



PERFORMANCE AUDIT

2 JUNE 2020

Funding enhancements for police technology

NEW SOUTH WALES AUDITOR-GENERAL'S REPORT

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In accordance with section 38E of the *Public Finance and Audit Act 1983*, I present a report titled '**Funding enhancements for police technology**'.

A handwritten signature in black ink, appearing to read 'Margaret Crawford'.

Margaret Crawford

Auditor-General
2 June 2020

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Section one

Funding enhancements for
police technology

Executive summary

Ahead of the March 2015 election, the NSW Government announced a \$100 million Policing for Tomorrow fund for the NSW Police Force to acquire technology intended to make police work safer and quicker. The announcement committed the NSW Police Force to several investment priorities, including body-worn video (BWV) cameras, smart phone devices (MobiPOL), mobile fingerprint scanners and hand-held drug testing devices. Otherwise, the NSW Police Force was allowed flexibility in identifying and resourcing suitable projects.

This audit assessed whether the Policing for Tomorrow fund was effectively managed to improve policing in New South Wales. We addressed the audit objective with the following audit questions:

- Did the NSW Police Force efficiently and effectively identify, acquire, implement and maintain technology resourced by the fund?
- Did the NSW Police Force establish effective governance arrangements for administering the fund, and for monitoring expected benefits and unintended consequences?
- Did technology implemented under the fund improve the efficiency and effectiveness of policing in New South Wales?

Conclusion

The NSW Police Force's management of the Policing for Tomorrow fund was mostly effective. There are measures in place to assess the impact of the technologies on the efficiency and effectiveness of policing in NSW. However, these measures are not in place for all technologies funded by Policing for Tomorrow. A strategic whole-of-organisation approach to identifying and filling technology capability gaps may have assisted in better targeting funds and managing expected benefits.

The NSW Police Force identified, acquired, implemented and maintained a range of technologies resourced by the fund in an efficient and effective way. The election announcement committed the NSW Police Force to four specific projects which made up over three quarters of the fund value. Investment decisions for remaining funds were driven by the availability of funding and individual technology requirements rather than targeting improved policing outcomes and the capability necessary to achieve these.

The NSW Police Force missed an opportunity to take a whole-of-organisation approach to selecting technology projects for the remainder of the funds where it had discretion. This may have included considering less obvious back office technology or making different investment decisions driven by gaps in the agency's technology capabilities.

The NSW Police Force used effective governance arrangements for administering the Policing for Tomorrow fund, including using its existing ICT Executive Board. The NSW Police Force has adequate processes in place to drive benefits and monitor the impact of technology on the efficiency and effectiveness of policing for the larger projects funded by Policing for Tomorrow. Further work is required to ensure this for smaller projects.

The NSW Police Force tends to consider only impacts on the organisation in managing benefits and identifying unintended consequences. It does not routinely engage proactively with stakeholders, including partner criminal justice agencies and members of the community, on new technology that changes how police interact with the public.

1. Key findings

The NSW Police Force used effective governance arrangements for administering the Policing for Tomorrow fund

The NSW Police Force used existing governance structures to administer the Policing for Tomorrow fund. This was appropriate given the size of the fund relative to the NSW Police Force's overall capital expenditure budget, and the purpose of the fund to support multiple projects. The structures comprised senior leaders from finance, corporate and digital technology teams and provided sufficient oversight of projects funded by Policing for Tomorrow. Individual project-level governance was also sufficient in securing the effective acquisition and implementation of Policing for Tomorrow technology.

ICT investment decision making could be improved

While informed by the professional judgement of members, executive board decisions about technology investments under Policing for Tomorrow were led by the proposals developed and presented to it, rather than being driven by broader strategy.

The NSW Police Force is now developing and implementing a capabilities approach to ICT investment that will consider policing outcomes – and the people, processes, information and technology capabilities necessary and available across the organisation to achieve these. This should strengthen the identification and acquisition of priority technology in the future.

The NSW Police Force is ensuring the larger technologies improve policing

Many of the Policing for Tomorrow technologies are aimed at achieving efficiency outcomes in line with the election commitment to release front-line officers to spend more time in the field. Some Policing for Tomorrow technologies targeted effectiveness measures around officer professionalism, safety, visibility and benefits for the wider criminal justice system.

The NSW Police Force tailored benefits management approaches for the Policing for Tomorrow projects to their value and risk. The NSW Police Force benefits measures for the main investments - BWV and MobiPOL - show early trends that some of these objectives have been achieved or are on track to do so in the coming years. Due to limitations in the identification and tracking of some benefits for the smaller projects, the NSW Police Force cannot demonstrate that it is ensuring these projects are improving the efficiency and effectiveness of policing.

The capability of the NSW Police Force to realise intended benefits took some time to develop for the Policing for Tomorrow technologies. A whole-of-organisation benefits management approach, currently under consideration, may assist the NSW Police Force in meaningfully tracking benefits and reporting more readily on the efficiency and effectiveness of key investments like the Policing for Tomorrow technologies.

The NSW Police Force does not routinely engage stakeholders on the use and impacts of police technology

The NSW Police Force has a wide set of community stakeholders. These include downstream parts of the criminal justice system such as prosecutions, courts, support services and corrections which can see increased pressures and demands on their services in response to police practices. Other stakeholders are community members, including vulnerable groups such as Aboriginal people that are over-represented in arrests and other interactions with police. The body worn video technology involved external stakeholders in advising on implementation, including on what 'appropriate use' should be. However, this was the exception rather than the norm for Policing for Tomorrow technologies – and reportedly comprised unusual practice for the NSW Police Force. The NSW Police Force does not routinely seek out these stakeholders' feedback on the selection, use or impacts of new technology where this changes interactions between officers and the public.

A whole-of-organisation benefits management approach should include this broader perspective and encourage regular engagement with external stakeholders. It should also ensure that insights gained from increasing dialogue with external stakeholders is taken into account in relevant decision making at appropriate points in the project cycle.

2. Recommendations

By June 2021, the NSW Police Force should:

1. finalise and routinely use a whole-of-organisation capability model, that identifies and plans to address technology gaps, to make ICT capital investment and resource allocation decisions
2. continue to develop an enterprise benefits management approach to drive achievement of targeted benefits, and greater utilisation of technology capability, including:
 - improving capability in benefits realisation
 - actively reviewing, monitoring and managing project benefits, and adjusting implementation when not on track to achieve intended outcomes
 - promoting ongoing awareness and use of the full functionality of implemented technologies
 - regularly seeking feedback from frontline officers at all ranks in using existing technologies and forecasting future technology needs
 - obtaining a consolidated view of the value technologies are delivering for the organisation
3. ensure that, for technology projects that change how police interact with the public, external stakeholders are engaged, and their feedback considered, where appropriate in the project life cycle.

1. Introduction

1.1 The NSW Police Force

Operational context

The NSW Police Force delivers policing services in New South Wales. Police services include:

- the prevention and detection of crime
- protection of persons from injury or death
- protection of persons from property damage
- the provision of essential services in emergencies.

As at 30 June 2019 the NSW Police Force employed 17,111 sworn police officers and 3,969 unsworn or administrative officers. Most officers are deployed from one of over 400 police stations across the state. The NSW Police Force also maintains specialist investigations and rescue functions.

The focus of the NSW Police Force's information and communications technology (ICT) strategy is to incorporate the latest technology so that police officers can spend more time in the field where they can better disrupt and prevent crime and engage with the community.

Budget context

The NSW Police Force allocated approximately a third of its capital expenditure budget each year for ICT projects over the last five years, an average of \$74 million per annum.

The NSW Police Force estimates that it spends about \$200 million in ICT operating costs per annum from a total agency operating budget of about \$3.7 billion.

1.2 Policing for Tomorrow

Ahead of the March 2015 state election, the NSW Government announced \$100 million capital and recurrent funding over four years for the NSW Police Force, dubbed the Policing for Tomorrow fund. This aimed 'to equip police with the latest technology... and make police work safer and quicker – meaning more time on the street combatting crime'.

The election commitment nominated a number of investment priorities for the Policing for Tomorrow fund including body-worn video cameras, MobiPOL, mobile fingerprint scanners and mobile drug testing devices. The NSW Police Force was given discretion to spend the remaining funds on projects aligned to the fund's purpose. Over the life of the fund, Policing for Tomorrow resourced 14 technologies mainly focused on front-line policing (see Appendix two for a full listing).

By the end of the 2018–19 financial year, the nominal end of the four-year Policing for Tomorrow election commitment, the NSW Police Force had underspent the Policing for Tomorrow fund by \$14.7 million in recurrent and \$5.7 million in capital.

In May 2019, the NSW Police Force submitted a budget proposal for the 2019–20 budget to carry the unspent \$14.7 million recurrent funding forward to meet ongoing recurrent needs mainly for the largest two funded projects (BWV and MobiPOL) and additional permanent funding beyond that for continued support. The NSW Police Force also applied to carry forward the unspent capital funding to the 2019–20 financial year. The NSW Government declined to extend additional permanent funding to support these technologies. Unspent recurrent funds from the Policing for Tomorrow fund were carried forward to the 2020–21 financial year pending an evaluation of the Policing for Tomorrow spend due to be considered as part of the 2020–21 budget process. The NSW Police Force was successful in carrying forward the unspent capital funding.

1.3 About this audit

Audit objective and approach

The audit objective was to assess whether the Policing for Tomorrow fund was effectively managed to improve policing in New South Wales. We addressed the audit objective by answering three questions:

- Did the NSW Police Force efficiently and effectively identify, acquire, implement and maintain technology resourced by the fund?
- Did the NSW Police Force establish effective governance arrangements for administering the fund, and for monitoring benefits and unintended consequences?
- Did technology implemented under the fund improve the efficiency and effectiveness of policing in New South Wales?

More information about the audit approach is in Appendix four.

Summary of sampled technologies

In addressing the objective and criteria, we selected a sample of Policing for Tomorrow funded technology according to size of spend and identified risk factors. Examples from these projects are used throughout the following report to illustrate the NSW Police Force's management of the Policing for Tomorrow fund. The sampled technologies we reviewed were:

- Body-Worn Video (BWV)
- MobiPOL
- Field ID
- I2IMS
- Digital Evidence First Responder (DEFER).

BWV and MobiPOL (comprising \$58 million and 57 per cent of the fund) were the two larger projects funded whereas Field ID, i2IMS and Digital Evidence First Responder are smaller projects.

A brief summary of all technologies funded from Policing for Tomorrow is in Appendix two.

Body-Worn Video

Body-Worn Video (BWV) cameras are small, portable cameras worn by police officers that capture video and audio. Exhibit 1 shows NSW Police Force officers wearing BWV cameras.

Exhibit 1: NSW Police Force officers wearing BWV cameras



Source: NSW Police Force.

The NSW Police Force standard operating procedures state the main purpose of BWV video is to capture real-time information and evidence.

BWV devices were trialled in 2014 (Phase 1) before a full-scale rollout (Phase 2) which was completed in November 2018. There are currently over 4,800 shared BWV devices across the state. BWV Phase 2 was funded entirely with Policing for Tomorrow money whereas only later recurrent costs of the earlier BWV Phase 1 project were met from the fund.

MobiPOL

MobiPOL are shared smart phones and tablet devices enabling NSW Police Force officers access to police systems and databases away from the office. There are over 3,600 shared mobile devices in service as well as 1,000 mobile tablets for specialist roles.

The MobiPOL project developed a series of capabilities accessible by police officers in the field aimed at reducing duplicate administration, streamlining processes and enhancing situational awareness. Capabilities delivered by the MobiPOL project include:

- ability to electronically issue most infringements, notices and orders
- event creation in the NSW Police Force's core policing database
- vehicle interactions that are not an infringement or any other action by police officers
- recording domestic violence incidents
- location search
- digital driver licence checks.

MobiPOL devices are one of the key pieces of technology for the future of policing in New South Wales and future tranches of MobiPOL are planned beyond the funding provided by Policing for Tomorrow.

Field ID replacement

Field ID devices are hand-held fingerprint scanners used to identify persons of interest and include (or enrol) fingerprints onto the National Fingerprint Database. Police officers may take a person's fingerprints with consent in issuing a court attendance notice or a criminal infringement notice.

Exhibit 2: Field ID (left) held alongside a MobiPOL device (right)



Source: NSW Police Force.

This project replaced an earlier iteration of similar technology. The 1,000 replacement Field ID devices are about the size of a smart phone and connect wirelessly with MobiPOL devices via a Bluetooth connection.

Digital Evidence First Responder

DEFR allow police officers to take forensic images of mobile phones, drones, tablets and GPS units. The forensic images (including text messages, photos, emails, GPS data and other content) are then indexed and able to be searched by investigators for information and evidence relevant to an investigation.

The DEFR capability is available at all commands, allowing police access to digital forensics for cases that in the past would not have had access to this technology. A central digital forensics unit exists to assist with complex digital forensic requirements relating to more serious offences.

i2IMS

The i2IMS project introduced a range of enhancements to the NSW Police Force's existing analyst software package to:

- automate intelligence briefings including extracting information from websites, news portals and social media sites
- better share intelligence briefings across the organisation
- automate the generation of police task sheets which direct frontline officers where to go each shift
- more efficiently create and share link charts, which identify connections between persons, vehicles and places of interest
- automate geospatial analysis of crime.

Intelligence software is used by intelligence analysts at the State Intelligence Command and operating from police stations across the state. Intelligence analysts, who can be both sworn and unsworn officers, support everyday policing as well as investigations.

2. Administering the Policing for Tomorrow fund

We examined how effectively the NSW Police Force governed the Policing for Tomorrow fund, to ensure that key accountability and decision-making arrangements were in place to direct the \$100 million spend to appropriate technologies. We also assessed how the NSW Police Force acquired, implemented and maintained technology funded by Policing for Tomorrow to determine the effectiveness of the relevant asset management.

2.1 Identifying Policing for Tomorrow funded projects

The NSW Police Force used existing governance mechanisms to administer the Policing for Tomorrow fund

The NSW Police Force determined that existing governance structures overseeing ICT expenditure were sufficient to administer the fund, including identifying, prioritising and monitoring projects. The NSW Police Force executive decided this between March and July 2015. These structures also guided subsequent allocations of funding.

At the time of the Policing for Tomorrow commitment, the NSW Police Force's ICT governance comprised three main bodies as shown in Exhibit 3.

Exhibit 3: The NSW Police Force's ICT governance bodies from March 2015 until June 2019

Governance body	Membership	Role
Investment Committee (IC)	Commissioner, Deputy Commissioners and selected Assistant Commissioners	Responsible for deciding organisation-wide capital expenditure decisions and monitoring financial performance. The IC was responsible for allocating funds from Policing for Tomorrow.
Investment Advisory Committee (IAC)	Deputy Commissioner Corporate Services and finance directors	Responsible for advising on funding arrangements for capital expenditure projects. The NSW Police Force planned to slowly phase out the IAC over the duration of the Policing for Tomorrow fund.
ICT Executive Board (IEB)	Deputy Commissioner Corporate Services and selected Assistant Commissioners and finance directors	The IEB considers and monitors ICT capital expenditure projects as well as drafting and enforcing the NSW Police Force's ICT strategy. Similar boards exist for other portfolios of major police capital expenditure: property; and plant and equipment.

Source: NSW Police.

The Investment Committee and Investment Advisory Committee have since been replaced by a Finance and Performance Committee after a review of capital expenditure governance arrangements in 2017–18. The Finance and Performance Committee was formed to provide higher order strategic advice and prioritisation of the NSW Police Force's capital needs. Other changes included streamlining the governance process to eliminate extraneous boards and committees and the overall process of getting investment proposals from concept to endorsement.

The approach used by the NSW Police Force to identify new ICT projects was effective

The NSW Police Force relied on business units applying for Policing for Tomorrow funding. These proposals broadly aligned with overall agency goals.

Commands identify their individual technology needs and submit requests to the ICT Executive Board, for consideration and prioritisation. Soon after the Policing for Tomorrow announcement, the NSW Police Force executive determined that a similar method would be used to determine funding for projects from Policing for Tomorrow as for ICT projects generally. The NSW Police Force framed additional eligibility criteria for the funding directly from the election announcement, which emphasised technology for front-line officers rather than enabling technology.

This approach was supplemented by broader strategic statements that provide guidance to the IEB and IC on investment prioritisation. The Enhanced Mobile Policing Strategy developed in 2014 provided a significant touchstone to inform the major functions of the MobiPOL and Field ID projects funded by Policing for Tomorrow. This strategy is centred around providing officers with tools to spend more time in the field and reduce time spent on operational tasks at a workstation in police stations. The strategy is currently being refreshed and rebranded as the Connected Officer strategy to guide future investment.

The NSW Police Force governance was mostly effective in addressing ICT needs as they arose, but could improve

While the governance arrangements for Policing for Tomorrow were mostly effective in terms of addressing key ICT priorities, the NSW Police Force potentially missed an opportunity to use some of these funds for enabling ICT works.

The NSW Police Force report that it operates with significant legacy ICT systems and faces challenges in investing in the next generation of ICT assets that meet its needs. Various iterations of ICT strategic plans note this context and identify the importance of investing in enabling technology to support operational policing. None of the funded Policing for Tomorrow technologies originally planned to address this.

Nevertheless, the NSW Police Force was able to take advantage of some enterprise-wide opportunities as they arose during the Policing for Tomorrow funded projects. For example, the Body-Worn Video project required an archival system to store and retain BWV footage in compliance with the *State Records Act 1998*. The BWV project team considered several options including extending existing archive systems. The BWV project team instead were able to scope in to the Policing for Tomorrow funded project:

1. an enhanced protocol allowing better communication amongst the NSW Police Force's many systems
2. software allowing more efficient search of all of the organisation's information.

Both these pieces of software can be scaled up easily and are now being used for a number of existing other NSW Police Force ICT projects, including some funded by Policing for Tomorrow, and future ICT projects.

In another example, two of the reviewed ICT projects required a way to assist police officers with analysing crime and intelligence location data and presenting the information visually. While the NSW Police Force's ICT strategy identifies this need more broadly, the overlap between these two projects was only identified after both commenced and this slowed project implementation. These delays may have been prevented if strategies were applied to better accommodate shared project needs.

The NSW Police Force is developing a whole-of-organisation business capability model to better target and coordinate ICT capital expenditure

Over the last 12 months, the NSW Police Force has started to develop a business capability model to better target capital expenditure. This supports the current NSW Police Statement of Strategic Intent that sets out a vision for a capabilities-based policing organisation. A capabilities approach to resourcing looks at the strengths and gaps in terms of people, processes, information and technology across the whole organisation to identify shared needs and where solutions may already exist in other parts of the organisation. Importantly, shared needs are described in terms of outcomes rather than specific technology.

The NSW Police Force conducted capability maturity assessments in 2019 that will inform further development of the model in 2020. This could assist the NSW Police Force in better targeting technology investment in the future.

2.2 Acquisition and implementation

Acquisition of Policing for Tomorrow technology was in line with standard procurement practices

The NSW Police Force has developed procurement guidelines, closely modelled on NSW Government requirements, to guide projects through acquisition. We found that the acquisition of Policing for Tomorrow technology was consistent with these requirements. Business cases were robust enough to capture realistic alternatives and provide a sound basis for investment decisions.

The guidelines provide clear expectations of what is required at key milestones during procurement, and associated reporting obligations. These guidelines are risk-based and engagement with the NSW Police Force's strategic procurement team is either encouraged or mandated depending on the size of the project. We reviewed project documentation and found that the project teams complied with these guidelines.

Technology provision was responsive to demand

The NSW Police Force purchased sufficient amounts of the reviewed technology to meet operational needs. The experience of the BWV and MobiPOL projects illustrates this. Both devices are shared, requiring police officers to sign-out devices at the beginning of each shift. Shared device usage was always planned for BWV devices. Shared use allowed the MobiPOL project to achieve savings against its original estimated cost. Police officers we spoke to during fieldwork reported that this shared deployment arrangement was mostly satisfactory. Where this arrangement was not ideal, was during large, dispersed operations. Mostly commands are able to borrow BWV devices from neighbouring commands but this option is not always available. Similarly, commands are able to use their own budgets to purchase additional MobiPOL devices as required.

In other instances, projects have made adjustments during procurement. In August 2018, the DEFR project was initially funded for 112 units allocated to commands across the state. The DEFR project team received feedback from field commands that this was insufficient to meet the need for the devices to support investigations. Consequently, in March 2019, the project was approved to secure a further 44 devices to meet this demand. While it is not ideal that the rollout was not forecast more accurately in the original business case, this example shows how the NSW Police Force is able to respond to shifting demand for technology.

While project implementation was effective, more effort is needed to sustain the technologies beyond initial rollout

The NSW Police Force generally acquired and delivered Policing for Tomorrow technologies effectively. However, we found more variation in how the NSW Police Force managed change to ensure that officers were using the technology as intended after delivery.

Generally, the technologies were delivered as per schedule. Project governance established by the NSW Police Force adequately identified, diagnosed and solved problems affecting the delivery of technology and other departures from the project schedule.

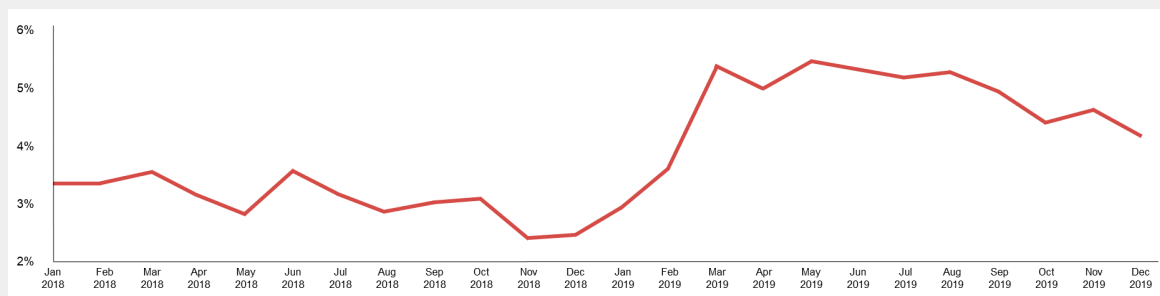
Project teams and business owners of technology often have limited means to encourage the use of technology beyond the initial training required before police officers can use new equipment or software. Common forms of communication promoting the use of new technology include organisation-wide alerts, screen savers and articles in the NSW Police Force’s monthly publication. While important, these methods are often not sufficient in ensuring that Policing for Tomorrow technology is used to its full potential.

The MobiPOL project has been able to go further and has deployed a full-time police officer to tour the state to demonstrate the technology’s capabilities to other frontline officers, and its potential uses in a variety of contexts. However, other projects lacked ongoing change management work to sustain the use, and to exploit the full capabilities, of the technology.

Exhibit 4 outlines the NSW Police Force’s experience with implementing the Field ID project. While the NSW Police Force delivered the technology to the front-line per schedule, it does not appear to have been successful in promoting sustained use of the devices in the field. Although this is not a typical example, it illustrates these shortfalls in the change management and support for best use of Policing for Tomorrow technology.

Exhibit 4: Field ID implementation

Field ID devices are hand-held fingerprint scanners used to identify persons of interest and enrol fingerprints onto the National Fingerprint Database. Fingerprint identification remains an accurate means for criminal identification. The promise of a portable fingerprint scanner is that offenders can be processed in the field, reducing time spent returning to stations and allowing police to spend more time in the field for policing activities. The new Field ID devices replaced an older hand-held fingerprint scanner that had reached end-of-life. The older device had connection and other issues that made officers reluctant to take the device out on patrol. The NSW Police Force expected that the introduction of the newer Field ID devices would lift the rate of mobile fingerprint scans. The graph below shows the percentage of Criminal Infringement Notices and Field Court Attendance Notices where Field ID was used to check fingerprints. The graph shows that while there was an initial increase in scans, this has gradually fallen to a rate comparable to that with the older device.



There are several reasons for this trend lack of sustained increase in mobile fingerprint scanner usage including poor end-user and supervisor buy-in to the technology. Officers we spoke to as part of this audit indicated that the poor performance of the previous Field ID technology had made them wary of the replacement device. This was a problem identified in the Field ID business case.

Officers must complete training to use most new technology in the field. This requirement is to ensure consistency especially where new technology involves exercising legislative powers as the Field ID device does. The NSW Police Force administers training through a mixture of online and face-to-face sessions depending on the nature of the new technology. Guides are also posted on the NSW Police Force intranet for revision. While the training emphasises the benefits of Field ID and encourages officers to use the device when they can we did not see any evidence that this message was regularly followed up. Efforts to enrol supervisors to champion Field ID usage was also not successful.

Source: AONSW research.

2.3 Maintenance and ongoing support

The NSW Police Force effectively maintained Policing for Tomorrow technology

The NSW Police Force has adequate arrangements for monitoring and addressing maintenance needs for the funded technologies. The NSW Police Force has ongoing maintenance arrangements with vendors for most of the reviewed projects. In a few instances the NSW Police Force itself supports ongoing minor enhancements and updates for projects.

The Command Management Framework requires supervisors at local commands to conduct daily or weekly function checks for most equipment used by police officers in the field. Police officers we spoke to as part of audit fieldwork were satisfied with the performance of the technologies reviewed by the audit and the responsiveness of maintenance to address issues. This experience by police officers is largely supported by records of service tickets logged and resolved. However, service ticket data shows that service requests are not, on average, resolved within target times. There is room for improvement in the timely resolution of maintenance and support requests.

The NSW Police Force has not provided details on how it knows that maintenance arrangements are cost efficient.

There is no specific funding source to meet ongoing costs of Policing for Tomorrow projects

Policing for Tomorrow was a time-limited funding arrangement, and there was no specific policy or budget commitment to meet the ongoing costs of some of the larger funded projects.

Project teams hand over completed capital projects to an appropriate business owner in the NSW Police Force. Some ongoing recurrent expenditure is assumed by this owner, including training and minor enhancements. The NSW Police Force as a whole, and not business owners, pay for general licencing, data storage and maintenance costs. This arrangement is suitable for the smaller projects reviewed for this audit. However, because of their scale, larger projects have had more difficulty securing ongoing recurrent funding to support the projects.

The NSW Police Force did not spend all Policing for Tomorrow funds, and \$14.7 million in unspent recurrent expenditure will be carried forward into 2020–21 pending a review of Policing for Tomorrow funds to date. The NSW Police Force is now meeting ongoing recurrent needs for MobiPOL (\$8.8 million) and BWV (\$3.9 million) from existing resources. The NSW Police Force plans to seek ongoing funding in addition to leftover Policing for Tomorrow funds to meet these costs in the future.

The capability model discussed earlier provides a frame of reference to review all ICT recurrent as well as capital spending to ensure that it is in line with the capabilities required to deliver policing outcomes for New South Wales. Such a review may identify expenditure that may be redirected to support ongoing sustainment costs for the BWV and MobiPOL projects.

3. Policing for Tomorrow outcomes

The Policing for Tomorrow election commitment aimed to invest in technology to ‘make police work safer and quicker – meaning more time on the street combatting crime’. We assessed whether the NSW Police Force ensured that funded technologies have improved policing efficiency and effectiveness. We did not seek to independently assure the benefits or outcomes resulting from the technologies.

3.1 Improving efficiency and effectiveness

The NSW Police Force identified benefits for Policing for Tomorrow technologies in line with relevant guidelines

Benefits realisation management is the process of organising, managing and monitoring a project or program so that potential intended benefits are actually achieved. The NSW Police Force's approach to benefits management met the minimum requirements of the NSW Treasury guidelines for capital business cases that applied to projects over \$5 million in value (BWV, MobiPOL and i2IMS in the audit sample). It was also aligned with the NSW Government's current Benefits Realisation Management (BRM) framework for four of the five technologies examined by the audit (all except Field ID).

The relevant NSW Treasury guidelines encouraged agencies to document key benefits in internal business cases. Business cases for projects valued over \$5 million being submitted to Treasury were also required to document key benefits and include benefits realisation plans to ensure actions were taken to drive and monitor progress towards the anticipated outcomes. The Treasury guidelines noted that the type and extent of benefits evaluated would be proportionate to the value and risk of the project, and that the methodology adopted by agencies must be fit for purpose.

The BRM Framework sets out a standard approach to benefits realisation management, aimed at encouraging best practice. The framework specifies minimum requirements, including that agencies:

- assign single points of accountability for realising each intended benefit
- take baseline measures of the status quo, against which change can be tracked
- develop a plan to realise benefits and a tracking tool or register
- establish or identify relevant governance.

The BRM Framework encourages a broad approach to identifying benefits, which can be financial or non-financial. The NSW Police Force does not have its own benefits realisation framework but its practices are consistent with the NSW Government guidelines.

The NSW Police Force identified benefits for all the Policing for Tomorrow technologies we examined. Many of the benefits directly related to improvements in efficiency or effectiveness. Exhibit 5 shows the benefits of reviewed technologies identified by the NSW Police Force.

Exhibit 5: Identified benefits of reviewed technologies

#	BWV (revised)	MobiPOL	Field ID	i2IMS	DEFR
1	Better prosecution outcomes	Increased number and quality of field checks	Time saved transporting and identifying offenders	Comply with the structures of IT governance and align ICT with the needs of the business by realising every benefit	Equip investigators with tools to disrupt crime and prosecute offenders (improve investigator productivity)
2	Increase in early guilty pleas	Reduced administration burden	No need for ink pads and forms	Information for a known high-profile target will be searched for simultaneously across i2IMS	
3	Improved prosecutions efficiency	Increased intelligence	Reduce administrative burden	Improved and increased information holding	
4	Reduced complaints against officers	Enhanced decision-making and access to information to prevent, detect and solve crime	Safer community	Increase number of created links registered in COPS	
5	Reduction in assaults against officers	Enhanced public perception	Community sees offenders paying for their crimes	Increase number of social networking targets pulled down	
6	Improved officer accountability	Reduced radio time	Police officer safety improved through use of a quick and reliable device	Reduced time taken to conduct concurrent searches and associated links	
7		Enhanced community visibility	Offender safety through reduction in having to be taken into custody	Reduce cost of tasking	
8			Improved fingerprint capture will lead to an increased ability to match to unsolved crimes	Improved and better tasking of general duties crews	
9			Arresting officer safety enhanced		

Source: NSW Police Force.

In line with the agency discretion given by the guidelines to tailor approaches to the value and risk of the projects, the NSW Police Force used benefits management approaches of varying complexity.

For the larger Policing for Tomorrow projects we examined, BWV and MobiPOL, the NSW Police Force funded dedicated roles responsible for developing and implementing the benefits realisation plan. The NSW Police Force commissioned an external evaluation of each of the two phases of the BWV project (pilot and state-wide roll out). A more limited evaluation of the MobiPOL project was also conducted, which drew heavily on the NSW Police Force's benefits management work, and included a cost benefit analysis.

For the smaller projects we examined (i2IMS and DEFR), the NSW Police Force allocated responsibility for benefits management to project managers, who reported to project boards.

We found no evidence of how identified benefits were managed for Field ID.

Benefits could be better defined, measured and tracked for the smaller projects

While the NSW Police Force identified benefits for each of the sampled technologies examined by the audit, meeting relevant minimum requirements, there is room for improvement in selecting clear and appropriate measures to track benefits.

The audit also found instances where some of the benefits and measures could be better defined or tracked, such as through strengthening:

- the program logic (which identifies how the technology and related actions plausibly link to intended outcomes)
- the use of specific, measurable, achievable, relevant and timely (SMART) objectives
- progress monitoring.

An external review of the BWV Phase 2 business case in 2016 identified problems with the original BWV benefits assumptions and calculations. A key issue identified was the assumption that outcomes experienced elsewhere, especially in American contexts, could be easily replicated in New South Wales. It also considered that the benefits indicators were not constructed in a way that allowed for easy measurement and reporting. The NSW Police Force implemented these changes in 2019. It altered some benefits, targets and measures to align with those from other jurisdictions considered more suitable for benchmarking (such as the United Kingdom and New Zealand).

The BRM Framework acknowledges that poorly defined benefits are a common challenge. It also notes that benefits are dynamic and should be regularly reviewed and updated. The NSW Police Force could apply the benefits management expertise developed for BWV and MobiPOL to consider, and where necessary, refine the benefits measures and management for the smaller Policing for Tomorrow projects.

The NSW Police Force is ensuring that the larger projects are improving the efficiency and effectiveness of policing

The NSW Police Force is effectively tracking whether BWV (against revised targets and measures) and MobiPOL are achieving their intended benefits.

The NSW Police Force is able to demonstrate that BWV and MobiPol are improving the efficiency and effectiveness of policing in New South Wales. While the audit did not independently assure the relevant data, we found that the adjusted benefits measures used by the NSW Police Force to assess the BWV project, and the MobiPOL project, are evidence-based.

The NSW Police Force is not ensuring that the smaller projects are improving the efficiency and effectiveness of policing

Officers that we interviewed described how user experience matched some expected benefits for the smaller projects we reviewed. However, the NSW Police Force cannot demonstrate this due to its limited benefits management for these technologies.

We also reviewed evidence that the NSW Police Force has been slow to respond to risks of the smaller projects not achieving certain benefits (see for example Exhibit 4 regarding Field ID). We did not receive monitoring data on the benefits and outcomes achieved by the smaller projects examined by the audit (i2IMS, DEFR and Field ID).

The NSW Police Force has not formally assessed its benefit management capability

Overall, even for the larger projects where the approach was more robust, the NSW Police Force benefits realisation capability for Policing for Tomorrow was at a low level of maturity. The maturity scale in the BRM Framework encourages a move over time from an approach siloed by individual projects, towards ongoing benefits management embedded within an organisation's broader performance management.

An organisation wide approach could improve the NSW Police Force's benefits management capability in line with the BRM Framework. It may also assist the NSW Police Force in realising benefits, and in reporting more readily on the efficiency and effectiveness of key investments like the Policing for Tomorrow technologies, in the future.

An external review of the BWV project advised the NSW Police Force to explore a whole-of-organisation approach to realising benefits. The NSW Police Force is considering this proposal including the potential to create a dedicated benefits role or unit. The intent would be to provide the NSW Police Force with expertise on defining and monitoring benefits, and to work with project sponsors in driving the delivery of outcomes across the agency's capital projects.

As outlined in the NSW Government's BRM framework, an enterprise benefits management approach should also connect with an organisation's change management function. This may assist the NSW Police Force in embedding relevant behavioural changes needed to capitalise on improvements to efficiency and effectiveness delivered by technologies. For example, the NSW Police Force report that the MobiPOL device has reduced officer time spent on administration by 30 minutes. This benefit will only be realised if officers use the time saved to conduct frontline policing activities. However, the way in which time saved is being used is not being tracked through the benefits management plan. A similar example is given in relation to BWV in Exhibit 6, where the intended benefit of reduced complaints depends upon officers exercising their discretion to use the devices.

Exhibit 6: BWV and reduced complaints against police

One of the original identified benefits of body worn video cameras is a reduction in complaints against police. Complaints against police may be internal (made by other officers) or external (made by members of the public). BWV usage is expected to reduce complaints for three reasons:

1. as police become to understand that their own actions are recorded they can be expected to be more professional in dealings with members of the public, leading to less complaints
2. members of the public modifying their own behaviour as they become aware their actions are being recorded
3. harder to dispute BWV audio and video evidence of what occurred, to dissuade unwarranted complaints.

Investigations into complaints take time. A reduction in sustained complaints should free police officers to focus their attention on more serious professional standards matters and core policing work.

Following international literature and the experience from the BWV Phase 1 pilot project, the NSW Police Force targeted a 50 per cent reduction in complaints for the full roll-out of BWV for Phase 2. A change in project sponsor and an external review prompted the NSW Police Force to reconsider benefits and measures for the BWV project, including for complaints against police. The NSW Police Force revised the complaint target down to 15 per cent after greater consideration of evaluation data from more similar jurisdictions.

At this early stage, data on whether complaints are reducing as a result of BWV is inconclusive. However, the NSW Police Force advises that, of the six per cent of all complaints where there is BWV footage available in 2019, 65 per cent were declined at the outset due to compelling BWV footage. The NSW Police Force generally receives over 5,000 complaints per annum.

Professional standards officers and Commanders we spoke to during this audit also advised that BWV is assisting the NSW Police Force to more readily assess and resolve complaints, whether in favour or against the officer or officers concerned. The NSW Police Force advises that, given these encouraging results, it intends to further engage with field commands to promote the importance of using BWV in the context of complaints.

Source: AONSW research. Data provided by the NSW Police Force is unaudited.

The NSW Police Force effectively identified and managed unintended consequences impacting the agency

The NSW Police Force has strong protocols to address unintended consequences that occur within the agency or to police practices, when introducing new technology such as those funded by Policing for Tomorrow. A range of processes were already in place to monitor and address inappropriate use and unintended consequences occurring within policing. These included:

- regular monitoring of staff access to technologies and databases
- adjusting Standard Operating Procedures
- responding to unexpected usage patterns with targeted training and communications
- project boards considering change requests
- tracking trends in complaints and misconduct prevention and response activities.

Other unintended consequences that may have arisen beyond the NSW Police Force's operations, are not routinely identified.

The NSW Police Force does not actively manage benefits that affect the broader criminal justice sector with its partner agencies

The NSW Police Force could take a broader view in its benefits management by considering the downstream impacts of its technology on other parts of the criminal justice sector affected by policing outcomes, such as prosecutions, courts, support services and corrections.

Almost all the benefits or outcomes identified for the reviewed Policing for Tomorrow technology are focused on their effects on the NSW Police Force (Exhibit 6). A notable exception is the BWV project, which includes benefits that accrue to the broader criminal justice system as well as to the NSW Police Force. Exhibit 7 describes how the NSW Police Force engaged with stakeholders on BWV. This approach could be taken with other proposed or existing technology that is likely to affect other criminal justice agencies, or changes interactions between the police and the public.

Any substantive improvements to the effectiveness and efficiency of policing will affect other parts of the criminal justice system. Our Managing growth in the NSW prison population performance audit tabled in 2019, recommended the continued use of Justice Impact Assessments to understand the effect of any new proposals on the criminal justice system as a whole. It would enhance its benefits realisation management if the NSW Police Force worked with its criminal justice sector partner agencies and services participating in similar exercises related to policing technology and related practices.

The NSW Police Force does not routinely engage with community members, including vulnerable groups, on the implementation or benefits management of new technology

Key stakeholders for the NSW Police Force are not limited to those in the criminal justice system. In the context of the community policing model used by the NSW Police Force, partnerships with local areas and public trust in the exercise of law enforcement powers are critical, and need to be continually renewed. The agency recognises this through its Customer Service Programme and Customer Experience Program, but it is not clear that developments in police technologies that affect interactions between officers and the public are included in these initiatives.

Vulnerable groups within the community are over-represented in arrests and other interactions with police. Changes in how police interact with the community have the potential to contribute to disproportionate arrest, police custody and incarceration rates in respect of Aboriginal peoples, and may undermine police investigations. This is recognised by the NSW Police Force in its longstanding Aboriginal Strategic Direction policy. This policy includes accountability arrangements and outcomes measures to promote a consultative approach between the NSW Police Force and Aboriginal communities across the state.

However, the governance arrangements for the BWV project - the only one to include external stakeholders - did not include the NSW Police Force Corporate Sponsor for Aboriginal Engagement, representatives from the NSW Police Force Aboriginal Strategic Advisory Council (PASAC), any NSW Police Force Aboriginal Community Liaison Officers (ACLOs), or members from relevant Aboriginal peak bodies or legal services. ACLOs were not provided with specific materials to promote awareness about the BWV cameras, or feedback sought from them about how Aboriginal communities experience the technology. Similarly, the external evaluation of BWV did not proactively engage with these stakeholders in seeking feedback on the technology.

Exhibit 7: BWV benefits and stakeholder engagement

The BWV project has attracted significant interest from stakeholders outside the NSW Police Force. Implementation of the devices required amendment to the *Surveillance Devices Act 2007* (NSW) to enable their use. The legislative amendments also imposed a requirement that the relevant provisions be reviewed by the Secretary of the Department of Justice after they commenced.

Police officers have discretion in turning the devices on or off. Officers are required to alert those filmed that they are being recorded if it is practical to do so and are advised to provide reasons for stopping a recording. BWV video and audio are uploaded at the end of a shift and content is tagged as either evidence, work, health and safety or complaint. Untagged content is considered non-evidentiary and remains unclassified on the system for a period of six months before it is automatically deleted.

Stakeholders to this audit outlined a number of concerns with the operation of the BWV devices, including:

- a lack of transparency about the NSW Police Force's expectations for appropriate use
- the discretion given to individual officers to record that might lead to selective recording
- the discretion given to individual officers to record and tag footage for retention that might lead to recordings being deleted before complaints have been lodged
- that recordings could be used inappropriately as a management tool to sanction officer behaviour.

Unusually, the NSW Police Force included external stakeholders on the agency's implementation committee for the BWV project, including representatives from Legal Aid's defence lawyers, the Office of the Director of Public Prosecutions, the Department of Justice and the Police Association. Issues regarding the appropriate use of the BWV cameras were discussed in this forum, and the executive sponsor of the project in the NSW Police Force reported adjusting standard operating procedures and internal training and communications to address some concerns.

The NSW Police Force has also commissioned two external evaluations into the technology. One in 2015–16, relating to the pilot of BWV cameras in a few locations across the state, and another that looked at the wider-scale effect of the technology on the community, legal profession and judiciary, multicultural community groups, and victims of crime as well as on members of the NSW Police Force. The latter found broadly positive perceptions of the BWV technology in line with the identified benefits, and made suggestions to enhance the internal and public awareness about the authorised use and safeguards of the devices. The NSW Police Force did not advise us when they will publish this evaluation.

Source: AONSW research.

The NSW Police Force needs to consistently ensure it has the trust and support of the public to exercise its legislated law enforcement powers. This is more likely to be sustained when criminal justice partner agencies and the community are informed about police technology that affects interactions between officers and the public. Such dialogue should be conducted where appropriate in the project lifecycle. It should include matters such as the technology being explored, appropriate use and safeguards, intended benefits and how unintended consequences will be identified and managed. We recognise that this will not always be possible for particularly sensitive procurements that involve covert technologies or methodologies.

Section two

Appendices

Appendix one – Response from agency

25 May 2020



NSW Police Force

OFFICE OF THE COMMISSIONER

Margaret Crawford
Auditor-General
Audit Office of NSW
GPO Box 12 Sydney NSW

Dear Auditor-General,

Thank you for your letter of 29 April and the opportunity for the NSW Police Force to respond to your final report into the Funding Enhancements for Police Technology.

In 2015 the NSW Government announced a \$100 million Policing for Tomorrow fund over 4 years for the NSW Police Force to acquire technology intended to make police work safer and quicker. The announcement committed the NSW Police Force to several investment priorities, including body-worn video (BWV) cameras, smart phone devices (MobiPOL), mobile fingerprint scanners and hand-held drug testing devices.

The Pft fund has resulted in a capability uplift across the Organisation and has positively impacted service delivery by police to the community.

The final report assessed whether the fund was effectively managed to improve policing in NSW and the ongoing funding requirements to support the technology invested in.

The NSW Police Force has reviewed the report's recommendations and a response is attached.

I would like to extend my appreciation to your office and your staff for conducting the review, and to recognise the officers within the NSW Police force who aided in this process.

Yours sincerely,

M J Fuller APM
Commissioner of Police



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Findings

Recommendation 1: Finalise and routinely use a whole-of-organisation capability model, that identifies and plans to address technology gaps, to make ICT capital investment and resource allocation decisions

Response: Accepted. In 2019 NSWPF implemented a new ICT Governance Framework and ICT Strategy.

The 2019-2021 ICT Strategy outlines how NSW Police Force will develop new or enhanced technology-enabled capabilities across the NSW Police Force. This will be achieved by improving alignment with the overall organisational strategy and priorities, engaging more closely with individual Commands, building business knowledge and delivering more targeted solutions that underpin organisational outcomes.

Recommendation 2: Continue to develop an enterprise benefits management approach to drive achievement of targeted benefits, and greater utilisation of technology capability, including:

- improving capability in benefits realisation
- actively reviewing, monitoring and managing project benefits, and adjusting implementation when not on track to achieve intended outcomes
- promoting ongoing awareness and use of the full functionality of implemented technologies
- regularly seeking feedback from frontline officers at all ranks in using existing technologies and forecasting future technology needs
- obtaining a consolidated view of the value technologies are delivering for the organisation

Response: Accepted. The NSW Police Force will continue to develop an enterprise benefits management approach in line with the 2019 ICT Governance Framework and Project Management Benefits Realisation Plans.

Recommendation 3: Ensure that, for technology projects that change how police interact with the public, external stakeholders are engaged, and their feedback considered, where appropriate in the project life cycle.

Response: Accepted with the following caveat. NSW Police Force will continue to be proactive, to collaborate with communities across NSW, and establish partnerships to impact the underlying causes of crime and disorder. For victims of crime and our customers we need to communicate effectively and deliver efficient services to maintain trust and confidence. It should be noted that engagement with external stakeholders will not always be possible for particularly sensitive procurements that involve covert technology or methodologies.

Appendix two – Policing for Tomorrow projects and expenditure

Project	Description of technology or project	Forecast and actual recurrent spend to date (\$'000)	Forecast and actual capital spend to date (\$'000)	Forecast and actual total spend to date (\$'000)
Body Worn Video (mainly for Phase 2)	Body worn video cameras worn by police officers that capture sound and video during a shift	4,689	27,926	32,615
MobiPOL (Tranche 1, 1A, 1B and 1C)	Smart phones equipped with access to NSW Police Force applications	12,990	12,400	25,390
I2IMS Phase 2	Software used to generate and share intelligence reports, create association diagrams and generate electronic tasking for general duty officers	1,861	5,713	7,574
Field ID replacement	Mobile, electronic finger-print scanners to perform mobile recording, searching and enrolling fingerprints.	--	4,370	4,370
TruNarc	Portable spectrometer devices used to detect narcotics and other illicit substances	87	3,435	3,522
Digital Evidence First Responder	Technology to create forensic images of data extracted from mobile phones and other electronic devices for search	824	2,463	3,287
Digital Recording of Evidence	Replacement of Electronic Recording of Interview with Suspected Persons (ERISP) recorders used to record interviews with suspects at police stations	--	2,375	2,375
Audio-Visual Link Custody Suites in Police Stations	AVL facility in police station custody suites to facilitate remote court appearances	--	2,000	2,000
Firearms Registry	Digitisation of firearms registry processes	--	1,550	1,550
Virtual Firing Range in a Box	Mobile virtual reality firing range using live ammunition.	--	1,500	1,500
Remotely Piloted Aircraft Vehicles (RPAV)	Drones of varying sizes and capabilities (including thermal vision and long scoped cameras)	834	229	1,063

Project	Description of technology or project	Forecast and actual recurrent spend to date (\$'000)	Forecast and actual capital spend to date (\$'000)	Forecast and actual total spend to date (\$'000)
Goulburn Firing Range	Upgrade to Goulburn Firing Range	--	711	711
Insight Platform	Integrated set of data management, analytics and machine learning/artificial intelligence algorithms	--	500	500
Nvidia Servers	Servers to support machine learning including face and video analytics	--	365	365

Appendix three – About the audit

Audit objective

This audit assessed whether the Policing for Tomorrow fund is effectively managed to improve policing in New South Wales.

Audit criteria

We addressed the audit objective by addressing the following criteria:

1. The NSW Police Force efficiency and effectively identified, acquired, implemented and maintained technology resourced by the fund.
 - a) Technology funded under Policing for Tomorrow was supported by evidence, consultation, risk assessments and implementation plans.
 - b) NSW Police Force met relevant standards and guidelines for procurement, including contract management.
 - c) NSW Police Force has effectively maintained and supported technology under the fund.
2. The NSW Police Force established effective governance arrangements for administering the fund, and for monitoring expected benefits and unintended consequences.
 - a) NSW Police Force has governance arrangements that support effective administration of Policing for Tomorrow.
 - b) NSW Police Force has governance arrangements that support effective implementation, monitoring and review of technology implemented under the fund.
 - c) NSW Police Force evaluations meet NSW program evaluation guidelines.
 - d) NSW Police Force has identified and managed unintended consequences.
3. The technology implemented under the fund improved the efficiency¹ and effectiveness¹ of policing in NSW.
 - a) NSW Police Force is ensuring that technology under the fund has improved policing efficiency.
 - b) NSW Police Force is ensuring that technology implemented under the fund has improved policing effectiveness.

Audit exclusions

The audit did not consider:

- effectiveness of additional NSW Police Force officer numbers
- NSW Police Force capital expenditure other than Policing for Tomorrow funded projects
- effects on other parts of the criminal justice system
- the merits of government policy objectives.

¹ Measures of efficiency and effectiveness were assessed using NSW Police Force developed indicators.

Audit approach

Our procedures included:

1. Interviewing:
 - key corporate services personnel including:
 - Deputy Commissioner Corporate Services
 - Strategic Finance
 - Digital Technology and Innovation
 - Policing for Tomorrow project sponsors
 - specialist commands:
 - Professional Standards Command
 - Traffic and Highway Patrol Command
 - Public Order and Riot Squad
 - wide range of stakeholders including:
 - Aboriginal Legal Service
 - Law Enforcement Conduct Commission
 - Redfern Legal Centre
 - Treasury.
2. Visiting seven police stations in the following Police Area Command (PAC) or Police District (PD) and discussing Policing for Tomorrow technology with front-line police officers:
 - Bankstown PAC
 - Blacktown PAC
 - Coffs-Clarence PD
 - Eastern Beaches PAC
 - New England PD
 - Sydney City PAC.
3. Examining:
 - a) decision-making documents
 - b) NSW Police Force policy and standard operating procedures
 - c) project documentation.

The audit approach was complemented by quality assurance processes within the Audit Office to ensure compliance with professional standards.

Audit methodology

Our performance audit methodology is designed to satisfy Australian Audit Standard ASAE 3500 Performance Engagements and other professional standards. The standards require the audit team to comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance and draw a conclusion on the audit objective. Our processes have also been designed to comply with requirements specified in the *Public Finance and Audit Act 1983* and the *Local Government Act 1993*.

Audit cost

The total cost of the audit is approximately \$401,000.

Appendix four – Performance auditing

What are performance audits?

Performance audits determine whether State or local government entities carry out their activities effectively, and do so economically and efficiently and in compliance with all relevant laws.

The activities examined by a performance audit may include a government program, all or part of an audited entity, or more than one entity. They can also consider particular issues which affect the whole public sector and/or the whole local government sector. They cannot question the merits of government policy objectives.

The Auditor-General's mandate to undertake performance audits is set out in section 38B of the *Public Finance and Audit Act 1983* for state government entities, and in section 421D of the *Local Government Act 1993* for local government entities.

Why do we conduct performance audits?

Performance audits provide independent assurance to the NSW Parliament and the public.

Through their recommendations, performance audits seek to improve the value for money the community receives from government services.

Performance audits are selected at the discretion of the Auditor-General who seeks input from parliamentarians, state and local government entities, other interested stakeholders and Audit Office research.

How are performance audits selected?

When selecting and scoping topics, we aim to choose topics that reflect the interests of parliament in holding the government to account. Performance audits are selected at the discretion of the Auditor-General based on our own research, suggestions from the public, and consultation with parliamentarians, agency heads and key government stakeholders. Our three-year performance audit program is published on the website and is reviewed annually to ensure it continues to address significant issues of interest to parliament, aligns with government priorities, and reflects contemporary thinking on public sector management. Our program is sufficiently flexible to allow us to respond readily to any emerging issues.

What happens during the phases of a performance audit?

Performance audits have three key phases: planning, fieldwork and report writing.

During the planning phase, the audit team develops an understanding of the audit topic and responsible entities and defines the objective and scope of the audit.

The planning phase also identifies the audit criteria. These are standards of performance against which the audited entity, program or activities are assessed. Criteria may be based on relevant legislation, internal policies and procedures, industry standards, best practice, government targets, benchmarks or published guidelines.

At the completion of fieldwork, the audit team meets with management representatives to discuss all significant matters arising out of the audit. Following this, a draft performance audit report is prepared.

The audit team then meets with management representatives to check that facts presented in the draft report are accurate and to seek input in developing practical recommendations on areas of improvement.

A final report is then provided to the head of the audited entity who is invited to formally respond to the report. The report presented to the NSW Parliament includes any response from the head of the audited entity. The relevant minister and the Treasurer are also provided with a copy of the final report. In performance audits that involve multiple entities, there may be responses from more than one audited entity or from a nominated coordinating entity.

Who checks to see if recommendations have been implemented?

After the report is presented to the NSW Parliament, it is usual for the entity's audit committee to monitor progress with the implementation of recommendations.

In addition, it is the practice of parliament's Public Accounts Committee to conduct reviews or hold inquiries into matters raised in performance audit reports. The reviews and inquiries are usually held 12 months after the report received by the NSW Parliament. These reports are available on the NSW Parliament website.

Who audits the auditors?

Our performance audits are subject to internal and external quality reviews against relevant Australian and international standards.

The Public Accounts Committee appoints an independent reviewer to report on compliance with auditing practices and standards every four years. The reviewer's report is presented to the NSW Parliament and available on its website.

Periodic peer reviews by other Audit Offices test our activities against relevant standards and better practice.

Each audit is subject to internal review prior to its release.

Who pays for performance audits?

No fee is charged for performance audits. Our performance audit services are funded by the NSW Parliament.

Further information and copies of reports

For further information, including copies of performance audit reports and a list of audits currently in-progress, please see our website www.audit.nsw.gov.au or contact us on 9275 7100.

OUR VISION

Our insights inform and challenge government to improve outcomes for citizens.

OUR PURPOSE

To help parliament hold government accountable for its use of public resources.

OUR VALUES

Pride in purpose
Curious and open-minded
Valuing people
Contagious integrity
Courage (even when it's uncomfortable)

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