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AUDITOR-GENERAL'S REPORT **Effectiveness of NSW Government's 'Program Evaluation Initiative'**

The NSW Government's 'program evaluation initiative', introduced to assess whether service delivery programs achieve expected outcomes and value for money, is largely ineffective according to a report released today by NSW Auditor-General, Margaret Crawford.

Government services, in areas such as public order and safety, health and education, are delivered by agencies through a variety of programs. In 2016–17, the NSW Government estimates that it will spend over \$73 billion on programs to deliver services.

'Government decision-makers are not receiving enough information to make evidence-based investment choices,' said the Auditor-General, 'and there is little assurance that the right programs are being evaluated.'

The audit found that only one of the five departments reviewed had processes to ensure the right programs were selected for evaluation. Contrary to initial expectations, NSW Treasury and the Department of Premier and Cabinet (DPC) have a limited role in reviewing programs nominated by departments for evaluation, and are not using completed reports in their central advisory role to the NSW Government.

'Agencies have only been required to provide finalised program evaluation reports to NSW Treasury and DPC since May 2016,' said the Auditor-General, 'but there is no requirement to include information on how the agency has, or intends to, address issues identified.'

Separately, the Audit Office recommended that NSW Treasury develop an evaluation framework to support the budgeting and reporting component of its forthcoming Financial Management Transformation (FMT) program, due to commence in line with the 2017–18 Budget. NSW Treasury has confirmed that this will occur, and that the current 'program evaluation initiative' will be integrated into the new evaluation framework.

'I recommend that all government departments follow the good practice model outlined in the audit report for selecting programs to be evaluated,' said the Auditor-General. 'NSW Treasury and DPC should participate in the nomination process to give assurance that the right programs are evaluated, and should use findings from the final reports, and agency responses, to provide evidence-based advice to NSW Government to inform decisions on future funding of programs.'

Further information

A full copy of the report is on the Audit Office website.

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