

# *Performance Audit Report*

## **Follow-Up of Performance Audits: 1995 - 1997**

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# **Executive Summary**

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## Executive Summary

The Audit Office carries out periodically a follow-up audit on previously tabled performance audit reports. These follow-up audits help to ascertain the extent to which recommendations made in those tabled reports have been considered and implemented by agencies concerned; the extent to which “across-the-board” audits benefited agencies; and the extent to which performance audit reports served and assisted Parliamentarians. As such, these audits serve as a self evaluation of the value added concept pursued by The Audit Office.

The first follow-up audit was conducted in 1995 and covered the audits tabled during the period December 1991 to April 1995.<sup>1</sup>

This second follow-up audit covers the period up to July 1997 during which time 24 audits were tabled. Of these 24 reports, 22 were followed up in this review.<sup>2</sup> In total they contained 383 recommendations for improving public sector performance. The audits covered in this report are listed at Appendix 5.1.

Of the 24 audits 10 were requested by Parliament or by Ministers. Twenty were in respect of specific agencies, while the remaining 4 were audits that related to agencies generally (across-the-board) within the NSW public sector.

To evaluate the extent to which these reports and recommendations assisted agencies, The Audit Office issued a questionnaire to each agency directly involved in an audit. In addition, questionnaires were issued to all major agencies that could have been affected by or have benefited from recommendations contained in across-the-board audits. Questionnaires were also sent to all Parliamentarians on the usefulness of the performance audit reports to them.

The result of the survey, together with the questionnaires issued are detailed in the Appendices to this report.

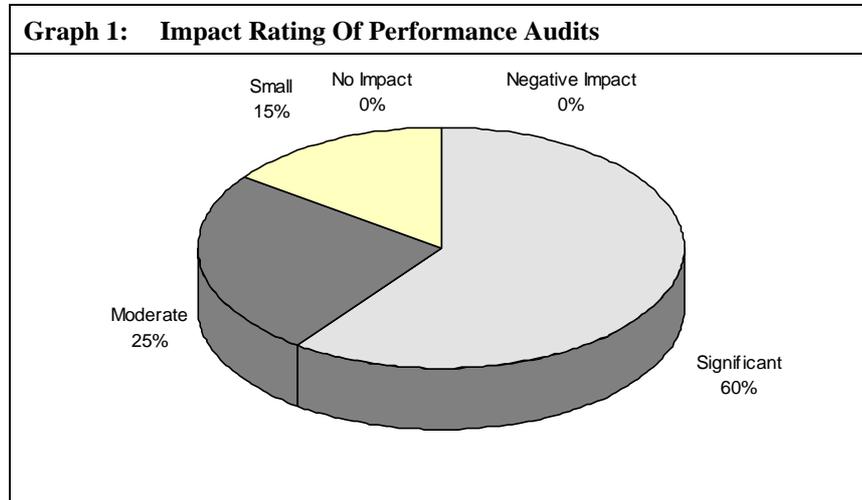
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<sup>1</sup> The Audit Office of NSW, *Performance Auditing in NSW: Implementation of Recommendations and Improving Follow-up Mechanisms*, December 1995.

<sup>2</sup> It does not include reports on two audits - *Sale of the State Office Block* and *Building Services Corporation*, nor the previous follow-up report.

**Impact**

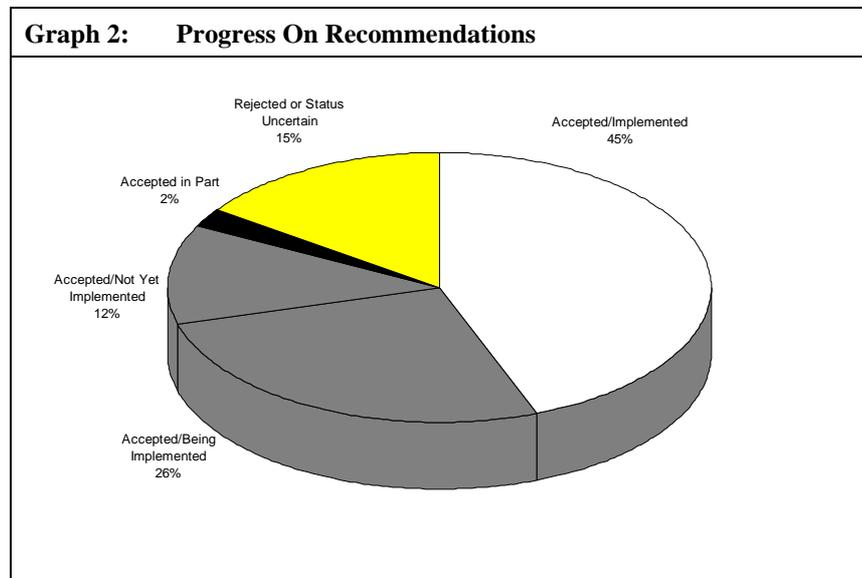
All the agencies who were directly involved in these audits believe that the audits have had a positive impact, with 60% of agencies stating that the impact had been significant. The distribution of the responses is shown in the following graph.



Source: Appendix 5.2, Table 3.

**Progress on Recommendations**

Agencies' acceptance of the recommendations in performance audit reports was also high, at 85%. Nearly half of these had been fully implemented by the time this survey was conducted. The remainder were in various stages of implementation, as illustrated below.



Source: Appendix 5.5.

**Note:** There were 383 recommendations from 22 reports between 1995-1997.

In most agencies there has been concerted action to address the concerns raised in performance audit reports. In the best, responsibilities and timetables for implementation of recommendations are clearly defined and there is regular monitoring of progress by senior management. A number of them achieved savings arising out of the implementation of the recommendations.

In some agencies implementation has been slower. The survey indicated little demonstrable progress on more than 70 recommendations (nearly 20% of the total).

But even where the formal reporting of implementation has been slow, there appears to have been progress. For example, on the Large Residential Care audit, a formal response from the Minister is still awaited more than 1 year after the report was tabled. Yet, the report is being actioned on the ground and The Audit Office has been invited to assist with the implementation of some of the recommendations.

It is also pleasing to note that following further discussions arising out of the current audit, The Audit Office has been advised that the Cabinet Sub-Committee on Advertising has recently recommended the introduction of a two-month quarantine period on all government campaign advertising prior to a State election. The Audit Office welcomes this initiative, which is in line with the recommendation made in the report in 1995.

#### **Across-the-board Audits**

More disappointing, however, was the progress on across-the-board audits, where the recommendations are intended for, and implemented by, all NSW Government agencies. Of the 142 agencies surveyed, only 89 responded to the across-the-board audit questionnaire, and of those less than half were aware of the reports and their recommendations. This would seem to indicate that there is a greater need to promulgate the results of these audits to all agencies who might benefit.

As a consequence of the survey, from now on, in respect of each across-the-board audit, The Audit Office will provide a summary of the report and its recommendations to each agency head when the report is tabled in Parliament.

**Central  
Agencies**

The Audit Office considers that the central agency with primary responsibility for the administration of issues covered in across-the-board audits, should assume responsibility for the promotion of the recommendations contained in those reports.

Proposed changes in NSW Government's Financial and Annual Reporting Legislation, which will require The Audit Office to liaise with the Premier's Department and Treasury in respect of such audits, will go some way to addressing these shortcomings. But it will be important to ensure that the implementation of these recommendations also be followed up.

The charter of the Council on the Cost of Government includes the requirement to follow up on the status of the recommendations contained in tabled audit reports.

The Public Accounts Committee has also taken steps to follow up on some of these reports. So far it has publicly reviewed one audit of those covered by this report. It has also reviewed and reported on a further three reports but without public enquiries. The Audit Office would support initiatives to extend public enquiries into its reports. Without a rigorous public enquiry and follow-up, many of the benefits that could be achieved from these recommendations may not be realised.

**Parliament**

Of the 139 Parliamentarians surveyed, 40 responded to the questionnaire. Whilst the responses received were largely positive, the response rate makes difficult an evaluation of the usefulness of the audit reports.

## **Recommendations**

Arising out of the findings of this report, The Audit Office recommends that:

- Agencies should assign specific responsibilities, and a timetable, for implementation of all accepted recommendations from performance audit reports in their jurisdiction, and report on progress publicly.
- Agencies should use their audit committees, or other nominated bodies or officers, to monitor progress on implementation of relevant performance audit recommendations.
- In respect of each ‘across-the-board’ audit or recommendation a central agency should be nominated to take responsibility for the promulgation, monitoring and reporting on the progress of implementation of the recommendations.

## Response from Public Sector Management Office

Mr Tony Harris  
Auditor-General  
The Audit Office of NSW  
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File No: PSM/00165

Dear Mr Harris

Thank you for the opportunity to comment on the Follow up Report on Performance Audits 1995-97. The Premier's Department has consulted with the Cabinet Office, the Treasury and the Council on the Cost of Government, in order to provide a coordinated response to the recommendations contained in the report.

In respect of those recommendations, I make the following comments:

*Recommendation 1: Agencies should assign specific responsibilities, and a timetable, for implementation of all accepted recommendations from performance audit reports in their jurisdiction, and report on progress publicly.*

It is appropriate that where an agency or the Government as a whole has *accepted* the recommendations of a performance audit, some detail should be given on how these recommendations will be implemented and the timeframe in which this is expected to occur. Given the sensitive nature of many of the matters subject to performance audits, however, it may not *always* be immediately appropriate to report publicly on progress toward implementation.

*Recommendation 2: Agencies should use their audit committees, or other nominated bodies or officers to monitor progress on relevant performance audit recommendations.*

It is generally the prerogative of Ministers and agency CEOs to determine how best to monitor implementation of performance audit report recommendations. Audit committees are often best suited for this task, and indeed, the NSW Treasury's Working paper on *Fundamental Review of NSW Financial and Annual Reporting Legislation* supports compulsory establishment of audit committees in all agencies, except where exempted by the Treasurer. Nevertheless, circumstances arise where it is equally appropriate for other nominated bodies or officers to undertake the task of ensuring implementation activities are brought to completion.

*Recommendation 3: In respect of each 'across-the-board' audit or recommendation, a central agency should be nominated to take responsibility for the promulgation, monitoring and reporting on the progress of implementation of the recommendations.*

There is a wide range of bodies with potentially overlapping responsibilities regarding the general matter of Government accountability, including the Public Accounts Committee, the Council on the Cost of Government, and the NSW Audit Office. The Council has requested the report specify that any apparent duplication of effort in this regard is the result of statutory or 'good management' requirements, and that wasteful duplication is largely avoided by communication between the three organisations.

With regard to 'across the board' audits, it is generally Treasury that takes responsibility for ensuring recommendations arising from any performance reports that are financial in nature are implemented. Implementation of recommendations concerning public sector wide personnel or management issues are most often dealt with by Premier's Department. In other 'across the board' cases the Premier decides how best any recommendations accepted by the Government are to be implemented, monitored and reported upon.

A key goal in terms of implementing and following up performance audit recommendations is avoiding duplication and administrative inefficiency. In this regard, and given the disappointing lack of awareness of 'across the board' audits and their recommendations, I would be happy, as each report is published, to discuss with you the need for defined central agency coordination of the process of implementing the recommendations accepted as having across the board application.

(signed)

C Gellatly  
Director-General

Date: 6 November 1998

# **1. Introduction**

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## 1. Introduction

In 1995, The Audit Office conducted its first follow-up of performance audits completed.<sup>3</sup> This second report summarises the results of performance audits tabled since 1995.

The methodology of this review is similar to the first, using a survey to gather information on progress in implementing recommendations from agencies directly involved in the audits. Twenty-four performance audit reports have been tabled since 1995. Twenty-two have been examined in this review.<sup>4</sup> Some audits involved more than one agency; some agencies were involved in more than one audit. A list of audits and agencies sampled is included in Appendix 5.1. All twenty-one agencies sampled have provided responses for the audit.

The scope of this second review has been widened to include assessments from:

- ⇒ agencies not directly involved in audits, 142 in all, on the impact of across-the-board audits
- ⇒ Parliamentarians, on the usefulness of performance audit reports to them.

The statistical results, included in the Appendices, have been supplemented with additional enquiries on specific audits to provide case studies for the report.

The report is in three parts:

- ⇒ response from agencies directly involved in audits
- ⇒ response on across-the-board audits
- ⇒ response from Parliamentarians.

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<sup>3</sup> The Audit Office of NSW, *Performance Auditing in NSW: Implementation of Recommendations and Improving Follow-up Mechanisms*, December 1995.

<sup>4</sup> It does not include reports on two audits - *Sale of the State Office Block* and *Building Services Corporation*, nor the previous follow-up report.

## 1.1 Audit Objectives and Criteria

This audit had three objectives:

- to assess the extent to which agencies and the Government accepted and implemented recommendations in performance audit reports
- to assess the impact of across-the-board audits on the agencies that could benefit from the recommendations
- to assess the extent to which performance audit reports benefited Parliamentarians.

The criteria used in this study for assessing successful implementation and impact of performance audit were:

- levels of acceptance and implementation of recommendations on these later audits should maintain or exceed those in the previous (1995) follow-up study
- impact of audits should be seen as strongly positive by more than 2/3 of each group of respondents: agencies audited; other agencies; Parliamentarians.

## 1.2 Audit Cost

The total cost of the audit was \$98,000 comprising:

Direct salaries cost	\$63,000
Overheads charged on staff time	\$18,500
Value of unpaid staff time (at standard rates only )	\$10,500
Printing	\$6,000
<b>TOTAL COST</b>	<b>\$98,000</b>

## **2. Response From Agencies Audited**

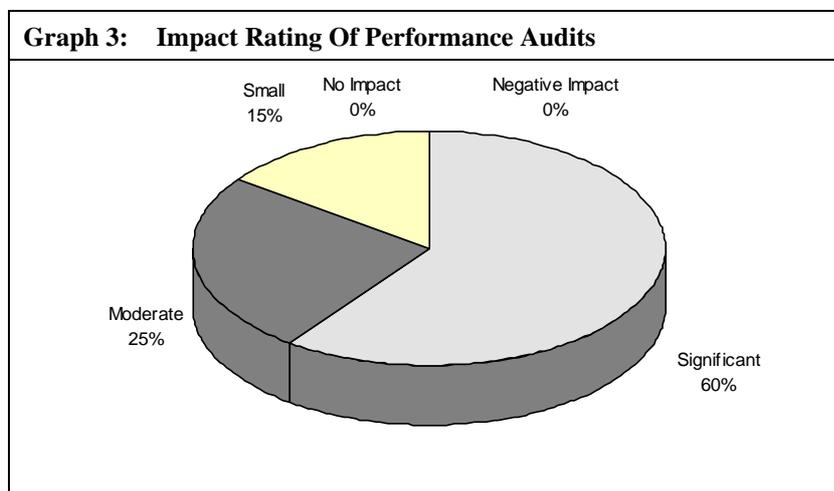
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## 2. Response From Agencies Directly Involved In Audits

All 21 agencies surveyed provided responses on the acceptance of recommendations and their implementation. A complete analysis of these responses is contained in Appendix 5.4. This section summarises the major findings.

### 2.1 Impact

According to the agencies involved audits tabled since 1995 had a positive impact. As the following graph illustrates 60% of the agencies rated the impact of the audit as significant.



**Source:** Appendix 5.2, Table 3.

This assessment has been reflected in comment by some agencies:

*The audit had a significant and positive impact on operations.*

**Source:** Newcastle Port Corporation, questionnaire response, 21 April 1998.

*Performance Audit recommendations serve to highlight any opportunities to improve internal control systems.*

**Source:** Attorney General's Department, questionnaire response, (rec'd.) 23 April 1998.

## 2.2 Progress on Recommendations

The 22 reports contained 383 recommendations, compared with 121 from the 15 reports followed up in 1995. Figure 1 summarises the current status of recommendations.

**Figure 1: Summary of Recommendations**

<b>RECOMMENDATIONS</b>			
<b>1995 - 1998</b>			
<b>1998</b>	<b>ACCEPTED</b>	<b>1995</b>	
<b>258 (85%)</b>	<b>Accepted</b>	<b>(84%) 102</b>	
135 (44%)	Accepted & Implemented	(50%) 60	
80 (26%)	Accepted and Being Implemented	(7%) 9	
37 (12%)	Accepted and Not Yet Implemented	(19%) 23	
6 (2%)	Partly Accepted	(8%) 10	
<b>1998</b>	<b>REJECTED</b>	<b>1995</b>	
<b>47 (15%)</b>	<b>Rejected</b>	<b>(16%) 19</b>	
16 (5%)	Not Accepted	(7%) 8	
2 (1%)	Unconsidered on Policy Grounds	(5%) 6	
29 (10%)	Status Uncertain	(4%) 5	

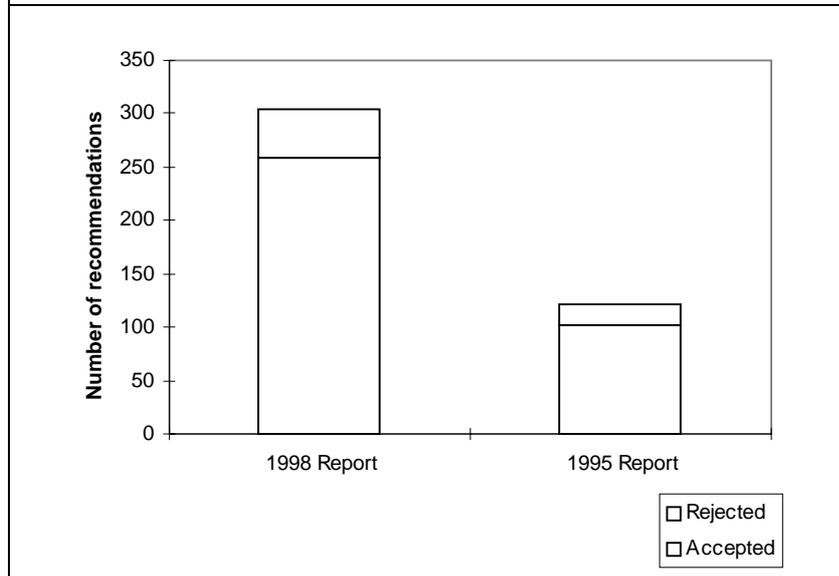
**Source:** Appendix 5.5, and The Audit Office of NSW, *Performance Auditing in NSW: Implementation of Recommendations and Improving Follow-up Mechanisms*, December 1995, p.20.

**Note:** Responses have been excluded from this analysis where agencies have indicated that "responsibility lies elsewhere" for implementation, see Appendix 5.4 for more details.

### Acceptance

The proportion of recommendations accepted in the latest survey was similar to that in 1995: 85% of relevant recommendations were accepted in 1998; compared with 84% in 1995.

**Graph 4: Comparison Of Accepted And Rejected Recommendations From 1998 & 1995**



**Source:** Appendix 5.4, Table 7, and The Audit Office of NSW, *Performance Auditing in NSW: Implementation of Recommendations and Improving Follow-up Mechanisms*, December 1995.

Only two reports had as many recommendations rejected as accepted:

- Eastern Distributor (RTA)
- Government Advertising (GAA).

On Eastern Distributor, the Government has taken a different view to The Audit Office on the need to justify its current approach to financing urban roads.

On Government Advertising, the reasons for rejection of recommendations, and in some cases substitution of alternatives, have been examined in more detail as part of this audit. The results are set out overleaf.

## Performance Audit on Government Advertising

### *The Audit*

In 1995, The Audit Office reviewed advertising expenditure and practices of several major government agencies within the New South Wales public sector. This followed an election period in which the then opposition expressed concerns about the party political character of some government advertising. The main focus of the audit was *campaign* advertising, which is promotional advertising where a government agency employs the services of a creative advertising agency. Campaign advertising in the print media, outdoors, cinema, radio and television is monitored by the NSW Government Advertising Agency (GAA).

### *Findings in 1995*

The audit found that government expenditure on advertising increased in real terms from \$16.8m in 1983-84 to \$59.9m in 1995, with peaks tending to coincide with elections. The Audit Office also noted several examples of advertising campaigns run during or leading up to an election which appeared to be in breach of guidelines and/or were capable of interpretation as political advertising.

### *Recommendations in 1995*

The Audit Office made 16 recommendations to improve cost effectiveness of government advertising and to ensure that tax payer funded advertising was not published for party political purposes. The major changes sought were the introduction of:

- advertising guidelines to provide a clearer definition of government marketing/advertising to protect against its use for party political purposes
- an Advertising Code for agencies developing advertising campaigns, with the GAA or a separately constituted body to advise and adjudicate on compliance with the Code.
- a quarantine period of 2-3 months before an election during which time advertising would be prohibited with only limited exceptions such as health and safety issues.

As discussed over, the new government did not accept all these recommendations.

**Performance Audit on Government Advertising (cont)**

***Responses to the Follow-up in 1998***

From the GAA's April response to The Audit Office's follow-up enquiries, **two** out of sixteen recommendations have been fully implemented in the manner suggested by the report. These relate to placing GAA representatives on all selection panels to appoint advertising agencies; and the involvement of GAA in the planning phases of an agency's advertising campaign.

In addition, in a further response in October 1998, The Audit Office has been advised that the Cabinet Sub-Committee on Advertising has recently recommended the introduction of a two-month quarantine period on all government campaign advertising prior to a State election. The Audit Office welcomes this initiative, which is in line with the recommendation made in the report in 1995.

**Three** recommendations were specifically rejected. These related to clarifying the definition of advertising and tighter management of community attitude research.

GAA advised that the remaining recommendations had been addressed by the following two initiatives:

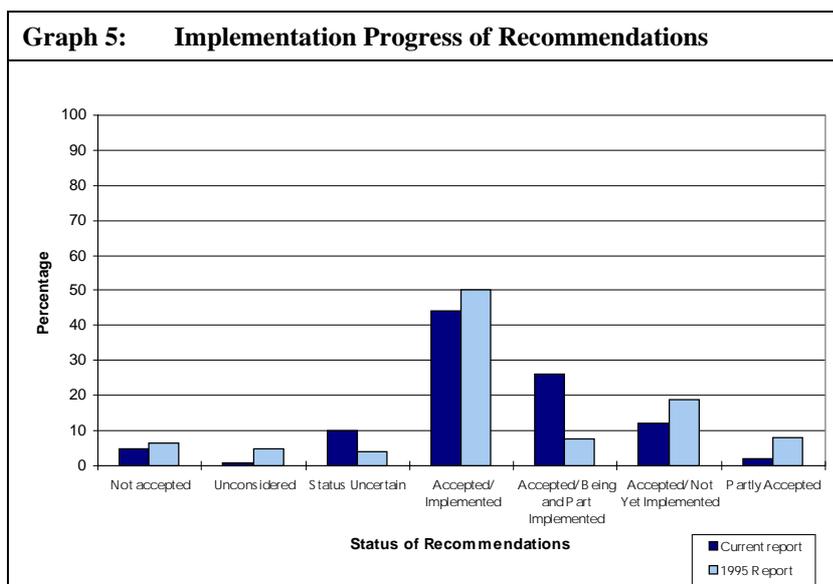
- A closer monitoring and liaison role for GAA in overseeing agency advertising campaigns, especially in pre-election periods
- The requirement for all proposed campaigns with expenditure over \$100,000 to be endorsed by a Cabinet Sub Committee which will adjudicate on whether campaigns conform with government policy and priorities.

While some of these initiatives may address some of the concerns addressed in the report, the lack of an Advertising Code or clearer guidelines remains a weakness.

Moreover, placing ultimate responsibility with a Cabinet Sub-Committee - whose documents are not available to the public or to the Auditor-General - may not allay community concerns about taxpayer-funded party political advertising.

## 2.3 Implementation of Recommendations

The responses in 1998 indicate a higher proportion of recommendations have been, or are being, implemented now than in the 1995 review - 70% vs 57% - as the following graph illustrates.



**Source:** Appendix 5.5, and The Audit Office of NSW, *Performance Auditing in NSW: Implementation of Recommendations and Improving Follow-up Mechanisms*, December 1995, p.20.

Many agencies have achieved improvements through prompt action on the recommendations made. Three examples - from the Ambulance Service, Department of Housing and Newcastle Ports Corporation - illustrate what can be achieved.

**Charging and Revenue Collection  
Ambulance Service of NSW**

***The Audit***

In 1996, The Audit Office reviewed charging arrangements for the use of ambulance services, and the administration of invoices and income collection for emergency and non-emergency transportation.

***Findings***

The audit found significant inefficiencies and backlogs in invoicing. It recommended a number of improvements including:

- a review of funding arrangements and the State Ambulance Insurance Plan (SAIP)
- ways of examining potential numbers of reminder notices and backlogs
- investigation of potential external funding (eg. Sporting events).

In addition, as part of the audit, a Better Practice Guide was produced.

***Initial Response***

The response to the recommendations was positive; all of the recommendations were accepted. The Ambulance Service noted that examinations of the procedures involved in charging and collection of monies would be made as suggested, and gave evidence of costs being reduced. For example, the Service quoted a reduction in lead times in the month before the report was issued, and initiatives to reduce the number of write-backs.

***Progress by 1998***

By 1998 annual reviews of subscription rates for both the SAIP fund and charges for sporting events had been implemented and charges updated accordingly. A computer system has been installed to process the backlog of invoices, and the debts transferred to an outside agency after a set time frame has passed. The partnership agreement with Area Health Services concerning inter-hospital transportation has been reviewed positively by the Internal Audit Bureau.

All of the recommendations are now complete or in the late stage of implementation. This report and the associated Guide to Better Practice appear to have assisted the Ambulance Service to generate improvements in its charging and revenue collection. This has been acknowledged by the Service:

*The audit publicly identified revenue issues effecting the Service and acted as a trigger for various actions.*

The Guide to Better Practice has since been available via the Internet and has been taken up by a number of NSW agencies.

**Housing Options and Appraisal  
(Redevelopment of Villawood Estate)**

***The Audit***

In 1997, The Audit Office reviewed the Department of Housing's decision to demolish and sell the East Fairfield (Villawood) Estate. It focused on the decision-making processes used to justify the cost involved (\$17m net).

***Findings***

The audit found that the process used to arrive at this decision was shoddy. Although demolition may have been the most efficient and effective option to address the estate's crime and other problems, this was not demonstrated by the appraisal methods used.

The audit recommended improvements in appraisal procedures to the Department of Housing, as one of a number of changes in information, communication and inter-agency working.

***Initial Response***

In its initial response, in January 1998, the Department referred to its recent development and testing of an improved appraisal process, along with plans for an integrated housing management information system, to demonstrate it had already begun to address the major audit concerns.

***Progress by mid-1998***

By mid-1998 the Department of Housing had completed a pilot application of the new appraisal process to a range of problems in small and large housing estates in three Regions. It has now become a requirement for all projects before being placed in the annual Capital Works program.

The appraisal process considers physical and social conditions on estates in a structured assessment of the "best" option for their future developments.

It offers the potential for a rigorous, transparent and consultative approach to the evaluation of housing options for housing estates of all sizes. It may have wider application to other departments as well.

Progress on information systems development for monitoring the conditions of estates is also encouraging.

On both of these developments, the emphasis is now on translating successful pilot schemes into effective operation across the State.

### **Performance Audit on Newcastle Port Corporation**

#### ***The Audit in 1996***

The audit followed a complaint received by The Audit Office from a public official pursuant to the *Protected Disclosures Act 1994*. The public official alleged that a wage agreement between a former Maritime Services Board and the Maritime Union of Australia resulted in serious and substantial waste of public money.

#### ***Audit Findings***

The Audit Office found that the complaint was valid and the Newcastle Port Corporation (NPC) had incurred costs that could have been avoided. NPC Port Officers falling under the wage agreement

- were remunerated for skills which they did not possess and which may not be needed by the Port for operational purposes
- were being paid in lieu of overtime which was excessive given the level of overtime hours actually worked
- received excessive backpay given existing skills and actual overtime worked
- were relieved by support staff in times of absences when support staff would not be required to the extent provided, if Port Officers worked the additional hours as compensated for in the overtime component of their salaries.

The Audit Office recommended that skill requirements and corresponding remuneration levels be reconsidered in line with actual operational requirements and that overtime and support staff arrangements be reviewed.

The Audit Office estimated the avoidable cost to the NPC to be approximately \$530,000 per annum with a \$185,000 once only cost. These figures did not include the cost of training Port Officers to obtain skills which the corporation was unlikely to need. The potential for savings existed across all ports in NSW covered by the wage agreement.

#### ***Initial Response***

Before the report was tabled in 1996, The Minister for Ports, on the 4 September 1996 advised the Chief Executive Officer of Newcastle Port Corporation, that *....it is imperative that all the recommendations should be implemented by each of the port corporations as a matter of priority.*

**Newcastle Port Corporation (cont)**

***Progress by 1997***

In May 1997 the Minister advised that:

- NPC has undertaken a review which agrees with the report's recommendations that not all Port Officers require multi-skilling across the five functional areas of port operations
- future NPC Port Officer position descriptions will be re-written so that the NPC will remunerate officers for only those operational skills which are actually required. The training of new Port Officers will be restricted to meeting specific operational requirements and their remuneration will be structured accordingly
- in relation to overtime arrangements the number of Port Officers working additional hours has now doubled, but NPC is still dissatisfied with the overall number of additional hours being worked and is pursuing the matter through the State Industrial Commission. NPC will attempt to gain greater efficiencies during the next round of enterprise bargaining due to commence in late 1997
- NPC Port Officer support arrangements have been amended with savings of approximately \$130,000 per annum to date.
- Sydney Port Corporation has decided to downsize the number of Port Officers by eleven following an examination of overtime arrangements. The downsize will see remaining Port Officers working sufficient additional hours to justify current levels of remuneration.

***Progress by 1998***

The NPC response to the follow-up survey confirms that implementation is continuing and the cost savings from revised manning and overtime arrangements are being maintained, though not without some difficulty:

*The audit had a significant and positive impact on operations, however there was a negative reaction from the officials of the union involved.*

**Source:** Newcastle Port Corporation, questionnaire response, 21 April 1998.

The survey also highlighted some good practices adopted by agencies for the implementation and monitoring of recommendations.

**Internal Follow-up** Over 50% of agencies use audit committees, in addition to line management, to monitor the implementation of recommendations. Where they do, progress is more advanced than in agencies without audit committees. The following figure illustrates.

<b>Figure 2: Audit Committees And Implementation Of Recommendations</b>		
	<b>Use Audit Committee</b>	<b>Do Not use Audit Committee</b>
<b>Recommendations implemented or close to</b>	<ul style="list-style-type: none"> <li>• NSW Fire Brigades</li> <li>• NSW Ambulance Service</li> <li>• Newcastle Port Corporation</li> <li>• NSW Health</li> <li>• State Rail Authority</li> <li>• Education &amp; Training</li> <li>• FreightCorp.</li> </ul>	<ul style="list-style-type: none"> <li>• Ethnic Affairs Commission</li> <li>• Treasury.</li> </ul>
<b>Implementation of recommendations is far less advanced</b>	<ul style="list-style-type: none"> <li>• Roads and Traffic Authority</li> <li>• Railway Services Authority.</li> </ul>	<ul style="list-style-type: none"> <li>• Government Advertising Agency</li> <li>• NSW Agriculture</li> <li>• Attorney Generals Department</li> <li>• Premiers.</li> </ul>

**Source:** Audit Analysis of Follow-Up Survey responses, see Appendix 5.2, Table 2.

**Note:** Excludes recommendations where “responsibility lies elsewhere”.

The Department of Health has one of the more rigorous approaches to monitoring progress on implementing recommendations, both from performance audits and also from internal audit reports.

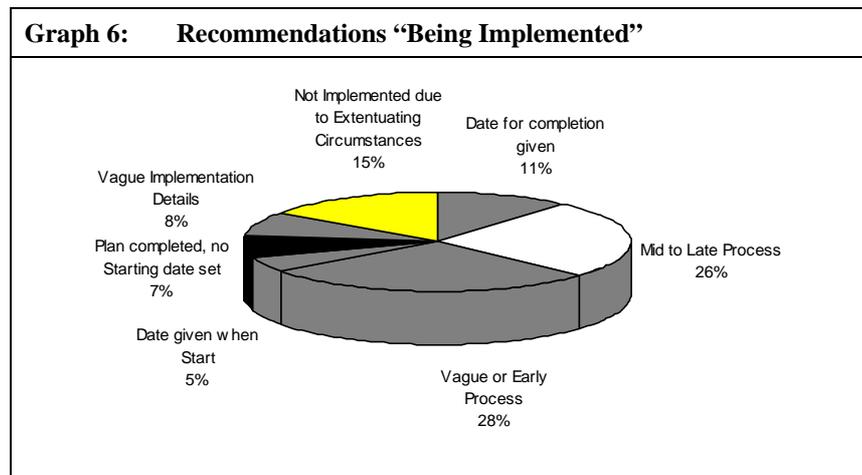
<b>Ensuring Implementation of Recommendations through Audit Committee Department of Health</b>
<p>All performance (and other) audit reports in Department of Health are considered by the Executive Audit Committee. This is a high-level group made up of the Director General and his three deputies, together with an independent non-executive member from outside the NSW public health system. A representative from The Audit Office is also invited to the quarterly meetings.</p> <p>The Audit Committee monitors progress on implementation of performance audit recommendations. Responsible officers in the department report regularly to the Audit Committee until implementation is complete, or until the Committee decides no further action is appropriate.</p> <p>A report to the Committee on recommendations in one performance audit report - on Same Day Admissions - is attached at Appendix 5.11.</p>

The NSW Treasury is currently undertaking a *Fundamental Review of NSW Financial and Annual Reporting Legislation*. One of its preliminary proposals is to amend the statutory framework for risk management and internal control to oblige CEOs and governing boards to establish audit committees.

The Audit Office recommends that agencies should use their audit committees, or other nominated bodies or officers, to monitor progress on implementation of relevant performance audit recommendations.

## 2.4 Recommendations Part or Being Implemented

Whilst the majority of recommendations have been actioned, the follow-up survey also indicates that nearly a third of accepted recommendations are still to be (fully) implemented. This large group covers a wide variety of progress, as the following graph indicates.



**Source:** Appendix 5.10.

About 37% of these recommendations had responses which showed evidence of reasonable progress towards, and/or dates for, full implementation. On the other hand 15% of recommendations are not being actioned, reasons for which include changes in policies or priorities, lack of funding. Nearly half of the remainder of the responses were so vague or implementation so slow as to give little confidence that significant action had been taken, or would be.

The result also reflects the difficulty of attaining benefits from recommendations where the responsibility for their implementation is not assigned or monitored.

The following case studies illustrate the point.

<b>Report on Utilisation of Public School Facilities</b>
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<p>In 1995, The Audit Office reviewed the utilisation of schools in NSW falling under the responsibility of the Department of School Education.</p>
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<p>A sample of 32 Principals were interviewed and over 2000 schools were surveyed to obtain information on the utilisation of school facilities. The audit found that the extent of under-utilisation was substantial.</p>
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<p>Recommendations on use of school facilities called for action by the Department in three major areas:</p>
--

- |  |
|--|
| <ul style="list-style-type: none"><li>• promoting community use of school facilities as a means to gain greater community benefit from the State's investment in these assets</li><li>• closer monitoring of utilisation</li><li>• a closer alignment of schools' recurrent funding to their utilisation levels.</li></ul> |
|--|

<p>The Department's response to the follow-up survey indicate that the majority of the recommendations are in the process of being implemented.</p>
---

<p>A new Asset Management System, introduced since the audit was completed, offers the potential for a significant improvement in information on utilisation and surplus land. However, until it is fully operational and well used, with accurate information, targets and guidelines in place, that potential will not be realised. So, progress on implementation here is encouraging but there is still some way to go.</p>
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<p>The Department has taken some steps to promote community use of school facilities and to assess its cost-benefit. Schools are now required to publish details of community use in their annual reports. However there is little evidence so far that this had a significant impact on the levels of community use and a number of constraints on such use remain to be addressed.</p>
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## Large Residential Centres for People with a Disability in New South Wales

### ***The Audit***

The Audit Office of NSW with the Community Services Commission conducted a joint performance audit into the provision of whole of life residential services for people with an intellectual disability in NSW.

The report released in June 1997 highlighted major deficiencies in the provision of services to people living in both government and non-government institutions.

### ***Recommendations***

The report makes numerous recommendations for both long term changes in large residential centres and short term measures to address service deficiencies and resident safety in the interim while awaiting transition.

The report acknowledged that considerable cost would be involved in implementing the recommendations of the audit. The cost involved in moving people from institutions to community based settings is substantial. In the meantime, while people remain in institutions the report recommended improvements to standards of care to ensure that they live in a safe environment.

### ***Response to the Report***

Neither the Minister nor the Directors-General of the Departments of Community Services and Ageing and Disability provided a formal response to the recommendations included in the report prior to tabling in Parliament in 1997. (Although the Directors-General did provide a response to the draft report.) In March 1998, the Auditor-General and the Community Services Commissioner again sought a response from the Government through the Minister. As yet, no formal response has been received.

However, their responses to this follow-up of the performance audit indicate that the Departments of Ageing and Disability and Community Services, as well as individual institutions, are progressing service improvements in line with the audit recommendations.

*...the Team's impact on this organisation has been appreciated and has led to a much better organisation and services to the people with intellectual disabilities in our care. We are now coming out of the mist.*

*Your visit and report has encouraged this organisation to improve and change some of its policies and practices which can only lead us to providing an even better quality of care for our residents...*

Comments from Administrators of two non-government centres.

**Large Residential Centres for People with a Disability in  
New South Wales (cont)**

Most importantly, the Ageing and Disability Department, as a funder of services, has used the baseline criteria for resident safety and protection from abuse identified in the audit report to develop baseline practices for all services funded or provided under the Disability Services Act. Likewise, the Department of Community Services has implemented a peer review process to assess large residential services against the same criteria and is improving policies and procedures for fire safety, investigating and reporting accidents and injuries and introduced monitoring mechanisms.

Nevertheless, although improvements to date are encouraging, a number of the recommendations have not been adequately addressed or progress on their implementation has been slow.

For example, the Report identified that services needed guidance on minimum practice requirements to protect people living in institutions and recommended the Ageing and Disability Department develop a set of guidelines covering the baseline safety criteria. The Report also recommended that these criteria be stipulated in funding agreements with service providers.

The Department's *Standards in Action* manual is reported to provide the necessary guidance to services. This manual was released in June 1998 (some 12 months after the release of the Report) and the baseline criteria are now included in funding agreements with service providers.

However, some recommendations have not progressed at all. The recommendation for the Department to undertake independent audits of large residential centres to enable the verification of service self assessments is still under consideration. This is in spite of the Report indicating that there is a high risk of institutions failing to protect the human and legal rights, safety and dignity of residents. Although the Department now has in place initiatives such as service user direct feedback and the registration of services of concern as a means of monitoring safety and service quality.

***Conclusion on audit follow-up***

The principal recommendation of the Report was that the Government fund the transition of large government and non-government residential centres to community based services. The Report also made a number of interim measures to address service deficiencies while awaiting transition.

There has been no endorsement or otherwise from the Government to any of these recommendations. In view of the seriousness of the findings of the Report and the Government's awareness of them, it is disappointing that there is no indication from Government as to the future of these services.

Although there has been some improvement in the standard of care for people with intellectual disabilities living in institutions, without a clear direction and priority set by the Government it has been less than the Report envisaged.

More disappointing still, there are some examples of earlier reports, tabled before 1995, which have made little progress, despite universal acceptance at the time by the agencies concerned.

### **Performance Audit on Children's Services**

#### ***The Audit***

In 1994, The Audit Office reported on the effectiveness of the State's programs for children in preschool and long day care.<sup>5</sup> It concluded:

*The State has two preschool programs, one operated by the Department of School Education, the other by non-profit providers with financial support from the Department of Community Services. There is little coordination between them and, because of differences in State financial support, there are now considerable inequities in the price parents pay for preschool depending on which department's services they use ... These differences are not justified by differences in program content or parent's ability to pay.*

Source: *ibid* p.iii and p.iv.

Its main recommendation was couched in the following terms:

*The two State Departments involved have conducted (separate) reviews of their preschool programs in the last five years: DSE in 1988, DCS in 1991. But neither was the sort of fundamental re-examination that the audit suggests is now necessary.*

*Therefore, it is recommended that the State re-examines the objectives and priorities of its programs for preschool age children (and their parents). A single, comprehensive, examination should seek to develop:*

- ⇒ *a clear set of State objectives*
- ⇒ *a clear identification of priority groups*
- ⇒ *a consistent and equitable subsidy structure*
- ⇒ *an integrated framework for future service development.*

Source: *ibid* p44,45.

#### ***The Initial Response***

Both departments endorsed the report and its recommendations in 1994. The Department of School Education specifically commented:

*The report recommends a single comprehensive examination to develop objectives, identify priority groups define subsidy structures and develop an integrated framework for children's services. The Department of School Education supports this initiative.*

*ibid* p.vii.

<sup>5</sup> The Audit Office of NSW, *Children's Services: Preschool and Long day care*, October 1994.

**Performance Audit on Children's Services (cont)**

Some closer coordination had already started by the time the audit report was tabled under the auspices of the State's Children's Services Working Party. By mid-1995, the first follow-up review by The Audit Office could report :

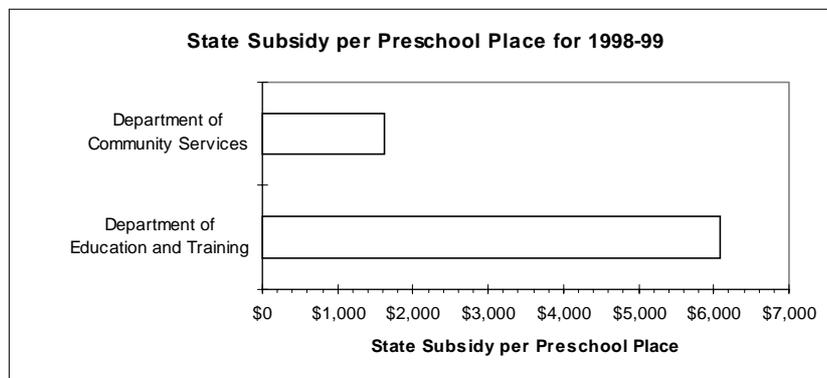
*The Department of Community Services and the Department of School Education have instigated interdepartmental cooperation on information requirements and strategic planning in the light of the audit and hope to have revised arrangements in place by late 1995.*

**Source:** Performance Auditing in NSW, NSW Audit Office, 1995 p17.

**The position now**

Although the reviews continued, and proposals for new needs-based funding arrangements have been put forward, on the ground there is little evidence of the fundamental changes that the audit recommendations envisaged. There have been fundamental changes in the Commonwealth's child care programs but the NSW Budget Estimates for 1998-99 continue to show two separate preschool programs funded by the two departments. There have been some marginal changes in the number, location and funding allocations in both programs, but little more.

In some areas the inconsistencies between the two programs identified in the 1994 audit report have been accentuated. For example, the State subsidy for each preschool place operated by the Department of Education and Training (DET) is now nearly four times that of a place funded by the Department of Community Services.



The opportunity cost of such differences is rising too. In 1994 that cost was estimated at over 2250 places foregone or a saving of nearly \$5m pa. Now, if the DET pre-school places were funded only to the same level as DCS-funded places, then an additional 6000 places could be supported, or \$10m pa saved.

In 1998 there were new attempts by the State Government to develop a more integrated approach. The ChildCare Planning Advisory Group was established at the beginning of 1998 under the auspices of the Premier's Council and the Department of Women, and expects to report by the end of the year. In addition, the establishment of a new Office of ChildCare was announced on 1 June 1998 "to coordinate delivery of the State Government's growing services to children and families".

## 2.5 Conclusions

Whilst the recommendations may have been accepted, in many cases little action has been taken because clear responsibilities and timetables have not been assigned for their implementation. It is recommended that agencies assign specific responsibilities, and a timetable, for implementation of all accepted recommendations from performance audit reports in their jurisdiction, and report on progress publicly.

The follow-up survey suggests that there is a particular risk of inaction with recommendations addressed to the Government as a whole. For example, no action seems to have occurred on the following recommendations:

*The Government give consideration to reviewing the adjudicative role of the GAA.*

**Source:** The Audit Office of NSW, *Government Advertising*, November 1995, p.xi.

*Government policies should be made explicit or else be established by directives in writing.*

*Infrastructure and human resources should be planned to maximise efficiency and effectiveness. If Government chooses alternatives that have higher costs or lower benefits for the Department, then these should be explicitly funded.*

**Source:** The Audit Office of NSW, *Review of NSW Agriculture*, March 1997, p.vi.

In the *Fundamental Review of NSW Financial and Annual Reporting Legislation* currently being undertaken by NSW Treasury, proposals are made to strengthen and widen reporting arrangements on performance audit reports to Premiers and Treasury Departments. This may go some way to alleviate the problems.

### **3. Response to Across-The-Board Audits**

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### 3. Response to Across-The-Board Audits

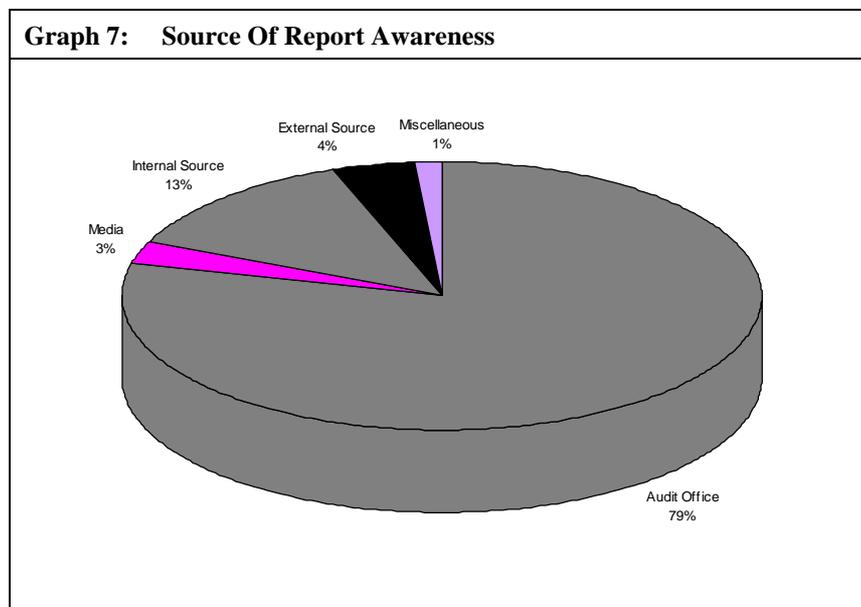
There were 4 performance audits in this category tabled between 1995 and 1997:

- *Corporate Credit Cards*
- *Corporate Governance*
- *Redundancy Arrangements*
- *1999-2000 Millennium Date Rollover.*

The Audit Office sent questionnaires to 142 agencies, about these audits. Appendix 5.8 contains the questions asked and 5.7 is a statistical summary of the responses. Only 89 or 63% responded.

#### 3.1 Awareness of Audit Reports on these Topics

On average, only 60% of respondents were aware of these reports. Of those who were aware, more than three-quarters had heard of them from The Audit Office sources as the following graph illustrates. There was little awareness through media or other sources within the public sector.



**Source:** Appendix 5.7, Table 10.

### 3.2 Impact

Of those who had seen the reports, 30% had used it to review arrangements in their agencies, and another 10% were planning to do so.

The effect may be that, of the 142 agencies, maybe as few as 26 had actually acted on the recommendation, with a further 10 planning to do so.

In view of the fact that 90% of the respondents thought that the subject matters were relevant to their organisation and a quarter of the respondents requested copies of the reports as a result of the follow-up survey, the potential impact would have been greater if the reports had had wider circulation.

The impact of across-the-board audits is greater on agencies directly involved in an audit. This is borne out by the results of a specific follow-up study on an issue of general concern to State Agencies - fraud control. As the summary below indicates, those who had been involved in an earlier review, in 1993, showed better results when audited four years later, than those who had not.

<b>Implementation of Fraud Control Strategies</b>
<p>In 1994 The Audit Office developed a model for fraud control as a corollary to a 1993 performance audit which examined fraud control across the New South Wales public sector. The model was endorsed by Premier's Department for use across the NSW public sector. A joint publication (titled <i>Fraud Control: Developing an Effective Strategy</i>) was issued by The Audit Office and Premier's Department to serve as a guidance document to the public sector agencies implementing fraud control strategies.</p> <p>In 1998, The Audit Office conducted a follow-up audit reporting on public sector progress in the implementation of fraud control strategies as set out in the above mentioned fraud control model.</p> <p>The 1998 audit surveyed a greater number of agencies (158) compared to the 1993 audit (40). As the following table illustrates, implementation of fraud control strategies in those agencies originally surveyed in 1993 shows some improvement, with more judged effective or fairly effective.</p>

<b>Implementation of Fraud Control Strategies (cont)</b>		
<b>Current Results for Agencies in the 1993 Survey</b>		
<b>Extent of Implementation of Fraud Control Strategy</b>	<b>1993 (n=40)</b>	<b>1998 (n=35)</b>
Highly Effective	20%	20%
Effective / Fairly Effective	30%	45%
Partly Effective	15%	17%
Generally Ineffective/ Ineffective	35%	18%
<p>However, overall results for all the 158 agencies surveyed in 1998 are poorer than for the 1993 sample. In particular, a much smaller proportion of the larger group in 1998 are classified as having a highly effective strategy.. This is illustrated in the table below;</p>		
<b>Overall Results for 1998 Compared with 1993</b>		
<b>Extent of Implementation of a Fraud Control Strategy</b>	<b>1993 (n=40)</b>	<b>1998 (n=158)</b>
Highly Effective	20%	8%
Effective / Fairly Effective	30%	41%
Partly Effective	15%	19%
Generally Ineffective / Ineffective	35%	32%
<p>This suggests that the lessons from the 1993 audit, and the best practice amongst its smaller group of 40 agencies, have not been taken on board by other agencies, despite wide publicity.</p>		

### 3.3 Conclusions

The results from the survey suggest that, in the main, agencies that are directly involved in across-the-board audits have a better rate of implementation of recommendations than those who are not.

Thus, there is a need to ensure that agencies are made aware of the recommendations and a central agency monitors their implementation.

As a consequence, The Audit Office from now on will distribute all across-the-board audit reports to all State agencies.

There is also need for follow-up actions to ensure that recommendations in those report are taken up.

The charter of the Council on the Cost of Government includes the requirement to follow up on the status of the recommendations contained in the tabled audit report.

The Public Accounts Committee has also taken steps to follow up on some of these reports. So far it has publicly reviewed one recent audit. It has also reviewed and reported on a further three reports but without public enquiries.

The Audit Office would support initiatives to extend public enquiries into its reports. Without a rigorous public enquiry and follow-up many of the benefits that could be achieved from these recommendations may not be realised.

## **4. Response from Parliamentarians**

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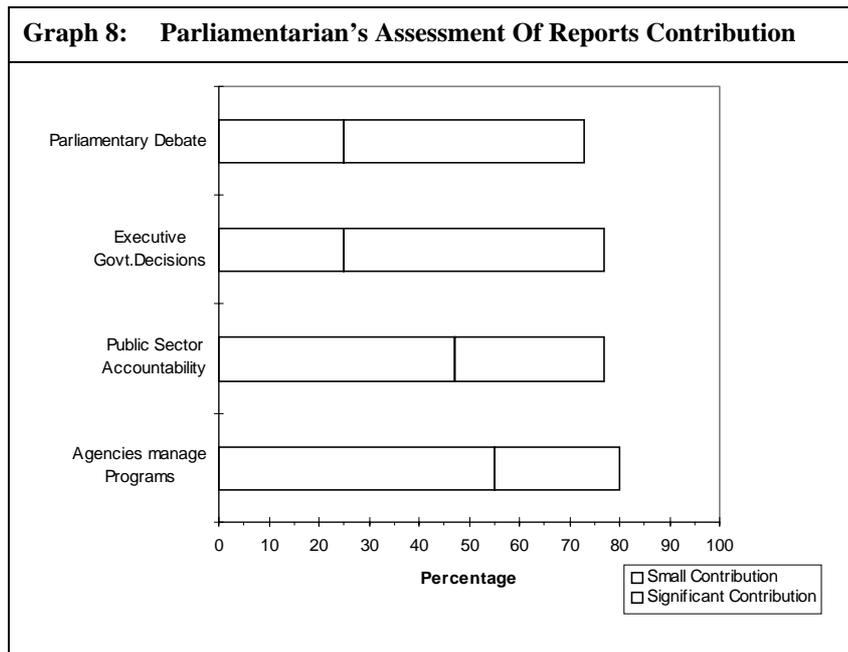
## 4. The Response of Parliamentarians

Of the 139 Parliamentarians surveyed, 40 replied.<sup>6</sup> This is a similar response rate (29%) to previous parliamentary surveys notwithstanding the efforts made since 1995 to provide information on performance audit program and to seek their views.

Responses were largely positive. Over 70% said that performance audits dealt with matters of significance to Parliament. A similar percentage found the reports “useful” or “very useful”. They thought performance audit reports made a significant contribution, in particular to:

- ⇒ how agencies manage programs
- ⇒ better public sector accountability.

The following graph provides a more complete picture.



**Source:** Appendix 5.12, Table 15.

**Note:** In the 40 responses there were 8 nil returns to this question.

<sup>6</sup> A full summary of the results is contained in Appendix 5.12.

The statistical results are supported by the additional comments of Parliamentarians. The following examples cover the range.

*The Audit Office has served me well over the last 10 years. I think that your office performs an excellent task for the public good.*

*I know the office of The Audit is of public significance and must maintain its independence. You serve the public which is as it should be.*

*The reports are excellent but [are] often too long and detailed having regard to the enormous volume of information members of parliament have to read and digest. However, I cannot offer an alternative because in some cases detail is essential. I suppose in the end you are probably better advised to give as much information as possible and rely on members to be selective in what interests them.*

*There is a tendency for The Audit Office to:*

- 1. be excessively negative and never give the benefit of the doubt*
- 2. involve itself in policy matters.*

**Source:** The Audit Office of NSW, Survey of Parliamentarians Questionnaire, November 1997, various replies, received 13 January 1998. A full list of quotes can be found in Appendix 5.14.

Performance audit reports also rated highly in terms of their lack of bias and their ability to communicate the issues clearly (see Appendix 5.12, table 14).

The specific reports considered most useful were:

- ⇒ Large Residential Centres for People with a Disability
- ⇒ Review of NSW Agriculture
- ⇒ Corporate Governance
- ⇒ Immunisation.

Represented in this group of four are all the major types of performance audits currently undertaken:

- those specifically requested by Parliament (Agriculture)
- across-the-board audits (Corporate Governance)
- joint audits (Residential Centres)
- audits of specific programs (Immunisation).

## 4.1 Conclusions

Where Parliamentarians rated reports as less useful they tended to be on more specific topics less relevant to their electorate or portfolio, like Agriculture for urban MLAs and Eastern Distributor for rural MLAs. (see Appendix 5.12 table 16).

Views on specific reports varied considerably; for example on Eastern Distributor:

*This is a government policy matter that The Audit Office interferes with too frequently.*

vs

*I appreciate the direct accessibility of the AG and senior directors especially in relation to the Eastern Distributor.*

**Source:** The Audit Office of NSW, Survey of Parliamentarians Questionnaire, November 1997, various replies, rec'd 13 Jan 1998.

The responses received from Parliamentarians suggest that the current range and coverage of performance audits meets their needs. However, the low response rate might indicate that there is a need for further steps for The Audit Office to take to reach Parliamentarians, so as to serve Parliament better.

## Appendices

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## **5.1 List of Performance Audit Reports**

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## 5.1 List of Performance Audit Reports

The Audit Office has published 24 performance audit reports since the last follow-up in 1995. 22 of these have been included in this survey.<sup>7</sup>

<b>Date</b>	<b>Report</b>	<b>Agencies involved</b>
Sept 1995	Joint Operations in the Education Sector	<ul style="list-style-type: none"> <li>• Department of Education and Training</li> </ul>
Sept 1995	Effective Utilisation of School Facilities	<ul style="list-style-type: none"> <li>• Department of Education and Training</li> </ul>
Oct 1995	Luna Park**	<ul style="list-style-type: none"> <li>• DLWC</li> <li>• Premiers Department</li> <li>• Treasury*</li> </ul>
Nov 1995	Government Advertising	<ul style="list-style-type: none"> <li>• Across-the-board (Government Advertising Agency)</li> </ul>
Dec 1995	Administration of Grants	<ul style="list-style-type: none"> <li>• Ethnic Affairs Commission</li> <li>• Premiers Department*</li> </ul>
Dec 1995	Same Day Admissions	<ul style="list-style-type: none"> <li>• Department of Health</li> </ul>
Dec 1995	Management of Contaminated Sites	<ul style="list-style-type: none"> <li>• Environment Protection Authority</li> </ul>
May 1996	Internal Control**	<ul style="list-style-type: none"> <li>• State Rail Authority</li> <li>• FreightCorp</li> <li>• Rail Services Authority</li> <li>• Department of Transport</li> </ul>
Sept 1996	Protected Disclosure	<ul style="list-style-type: none"> <li>• Newcastle Port Corporation</li> </ul>
Sept 1996	Charging and Collecting Revenue	<ul style="list-style-type: none"> <li>• Ambulance Service of NSW</li> </ul>
Nov 1996	Tangara Control Finalisation**	<ul style="list-style-type: none"> <li>• State Rail Authority</li> </ul>
Dec 1996	Fire Prevention	<ul style="list-style-type: none"> <li>• NSW Fire Brigades</li> </ul>
Dec 1996	Accountability and Internal Review**	<ul style="list-style-type: none"> <li>• State Rail Authority</li> </ul>
Jan 1997	Corporate Credit Card	<ul style="list-style-type: none"> <li>• Across-the-board (Treasury)</li> </ul>
Mar 1997	Medical Specialists	<ul style="list-style-type: none"> <li>• Department of Health</li> </ul>
Mar 1997	Review of NSW Agriculture**	<ul style="list-style-type: none"> <li>• Department of Agriculture</li> <li>• Premiers Department*</li> <li>• Treasury Department*</li> </ul>
April 1997	Redundancy Arrangements	<ul style="list-style-type: none"> <li>• Across-the-board (Premiers Department)</li> </ul>
June 1997	Immunisation in NSW	<ul style="list-style-type: none"> <li>• Department of Health</li> </ul>
June 1997	Corporate Governance	<ul style="list-style-type: none"> <li>• Across-the-board (Premiers Department)</li> </ul>
June 1997	Large Residential Centres**	<ul style="list-style-type: none"> <li>• Department of Community Services</li> <li>• Ageing and Disability Department</li> <li>• Community Services Commission</li> <li>• Treasury*</li> <li>• Premiers Department*</li> </ul>
June 1997	Review of Activities funded by SIA**	<ul style="list-style-type: none"> <li>• Attorney General's Department</li> </ul>
July 1997	Review of Eastern Distributor**	<ul style="list-style-type: none"> <li>• Roads and Traffic Authority</li> <li>• Department of Transport*</li> <li>• Treasury*</li> </ul>

\* Denotes secondary agency to whom one or more recommendation/s in the report applied.

\*\* Denotes audit requested by Parliament.

<sup>7</sup> It does not include reports on two audits - *Sale of the State Office Block\*\** and *Building Services Corporation\*\**, nor the previous follow-up report.

## **5.2 Analysis of Responses on Agency Mechanisms for Implementing Recommendations**

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## 5.2 Analysis of Responses on Agency Mechanisms for Implementing Recommendations

### *Question 1: Internal Follow-Up*

*What internal mechanisms were used to process and implement the recommendation(s) in the performance audit report?*

	Senior Management	Unit Line Mgr	Audit Committee
<b>Yes</b>	95%	95%	53%
<b>No</b>	5%	5%	47%

Of the 26% of agencies that used additional processes, these included the relevant Minister, advice from the Crown Solicitor, projects on development, and consultation assistance.

### *Question 2: Impact of the Audit*

*To what extent has the conduct of a performance audit and the resulting audit report made a positive impact on the specific issues or programs that were the subject of the audit?*

Significant	60%
Moderate	25%
Small	15%
No Impact	0%
Negative Impact	0%

### Question 3: External Follow-up

*Did your agency receive any formal enquiries or follow up from any of the following external agencies / bodies regarding the acceptance of recommendation(s) or progress of their implementation?*

	<b>Treasury</b>	<b>Premiers</b>	<b>PAC</b>	<b>COCOG</b>
<b>Contact</b>	30%	25%	20%	60%**
<b>No contact</b>	65%	70%	80%	40%
<b>N/A*</b>	5%	5%	0%	0%

\* Denotes agency that is one of named external agencies.

\*\* Note:

The Council on the Cost of Government (COCOG) advised The Audit Office that it was conducting a follow-up survey during the same period as The Audit Office's survey.

COCOG advised that the discrepancy is explained, in part, by the respondents who completed The Audit Office survey not being aware of the COCOG follow-up in all cases.

It is also explained by the different ways The Audit Office and the Council carried out their separate follow-up surveys.

The first difference is that The Audit Office survey was seeking information about *agencies* - principally, whether agencies knew about Audit recommendations relevant to them. The Council was seeking information about *recommendations* - whether they had been accepted and implemented by the organisations responsible for doing so. In this regard, the intent and hence scope of the surveys were different.

Second, The Audit Office deliberately cast a wide net, seeking information from:

*"... each agency directly involved in the [Performance] audit. In addition, questionnaires were issued to all major agencies that could have been affected or have benefited from recommendations made in across-the-board audits."*

The Audit survey was sent to 142 agencies - that is, it covered virtually 100 percent of State agencies.

By contract, the Council's survey was much more tightly confined, recognising that for many 'across-the-board' issues there is a central agency or a de-facto central agency which is responsible for monitoring issues and implementing 'across-the-board' programs and strategies.

For example, all State agencies would be affected by the recommendations in the performance audits on:

- 1999–2000 Millennium Date Rollover (Y2K Bug)
- The Corporate Credit Card, and
- Redundancy Arrangements.

The Audit Office contacted all 142 agencies on these issues. The Council's survey was targeted at the central agencies specifically charged with resolving these issues: the Office of Information Technology, the Premier's Department and the Treasury.

A similar difference would have arisen in relation to performance audits relevant to several agencies in the one portfolio. In these cases the Council contacted only the lead agency that provides primary Ministerial advice and coordination in the portfolio, where The Audit Office would have contacted all of them.

For example, the Council only contacted the Department of Health in relation to the audits on *Medical Specialists: Rights of Private Practice* and *Same Day Admissions*, rather than surveying each of the 17 Area Health Services. In summary, The Audit Office survey covered 100 percent of government agencies. The Council's survey covered 100 percent of *Audit recommendations*.

On that basis it would be reasonable to assume a survey conducted now would show a contact rate in respect of COCOG of 100% not 60%.

<b>Table 5: External Information on Report</b>		
	<b>Annual Report</b>	<b>Report to Minister</b>
<b>Information given</b>	35%	25%
<b>None given</b>	65%	75%

35% in addition used other methods of distributing this information, including COCOG, PAC, Cabinet Office, a Newsletter, Forum and the Press.

### **5.3 Survey Questionnaire on Agency Implementation Mechanisms for Performance Audit Recommendations**

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**Section 1 - General**

<b>Question 1. Internal Follow Up</b>		<b>Comments</b>
What internal mechanisms were used to progress and implement the recommendation(s) in the performance audit report:	<b>Yes/No</b>	
• senior agency management		
• line manager of unit responsible		
• an audit committee		
• other(s) - please specify		
<b>Question 2. Impact of the Audit</b>		<b>Comments</b>
To what extent has the conduct of a performance audit and the resulting audit report made a positive impact on the specific issues or programs that were the subject of the audit:	<b>Yes/No</b>	
• Significant		
• Moderate		
• Small		
• No impact		
• Negative impact		

## Section 1 - General

Question 3. External Follow Up		Comments
Did your agency receive any formal enquiries or follow up from any of the following external agencies / bodies regarding the acceptance of recommendation(s) or progress of their implementation?	Yes/No	
• Treasury		
• Premier's Department		
• Public Accounts Committee		
• Council on the Cost of Government		
• other(s) - please specify		
Question 4. Reporting on Progress		Comments
Subsequent to the tabling of the report did your agency provide any information externally on acceptance of recommendations or progress of implementation via:	Yes/No	
• your agency's Annual Report		
• reports made by the responsible Minister		
• other(s) eg press releases, reports to external agencies. Please specify.		

## **5.4 Analysis of Responses from Agencies Audited on Progress in Implementing Recommendations**

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## 5.4 Analysis of Responses from Agencies Audited on Progress in Implementing Recommendations

The analysis has been arranged by department rather than report. The replies were classified using the same categories as in the performance audit follow-up report of 1995, with a few minor clarifications of definition.

<b>Performance audit report in 1995</b>	<b>Current categories used</b>
1. Accepted / Implemented	1. Accepted / Implemented
2. Accepted / Partly Implemented	2. Accepted / Being and Partly Implemented
3. Accepted / Not Yet Implemented	3. Accepted / Not Yet Implemented
4. Partially accepted	4. Partially accepted
5. Rejected	5. Not accepted
6. Unconsidered on policy grounds	6. Unconsidered on policy grounds
7. Status Uncertain	7. Status Uncertain
	8. Responsibility Lies Elsewhere

1 to 4 categories comprise the partly/accepted recommendations and 5 to 7 the not accepted recommendations. The category “Status Uncertain”, was originally referred to in the 1995 report as “not yet tested”, but still holds the same definition; ... *they are categorised as untested because there is some doubt as to the extent of such acceptance.* (1995 report, p.20).

The current report comprises the latter definition in addition to an “Acceptable Alternative” component; agencies who claim to have pursued an alternative to the recommendation but there is uncertainty surrounding this.

The responsibility lies elsewhere category was necessary as some recommendations were sent out to more than one agency and many respondents have returned answers referring to the other agency for responsibility. This category has been classified as neither accepted or rejected, but is treated as a separate grouping.<sup>8</sup>

<sup>8</sup> This category has been excluded from analysis within this report.

<b>Table 7: Number Of Accepted And Rejected Recommendations</b>				
<b>Department (no of reports involved)</b>	<b>Total no of recs.</b>	<b>Accepted</b>	<b>Rejected</b>	<b>Not Responsible</b>
Fire Brigades (1)	16	16	0	0
Ambulance Service (1)	9	9	0	0
Government Advertising Authority (1)	16	3	13	0
Environment Protection Authority (1)	11	11	0	0
Roads and Traffic Authority (1)	5	2	3	0
Rail Services Authority (1)	30	21	3	6
Dept. Agriculture (1)	7	0	4	3
Newcastle Port Corporation (1)	4	4	0	0
Attorney General's Department (1)	7	7	0	0
Dept. Community Services (1)	15	9	2	4
Community Services Commission (1)	2	2	0	0
Treasury (5)	11	6	0	5
NSW Health (3)	56	55	1	0
State Rail Authority (3)	52	43	8	1
Dept School Education (2)	29	20	9	0
Dept Transport (2)	31	0	0	31
FreightCorp (1)	30	13	0	17
Dept Land & Water Conservation (1)	1	1	0	0
Ethnic Affairs Commission (1)	6	6	0	0
Premiers (6)	22	13	3	6
Ageing and Disability Department (1)	23	17	1	5
<b>TOTAL</b>	<b>383</b>	<b>258</b>	<b>47</b>	<b>78</b>

## **5.5 Agency Progress on Implementing Recommendations**

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## **5.5 Agency Progress on Implementing Recommendations**

### **NSW Fire Brigades (16 recs)**

- 10 Accepted / implemented
- 6 Accepted / being implemented

### **NSW Ambulance Service (9 recs)**

- 7 Accepted / implemented
- 2 Accepted / being implemented

### **Government Advertising Agency (16 recs)**

- 2 Accepted / implemented
- 10 Status Uncertain
- 1 Partly accepted
- 3 Not accepted

### **Environment Protection Authority (11 recs)**

- 8 Accepted / implemented
- 2 Accepted / being implemented
- 1 Partly accepted

### **Roads and Traffic Authority (5 recs)**

- 1 Accepted / implemented
- 1 Not accepted
- 1 Partly accepted
- 2 Status Uncertain

### **Rail Services Authority (30 recs)**

- 6 Responsibility Lies Elsewhere (RLE)
- 3 Not accepted
- 1 Part accepted
- 4 Accepted / implemented
- 8 Accepted / being implemented
- 8 Accepted / not yet implemented

### **Dept. Agriculture (7 recs)**

- 3 RLE
- 4 Status Uncertain (SU)

### **Newcastle Port Corporation (4 recs)**

- 4 Accepted / Implemented

### **Attorney General's Department (7 recs)**

- 7 Accepted / being implemented

### **Dept. Community Services (15 recs)**

- 4 RLE
- 1 Accepted / Implemented
- 4 Accepted / Being implemented
- 4 Accepted / Not yet implemented
- 2 Not accepted

**Community Services Commission (2 recs)**

- 1 Accepted / Implemented
- 1 Accepted / being implemented

**Treasury (11 recs)****From 5 reports:**

- Eastern Distributor (2 recs)
- Residential Care (2 recs)
- Agriculture (2 recs)
- Luna Park (1 rec)
- Corporate Credit Card (4 recs)

- 5 RLE (2 ED; 2 ResCare; 1 Agric)
- 2 Accepted / Imp (1 Agric; 1 CCC)
- 4 Accepted / B Imp (1 Luna; 3 CCC)

**NSW Health (56 recs)****From 3 reports:**

- Medical Specialists (7 recs)
- Immunisation (11 recs)
- Same Day (38 recs)

- 42 Accepted / Implemented (34 SD; 1 Imm; 7 Med)
- 9 Accepted / Being implemented (8 Imm; 1 SD)
- 4 Accepted / Not yet implemented (2 Imm; 2 SD)
- 1 Not accepted (1 SD)

**State Rail Authority (52 recs)****From 3 reports:**

- Tangara (12 recs)
- Internal Control (30 recs)
- Accountability and Internal Review (10 recs)

- 21 Accepted / implemented (11 T; 9 IC; 1 Acc)
- 8 Accepted / not yet implemented (IC)
- 14 accepted / being implemented (1 T; 10 IC; 3 Acc)
- 1 RLE (IC)
- 8 SU (2 IC; 6 Acc)

**Dept School Education (29 recs)****From 2 reports:**

- Joint Operations (14 recs)
- Utilisation of School Facilities (15 recs)
- 9 Accepted / Implemented (SFac)
- 10 Accepted / Being implemented (5 SFac; 5 JOps)
- 1 Part accepted (JOps)
- 4 Not accepted (1 SFac; 3 JOps)
- 5 SU (JOps)

**Dept Transport (31 recs)****From 2 reports:**

- Internal Control (30 recs)
- Eastern Distributor (1 rec)

All Responsibility Lies Elsewhere.

**FreightCorp (30 recs)**

17 RLE  
 7 Accepted / Implemented  
 6 Accepted / Being implemented

**Dept Land & Water Conservation (1 rec)**

1 Accepted / Implemented

**Ethnic Affairs Commission (6 recs)**

4 Accepted / Implemented  
 1 Accepted / being implemented  
 1 Accepted / not yet implemented

**Premiers (22 recs)****From 6 reports:**

- Residential Centres (5 recs)
  - Agriculture (2 recs)
  - Luna Park (1 rec)
  - Corporate Governance (8 recs)
  - Redundancy Arrangements (4 recs)
  - Ethnic Affairs Commission (2 recs)
- 6 RLE (4 ResCare; 2 EAC)  
 2 Accepted / implemented  
 1 Not accepted (1 Corp Gov; 1 Luna)  
 5 Accepted/being implemented (3 Redund; 1 ResCare; 1 Corp Gov)  
 2 Unconsidered on policy grounds (Agric)  
 6 Accepted / not yet implemented (Corp Gov)

**Ageing and Disability Department (23)**

5 RLE  
 9 Accepted / implemented  
 1 Accepted / being implemented  
 1 Part accepted  
 1 Not accepted  
 6 Accepted / not yet implemented

## **5.6 Survey Questionnaire on Status of Recommendations on Specific Reports**

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<b>Section 2. Status of Report Recommendations - Guidance Notes</b>	
<p>The following page(s) quote report recommendations.</p> <p><b>Status</b></p> <p>Please tick one of the options given regarding acceptance and implementation of the recommendation by your agency.</p> <p><b>Action Taken</b></p> <p>The right hand of each page requests details of action taken on the quoted recommendation. We ask that comments cover the relevant options noted below.</p> <p><b>1) If the recommendation was accepted and fully implemented</b></p> <p>Can you provide examples of both qualitative and quantitative changes to performance from implementation of the recommendation, examples being:</p> <ul style="list-style-type: none"> <li>• qualitative changes - improved accountability, tighter internal controls, clearer objectives and procedures.</li> <li>• quantitative changes - reduced costs, higher outputs, quicker response time.</li> </ul> <p>Was / is there a plan for implementation? If so please attach a copy of that plan to your questionnaire reply.</p>	<p><b>2) If the recommendation is still under consideration or was accepted but not implemented</b></p> <p>Please comment on why this is so. For example:</p> <ul style="list-style-type: none"> <li>• implementation will be considered over the long term</li> <li>• your agency has had second thoughts on implementing the recommendation</li> <li>• your agency has been impeded in its attempts to implement the recommendation, eg lack of funding, delay amending legislation.</li> </ul> <p><b>3) If the recommendation was not accepted</b></p> <p>Please comment on why. For example, was this because your agency:</p> <ul style="list-style-type: none"> <li>• disagreed with the reports finding(s) / conclusion(s)</li> <li>• disagreed with the recommendation</li> <li>• devised an alternative strategy to deal with issue concerned</li> <li>• received objection(s) to the recommendation from important stakeholder(s)</li> </ul>

Name of agency

**Section 2 - Status of Recommendations**

<b>Recommendation</b>	<b>Status</b>	<b>✓</b>	<b>Action Taken</b>
<i>Details of recommendation</i>	Accepted Not Accepted Implemented Under Consideration Other (Specify)		Any comments given by agency
	Accepted Not Accepted Implemented Under Consideration Other (Specify)		

## **5.7 Across-the-Board Audits**

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## 5.7 Across-the-Board Audits

<b>Table 8: Breakdown Of Respondents To Questionnaire</b>		
<b>Organisation</b>	<b>No. sent</b>	<b>No. returned</b>
<b>Departments</b>	<b>34</b>	<b>25</b>
Area Health Services	17	9
Utilities	16	13
Environment and Economic Developments Agencies	4	2
Housing, Social and Community Services Agencies	9	3
Law, Order and Public Safety Agencies	7	4
Arts, Culture, Sports and Recreation Agencies	9	5
Transport Agencies	5	5
Universities	10	4
Authorities	13	7
Miscellaneous (Boards, Corporations, Commissions etc.)	18	12
<b>TOTAL</b>	<b>142</b>	<b>89</b>

*Question 1: Are you aware of the report, its findings and recommendations?*

<b>Table 9: Awareness Of Reports</b>		
<b>Report</b>	<b>Aware</b>	<b>Not Aware</b>
<b>Overall</b>	<b>59%</b>	<b>41%</b>
Corporate Credit Card	62%	38%
Redundancy Arrangements	48%	52%
Corporate Governance	64%	36%
1999-2000 Millennium Date Rollover	63%	37%

**Question 2 From which source did awareness of the report come from?**

<b>Table 10: Source Of Report Awareness</b>					
<b>Categories</b>	<b>Overall</b>	<b>Credit Card</b>	<b>Redundancy</b>	<b>Corporate Governance</b>	<b>Year 2000</b>
Audit Office	<b>6%</b>	6%	4%	7%	7%
Audit Office Staff	<b>6%</b>	11%	2%	4%	8%
Awareness Newsletter	<b>1%</b>	2%	1%	1%	1%
AG's Report to Parlt.	<b>6%</b>	8%	8%	4%	6%
Internet	<b>4%</b>	0%	6%	8%	4%
Participated in study	<b>10%</b>	9%	8%	13%	9%
Received report or In Brief summary	<b>13%</b>	16%	7%	17%	11%
<b>Audit Office Subtotal</b>	<b>47%</b>	<b>52%</b>	<b>36%</b>	<b>55%</b>	<b>46%</b>
Media	<b>2%</b>	1%	0%	3%	2%
Circulars (eg. Premiers)	<b>3%</b>	1%	3%	0%	7%
From part of organisation	<b>5%</b>	4%	4%	6%	4%
External Source (other agency, conferences etc.)	<b>1%</b>	1%	1%	0%	3%
Other agency involved (ie. ICAC)	<b>1%</b>	1%	0%	2%	0%
Briefing Sessions	<b>0%</b>	0%	1%	0%	0%
Various	<b>1%</b>	0%	1%	0%	2%
<b>Other Sources Subtotal</b>	<b>13%</b>	<b>9%</b>	<b>11%</b>	<b>11%</b>	<b>19%</b>
<b>Not aware of report / no source quoted</b>	<b>40%</b>	<b>39%</b>	<b>53%</b>	<b>34%</b>	<b>35%</b>
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**Question 3: Are the contents of the report relevant to your organisation?**

<b>Table 11: Relevance Of Report Contents</b>	
Relevant	56%
Possible future application	1%
Limited reference	11%
Irrelevant	8%
Not Applicable	24%

**Question 4: How are the contents of the report relevant?**

The results from this question are unreliable because many of these agencies appear to have misinterpreted this question. For instance, in regards to the Year 2000 report many replies stated the use of computers would be affected by the Millennium Bug, not how the report would help. These results will not be pursued further.

**Question 5: What action has been taken as a result of the report's recommendations?**

<b>Categories</b>	<b>Overall</b>	<b>Credit Card</b>	<b>Redundancy</b>	<b>Corporate Governance</b>	<b>Year 2000</b>
Action taken in line with recommendations	<b>11%</b>	13%	7%	9%	15%
Recommendation being processed / reviewed for implementation	<b>19%</b>	25%	11%	26%	11%
Recommendations noted for future reference	<b>10%</b>	9%	15%	12%	4%
No action needed as already in control	<b>12%</b>	9%	10%	12%	16%
Followed moves by dept or external agency	<b>14%</b>	7%	11%	7%	33%
N/A or None identified	<b>34%</b>	37%	46%	33%	21%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## **5.8 Survey Questionnaire on Across-the-Board Audits**

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Question	“The Corporate Credit Card”	“Redundancy Arrangements”	“Corporate Governance”	“1999-2000 Millennium Date Rollover”
Are you aware of the report, its findings and recommendations?				
From which source did this knowledge come from?				

Question (contd.)	“The Corporate Credit Card”	“Redundancy Arrangements”	“Corporate Governance”	“1999-2000 Millennium Date Rollover”
Are the contents of the report relevant to your organisation?				
If so in what way?				
What action did your organisation take as a result of the report?				

## **5.9 Recommendations made for Government to act**

## **5.9 Recommendations made for Government to act**

Out of 383 recommendations, 19 recommendations were for “Government” to act:

- of which (47%) were not addressed by any department or government. (2 of these were Unconsidered by Premiers on Policy Grounds.) 4 were sent to three or more agencies yet no suitable response was given.

The summary statistics are:

Recommendations addressed	47%
Recommendations not addressed	53%

Of those addressed:

Response made by all agencies	22%
Response made by one agency	78%

Of those not addressed:

Comments as to possible action	70%
Ignored completely by both agency	30%

## **5.10 Analysis of Recommendations Being or Part Implemented**

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## 5.10 Analysis of Recommendations Being or Part Implemented

There are 117 recommendations that have been classified as being/part implemented, or not yet implemented. Progress has been categorised as follows, based on the responses received from agencies:

- 1 Date given when finalised. (11%)
- 2 Implementation in process; no date for completion. (64%)
  - Late stage. (14%)
  - Midway (34%)
  - Early stage (27%)
  - Vague (20%)
  - Continual (5%)
- 3 Date given when start implementation process. (5%)
- 4 Knowledge of what to do, no date to start. (7%)
- 5 Vague details of implementation. (8%)
- 6 Implementation being prevented due to extenuating circumstances. (15%)
  - A Beyond agency's direct control (ie. awaiting new board). (35%)
  - B Not feasible or a priority at present. (38%)
  - C Not arisen as yet. (12%)
  - D Resources: extra funding, awaiting funds or dependent on funds. (12%)

## **5.11 Example of a Departmental Action Plan on Performance Audit Recommendations**

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## **5.12 Survey of Parliamentarians 1997/98 Their Views on Performance Audit Reports**

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## 5.12 Survey of Parliamentarians 1997/98: Their Views on Performance Audit Reports

Of the forty respondents this year (from a total of 139), thirty were members of the Legislative Assembly (30%), and ten were members of the Legislative Council (24%).

There were three questions specifically relevant to performance audits.

*Question 1. Please indicate whether the following reports tabled in Parliament have been, or are likely to be useful in your work as a parliamentarian.*

<b>Table 13: Usefulness Of Reports</b>				
<b>Reports</b>	<b>Very useful</b>	<b>Useful</b>	<b>Not useful</b>	<b>No of nil responses</b>
Tangara Contract Finalisation (Nov 1996)	11%	56%	33%	13
Fire Prevention (Dec 1996)	10%	77%	13%	9
Accountability and Internal Review Arrangements at State Rail (Dec 1996)	15%	71%	15%	6
The Corporate Credit Card (Jan 1997)	12%	79%	9%	7
Medical Specialists (March 1997)	10%	69%	21%	1
Review of NSW Agriculture (March 1997)	26%	44%	31%	1
Redundancy Arrangements (April 1997)	15%	56%	28%	1
Immunisation in NSW (June 1997)	21%	51%	11%	1
Corporate Governance (June 1997)	21%	61%	18%	2
Large Residential Centres for People with a Disability in NSW (June 1997)	28%	48%	15%	0
A Review of Activities Funded by the Statutory Interest Account (June 1997)	3%	50%	47%	2
Review of Eastern Distributor (June 1997)	13%	39%	47%	2
<b>Overall Average</b>	<b>16%</b>	<b>58%</b>	<b>25%</b>	<b>4</b>

**Question 3. Please indicate whether the Auditor-General's Reports to Parliament:**

<b>Table 14: Content of Reports</b>				
	<b>Strongly agree</b>	<b>Neutral</b>	<b>Strongly disagree</b>	<b>No of nil responses</b>
Clearly communicate issues	58%	42%	0	7
Are too long	24%	61%	15%	7
Are unbiased	55%	36%	9%	7
Deal with matters of significance to Parliament	73%	27%	0	7
Are too negative	18%	52%	30%	7

**Question 4: Do you believe the reports of The Audit Office have contributed:**

<b>Table 15: Contribution Of Reports</b>				
	<b>Significant</b>	<b>Some contribution</b>	<b>No</b>	<b>No of nil responses</b>
To how agencies manage programs	69%	31%	0	8
To parliamentary debate	31%	66%	3%	8
To executive government's decisions	31%	59%	9%	8
To better public sector accountability	59%	38%	3%	8

**General Comments**

Several MLA and MLC commented that specific PAB reports were of limited relevance in either their electorate or their portfolio, and were consequently of little interest. The numbers of such responses are indicated against the specific reports named overleaf.

<b>Table 16: Limited Relevance Of Reports</b>		
	<b>Numbers of MLA</b>	<b>Numbers of MLC</b>
Tangara Contract Finalisation (Nov 1996)	9	3
Fire Prevention (Dec 1996)	5	1
Accountability and Internal Review Arrangements at State Rail (Dec 1996)	3	1
The Corporate Credit Card (Jan 1997)	4	1
Medical Specialists (March 1997)	4	1
Review of NSW Agriculture (March 1997)	7	2
Redundancy Arrangements (April 1997)	4	1
Immunisation in NSW (June 1997)	3	0
Corporate Governance (June 1997)	2	0
Large Residential Centres for People with a Disability in NSW (June 1997)	2	0
A Review of Activities Funded by the Statutory Interest Account (June 1997)	8	1
Review of Eastern Distributor (June 1997)	9	1

## **5.13 Copy of Parliamentarians Survey**

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## **SURVEY OF PARLIAMENTARIANS**

### **Questionnaire**

**November 1997**

  
AUDITING WITH EXCELLENCE

## PARLIAMENTARY SURVEY - 1997

I am a member of the (please tick one box):    **Legislative Assembly**        **Legislative Council**   

- 1. Please indicate whether the following reports tabled in Parliament have been, or are likely to be useful in your work as a parliamentarian.**  
(Please tick one box on each line)

<b>General Reports</b>	<b>Very Useful</b>	<b>Useful</b>	<b>Not Useful</b>
Volume Two of the Auditor-General's Report for 1996 (November 1996)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Volume Three of the Auditor-General's Report for 1996 (December 1996)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Volume One of the Auditor-General's Report for 1997 (May 1997)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Performance Audit Reports</b>	<b>Very Useful</b>	<b>Useful</b>	<b>Not Useful</b>
Tangara Contract Finalisation (November 1996)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fire Prevention (December 1996)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Accountability and Internal Review Arrangements at State Rail (December 1996)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The Corporate Credit Card, including Guidelines for the Internal Control of the Corporate Credit Card (January 1997)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Medical Specialists: Rights of Private Practice Arrangements (March 1997)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review of NSW Agriculture (March 1997)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Redundancy Arrangements (April 1997)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Immunisation in New South Wales (June 1997)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Corporate Governance (June 1997)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Large Residential Centres for People with a Disability in New South Wales (June 1997)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A Review of Activities Funded by the Statutory Interest Account (June 1997)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review of Eastern Distributor (July 1997)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**2. If your response to Question 1 was “Not Useful” please specify why.**

**General Reports**

Volume Two of the Auditor-General’s Report for 1996 (November 1996) \_\_\_\_\_  
\_\_\_\_\_

Volume Three of the Auditor-General’s Report for 1996 (December 1996) \_\_\_\_\_  
\_\_\_\_\_

Volume One of the Auditor-General’s Report for 1997 (May 1997) \_\_\_\_\_  
\_\_\_\_\_

**Performance Audit Reports**

Tangara Contract Finalisation (November 1996) \_\_\_\_\_  
\_\_\_\_\_

Fire Prevention (December 1996) \_\_\_\_\_  
\_\_\_\_\_

Accountability and Internal Review Arrangements at State Rail (December 1996) \_\_\_\_\_  
\_\_\_\_\_

The Corporate Credit Card, including Guidelines for the Internal Control of the Corporate Credit Card (January 1997) \_\_\_\_\_  
\_\_\_\_\_

Medical Specialists: Rights of Private Practice Arrangements (March 1997) \_\_\_\_\_  
\_\_\_\_\_

Review of NSW Agriculture (March 1997) \_\_\_\_\_  
\_\_\_\_\_

Redundancy Arrangements (April 1997) \_\_\_\_\_  
\_\_\_\_\_

**2. If your response to Question 1 was “Not Useful” please specify why.**

Immunisation in New South Wales  
(June 1997) \_\_\_\_\_  
\_\_\_\_\_

Corporate Governance (June 1997) \_\_\_\_\_  
\_\_\_\_\_

Large Residential Centres for People  
with a Disability in New South Wales  
(June 1997) \_\_\_\_\_  
\_\_\_\_\_

A Review of Activities Funded by the  
Statutory Interest Account (June 1997) \_\_\_\_\_  
\_\_\_\_\_

Review of Eastern Distributor  
(July 1997) \_\_\_\_\_  
\_\_\_\_\_

**3. Please indicate whether the Auditor-General’s Reports to Parliament:**  
(Please tick one box on each line)

<b>General Reports</b>	<b>Strongly Agree</b>	<b>Neutral</b>	<b>Strongly Disagree</b>
Clearly communicate issues.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are too long.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are unbiased.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Deal with matters of significance to Parliament.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are too negative.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<b>Performance Audit Reports</b>	<b>Strongly Agree</b>	<b>Neutral</b>	<b>Strongly Disagree</b>
Clearly communicate issues.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are too long.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are unbiased.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Deal with matters of significance to Parliament.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are too negative.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**4. Do you believe the reports of The Audit Office have contributed to:**  
*(Please tick one box on each line)*

<b>General Reports</b>	<b>Significant Contribution</b>	<b>Some Contribution</b>	<b>No Contribution</b>
How agencies manage programs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Parliamentary debate.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Executive government's decisions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Better public sector accountability.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<b>Performance Audit Reports</b>	<b>Significant Contribution</b>	<b>Some Contribution</b>	<b>No Contribution</b>
How agencies manage programs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Parliamentary debate.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Executive government's decisions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Better public sector accountability.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**5. General Comments:**

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*Thank you for taking the time to complete our questionnaire. Please either fax the questionnaire to The Audit Office of New South Wales on 9285 0001 or return it in the enclosed pre-paid envelope by Friday 19 December 1997.*

## **5.14 List of Quotes from Parliamentarians**

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## 5.14 List of Quotes from Parliamentarians

Taken from Survey of Parliamentarians Questionnaire, November 1997.

- ☞ *The Audit Office has served me well over the last 10 years. I think that your office performs an excellent task for the public good.*
- ☞ *By and large your reports are excellent but ... if some way could be found to shorten your reports while still maintaining their integrity I think that would be a good thing ... Long reports are often put aside for future reading but with the passage of time often end up being not read at all.*
- ☞ *The reports are excellent but [are] often too long and detailed having regard to the enormous volume of information members of parliament have to read and digest. However, I cannot offer an alternative because in some cases detail is essential. I suppose in the end you are probably better advised to give as much information as possible and rely on members to be selective in what interests them.*
- ☞ *I know the office of The Audit is of public significance and must maintain its independence. You serve the public which is as it should be.*
- ☞ *Keep up the good work! The Australian Democrats value highly the work of The Audit Office in improving public sector accountability.*
- ☞ *I did not read 'performance audit reports' however, the occasional one would be of particular interest to me from time to time.*
- ☞ *I appreciate the direct accountability of the AG and senior directors especially in relation to the Eastern Distributor. Generally reports on infrastructure projects are very useful because usually significant commercial confidentiality means zero accountability for projects often conveying a public infrastructure monopoly franchise for decades.*
- ☞ *A very necessary and valuable service to gain feedback for effective monitoring of Departmental performance.*
- ☞ *There is a tendency for The Audit Office to:*
  1. *be excessively negative and never give the benefit of the doubt*
  2. *involve itself in policy matters.*
- ☞ *How agencies manage programs is not something over which they have exclusive control, and the broader context (eg. central agencies is worthy of closer attention - ie. the role they play; the limits they impose.*

## Performance Audit Reports

Agency or Issue Examined	Title of Performance Audit Report or Publication	Date Tabled in Parliament or Published
Department of Housing	<i>Public Housing Construction: Selected Management Matters</i>	5 December 1991
Police Service, Department of Corrective Services, Ambulance Service, Fire Brigades and Others	<i>Training and Development for the State's Disciplined Services: Stream 1 - Training Facilities</i>	24 September 1992
Public Servant Housing	<i>Rental and Management Aspects of Public Servant Housing</i>	28 September 1992
Police Service	<i>Air Travel Arrangements</i>	8 December 1992
Fraud Control	<i>Fraud Control Strategies</i>	15 June 1993
HomeFund Program	<i>The Special Audit of the HomeFund Program</i>	17 September 1993
State Rail Authority	<i>Countrylink: A Review of Costs, Fare Levels, Concession Fares and CSO Arrangements</i>	10 December 1993
Ambulance Service, Fire Brigades	<i>Training and Development for the State's Disciplined Services: Stream 2 - Skills Maintenance Training</i>	13 December 1993
Fraud Control	<i>Fraud Control: Developing an Effective Strategy</i> (Better Practice Guide jointly published with the Office of Public Management, Premier's Department)	30 March 1994
Aboriginal Land Council	<i>Statutory Investments and Business Enterprises</i>	31 August 1994
Aboriginal Land Claims	<i>Aboriginal Land Claims</i>	31 August 1994
Children's Services	<i>Preschool and Long Day Care</i>	10 October 1994
Roads and Traffic Authority	<i>Private Participation in the Provision of Public Infrastructure</i> (Accounting Treatments; Sydney Harbour Tunnel; M4 Tollway; M5 Tollway)	17 October 1994
Sydney Olympics 2000	<i>Review of Estimates</i>	18 November 1994
State Bank	<i>Special Audit Report: Proposed Sale of the State Bank of New South Wales</i>	13 January 1995
Roads and Traffic Authority	<i>The M2 Motorway</i>	31 January 1995
Department of Courts	<i>Management of the Courts:</i>	5 April 1995

<b>Agency or Issue Examined</b>	<b>Title of Performance Audit Report or Publication</b>	<b>Date Tabled in Parliament or Published</b>
Administration	<i>A Preliminary Report</i>	
Joint Operations in the Education Sector	<i>A Review of Establishment, Management and Effectiveness Issues (including a Guide to Better Practice)</i>	13 September 1995
Department of School Education	<i>Effective Utilisation of School Facilities</i>	29 September 1995
Luna Park	<i>Luna Park</i>	12 October 1995
Government Advertising	<i>Government Advertising</i>	23 November 1995
Performance Auditing In NSW	<i>Implementation of Recommendations; and Improving Follow-Up Mechanisms</i>	6 December 1995
Ethnic Affairs Commission	<i>Administration of Grants (including a Guide To Better Practice)</i>	7 December 1995
Department of Health	<i>Same Day Admissions</i>	12 December 1995
Environment Protection Authority	<i>Management and Regulation of Contaminated Sites: A Preliminary Report</i>	18 December 1995
State Rail Authority of NSW	<i>Internal Control</i>	14 May 1996
Building Services Corporation	<i>Inquiry into Outstanding Grievances</i>	9 August 1996
Newcastle Port Corporation	<i>Protected Disclosure</i>	19 September 1996
Ambulance Service of New South Wales	<i>Charging and Revenue Collection (including a Guide to Better Practice in Debtors Administration)</i>	26 September 1996
Department of Public Works and Services	<i>Sale of the State Office Block</i>	17 October 1996
State Rail Authority	<i>Tangara Contract Finalisation</i>	19 November 1996
NSW Fire Brigades	<i>Fire Prevention</i>	5 December 1996
State Rail	<i>Accountability and Internal Review Arrangements at State Rail</i>	19 December 1996
Corporate Credit Cards	<i>The Corporate Credit Card (including Guidelines for the Internal Control of the Corporate Credit Card)</i>	23 January 1997
NSW Health Department	<i>Medical Specialists: Rights of Private Practice Arrangements</i>	12 March 1997
NSW Agriculture	<i>Review of NSW Agriculture</i>	27 March 1997

Agency or Issue Examined	Title of Performance Audit Report or Publication	Date Tabled in Parliament or Published
Redundancy Arrangements	<i>Redundancy Arrangements</i>	17 April 1997
NSW Health Department	<i>Immunisation in New South Wales</i>	12 June 1997
Corporate Governance	<i>Corporate Governance Volume 1 : In Principle Volume 2 : In Practice</i>	17 June 1997
Department of Community Services and Ageing and Disability Department	<i>Large Residential Centres for People with a Disability in New South Wales</i>	26 June 1997
The Law Society Council of NSW, the Bar Council, the Legal Services Commissioner	<i>A Review of Activities Funded by the Statutory Interest Account</i>	30 June 1997
Roads and Traffic Authority	<i>Review of Eastern Distributor</i>	31 July 1997
Department of Public Works and Services	<i>1999-2000 Millennium Date Rollover: Preparedness of the NSW Public Sector</i>	8 December 1997
Sydney Showground, Moore Park Trust	<i>Lease to Fox Studios Australia</i>	8 December 1997
Department of Public Works and Services	<i>Government Office Accommodation</i>	11 December 1997
Department of Housing	<i>Redevelopment Proposal for East Fairfield (Villawood) Estate</i>	29 January 1998
NSW Police Service	<i>Police Response to Calls for Assistance</i>	10 March 1998
Fraud Control	<i>Status Report on the Implementation of Fraud Control Strategies</i>	25 March 1998
Corporate Governance	<i>On Board: guide to better practice for public sector governing and advisory boards (jointly published with Premier's Department)</i>	7 April 1998
Casino Surveillance	<i>Casino Surveillance as undertaken by the Director of Casino Surveillance and the Casino Control Authority</i>	10 June 1998
Office of State Revenue	<i>The Levying and Collection of Land Tax</i>	5 August 1998
NSW Public Sector	<i>Management of Sickness Absence NSW Public Sector Volume 1: Executive Briefing Volume 2: The Survey - Detailed Findings</i>	27 August 1998
NSW Police Service	<i>Police Response to Fraud</i>	14 October 1998

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<b>Agency or Issue Examined</b>	<b>Title of Performance Audit Report or Publication</b>	<b>Date Tabled in Parliament or Published</b>
Hospital Emergency Departments	<i>Planning Statewide Services</i>	21 October 1998
NSW Public Sector	<i>Follow-Up of Performance Audits: 1995 - 1997</i>	November 1998

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NSW Government



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