revenue

Government Operating Fund

Acute Revenue—Government (Item 1(i))

Variable payment rates for 2000 - 2001 in respect of Casemix revenue are:

Inpatients

Payment	All Hospitals	Major Providers	Rural Group B (large)	Rural Group B (small) & C	Rural Group D & E
Target A per Public WIES8		\$2,240	\$2,254	\$2,287	\$2,317
Target A per Private WIES8		\$1,832	\$1,846	\$1,878	\$1,906
Target B per Public WIES8	\$1,750				
Target B per Private WIES8	\$1,431				
Rural /Isolate Hospital Payment per WIES8	\$15/\$36				
Nursing Home Type patient per day	\$133				
Sub-acute Bedday Rates					
• Rehabilitation level 1	\$406				
• Rehabilitation level 2	\$338				

(A full listing of the unit rates for all WIES8 are found in Section A Chapter 4 (page 21) of the Policy and Funding Guidelines 2000-2001).

Non-Admitted Patients (Group A Hospitals, Ballarat and Bendigo)

VACS Variable Grant is \$114 per weighted encounter for throughput up to target.

Note that these rates are subject to variation during the year.

All casemix revenue received or accrued for the year-to-date should be recorded in this cell.

Where actual WIES8 for the period is not available, hospitals would need to multiply the actual separations by the most recent estimate of the average conversion factor to derive the estimated WIES8.

The actual/estimated public and private WIES8 relating to Target A, Target B and VACS variable grant relating to non-admitted patients weighted encounters should be multiplied by the relevant rates disclosed above to determine the government accrued revenue.

For 2000-2001 same day medical targets are standardised at 6.5 per cent of total funded throughput across Victoria. Some hospitals are excluded from same day medical targets and will not contribute to MHS targets. The exclusions to the caps introduced in 1999-2000 will continue to apply in 2000-01 (see page 25 of the Policy and Funding Guidelines 1999-2000 for exclusions). Same day medical throughput in excess of targets will not be funded.

Finance	Finance Return
Form F1, Part 1A	Profit/Loss Report

NHT days are paid for patients in an acute facility where the length of stay has exceeded 35 days, except where an acute care certificate or equivalent has been signed. NHT days are paid for in a geriatric facility from when the patient is classified as care type one.

Where actual/estimated WIES8 throughput for the reporting period is greater than target, revenue should be accrued to target. Where actual/estimated WIES8 throughput for the reporting period is lower than target, revenue should be accrued to actual. Section A Chapter 5 and Section B part 4 of the Public Hospitals Policy and Funding Guidelines provide further details that have a bearing on recognition of revenue.

Insurance payments made on behalf of the hospital by the Department of Human Services are contra entries and should be accrued and apportioned between programs based on their proportional amount of expenditure. Such indirect payments should be recorded under 'Government'.

Acute Revenue—Inpatient Accommodation Fees (Item 1(ii))

All accrued private patient fees (with the exception of accrual for the inpatient revenue shortfall, if any, should be taken up in item (i)) must be recorded in this item. Under the Australia Health Care Agreement, Treasury & Finance through the Department will no longer automatically make up for any fall in private patient revenue. However, if the private health insurance participation rate falls below 29.3 % and private patient revenue falls below that of 1998/99; under AHCA, funding will be provided to make up the revenue shortfall. Further details on private patient revenue is also found in Section B part 4 of the Public Hospitals Policy and Funding Guidelines.

Bad debts recovered should be offset against doubtful debt provision incurred by this program in Item 17.

Acute Revenue—Other Income (Item 1(iii))

This cell includes all accrued outpatient fees and pharmaceutical charges as well as interest income. Income from Operating Fund's bank accounts and other investments should be allocated to their output group. If this data is unavailable, interest income should be apportioned on the basis of the output group's percentage share of total revenue.

Facilities fees recovered on revenue from Medicare funded MRI services is to be reported here. Corresponding MRI operating expenses are to be reported in Item 17 (ii) - Acute Non-Admitted Services.

Hospitals which receive 'cash' donations should record these amounts as revenue in the Operating Fund or Specific Purpose Fund depending upon whether or not the donor specifies conditions with respect to disbursement and according to the program that raises the cash. For example, general donations collected from 'Accident and Emergency area' should be recorded in the Operating Fund as revenue against Output Group 111: Acute Health.

Non-reciprocal transfers of an operating nature made to the hospital should be reported in this cell. Non - reciprocal transfer means a transfer in which the entity receives assets or services or has liabilities extinguished without directly giving approximately equal value in

Finance	Finance Return
Form F1, Part 1A	Profit/Loss Report

exchange to the other party or parties to the transfer. With the introduction of Statement of Accounting Concept 4 and more importantly the adoption by the Government of Australian Accounting Standards and Accounting and Financial Reporting Bulletin Issue 2 issued by the Department of Treasury and Finance, non-reciprocal transfers or contributions in the form of grants, donations and gifts must be recognised as revenues. An example of these grants are block grants provided by Department to all MHSs and public hospitals for general equipment and infrastructure maintenance purposes. If these grants are used for general maintenance in acute health, it should be reported in this cell. Otherwise it should be reported as revenue in item 35 as capital purposes grants. Similarly targeted equipment grants, being specifically dedicated to equipment purchases, are to be reported as capital purposes revenue in item 35.

Aged Care and Primary Health Revenue—Government (Item 2(i))

Aged Care revenue from Government grants includes nursing homes, geriatric hospitals, palliative care, day centres, community rehabilitation centres (formerly day hospitals), Home and Community Care (HACC) and all other approved and funded services and special initiatives. Hospitals which receive an operating grant for Aged Care Services should report these amounts in this item.

Primary Health includes Dental Services, Centres Against Sexual Assault, Community Health Services (e.g. podiatry, community health nursing, counselling), Innovative Health Services for Homeless Youth, Alcohol & Drug, Family Planning and Suicide Prevention. The component of this item related to Primary Health services should be accrued by dividing the annual grant as stated in the Health Service Agreement by the number of days in the year and then multiply that amount by the number of days in the month.

The component of this item relating to Aged Care services from Government grants should reflect the accrued revenue for the period based on the actual level of activity in each of the sub program levels for the reporting period. These accruals should take account of any limits on sub program and ensure that cumulative revenue does not exceed the agreed revenue figure, where applicable, that exists in the Health Service Agreement. The following example is provided to illustrate the point.

Agency Community Rehabilitation Centre:

Budget	\$100,000 pa
Target	1,000 attendances
Unit cost per attendance	\$100
YTD attendances to 31/5/00	950
Accrued revenue to 31/5/00	\$95,000

If the agency recorded 80 attendances in the month of June, it would be incorrect to record the accrued revenue for the period as 80 x \$100 or \$8,000 as only \$5,000 of this revenue will be received from the Department (i.e. the difference between the May accrued revenue of \$95,000 and the annual budget of \$100,000).

*Note: As non-admitted services budgets are capped, the maximum amount an agency will receive for the provision of Day Centre services in the above example is \$100,000, so it is therefore incorrect to accrue greater than the 1,000 attendances **at the budgeted unit cost.***

Finance	Finance Return
Form F1, Part 1A	Profit/Loss Report

This does not however preclude an agency from utilising productivity improvements in order to increase total attendances thus reducing unit costs.

Only the Department of Human Services recurrent grants should be reported in this item.

All Commonwealth contributions for residential care are to be reported as inpatients accommodation fees in Item 2(ii). All hostel activities with the exception of Multi-purpose Service sites at Otway, Far East Gippsland, Upper Murray, Mallee Track, Alpine Health, Timboon and Robinvale should be reported in the non-Health Service Agreement initiatives section (under Item 9 for revenue and Item 25 for expenditure).

Aged Care and Primary Health Revenue—Inpatient Accommodation Fees (Item 2(ii))

Refers to all revenue from patients and the Commonwealth including those of the MPS.

Aged Care and Primary Health Revenue—Other Income (Item 2(iii))

Includes investment income and contributions readily identifiable with Aged Care and Primary Health services. For further information, refer to Item 1(iii).

Mental Health Revenue—Government (Item 3(i))

'Psychiatric Services' includes public psychiatric specialist units, mainstreamed psychiatric acute care units, psychogeriatric services, crisis assessment teams, mobile support & treatment, home based outreach program, community residential rehabilitation care, psychosocial rehabilitation day program and related support services. The amount reported here should be accrued by dividing the annual grant as stated in the Health Service Agreement by the number of days in the year and then multiply that amount by the number of days in the month.

Mental Health Revenue—Inpatient Accommodation Fees (Item 3(ii))

Revenue from patients and Commonwealth contributions for jointly funded services should be recorded under this item.

Mental Health Revenue—Other Income (Item 3(iii))

Includes investment income and contributions readily identifiable with psychiatric care. For more information, please refer to Item 1(iii).

Public Health Revenue—Government (Item 4(i))

Public Health includes Koori Liaison, Displan, Methadone, Poison and Drug Information, Perinatal and others. The amount reported should be accrued by dividing the annual grant as stated in the Health Service Agreement by the number of days in the year and then multiply that amount by the number of days in the month.

Public Health Revenue—Other Income (Item 4(ii))

Includes investment income and contributions readily identifiable with Public Health. For further information, refer to Item 1(iii).

Finance	Finance Return
Form F1, Part 1A	Profit/Loss Report

Other Output Group Revenue (Item 5)

Programs other than those mentioned above are to be reported under this heading. The above explanatory notes are also applicable to the appropriate sub headings. Non-admitted Patient Fees are fees derived from outpatients.

Total HSA Revenue (Item 6)

The total for this item is computed by the System automatically and is the sum of Items 1 to 5 in the Services supported by Health Services Agreement column.

Non-HSA Initiatives

This category is generally used to report all business units transactions, controlled entities, private practice accounts, Commonwealth funded programs and other entity programs and activities *which do not have financial support from the Department of Human Services.*

Business Units (Item 7)

A business unit is a part of the MHS or hospital and is usually not a separate legal entity. The business units provide a range of services to public as well as private patients and others at a profit. The revenue earned and expenses incurred on the provision of goods and services to public patients must be reported in the HSA part of the F1 as public patients are funded under HSA. All other revenue earned and expenses incurred by business units are to be reported under this item. The general characteristics of 'business units' include but not limited to:

- the sale of goods and services of a retail and commercial or medical nature to external parties;
- the separate accountability such as cost or profit centres for revenue and expenditure; and
- does not receive any income or support from the Department of Human Services on services or goods provided to external party or private patient.

Examples of business units include: cafeterias, food catering, car park, linen services, radiology, pathology and cleaning services.

Property Income (Item 8)

This refers to gross rental income earned on property leases. These properties are generally held for commercial / investment purposes.

Hostel (Item 9)

Hostel activities other than MPS not funded by the Department are to be reported here.

Interest & Dividend (Item 10)

This refers to interest and dividend earned on bank accounts and investments attributable to the business unit operations and the management of donations and specific purposes grants. Interest earned on capital funds should be reported in item 36 as "Other Capital Purpose Income".

Finance	Finance Return
Form F1, Part 1A	Profit/Loss Report

Controlled Entity (Item 11 (a))

Controlled entity is a separately incorporated body which includes subsidiaries such as private hospitals. However, the decision making capacity is dominated directly or indirectly by the reporting MHS / hospital in relation to the financial and operating policies of the entity so as to enable the entity to operate under those policies in pursuing the objectives of the reporting hospital. A common form of control within the public hospital industry is the capacity of the reporting hospital to dominate the composition of the board of directors or governing board of another entity.

Controlled Entity - Fund Raising Activities (Item 11(b))

This refers to controlled entity primarily engages in fund raising activities for the benefit of the MHS / hospital.

Other Revenue (Item 12)

This includes all sundry income not reported under Items 7 to 11, 13 and 14.

Donations (Item 13)

General donations and tied donations other than capital donations are to be reported in this cell.

Specific Purposes Revenue (Item 14)

This item includes revenue from units which do not come within the definition of 'Business Units' (Item 7) and funding for specified purposes programs *not related to capital works*.

Specific purposes revenue from private sources would include specific bequests, donations, distribution of private practice fees and consulting fees to specific purpose accounts for the benefit of doctors. Research grants and funds held for restricted or specific purposes are to be recorded as revenue under this item.

Total Non-HSA Initiatives Revenue (Item 15)

The total is computed automatically by the System and is the sum of Items 7 to 14 in the Non-HSA Initiatives column.

Total Entity Operating Revenue (Item 16)

The amount in 'Total HSA Revenue' (Item 6) will be transferred to 'Total Entity Operating Revenue' (Item 16) in the Services Supported by Health Service Agreement column.

The amount in 'Total Non-HSA Initiatives Revenue' (Item 15) will be transferred to 'Total Entity Revenue' (Item 16) in the Non-HSA Initiatives column.

The System will require the user to key in the Total Entity Operating Revenue in the All Activities Consolidated column. The amount keyed in must equal to the total of Items 6 and 15 in the All Activities Consolidated column, otherwise the System will display an error message upon completion of data entry and not allow user to proceed with authorisation until the error is corrected.

Finance	Finance Return
Form F1, Part 1B	Profit/Loss Report

Part 1B: Expenses

Items 17 to 21 refer to recurrent expenses accrued on services supported by Health Service Agreement or any other supplementary agreement made with the Department of Human Services.

Acute Services (Item 17)

The expenses include cost of direct patient care for patients admitted to designated acute care beds in public hospitals but exclude the cost of direct patient care for palliative care and psychogeriatric programs. In 2000/01 these services include Aged Care sub acute services such as Rehabilitation Level 1 & 2, Geriatric Evaluation & Management, NHT Days and Respite. The expenses are to be reported under the classification of Admitted Patients and Non-admitted Patients Services.

Admitted patient is a patient who undergoes a hospital's formal admission process and is admitted as a Same-day Patient or Overnight stay Patient. Non-admitted patient is a patient who does not undergo a hospital's formal admission process. There are three categories of non-admitted patient:

- emergency department patient
- outpatient
- other non-admitted patient.

Aged Care Services and Primary Health (Item 18)

Admitted Patients include Palliative Care and Psychogeriatric . Admitted patient is a patient who undergoes a hospital's formal admission process and is admitted as a Same-day Patient or Overnight stay Patient. All expenses on the above levels of care should be recorded on an accrued basis taking into account both bed days and separations as well as the specific requirements of the Hospital Conditions of Funding.

In addition, this item should record expenditure relating to Primary Health programs such as Dental Services, Centres Against Sexual Assault, Community Health Services (e.g. podiatry, community health nursing, counselling), Innovative Health Services for Homeless Youth, Alcohol & Drug, Family Planning and Suicide Prevention. The classification of 'Others' in this output group includes HACC services.

Mental Health Services (Item 19)

Inpatient Services include acute inpatient services, secure/extended care inpatient services and hospital based rehabilitation services. This category is applicable to designated Acute Admission Units only.

Community Based Residential Rehabilitation Services include psychogeriatric nursing homes, hostels and community care units.

Community Based Services include Crisis Assessment Teams, Mobile Support Teams, Continuing Care, Clinical and Consultancy services.

Finance	Finance Return
Form F1, Part 1B	Profit/Loss Report

Public Health (Item 20)

The expenditure relates to Public Health sub programs such as those mentioned in item 4. The classification of non-admitted patients as described in item 19 applies to this Output Group.

Other Output Groups (Item 21)

This refers to expenditure not reported in Output Groups mentioned above in item 17 to 20. The classification of admitted and non-admitted patients as mentioned in item 17 applies to this Output Group.

Total HSA Supported Services Expenses (Item 22)

The total shown here is automatically calculated by the System and equals to the sum of Items 17 to 21 in the Services Supported by Health Services Agreement column.

Non-HSA Initiatives

Business Units (Item 23)

This relates to all expenses incurred on an accrual basis in generating the revenue of Business Units as described in Item 7.

Property Expenses (Item 24)

This relates to all expenses incurred in generating the Property Income as described in Item 8.

Hostel (Item 25)

This refers to all expenses incurred on an accrual basis in generating the revenue of Hostel activities as described in Item 9.

Controlled Entities (Item 26(a))

This refers to all expenses incurred on an accrual basis in generating the revenue of controlled entities as described in item 11(a).

Controlled Entities - Fund Raising Activities (Item 26(b))

This refers to all expenses incurred on an accrual basis in generating the revenue of controlled entities engage in fund raising activities as described in item 11(b).

Other Expenses (Item 27)

This refers to all expenses accruing on the Non-HSA initiatives but not included under item 23 to 26 and item 28.

Specific Purposes Expenses (Item 28)

This refers to all expenses accruing on the delivery of services funded under Item 14.

Total Non-HSA Initiatives Expenses (Item 29)

The total shown here is automatically calculated by the System and is the sum of Items 23 to 28 in the Non-HSA Initiatives column.

Finance	Finance Return
Form F1, Part 1B	Profit/Loss Report

Total Entity Operating Expenses (Item 30)

'Total HSA Supported Services Expenses' (Item 22) and 'Total Non-HSA Initiatives Expenses' (Item 29) will be automatically transferred to this item under the respective activity columns. The system allows user to key in the total in the All Activities Consolidated column and compare with the total calculated automatically. The total entered here is the sum of Items 22 and 29. If the total does not add up, the System will display an error message upon completion of data entry and not allow user to proceed with authorisation until the error is corrected.

Entity Operating Surplus/(Deficit) (Item 31)

The System requires totals to be entered into the respective column and is compared with the total which is calculated automatically. The System will also automatically deduct Item 30 totals from Item 16 to determine the surplus or deficit for the respective activities. If the total does not match, the System will display an error message upon completion of data entry and will not allow user to proceed with authorisation until the error is corrected.

Depreciation (Item 32)

Non HSA Initiatives activities include those of the Capital Fund that is deemed to hold all the hospital's fixed assets. As such, depreciation on these assets should be treated as an expense of the Non HSA Initiatives activities. The three common depreciation methods are spelt out in page 51 of the Department of Human Services' Finance and Accounting Manual. The Victorian Hospitals' Association has issued a list of depreciation rates that are suitable for use by public hospitals, subject only to unusual conditions prevailing with respect to particular assets. This list appears in page 114, Appendices - Department of Human Services' Finance and Accounting Manual for Public Hospitals.

Depreciation in the first year of acquisition must be computed according to the time the asset was used during the year. Fractions of a month are to be disregarded.

Abnormal Items (Item 33)

Although in 2000-2001, the concept of abnormal items disappears from the accounting standards, the F1 has retained "*abnormal items*" line so that results are comparable and consistent with previous years. As the F1 serves the specific monitoring purpose of the Department, the "*abnormal items*" would include specific revenue or an expense that is of such a **size, nature or incidence** that its disclosure is relevant in explaining and understanding the financial performance of the MHSs and hospitals. The requirement is in compliance with section 5.4 of AAS1 (AASB 1018), which becomes operative from 1.7.2000. Some of the circumstances that may give rise to the separate disclosure of these specific revenues and expenses include:

- the write - down of inventories or non - current assets and , where applicable, the reversal of such write - downs
- litigation settlements
- reversals of provisions
- restructuring of operations
- changes in accounting policies, other than those changes made to comply with a Standard or an Urgent Issues Group Consensus View that requires initial adjustments to be recognised as a direct credit to equity or a direct debit to equity.

Finance	Finance Return
Form F1, Part 1B	Profit/Loss Report

Extraordinary Items are to be reported in this cell. Extraordinary items are items of revenue and expense that are attributable to transactions or other events of type that are outside the ordinary operations of the entity and are not of a recurring nature. For example, the sale of a significant operation or all the assets associated with such an operation or the unintended destruction of a property.

Reporting entity is encouraged to provide additional information of these items in Part 6 - "CEO'S or CFO'S Comments on Performance" section of the F1 for better understanding of the operating result.

Long Service Leave (Item 34)

The provision for long service leave is contractual and the reporting requirements are codified in AAS 30. One of the most significant requirements is the use of present value in reporting the future liabilities on long service leave. This requires the use of discount and wage inflation rates that are advised quarterly by Department of Treasury & Finance.

The adjustments attributable to the change in the discount and wage inflate rates are to be reported here.

Capital Purposes Grants (Item 35)

This relates to all tied grants received *for the purpose of acquiring non-current assets such as capital works, plant and equipment* and should be reported as revenue in the Non HSA Initiatives column.

In 2000-01 as in 1999/00, the Department will continue with the capital equipment funding process comprising of two major annual funding pools briefly described as follows:

- *General Equipment and Infrastructure Maintenance Grants* – from this funding pool all MHSs/hospitals receive general purpose grants for use towards their annual capital equipment, plant and infrastructure maintenance/minor works needs. The allocation of these grants is based on patient throughout level. Due to its general nature and the method of allocation, these grants should be reported as operating revenue and/or capital purpose income dependant on their final usage.
- *Targeted Equipment Grants* – from this funding pool MHS/hospitals bid for grants towards higher-cost replacement or new items of equipment not funded under other special-purpose capital funding programs. The allocation of these grants is submission based and for the purchase of equipment only. As such funding received under this program has to be reported as capital purpose income.

Non-reciprocal contributions made by Department are reported under the 'Department of Human Services' sub heading while those made by the community and the Commonwealth are reported under the 'Others' sub heading.

Finance	Finance Return
Form F1, Part 1B	Profit/Loss Report

Other Capital Purpose Income (Item 36)

All income (other than those reported in item 35) received *for the specific purpose of acquiring non-current assets such as capital works, plant and equipment should be reported as revenue in the Non HSA Initiatives column.* The common items to be included here are:

- Donations and bequests specified for the purchase of fixed assets
- The cost of equipment donated by medical practitioners
- Profit or loss on sale of fixed assets.

Entity Surplus/(Deficit) (Item 37)

The System requires totals to be entered into the respective column and is compared with the total (of items 31, 32, 33, 34, 35 and 36) which is calculated automatically. If the total does not match, the System will display an error message upon completion of data entry and will not allow user to proceed with authorisation until the error is corrected

Supplementary Information on Profit and Loss Statement (Item 38)

This refers to disclosure of operating expenses incurred in the current financial year in relation to revenue recognised in the last financial year. This situation is a consequence of recognising non reciprocal transfer as revenue in previous year with corresponding operating expenses accounted for in the current year.

Supplementary Information on Profit and Loss Statement (Item 39)

This refers to disclosure of revenue recognised in the current financial year without accruing the corresponding operating expenses or having operating expenses recognised only in the following financial year. This situation is a consequence of recognising non reciprocal transfer as revenue in the current year with corresponding operating expenses accounted for in the following year.

Supplementary Information on Profit and Loss Statement (Item 40)

This refers to disclosure of loss of throughput due to industrial dispute / force majeure and accrued as revenue. The WIES lost should not be recognised as revenue until DHS agrees to compensate for the loss. The number of WIES lost is to be disclosed in the "Allocation" column and the revenue amount accrued is to be reported in the "Year to Date" column.

Supplementary Information on Profit and Loss Statement (Item 41)

This refers to disclosure of loss of throughput due to industrial dispute / force majeure and not accrued as revenue. It is prudent not to recognise the WIES lost as revenue until DHS agrees to compensate for the loss. The number of WIES lost is to be disclosed in the "Allocation" column and the revenue amount lost is to be reported in the "Year to Date" column.

Supplementary Information on Profit and Loss Statement (Item 42)

This refers to disclosure of salary increases charged to profit and loss without a similar accrual of DHS funding. This is a common issue noted on inconsistent recognition of salary expenses and revenue arising from award increases funded by DHS. The problem occurs in the year of renegotiating the awards where the percentage adjustment to salary remains unknown for a few months until final agreement is reached. It follows that funding from DHS through the revised WIES rate is paid in arrears. It often happens that the increased salary

Finance	Finance Return
Form F1, Part 1B	Profit/Loss Report

costs are accrued without a similar accrual of funding to be received from the Department.

Supplementary Information on Profit and Loss Statement (Item 43)

This refers to change in provision for employee entitlements due to renegotiation of awards. The change in the provision creates a corresponding increase in employee entitlements expense. Currently there is a lack of uniformity in the recognition of this increase in the profit and loss statement among MHSs and hospitals. The percentage and amount of increase charged to profit and loss are to be disclosed respectively in the “Allocation” and “Year to Date” column.

Supplementary Information on Profit and Loss Statement (Item 44)

This refers to the treatment of public holiday costs. Various methods are in use by MHSs and hospitals to account for public holiday costs in the profit and loss statement. This disclosure item requires the reporting of the number and costs of public holidays charged to profit and loss respectively in the “Allocation” and “Year to Date” column.

Supplementary Information on Profit and Loss Statement (Item 45)

This refers to grants that are provided by the Department to the MHSs and hospitals for capital purchases as well as for the provision of services. Accordingly, the MHSs and hospitals have the discretion on the eventual usage of these grants. Common examples of these grants are Infrastructure and Maintenance Grant and grant for infectious control. This disclosure item requires the reporting of the amount recognised as operating revenue and / or capital revenue.

Finance	Finance Return
Form F1 Part 2B	Balance Sheet

Part 2A: Balance Sheet—Equity and Liabilities

Equity

Retained Earnings (Item 46)

This refers to the closing balance on accumulated surplus/(deficit) as at the reporting date.

Major Redevelopment Equity (Item 47)

Where an entity receives capital grants for major works and the Minister of Finance approves the funding to be treated as contributed capital, it is then appropriate to report such capital grants under this item in the balance sheet.

Specific Purpose Equity (Item 48)

This refers to funds held for restricted purposes and funds held in perpetuity. Funds held for restricted purposes refer to funds which because of the terms on which they are given or because of a decision of the Board of Management are not available to be used for general activities of the hospital e.g. Research Funds, Education Funds, Prize Funds, Charitable Trusts and Private Practice Funds. Funds held in perpetuity refer to endowments from donors where the amount and duration of the gifts continue for an infinite period. Interest earned from these funds is added to the original sum to maintain its value. Funds held for restricted purposes and for perpetuity are generally classified under Specific Purpose Fund.

All Other Equity (Item 49)

'Other Equity' includes asset revaluation reserve and other reserves not included in items 47 and 48. Asset Revaluation Reserve is an equity account which contains the movements in asset values and any upward or downward movement in asset values is recorded against this reserve account.

Total Equity (Item 50)

The total keyed into the Consolidated column is the sum of Items 46, 47, 48 and 49. If the total does not add up, the System will display an error message upon completion of data entry and not allow the user to proceed with authorisation until the error is corrected.

Current Liabilities

Bank Overdraft (Item 51)

Bank overdraft utilised within the approved limit is not a quick liability although it remains a current liability being payable at call. The credit balance of a bank overdraft drawn within limit should only be reported in Item 51(i). Bank overdraft must not be set-off against the debit balance in another bank account.

Where an overdraft has exceeded its approved overdraft limit the overdrawn amount should be reported in Item 51(ii) and it is treated as a quick liability. For example if a hospital has an overdraft limit of \$100,000 and this is exceeded by \$20,000 (i.e. the account has a credit balance of \$120,000) then \$20,000 should be reported in Item 51(ii) and \$100,000 should be reported in Item 51(i).

Creditors Payable (Item 52)

The reported balance here should be supported by a listing of outstanding suppliers' accounts which agrees with, or is reconciled to, the relevant general ledger balances.

Finance	Finance Return
Form F1, Part 2B	Balance Sheet

Accounts payable are all amounts which are owing and unpaid for goods delivered and services rendered at a point in time.

Item 52(i)

Refers to all accounts due for immediate payment as well as those due within 30 days.

Item 52(ii)

Refers to all accounts due for payment after 30 days but before 60 days.

Item 52(iii)

Refers to all accounts due for payment after 60 days.

Accrued Expenses (Item 53)

Accrued expenses arise when the expense incurred for the period is not paid for in the same period. As long as payment for expenses and incurrence of the expenses do not take place in the same accounting period, accrual of expenses become necessary for purpose of matching revenue with expenses. Amounts commonly included in this item are utility charges.

Accrued Salaries & Wages (Item 54)

The component of salaries and wages (including fringe benefits and non-monetary benefits) arising from services rendered by employees during the reporting period that is not paid as at the reporting date (i.e. month end or year end).

Provision for Employee Entitlements (Item 55)

Employee entitlements means benefit entitlements which employees accumulate as a result of the rendering of their services to the hospital up to the reporting date, and include, but are not limited to, annual leave, long service leave, superannuation and other post-employment benefits. Accounting for employee entitlements should comply with the provisions of AAS 30. In respect of measurement of long service leave, a working guide on this matter is found in 'Accounting for Long Service Leave' jointly issued by the Australian Accounting Research Foundation and Coopers & Lybrand.

The proportion of employee entitlements estimated to be payable within the next 12 months is to be included under this item. The portion not due for settlement within the next 12 months is to be classified as non-current in Item 62. If total provision is say \$1,000,000 and \$150,000 is required to be settled in the next 12 months, \$150,000 is shown as current liabilities while \$850,000 is shown as non-current liabilities.

Income in Advance (Item 56)

AAS 15 draws a distinction between reciprocal and non-reciprocal transfer of assets in the recognition of revenue. Non-reciprocal transfer generally means a transfer in which the entity receives assets without directly giving approximately equal value in exchange to the other party. Subject to certain conditions (AAS15 para 9.1), all non-reciprocal transfers must be recognised as revenue. A common example is donated asset, donation in general and non reciprocal transfers with stipulations. Income in Advance arises from the non-completion or partial completion of services established under the reciprocal transfers. Failure in providing the goods and / or services may render the assets transferred repayable. An example of a reciprocal transfer is casemix funding which involves a purchase/provider

Finance	Finance Return
Form F1 Part 2B	Balance Sheet

agreement detailing the required output and penalty or recall of money if the agreed services are not delivered.

Monies held in Trust (Item 57)

Refers to funds held on behalf of patients during their stay in hospital. Upon discharge, the funds are remitted to the patient. Revenue earned such as interest, together with the amount paid out under instruction from the patient, represent increases and decreases respectively in the liability to the patient. The liability must be matched by an asset (usually a bank account) held in trust in the statement of financial position.

Lease Liabilities (Item 58)

Relates to finance lease liabilities due within 12 months. For further information, refer to 'Leased Assets' in the Department of Human Services Finance and Accounting Manual for Public Hospitals.

Loans (Item 59)

Short term loans or cash advances from all sources including the Department of Human Services should be shown in this item.

Other Current Liabilities (Item 60)

Relates to any amount not otherwise included in Items 51 to 59.

Total Current Liabilities (Item 61)

The total keyed here must be equal to the sum of Items 51 to 60. If the total does not add up, the System will display an error message upon completion of data entry and not allow the user to proceed with authorisation until the error is corrected.

Non-Current Liabilities

Provision for Employee Entitlements (Item 62)

Refers to that portion of provision for employee entitlements that is not due and payable within 12 months.

Lease Liabilities (Item 63)

Relates to finance lease liabilities not due within 12 months. For further information, refer to 'Leased Assets' in the Department of Human Services Finance and Accounting Manual for Public Hospitals.

Other Non-Current Liabilities (Item 64)

Refers to any amount not otherwise included in Items 59 and 60.

Total Non-Current Liabilities (Item 65)

The total keyed here must be equal to the sum of Items 62 to 64. If the total does not add up, the System will display an error message upon completion of data entry and not allow user to proceed with authorisation until the error is corrected.

Total Liabilities (Item 66)

Manual input is required for comparison with the sum of Items 61 and 65. The System will also automatically transpose the sum of Items 61 and 65 to this item.

Finance	Finance Return
Form F1, Part 2B	Balance Sheet

Total Equity and Liabilities (Item 67)

The System will automatically transpose the sum of Items 50 and 66 to this item. Manual input is also required for comparison with the sum of Items 50 and 66.

Finance	Finance Return
Form F1 Part 2B	Balance Sheet

Part 2B: Balance Sheet—Current Assets

Current assets means cash or other assets of the entity that would in the ordinary course of operations of the entity be consumed or converted into cash within twelve months after the end of the last reporting period of the entity.

Cash at Bank/On Hand (Item 68)

This refers to the consolidated debit bank balances of the entity.

Where a material amount of cheques have been drawn but not issued to suppliers, the amount should be added back to creditors payable and cash at bank for F1 reporting purposes. An amount equal or greater than 10% of the base amount is regarded as material. The base amount in this case is the total value of cheques drawn in the month.

Patient Fees Receivable (Item 69)

This item should only include patient fees. The amounts are to be shown net of any provision for doubtful debts. The Department of Human Services grants are to be included in accrued revenue (Item 73).

Monies held in Trust/Specific Purpose (Item 70)

Refer to monies held in trust by the hospital on behalf of other parties.

Stores (Item 71)

The amount should be shown at book value at the lower of cost and net realisable value. Cost is determined principally by the first-in, first-out method. The amount reported should be net of any provision for stock obsolescence.

Prepayments (Item 72)

Prepayment arises when the hospital makes a payment during the current financial year which applies partly to a period within the current financial year and partly to a future period. Commonly occurring prepayments include telephone rentals, insurance premiums and journal subscriptions.

Accrued Revenue Receivable (Item 73)

This is a receivable account representing the difference between revenue accrued and payments received from the Department of Human Services. However, cash advances or loans from DHS are to be excluded.

Debtors (Item 74)

Refers to all amounts receivable within one year which have not been included in Items 69, 72 and 73, e.g. invoiced trade debtors.

Short Term Investments (Item 75)

Investments held by the hospital should be recorded at the lower of cost and net realisable value. The classification between current and non-current assets depends on the expected timing of disposal of the investment. If disposal is not anticipated within 12 months the amount should be recorded in Item 78.

Finance	Finance Return
Form F1, Part 2B	Balance Sheet

Other Current Assets (Item 76)

'Other current assets' includes all amounts due within 12 months that are not specifically covered in Items 68 to 75.

Total Current Assets (Item 77)

The total keyed into the Total All Funds column must equal to the sum of Items 68 to 76. If the total does not add up, the System will display an error message upon completion of data entry and not allow the user to proceed with authorisation until the error is corrected.

Non-Current Assets

Non-current assets means all assets other than current assets.

Long Term Investments (Item 78)

General investments held by the hospital should be recorded at the lower of cost and net realisable value. Revaluation of land and buildings held as investments should comply with the relevant accounting standard. The classification between current and non-current assets depends on the expected timing of disposal of the investment. If the anticipated disposal is within 12 months for an investment then it should be recorded as a short term investment under item 75.

Non-Current Assets at Gross Cost (Item 79)

The non-current assets include land and buildings, plant & equipment, leasehold improvements, motor vehicles, office furniture, assets under construction and library books. It should be noted that the threshold for recognition and capitalisation of a non-current physical asset is \$1,000.

Accumulated Depreciation (Item 80)

- Apart from land, all other fixed assets should be depreciated over its remaining useful life. The Victorian Hospitals' Association has issued a list of depreciation rates which are suitable for use by public hospitals, subject only to unusual conditions prevailing with respect to particular assets. This list appears in Appendix ii (page 111) of the Finance and Accounting Manual for Public Hospitals. If an asset has been revalued, the depreciation should be calculated on the revalued amount rather than the historical cost. No depreciation is to be charged on capital works until the facility is complete and ready for use.

Total Non-Current Assets (Item 81)

Total keyed in the Total Consolidated column must equal the sum of Item 78(i) & (ii) and the difference between Items 79 and 80(i) & (ii). If the total does not reconcile, the System will display an error message upon completion of data entry and not allow the user to proceed with authorisation until the error is corrected.

Total Assets

Total Assets (Item 82)

Total Consolidated column has to be input manually and must equal to the sum of Items 77 and 81. The System will also automatically transpose the sum of Items 77 and 81 to this item. If the total does not correspond, the System will display an error message upon

Finance	Finance Return
Form F1 Part 2B	Balance Sheet

completion of data entry and not allow the user to proceed with authorisation until the error is corrected.

Finance	Finance Return
Form F1, Part 3	Performance Indicators

Part 3: Indicators

Performance Indicators

WIES (Item 83)

The intention is to establish the hospital's YTD throughput performance in relation to its targets and to understand what throughput the hospital is recognising in its YTD revenue.

The starting point is to record the YTD WIES estimate which will be coded as fundable and refine that figure to ascertain the WIES recognised as revenue. Separate columns for DVA and non-DVA are provided because over 'target' DVA throughput still earns revenue.

YTD Fundable WIES (Item 83 (1i))

The exact current month WIES will in most cases not be known. The YTD WIES should include:

- The most recent YTD VIMD fundable WIES for the prior months.
- VIMD fundable separations for the current month (include uncoded) converted to WIES.
- Accrual for patients not yet separated.

WIES which are subject to special funding arrangements and have been coded as such should be included in Item 5 *Other Department of Human Services' funded WIES included as revenue*. An 1998–99 example of this would be the AHCA elective WIES.

Same Day Medical Penalty (Item 83 (2i))

WIES over the same day medical cap is not funded. If a hospital believes that despite being over its estimated YTD cap it will be under the cap by end of the year, it should continue to accrue the over cap WIES as revenue. If the over cap situation is likely to persist, then that revenue should not be accrued and should be shown here. For example, if YTD over same day medical cap is 100 and at the end of year this is estimated to be 50 only, the end of year over target estimate of 50 should be entered here.

Other over target WIES not accrued as revenue (Item 83 (2ii))

The main inclusions here will be:

- Late coded throughput where significant
- Non-DVA throughput being over target at the end of the year and therefore not funded

If the hospital believes that despite being over its estimated YTD target it will be on or under the target by end of the year, it should continue to accrue the target WIES as revenue.

Quick Assets (Item 84)

This refers to liquid assets that can be converted into cash fairly quickly. For purpose of this Return, a cut off period of 60 days is used. Quick assets include Cash at Bank/on Hand, Patient Fees Receivable within 60 days (Items 69(i) and(ii)), Accrued Revenue Receivable, Short Term Investments and the 60 days portion of Debtors and Other Current Assets.

Quick Liabilities (Item 85)

Quick liabilities are Bank Overdraft (exceeded limit portion), Accrued Salaries and Wages, Creditors Payable within 60 days (Items 52(i) & (ii)) and the 60 days portion of Accrued

Finance	Finance Return
Form F1 Part 3	Performance Indicators

Expenses, Provision for Long Service Leave, Lease Liabilities, Loans and Other Current Liabilities.

Solvency: Quick Asset Ratio (Item 86)

This ratio is computed by the System and is derived from dividing Quick assets (Item 84) by Quick Liabilities (Item 85).

Current Assets Ratio (Item 87)

This ratio is computed by the System and is derived from dividing Current Assets (Item 77) by Current Liabilities (Item 61). The "Total All Activities Budget "current assets ratio is derived from the projected balance sheet as at 30.6.2001.

Efficiency Indicators

Entity Operating Surplus (Deficit)/Total Revenue Per Cent (Item 88)

This refers to entity operating surplus/deficit (Item 31) which is divided by Total Entity Revenue (Item 16). This ratio measures the relative operating efficiency of the hospital in terms of entity operating surplus as a percentage of the total revenue.

The System computes the year-to-date ratio.

Patient Fees Receivable Turnover (in days) (Item 89)

The hospital is required to calculate this monthly ratio and enter it here. Turnover of patients' fees receivable is calculated by dividing the average amount receivable at the beginning and the end of the month by the daily average patient fees earned for the same month. The result is expressed as a number of days that patient fees are taken to collect. This turnover rate will be influenced by the speed with which private health funds and statutory bodies such as TAC settle their accounts. A fall in the ratio or a low rate indicates more effective collection.

Viability Indicators

Entity Operating Surplus or (Deficit) (Item 90)

The System automatically transposes year-to-date operating results (Item 31) on to the YTD column. But the *monthly* result has to be computed manually and keyed into the current month column. The operating surplus (deficit) is a key indicator of viability and performance within the given constraints because it indicates all revenue and expenses (before Items 32, 33, 34, 35 and 36). At entity level, it measures operating performance in financial terms. Trends in the entity's surplus or deficit are important indicators of viability as they indicate the extent to which the hospital's operating activities are adding to or eroding its asset base over time.

Off Balance Sheet Items

The information are requested to enhance disclosure and quality of evaluating the financial performance and position of the Hospital.

Unrealised Losses (Item 91)

This refers to unrealised loss arising from transaction pending completion, maturity or disposal. Common transactions in this regard are investments in equity and managed funds where losses are not provided for in the accounts.

Finance	Finance Return
Form F1, Part 3	Performance Indicators

Litigation/Contingent Liabilities (Item 92)

Litigation/Contingent Liabilities are those liabilities arising from decision, settlement or obligation which become payable or enforceable in certain circumstances against the Hospital. Examples would be:

- A guarantee given by the entity to secure a third party's debt.
- Litigation where the probable outcome is unfavourable and may result in a material impact on the financial position of the entity.

Capital Commitments (Item 93)

This refers to contractual obligation relating to capital project and purchases.

Subsequent Events (Item 94)

This refers to event occurring after balance sheet date but relating to a condition existing as at that balance sheet date.

Finance	Finance Return
Form F1 Part 4	Statement of Cash Flow

Part 4: Statement of Cash Flow

Commencing 1999–2000, the Statement of Cash Flow forms part of the monthly financial return to the Department. ***In 2000 - 2001 The Statement of Cash Flow was revised to allow for the combined presentation of information on actual as well as on projected basis.*** Under this revised statement, cash flows are to be provided on a monthly basis. For example in the July F1 return, the July column reports on the actual cash flow for that month while the remaining eleven months provide the projected cash flow for the respective months. The “Total” column is an aggregation of the actual and projected cash flows for the year.

The form and content (except for the projection requirement) of the Statement of Cash Flow is consistent with those of the Annual Report. The Statement provides useful information on the cash requirements of the public hospitals and how these requirements are satisfied. The information provided in the statement of cash flows together with other information in the financial report will assist in assessing the ability of a public hospital to generate cash flows and meet its financial commitments as they fall due. A Statement of Cash Flows is also required from hospitals in order to enable the Department to meet the Government reporting requirements of the Department of Treasury & Finance.

A reconciliation of cash flows arising from operating activities to operating surplus or deficit as reported in the profit and loss account is not required for the Statement of Cash Flow.

In preparing this Statement of Cash Flow, hospitals should be guided by the provisions of AAS28. Most of the cash flow activities reported in the Statement are self explanatory or have been explained in other parts of the ‘Instructions for Completing the F1’ and the Annual Reporting Guidelines. However it should be noted that ‘Donations and Bequests’ in operating activities refers to general and specific donations and bequests other than those received for the purpose of acquiring non-current assets such as plant and equipment. This category of donations and bequests should be included as ‘Non-government Capital Income’ in investing activities.

Cash flows relating to GST / FBT should be reported in operating activities under “Others”.

“Cash At End of Period” should equal to the sum of item 51,68,70 and 75 of the balance sheet.

Finance	Finance Return
Form F1 Part 5	Supplementary Data on Expenses

Part 5: Supplementary Data on Expenses

This part of the F1 is an adaptation of the note on operating expenses contained in the Annual Reports. It is intended to provide a better understanding of the behaviour of costs and EFT level in relation to output and enable the Department to meet Government reporting requirements of the Department of Treasury & Finance. The following notes are provided to assist you in completing the return. These notes are applicable to both HSA and Non-HSA Services.

Salary & Wages (Items 1i and 7i)

Salary and wages are divided into two categories. This includes salary and wages of all employees working a full-time or part-time basis and excludes fee-for-service medical officers. The 'Basic' grouping refers to the *ordinary rate* of salary and wages, annual leave, sick leave, other leave entitlements and public holidays. The 'Others' grouping is for staff costs such as overtime, penalty and allowances.

Salary and wages should be reported gross and not net of deductions or salary sacrifice arrangements.

Workcover (Items 1ii and 7ii)

All expenditure incurred for Workcover is reported here.

Departure Packages (Items 1iii and 7iii)

All expenditure incurred (including Long Service Leave) as a result of VDPs approved and funded by the Department or the hospital. Both Targeted Separation Packages and Voluntary Departure Packages should be included.

Long Service Leave (Items 1iv and 7iv)

The total amount you would have provided for in the annual report as required by AAS30 but excluding all expenditure related to VDP Packages.

Superannuation (Items 1v and 7v)

All superannuation expenditure related to the various schemes.

Agency Costs (Items 2 and 8)

All expenditure incurred in engaging agency staff.

Fee-for-Service Medical Officers (Items 3 and 9)

This refers to payments made to a visiting medical officer appointed by the hospital to provide medical services on a fee-for-service basis.

Supplies & Consumables (Items 4 and 10)

This includes the costs of supplying food and beverages to patients, consumables of a medical and surgical nature and pharmaceutical supplies.

Finance	Finance Return
Form F1 Part 5	Supplementary Data on Expenses

Other Expenses (Items 5 and 11)

Other Expenses includes all expenses not reported in items 1 to 4 or items 7 to 10 of F1 Part 5.

Total Expenses (Item 13)

'Total Expenses' of this form must agree with item 30 of F1 Part 1.

EFT (Item 14)

The EFT information requested in item 14 is the overall actual current month base EFT figure without overtimes, penalty and allowances.

Finance	Finance Return
From F1 Part 6	CEO's or CFO's Comments on Performance

Part 6: CEO's or CFO's Comments on Performance

The comment should include the following areas:

Review Performance

Review the monthly and year-to-date operating result with reference to the key influences on the reported surplus or deficit position. These influences may be financial (e.g. accounting adjustments) and non-financial (e.g. lower throughput).

Review of Projected Year End Result

The key assumptions made on Projected Year End result should be disclosed and explained. If the trend in actual result appears to be contrary to the projected one, the disparity should be explained.

Strategies and Progress Plan

Details of action plan and the corresponding progress report is needed where the entity is reporting a significant deficit. The Plan generally outlines the major saving strategies and the progress report updated each month to tracks its implementation and effectiveness in financial terms.

Major Events

Details of major events which have occurred beyond the control of the management and have a significant impact on the operating result or financial position of the entity. Examples of such events are industrial dispute, major break down of plant and equipment or forced shut down of facilities.

Finance Return

Form 2: Annual Report

Finance	Finance Return
Form F2	Annual Report

Public hospitals are required to prepare a Revenue and Expense Statement, Balance Sheet Statement of Cash Flows and notes to the Financial Statements for the end of each financial year in accordance with the Finance Management Act. These statements are subsequently audited by the Auditor General and form part of the Hospital Annual Report that is tabled in Parliament.

The F2 return for June 2000 will mirror part of the Annual Report for 1999–2000. Specific details on Form F2 were distributed to agencies in early June 2000, after the 1999–2000 annual reporting requirements for public hospitals were finalised.