












Appendix two – Status of 2016 recommendations

The table below lists the status of recommendations made in the 2016 Auditor-General's Reports to Parliament on agencies included in the Industry cluster for 2016–17.

Recommendation	Current status	
The Department should:		
Implement risk management across the cluster.	The Department implemented a revised risk framework as part of its approach to continually improve its risk maturity. Improvements include increasing the links between the cluster's strategic planning and risk frameworks.	-
Sign Service Agreements with all serviced divisions and agencies.	The Department has signed agreements with entities to which it provides significant services. These agreements include an annual review process. For the remaining user entities, where the Department provides fewer services, the Department is still in the process of finalising simplified agreements. Some of these are now complete.	-
Continue to implement measures to reduce the number of unprocessed Aboriginal land claims.	The number of unprocessed Aboriginal land claims has increased in 2016–17. The Department has been piloting Aboriginal Land Agreements in a few locations and anticipates they could have a positive impact on the backlog of claims.	!
The Department and other agencies should:		
Action internal control issues promptly.	The Department is addressing this recommendation, but many internal control issues remain unresolved.	-
Continue efforts to reduce employee excess annual leave balances to meet whole-of-government targets.	Agencies continue to address this recommendation by: <ul style="list-style-type: none"> monthly monitoring and reporting of excessive leave requiring staff with excess leave to submit plans for taking leave. 	-
The Independent Liquor and Gaming Authority should obtain assurance, independent from the casino operator, over the completeness and accuracy of the calculation of administered revenue payable to the Treasury for casino operations.	The Authority obtained assurance from an external firm, over the completeness and accuracy of revenue from casino operations.	✓
Identify where instances of alleged fraud and corruption resulted from weaknesses in internal controls, and address the weaknesses.	Suspected instances of fraud and corruption have been identified in the Department and other cluster agencies and they were reported to ICAC. Some instances have been addressed by the Department and other cluster agencies. However, there are still a number of instances that need to be addressed.	-

Recommendation	Current status
<p>Improve their model for managing conflicts of interest using guidance from the ICAC.</p>	<p>Most agencies have addressed this recommendation including updating their policies and procedures in line with the Public Service Commission's 'Behaving Ethically: a guide for NSW Government sector employees' guide and the guidance from ICAC'.</p> <p>Some agencies management of conflicts of interest still requires improvement, with one agency not regularly maintaining its conflicts of interest register.</p>
<p>Ensure they have an appropriately designed government contracts register that complies with Part 3 Division 5 of the <i>Government Information (Public Access) Act 2009</i>.</p>	<p>Agencies continue to address this recommendation by:</p> <ul style="list-style-type: none"> • implementing new procedures to ensure contracts are cross-referenced with the published GIPA response on e-Tender • reconciling registers and finance information monthly • implementing a centralised contracts' register.
Technical and Further Education Commission should:	
<p>Update, finalise and sign the Service Level Agreement with its shared service provider.</p>	<p>The Commission changed service providers during 2017 and has a signed service level agreement in place with the new service provider.</p>
Sports and Recreation agencies should:	
<p>Implement measures to improve the accuracy of budgets.</p>	<p>The Office of Sport has implemented an internal budget process to align with the Treasury Budget process/procedures. There is ongoing monitoring and reporting on budget performance, including quarterly budgets reviews.</p>
<p>Address the issues preventing invoices being paid on time.</p>	<p>Venues NSW has addressed this issue. There has been improvement in invoices being paid on time, as reported in the annual report.</p>
<p>Strengthen procurement processes to ensure purchase orders are approved before goods and services are ordered.</p>	<p>The Office of Sport's procurement policies and procedures require purchase orders to be created prior to the ordering of goods and services. Orders which are placed prior to purchase orders being created are monitored and staff are advised of the correct procedure when this occurs.</p> <p>Venues NSW has made some improvements on this recommendation over the last six months, it is anticipated that the procurement policy will be finalised in March 2018.</p>
<p>Collect information on purchase orders raised after invoice date and set targets to improve performance.</p>	<p>The Office of Sport monitors and follows-up instances where purchase orders are raised after invoice date. However, the Office of Sport does not set targets to improve performance. The Office advised as part of the update of its key performance indicators, a target will be included and reported against from 2017–18 onwards.</p>
<p>Strengthen their asset management by developing:</p> <ul style="list-style-type: none"> • asset management plans • both financial and non-financial key performance indicators • systems for collecting and monitoring asset management data. 	<p>The Office of Sport has partially addressed this recommendation and is in the process of implementing key performance indicators.</p>

Recommendation	Current status
Ensure key performance targets and measures are monitored and reported on.	Venues NSW use the Office of Sport Corporate Services as its shared service provider. Once the Service Level Agreement is finalised key performance targets will be reported on. It is planned that the SLA will be completed by December 2017. 
The Office of Sport, in its capacity as a shared service provider, should provide agencies with independent assurance over the design and operating effectiveness of its internal controls.	The Office of Sport does not consider itself to be a formal shared service provider as it only provides shared services to entities within the Sport Portfolio and whose employees are employed by Office of Sport. No independent assurance over the operating effectiveness of its internal controls was provided in 2016–17. 
Use the Audit Office's 'Governance Lighthouse - Strategic Early Warning System' to assess their governance frameworks against.	The Office of Sport has performed an assessment using Audit Office's Governance Lighthouse model and is implementing recommendations to improve.  Venues NSW is undertaking a self-assessment against the Governance Lighthouse model, it is anticipated to be completed by March 2018.
Maintain a compliance management framework, monitor compliance and report breaches to the audit and risk committee.	Venues NSW: A compliance management framework has not yet been developed, however it is planned to be in place by 30 June 2019. 
Perform a risk self-assessment against the Audit Office's Risk Management Maturity Toolkit.	Venues NSW: A risk self-assessment against Audit Office's Risk Management Maturity Toolkit has not been performed. Following the work on its risk management framework, Venues NSW will decide whether to use the Audit Office's Risk Management Maturity Toolkit or another organisation's risk management maturity model. 
Venues NSW should regularly measure customer satisfaction, develop a centralised complaints' handling policy and complaints register across its venues.	Venues NSW has a localised complaints' handling process at the venues and centralised reporting process is followed. Venues NSW will develop a centralised framework. 
 Fully addressed	 Partially addressed
 Not addressed	