The Chief Finance Officer (CFO) is accountable to ensure the capital funding that comes into Queensland Health is effectively managed.

The CFO is responsible for funding whilst the Deputy Director-General Health Planning and Infrastructure Division (HPID) and Chief Information Officer (CIO) are responsible for acquisitions including program delivery and cost control.

The approved Capital Acquisition Program should be predominantly used for capital with associated expensing kept to an absolute minimum.

Equity submissions to Queensland Treasury can only be progressed with the endorsement of the CFO.

Within Queensland Health operating revenue cannot be used as a funding source for capital acquisitions.

**Capital Funding Policy Implementation Standard – Funding Sources**

1. **Purpose**
   This standard establishes the requirements on how funding sources to the approved Capital Acquisition Plan can be increased or decreased.

2. **Scope**
   Compliance with this standard is mandatory for all Queensland Health Divisions and Health Service Districts.

3. **Definition of Terms**
   Definition of all key terms used in this Standard are listed in the glossary of the capital funding policy.

4. **Supporting Documents**
   - Implementation Standard – Items to be funded from the Capital Acquisition Plan (CAP)
   - Queensland Health Costing Template

5. **Requirements**
   There are five sources of funding to the approved Capital Acquisition Program. These are:
   - Equity – State & Commonwealth
   - Depreciation
   - Borrowings
   - Sale Proceeds
   - Other
   The specific requirements for these funding sources are detailed in this Standard.
5.1 Equity – State

- All submissions by Queensland Health for additional state equity funding to the Cabinet Budget Review Committee (CBRC), shall have formal endorsement of the CFO. This endorsement shall occur prior to submissions progressing through the Department’s approved governance process (ie Resource Executive Committee).
- Submissions can only be made as part of the mid-year review and budget processes.

5.2 Borrowings

- It is the Department’s position that exposure to borrowings debt is extremely limited.
- Submissions for borrowing approvals to the Treasurer shall have formal endorsement of the CFO.

5.3 Sale Proceeds

- Sale proceeds from assets shall only be recognised as a funding source to the CAP where they are realised.
- Sale proceeds planned but not realised shall only be recognised as a funding source with the endorsement of the CFO and the approval of Queensland Treasury.
- Sale proceeds factored into the CAP will be reflected against the emergent works line item unless specific approval has been obtained from Health Infrastructure Program Executive Committee (HIPEC) for an alternate allocation.

5.4 Other Funding

- Other funding sources shall only be included in the CAP with the approval of the CFO.

5.5 Internal Funding Swaps

- Internal funding swaps are specifically prohibited.

5.6 External Funding Swaps

- External funding swaps are permitted and shall be coordinated by the Business Analysis & Management unit within Finance Branch.
- External funding swaps will not be considered for submission to Treasury where the quantum is less than $2 million per project.
- External funding swaps will only be progressed to Treasury with the approval of the CFO. Submissions are to coincide with Forward Estimates updates. Submissions will therefore only be considered in September and March.

5.7 Governor In Council Expenditure Approvals

- Expenditure approvals shall be in line with the FMPM Circular 5/2010 Delegations, Project, Contract & Expenditure Approvals.
- Requests for Governor In Council expenditure approval shall be in line with FMPM Circular 1/2010 Request for Governor in Council expenditure approval.

6. Review

This Standard is due for review on 1 July 2011.
7. History

<table>
<thead>
<tr>
<th>Date of new / revised policy</th>
<th>Amended to………</th>
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<tr>
<td>July 2010</td>
<td>New standard</td>
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8. Responsibilities

<table>
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<tr>
<th>Position</th>
<th>Responsibility(ies)</th>
<th>Accountabilities/Audit Criteria</th>
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| Queensland Health Chief Finance Officer (CFO) | • The CFO is responsible for the overall management of all capital funding within the Department.  
• The CFO as the head of Finance Branch has responsibility to ensure capital funding is directed and used in the manner it has been provided.  
• The CFO has responsibility to ensure no capital funding submissions are put forward unless they have been both reviewed and thoroughly costed. | The CFO is accountable to ensure QH has a properly constructed capital policy in place.                                                                                                                                                                                                    |
| Deputy Director General HIPD and Chief Information Officer (CIO) | • The DDGHIPD and CIO are responsible to ensure that all aspects of the CAP excluding fund management are delivered including delivery of the work program and cost control.  
• The DDGHIPD and CIO are responsible to ensure an effective governance process is in place manage the delivery of the QH capital program. | The DDGHIPD and CIO are accountable to deliver the program of work on time and within allocated funding.                                                                                                                                                                                     |
| Deputy Director General Corporate Services (DDGCS) | • The DDGCS is responsible for approving the development of this policy.  
• Approving new or amended policy (and associated policy instruments) in line with the requirements of this standard.  
• Appointing the SDFSPC as the policy custodian for both the development and post | The DDGCS has accountability to ensure the capital funding policy has been developed in accordance with the QH policy management policy.  
Accountable for the... |
| Senior Director Financial Strategy & Policy Co Ordination (SDFSPC) | Approval phases of the capital funding policy.  
- Approving the rescinding of the policy if necessary. | promulgation of the policy to the Resource Committee for approval. |
|---|---|---|
| | The SDFSPC is the policy custodian for the Capital Funding Policy.  
- Approving terminology for inclusion in the Capital Funding glossary of policy terms.  
- Ensuring there is awareness and compliance to the capital funding policy. | Maintaining the policy to ensure it is reviewed annually and is maintained up to date. |

Resource Committee Approval Date:

Implementation Date: July 2010