








Appendix four – Status of 2018 recommendations

The table below lists the recommendations made in the [Family and Community Services 2018](#) report and the [Justice 2018](#) report relating to agencies in the new Stronger Communities cluster.

Recommendation	Current status
The Department of Justice should:	
Perform asset revaluations early and complete them by the early close procedures deadline, ensuring results are quality reviewed before including them in the financial statements.	The Department completed a fair value assessment of its land and buildings at 31 March 2019 as part of the early close. The next full revaluation is due to be performed in 2020–21. 
NSW Police should:	
Estimate the cost of its Blue Ribbon Insurance Scheme for future years to understand when the statutory target of 4.6 per cent of total NSW Police Officers' remuneration will be met.	NSW Police estimated the cost of the Blue Ribbon insurance scheme for future years but advised it is difficult to predict if or when the statutory target may be met due, to the upward pressure on the insurance scheme's performance with no change in product design.  Refer to the 'Financial reporting' chapter for details.
Justice cluster agencies should:	
Review their approach to managing annual leave balances where leave balances exceed the State's target. They should: <ul style="list-style-type: none"> regularly (e.g. each month) project annual leave balances to the end of the financial year for employees with projected balances above the target, develop and agree leave plans to reduce their balances over an acceptable timeframe. <p>Focus on employees who have taken little or no leave in the last 12 months.</p>	We reviewed annual leave at the Department of Justice, NSW Police and Fire and Rescue NSW which employ a substantial proportion of frontline staff in the cluster. We noted: <ul style="list-style-type: none"> the percentage of full time equivalent employees with excess annual leave improved by 9.7 percentage points since 2016. However, 31 per cent of employees continue to have an annual leave balance exceeding the State's 30-day target some agencies where employees did not have formally documented leave plans to reduce excess balances to acceptable levels the number of employees that took less than five days annual leave in 2018–19 (2,783 employees) remains high. <p>The prior year recommendation has been raised as a repeat issue this year. Refer to the 'Financial reporting' chapter for details.</p> 
Promptly action Audit Office management letter recommendations to address internal control and governance weaknesses, with a focus on addressing repeat issues.	Our 2018–19 cluster audits identified 157 internal control issues, of which 59 or 37.6 per cent were repeat findings from previous financial audits.  The prior year recommendation has been raised as a repeat issue this year. Refer to the 'Audit observations' chapter for details.

Recommendation	Current status	
Complete a condition based assessment of their assets to identify any maintenance backlog to help provide more reliable and consistent information on assets and their condition.	At the cluster agencies we reviewed, we noted condition based assessments are still in progress at some agencies. We will revisit this issue as part of our 2019–20 financial audits.	—
Consider establishing maintenance benchmarks to help assess the adequacy of their maintenance spend.	The recommendation has been considered. Agencies are either in the process of developing relevant targets and measures for maintenance delivery or have concluded their current programs and processes are sufficient to help assess the adequacy of their maintenance spend.	—
Family and Community Services cluster agencies should:		
Strengthen user access administration to prevent inappropriate access to key IT systems by: <ul style="list-style-type: none"> ensuring privileged user access is limited to those requiring access to maintain the IT systems monitoring privileged user access to address risks from unauthorised activity ensuring IT password settings comply with password policies ensuring timely removal of access to business systems for terminated and casual employees. 	<p>The Department of Family and Community Services and other relevant agencies have acted to address control weaknesses for information systems. However, our financial audits continue to identify and report control weaknesses.</p> <p>Following a risk assessment, the Department of Family and Community Services did not address some system user access issues due to limitations and expected system replacements.</p>	—
Ensure their contract registers are complete and accurate so they can more effectively govern contracts and manage compliance obligations.	The Department of Family and Community Services and other relevant agencies have acted to improve the completeness and accuracy of contract registers. As work is ongoing, we will revisit this issue as part of our 2019–20 financial audits.	—
Key	 Fully addressed  Partially addressed  Not addressed	