

H. Financial benchmarks

Figure H1
Financial benchmarks

Benchmark	Calculation	Benchmark	What it means
Current assets exceed current liabilities	Current assets divided by current liabilities	Greater than one	HHSs with current assets lower than their current liabilities may find it more difficult to pay their debts as they are due.
Cash to pay average daily costs for 14 days or more	HHSs cash balance divided by its average daily operating costs	A cash balance which can pay for greater than 14 days of operating costs	HHSs receive fortnightly payments for health funding from the department. A ratio close to 14 days indicates HHSs may encounter short-term problems in having enough cash to cover their costs.
Positive operating cash flow	Annual operating cash inflows minus operating cash outflows	A positive annual operating cashflow	A negative operating cashflow indicates HHSs may encounter liquidity problems as their cash balances decrease over time. It may also indicate a reliance on other funding sources, for example cash injections from the department.

Source: Queensland Audit Office.

