

AUDITOR-GENERAL'S REPORT PERFORMANCE AUDIT

Government Licensing Project

Department of Services, Technology and Administration



The Legislative Assembly
Parliament House
SYDNEY NSW 2000

The Legislative Council
Parliament House
SYDNEY NSW 2000

In accordance with section 38E of the *Public Finance and Audit Act 1983*, I present a report titled *Government Licensing Project: Department of Services, Technology and Administration*.

A handwritten signature in black ink that reads 'Peter Achterstraat'.

Peter Achterstraat
Auditor-General

Sydney
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Foreword

The Government Licensing Project is an IT project that crosses over a number of NSW licensing agencies.

This project started in 2001 and was expected to be running in all relevant NSW government agencies by 2005. But it is still being implemented eight years later and isn't expected to be completed until 2014.

The problems and delays encountered while trying to implement this project can happen in any large project.

NSW Treasury, Department of Premier and Cabinet and Department of Services, Technology and Administration have all issued Guidelines relevant to submitting a Business Case and the governance and management of a project. If these are implemented, problems should be minimised.

This report discusses the problems and achievements of the project. The lessons learnt from the history of this project can be applied to its future as well as to any large scale whole-of-government project.

I recommend that all staff responsible for managing any large-scale projects read this report to learn from the problems encountered and mistakes made during this project.

Peter Achterstraat
Auditor-General

October 2009

Audit conclusion and recommendations

The focus of our audit

The Government Licensing Project is a complex undertaking intended to replace over 40 different licensing systems in around 20 licensing agencies with a standardised best-practice system. These agencies are responsible for issuing four million licences of over 300 different types to people and businesses in NSW.

The Government Licensing Project commenced in 2001 and was expected to be fully implemented by 2005. It was intended to standardise and simplify the licensing processes of all licensing agencies except for the Roads and Traffic Authority. The Office of Information Technology in the Department of Information Technology and Management (now part of the Department of Services, Technology and Administration) was originally responsible for project management.

The project aims to achieve savings through replacing multiple existing ('legacy') systems and through business process improvements. It offers customers more flexibility and convenience when they purchase or renew licences.

Since 2004 the Auditor-General's Reports to Parliament have provided progress reports on the project. In this audit we wanted to determine if the Government Licensing Project had achieved its aim of standardising and simplifying licensing.

Conclusion

The Government Licensing Project (GLP) is standardising and simplifying processes of agencies which issue licences. However, it is currently:

- running over the original anticipated completion date
- exceeding the original budget
- expected to produce savings less than originally planned.

To date it has been implemented in six agencies responsible for 1.7 million licences. It has so far replaced 15 legacy systems and consolidated 102 licence types to 55.

Customers now have more flexibility and convenience in applying for, renewing and paying for licences. One in three licensees have renewed licences for longer periods, and one in two of these transactions are completed online.

Whole-of-government technology-dependent projects like GLP will often need to respond to externally-driven change. Developments in technology during the life of a project or changes in government priorities may necessitate revising implementation plans or even project scope.

However the GLP has a protracted history, and is now projected for completion in 2013-14.

In 2001 the project was expected to cost \$63 million over four years and generate gross benefits of \$132 million, giving a net benefit of \$69 million. The project is now expected to cost \$86 million over 12 years and have gross benefits of \$105 million with net benefits of only \$19 million.

NSW Treasury had originally approved funding for the project to 2007-08, and the former Department of Commerce (now part of the Department of Services, Technology and Administration) provided its own funding approaching \$4 million for 2008-09. Additional funding from 2009-10 has not yet been approved by the Cabinet Standing Committee on the Budget, but several revisions of the business case have been submitted to NSW Treasury since mid-2008.

The 2001 business case:

- did not identify which agencies were to be included nor the number of licences
- failed to adequately address risk management, internal change management and training.

It did, however, meet the former Premier's Department *Business Case Guidelines* requirements for project management.

The project fell behind schedule within months of commencement:

- the early steering committee was too large and there was no clear definition of the decision-making process
- the project's treatment of major risks did not include actions to respond to the slippage against milestones which occurred
- key decisions affecting the project's scope were made outside the steering committee.

Apparently the original intention of Cabinet was that 'in scope' agencies (the four or five initially identified) would adopt GLP. However this was not effectively communicated, and there is no evidence of strategies to ensure compliance. Some agencies have shown reluctance to implement GLP: managers responsible for GLP in most agencies we interviewed advised that they believed they had a choice of whether to adopt it or not.

The project's governance arrangements included provision for oversight and review of progress. However these were not effective in communicating the intent that GLP be mandatory or in preventing the delays which occurred.

The Department of Services, Technology and Administration (DSTA) has revised its business case for GLP and has adopted a multi-level governance structure. While we have suggested some additional improvements, the changes made in the revised business case should address the underlying problems that constrained GLP in its early years.

Recommendations

For Department of Services, Technology and Administration

We recommend that the Department of Services, Technology and Administration address four aspects of the GLP project:

1. Clarify for all agencies whether adoption of GLP is mandatory
2. Accurately assess the funding requirements for the remainder of the project and its ongoing maintenance:
 - all user agency costs and benefits must be included
 - capital requirements for the life the project (including post implementation) must be clarified
3. Improve the identification and management of risks to keep the project on track for timely implementation
4. Develop more specific measures of progress against GLP objectives, particularly customer satisfaction.

These should be completed within the next three months.

Additionally, commencing at the end of the current financial year, the Department of Services, Technology and Administration should publicly report each year on progress against the project's objectives.

For all agencies

Agencies planning or implementing similar large-scale whole-of-government projects should:

5. Ensure that at minimum they comply with all guidelines issued by the Department of Premier and Cabinet, NSW Treasury and the Department of Services, Technology and Administration for business case development and project management
6. Establish project governance structures that are able to respond and keep the project on track by:
 - having clearly defined responsibility for project oversight
 - providing regular reporting against clear milestones to ensure early warning of any slippage
 - having clear authority to respond to problems which threaten the project's success.

Response from the Department of Services, Technology and Administration

Thank you for the opportunity to provide a formal response to the final report of the Performance Audit of the Government Licensing Project.

The Government Licensing Service (GLS) is a project delivering the integration of business, professional and recreational licensing systems across the New South Wales Government. By streamlining agencies' business processes and implementing an integrated system which delivers simpler, more effective services through a number of service channels, the GLS contributes significantly to the Government's priorities to increase customer satisfaction with Government services and to cut red tape.

I am pleased that the Performance Audit has confirmed the significant benefit of the project.

The Report also describes the delays associated with the initial implementation of the GLS. It is acknowledged that the early years of development encountered difficulties due to the magnitude of system complexities and organisational changes required to transition from sole agency to whole of government platforms. In hindsight, it might be considered that the original timeframes for implementation underestimated the scope of the reform processes associated with the project.

Further, as with any major exercise involving an evolving technology, the implementation of the GLS was at times delayed so as to accommodate new market demands. For example, the system today includes features such as 24 hour accessible online payment functionality, which is of significant consumer benefit, and would not have been contemplated at the initiation of the project in 2001.

That said, in acknowledgement of the need to address the initial delays to the project, a range of better implementation processes were adopted, including regular functional release plans, standardised training, and more effective governance structures. These changes have assisted the successful implementation of the GLS across a large number of agencies and licence categories.

Whilst the GLS has experienced slips in implementation schedule and budget, more effective governance structures have been put in place to get the program back on track, including:

- re-constituting the Program Steering Committee with agency Chief Executive Officers and Directors General;*
- establishment of an Agency Implementation Council (comprised of agency licensing directors);*

- *establishment of a user group (comprised of agency users of the system);*
- *improved information flow to the Steering Committee to ensure greater control of the scope of the project and knowledge of development; and*
- *improved planning and implementation methodology.*

The Performance Audit recognises that the changes made should address the underlying problems that constrained the GLS in its early years.

The GLS is now working well, as is evidenced by the many achievements of the program recognised in the Performance Audit, in areas including:

- *better service delivery for business and the community;*
- *cross agency cooperation;*
- *reducing red tape and reforming licensing processes;*
- *improved consumer protection and compliance; and*
- *expansion of system functionality.*

The GLS is a highly ambitious information and communications technology (ICT) project with whole of government application. The Performance Audit's recommendations recognise the challenges presented by such significant projects in relation to issues such as project oversight, governance and risk management. In this context, it is noted that the Government has established the Better Services and Value Taskforce, which will be considering matters including whole of government spending on ICT.

(signed)

*Graeme Head
Director-General*

Dated: 17 September 2009

Key findings

Was the Government Licensing Project sufficiently planned for successful implementation?

Conclusion	<p>The initial planning for the project did not meet all business case guideline requirements. Progress to date shows that the governance, review and implementation for the project have not been effective in keeping it on track and on budget.</p>
Consistent with government policies	<p>The project as envisaged, and as so far delivered, is consistent with Government policies.</p> <p><i>Connect.nsw - An Internet Strategy for NSW</i> was released in December 1997. This included two strategies:</p> <ul style="list-style-type: none">▪ establish common infrastructure for delivering government services and for sharing information within and between all tiers of government▪ encourage NSW government agencies to deliver customer focused services to the NSW community through the use of electronic technologies. <p>The GLP as originally planned is consistent with these strategies.</p> <p>The project is also consistent with later Government priorities in the 2006 State Plan: <i>Increased customer satisfaction with Government services</i> and <i>Cutting red tape</i>.</p>
Original business case not consistent with guidelines	<p>The 2001 business case failed to meet many of the requirements of the former Premier's Department <i>Business Case Guidelines</i> issued in 2000.</p> <p>The business case met the guideline's requirements for project management approaches and methods. But it did not develop effective treatments for major risks. It did not include any actions to respond to the slippage against milestones which occurred early in the project.</p> <p>The business case also failed to develop change management strategies to ensure that personnel in agencies adopting GLP were engaged and informed throughout the project. It included a generalised discussion of alternatives but no specific actions.</p> <p>Significantly, the business case did not address whether participation in GLP should be mandatory. It identified the risk of agency resentment and resistance leading to slower system implementation, yet it contained nothing to address this.</p> <p>Neither the 2001 business case nor the corresponding strategy clearly identified which agencies or the number of licences that GLP was planned to include. The number of licences originally included has subsequently been reported as two million or 2.8 million. The latest estimate is that around 4.3 million licence records will be on GLP by 2013-14.</p>

Ineffective provision for review and evaluation

The 2001 business case included provision for review of progress and for project oversight and governance, but these were not effective in preventing project slippage.

The original plans provided for a steering committee to be chaired by the Director-General of the then Department of Information Technology and Management (DITM, now part of DSTA) and comprising Chief Executives of the Premier's Department, Cabinet Office and Treasury as well as of the licensing agencies initially participating in the project.

DITM advised that, in addition to the steering committee, it would use a highly consultative project approach which included agency consultation and sign-off of deliverables, and a project team staffed by agency, Office of Information Technology and contract personnel.

This governance structure appeared sound, and should have given comprehensive high-level oversight. However a review done for the former Department of Commerce (now part of DSTA) in 2005 noted that the early steering committee was too large, there was no clear definition of the decision-making process, and key decisions affecting the GLP's scope were made outside the steering committee. In any event, the initial steering committee structure did not prevent the substantial slippage which occurred.

More recently a multi-level governance structure has been adopted which appears to address these earlier problems. There are now three levels of governance oversight - GLP Steering Committee, Agency Implementation Council and User Group - reflecting stakeholder views from the strategic to the operational. Most participants interviewed commented favourably on the effectiveness of these committees in monitoring progress and in communicating.

A pre-commissioning review conducted by an independent team in 2004 concluded that:

Participation by all 19 agencies in the project is not assured ... viability of the business case will depend on the take up by agencies.

The GLP Quality Manager's response argued that Cabinet 'in principle' had directed that GLP be implemented in the agencies. However managers responsible for GLP in most agencies we interviewed reported that they believed they had a choice of whether to adopt it or not. While this attitude may not have contributed to delays, it is clear that any mandatory intent of Cabinet was not effectively communicated to agencies.

Has the project delivered what it promised?

Conclusion	<p>The project has fallen behind the original schedule. It is now expected to take three times as long, require just over one third more funding and return only a quarter of savings originally expected.</p> <p>The project has not yet received the additional funding required for its completion, even though several revisions of the business case have been submitted.</p>
Project not implemented as planned	<p>The 2001 business case called for the project to be fully implemented, including online capability, in all licensing agencies (except for the Roads and Traffic Authority) by June 2005.</p> <p>However development of the system by the external service provider was not completed until 2005, with the first agency receiving GLP in November 2005. Online licence renewals became operational in 2003.</p> <p>The project's initial timeframe in the 2001 business case was clearly overoptimistic. Other reasons given by DSTA in their 2009 business case for implementation not succeeding include:</p> <p style="padding-left: 40px;">Emotional attachment to legacy systems ... unavailability of funds ... some agency personnel believe they are not obliged to meet implementation timeline/schedule targets ... averse to risk and change ... many public servants do not have the specific skills ... impact on workload during development and implementation ... higher duties allowances for some project staff reduces incentive to go-live.</p>
Project not within 2001 budget time and cost	<p>Since 2004 the Auditor-General's Reports to Parliament have provided progress reports on the project. The projected completion date, cost and savings reported at different times through the life of the project are compared below with those in the May 2009 business case.</p>

Exhibit 1: Changes in GLP project forecasts							
	2001	2004	2005	2006	2007	2008	2009
Expected completion	Mid 2005	End 2006	2007	2008	2008	2012	2014
Total licences planned (m)	2	ns	3.6	4	4	4	4.3
Licences implemented (m)	Nil	Nil	Nil	0.14	0.3	1.5	1.7
Expenditure to date (m)	ns	\$20	\$40	ns	ns	ns	\$64
Total expected cost (m)	\$63	\$50	\$50	\$95	\$95	\$89	\$86
Total expected savings (m)	\$132	\$139	\$142	\$189	\$189	\$162	\$105
Net expected savings (m)	\$69	\$89	\$92	\$94	\$94	\$73	\$19

Source: 2001 to 2008 Auditor-General's Reports to Parliament; May 2009 Business Case.

ns: not stated

Implementation of GLP is now planned for completion in 2013-14.

The Auditor-General's Reports to Parliament have been the only means by which the public has been advised of the project's significant delays. The former Department of Commerce annual reports provide only selective information which gives the reader no sense that the project has repeatedly slipped or that its expected costs and savings have changed.

By 2009 GLP is used in six licensing agencies, replacing 15 legacy systems out of the 42 planned. Appendix 2 shows the agencies, licence types and numbers which are now using GLP. Appendix 3 shows the adoption schedule for agencies and licences in the future.

NSW Treasury had originally approved funding for the project to 2007-08, and the former Department of Commerce (now part of DSTA) provided its own funds approaching \$4 million for 2008-09. DSTA is seeking additional funding of \$21.9 million from 2009-10, plus capital funding of \$300,000 to \$2.1 million per annum thereafter for an undefined period. This has not yet been approved by the Cabinet Standing Committee on the Budget, but several revisions of the business case have been submitted since mid 2008.

The total expected expenditure to complete implementation is now \$86 million, compared to originally planned expenditure of \$63 million. However it is unclear whether all agency costs and savings have been reflected in the financial analysis.

It is also unclear if the additional capital funding beyond 2014 is included in the plan's financial analysis and its effect on project returns.

Part of the increase in expenditure may be accounted for by the increased scope of the project. It was originally planned to handle two million licences, but by 2013-14 it is planned to be accommodating around 4.3 million.

Project is delivering benefits and savings

The original objectives of GLP included benefits for the licensing agencies adopting it and for the customers of those agencies:

- reduced red tape
- reduced costs for licensees and government
- greater convenience and choice of services for licensees
- more effective consumer protection and safety
- improved integrity and robustness of licensing processes
- higher quality business and occupational licensing systems and services.

In the 2009 business case DSTA reports considerable progress in meeting the GLP objectives, some of which is included below. While the audit team did not independently verify these claims, many were supported by comments of agency staff interviewed.

Exhibit 2: Department of Commerce's reported progress against GLP objectives	
Objective	Progress
Reduced red tape	<ul style="list-style-type: none"> ▪ consolidated 102 licence types to 55, e.g. 20 different Wildlife licences were reduced to three licence types ▪ one in three licence holders were able to extend their licence period.
Reduced costs for licensees and government	<ul style="list-style-type: none"> ▪ low cost to agencies - typically 25 per cent of the cost of alternative development ▪ by adopting GLP instead of replacing 15 legacy systems the government has avoided costs of \$3.75 million in tendering, \$45 million for system replacement and \$2.25 million per annum for their maintenance.
Greater convenience and choice of services for licensees	<ul style="list-style-type: none"> ▪ 24-hour/7-day service available online, with an average of 250 online users at any point in time, and one in two transactions completed online ▪ one stop shops, e.g. Office of Fair Trading and NSW Maritime sell fishing licences over the counter ▪ choice of service channels for customers: online, BPay, call centre, interactive voice response, touch kiosks, over the counter, mail.
More effective consumer protection and safety	<ul style="list-style-type: none"> ▪ real-time validation of postal addresses, Australian Business Number etc ▪ online register function accessible to the public to validate permits and lottery details, licensed persons in the building trades etc.
Improved integrity and robustness of licensing processes	<ul style="list-style-type: none"> ▪ effective system security and audit trails ▪ highly controlled user authentication, authorisation and data visibility ▪ security management processes ensure all incidents are logged, reported and maintained in a security register.
Higher quality business and occupational licensing systems and services	<ul style="list-style-type: none"> ▪ comprehensive range of licensing, compliance and financial functions ▪ standardised business processes, resulting in development of common skill set across many agencies.

Source: 2001 and 2009 Business Cases.

The 2009 business case includes key performance indicators and targets to track progress against the GLP's key objectives. However it omits measures or targets for State Plan Priority S8: *Increased customer satisfaction with Government services*.

DSTA currently is not directly measuring customer satisfaction with GLP, but reports the proportion of online transactions and of licence holders who extend their licence period.

Even though GLP has not yet been fully implemented, the 2009 business case is much improved over the 2001 version. We have suggested some additional improvements that, together with changes already made, should address problems that constrained GLP in its early years.

Appendices

Appendix 1	About the audit
Audit Objective	Our objective in this audit is to determine if the Government Licensing Project (GLP) has standardised and simplified the licensing process in accordance with the original strategy and business case.
Lines of Inquiry	<p>In reaching our opinion against the audit objective, we sought to answer the following questions:</p> <ol style="list-style-type: none">1. Was the Government Licensing Project sufficiently planned for successful implementation?2. Has the project delivered what it promised?
Audit Criteria	<p>In answering the lines of inquiry, we used the following audit criteria (the 'what should be') to judge performance. We based these standards on our research of current thinking and guidance on better practice. They have been discussed and agreed with those we are auditing.</p> <p>For line of inquiry 1, we assessed the extent to which:</p> <ul style="list-style-type: none">▪ the Government Licensing Project is consistent with government policies▪ the original business case was consistent with Standards or better practices▪ adequacy of provision for reviews, evaluations, reassessments and communication during project implementation. <p>For line of inquiry 2, we assessed the extent to which:</p> <ul style="list-style-type: none">▪ the project was implemented as planned▪ the project was delivered within budgeted time and cost, and according to specifications▪ the project delivered its promised benefits and savings.
Audit scope	<p>The audit focused on the process for implementation of the GLP, the reasons for delays and the value gained by continuing with the Project.</p> <p>We spoke to agency staff responsible for implementation of the project, agencies using the GLP, and agencies that were part of the original GLP business case but are not using it.</p> <p>The audit did not:</p> <ul style="list-style-type: none">▪ question the merits of the Government policy objective▪ duplicate any reviews already conducted.
Audit approach	<p>We acquired subject matter expertise by:</p> <ul style="list-style-type: none">▪ reviewing policy documents▪ reviewing business cases and related consultants' reports▪ assessing the implementation of the GLP, including review and reassessment processes, performance indicators, resource use, expenditure and savings, and changes made▪ reviewing benefits and savings gained by participating agencies and users/licensees▪ reviewing best practice project/IT/change management.

We also interviewed:

- Department of Premier and Cabinet and Department of Services, Technology and Administration (DSTA) as the project director and manager
- Agencies and divisions using GLP (Office of Fair Trading within DSTA, Office of Liquor, Gaming and Racing within Communities NSW, Fisheries NSW within Department of Industry and Investment, Department of Environment, Climate Change and Water)
- other agencies not using the Government Licensing Project.

Audit selection	We use a strategic approach to selecting performance audits which balances our performance audit program to reflect issues of interest to Parliament and the community. Details of our approach to selecting topics and our forward program are available on our website.
Audit methodology	<p>Our performance audit methodology is designed to satisfy Australian Audit Standards AUS 806 and 808 on performance auditing, and to reflect current thinking on performance auditing practices. Performance audits commencing on or after 1 January 2009 comply with the Standard on Assurance Engagements ASAE3500 Performance Engagements.</p> <p>We produce our audits under a quality management system certified to International Standard ISO 9001. Our processes have also been designed to comply with the auditing requirements specified in the Public Finance and Audit Act 1983.</p>
Acknowledgements	<p>We gratefully acknowledge the cooperation and assistance provided by the Department of Services, Technology and Administration. In particular we wish to thank our liaison officers, Anthea Kerr and Charlie Sherlock, and the Government Chief Information Office Government Licensing Project staff who participated in interviews and provided material relevant to the audit.</p> <p>We would also like to thank the staff of Department of Premier and Cabinet, former Department of Primary Industries, former Department of Environment and Climate Change, Maritime Authority of NSW, former Office of Liquor, Gaming and Racing, and former Office of Fair Trading for their time in participating in interviews and providing relevant material.</p>
Audit team	Our team for the performance audit was Geoff Moran and Sandra Tomasi. Sean Crumlin provided direction and quality assurance.
Audit cost	Including staff costs, printing costs and overheads, the estimated cost of the audit is \$146,000.

Appendix 2 Agencies and licences using GLP

Agency/Licensing Authority	Licence types	Number of licence records
Office of Fair Trading	Building trades/contractors	847,105
	Motor vehicle repairers and dealers	198,468
	Travel agents, pawnbrokers, valuers	15,581
Department of Primary Industries	Recreational fishing	432,849
Dept of Environment and Climate Change	Wildlife licences	61,948
	Dangerous goods and pesticides, radiation	72,911
Office of Liquor, Gaming and Racing	Liquor	19,599
	Trade promotion lotteries, charitable fund raising	70,372
NSW Health	Private hospitals, day procedure centres	260
	Tobacco notifications, medical supplies	63
Department of Community Services	Child care centres	8,698
Total		1,727,854

Source: Department of Services, Technology and Administration.

Note: The agency names as listed in the 2009 business case have been retained in this Appendix and in Appendix 3.

Appendix 3 Planned adoption of GLP

Agency/Licensing Authority	Licence types	Number of licence records	Completion date
Office of Fair Trading	Property, stock and business agents	38,327	Dec 2009
Department of Primary Industries	Beekeepers	3,500	Dec 2009
Department of Environment and Climate Change	Scientific	1,010	Dec 2009
NSW Health	Online prescribers, patient records	41,500	Dec 2009
Department of Primary Industries	Commercial fishing vessels	4,000	Mar 2010
NSW Police	Firearms registry	321,000	Mar 2010
	Security industry, debt collectors	46,500	Mar 2010
Department of Primary Industries	Various state forests licences	25,700	May 2010
Department of Water and Energy	Water access, management and usage	364,460	Jun 2010
	Accreditation of electricians	2,569	Jun 2010
Department of Environment and Climate Change	Occupiers, plant pickers, miscellaneous	11,933	Jun 2010
NSW Food Authority	Dairy farmers, meat processors	70,000	Jun 2010
Office of Liquor, Gaming and Racing	Gaming machine technicians	1,000	Jun 2010
NSW Maritime Authority	Boating, recreational vessels	1,005,006	Jul 2010
Health Professionals Registration Boards	Registered nurses, chiropractors, physiotherapists, optometrists etc	109,608	Sep 2010
Marine Parks Authority	Marine parks	200	Nov 2010
Department of Environment and Climate Change	Kangaroo management	8,000	Mar 2011
Building Professionals Board	Certifiers	300	Mar 2011
WorkCover Authority	Fireworks, trainers, pest management	4,200	May 2011
	Certificates of competency	339,500	May 2011
	OHS induction cards, bonded asbestos work and 'other' licences	82,000	May 2011
Livestock Health and Pest Authorities	Allocation of property identification code	130,000	May 2011
Roads and Traffic Authority	Driving instructors, inspection stations	23,465	May 2011
NSW Board of Surveying and Spatial Information	Register of surveyors, Crown lands	1,200	May 2011
Total		2,634,978	

Source: Department of Services, Technology and Administration

Performance Audits by the Audit Office of New South Wales

Performance Auditing

What are performance audits?

Performance audits determine whether an agency is carrying out its activities effectively, and doing so economically and efficiently and in compliance with all relevant laws.

Performance audits may review a government program, all or part of a government agency or consider particular issues which affect the whole public sector.

Where appropriate, performance audits make recommendations for improvements.

If you wish to find out what performance audits are currently in progress, visit our website at www.audit.nsw.gov.au.

Why do we conduct performance audits?

Performance audits provide independent assurance to Parliament and the public that government funds are being spent efficiently and effectively, and in accordance with the law.

Performance audits seek to improve the efficiency and effectiveness of government agencies so that the community receives value for money from government services.

Performance audits also assist the accountability process by holding managers to account for agency performance.

What are the phases in performance auditing?

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

During the planning phase, the audit team will develop audit criteria and define the audit field work.

At the completion of field work we will meet with agency management to discuss all significant matters arising out of the audit. Following this, we will prepare a draft performance audit report.

We meet with agency management to check that facts presented in the report are accurate and that recommendations are practical and appropriate. Following this, a formal draft report is provided to the CEO for comment. The relevant Minister is also provided with a copy of the final

report. The final report, which is tabled in Parliament, includes any comment made by the CEO on the conclusion and the recommendations of the audit.

Depending on the scope, performance audits can take several months to complete.

Copies of our performance audit reports can be obtained from our website or by contacting our Office.

How do we measure an agency's performance?

During the planning phase, the team develops the audit criteria. These are standards of performance against which the agency or program is assessed. Criteria may be based on best practice, government targets, benchmarks, or published guidelines.

Do we check to see if recommendations have been implemented?

Agencies are requested to report actions taken against each recommendation in their annual report so that we can monitor progress.

The Public Accounts Committee (PAC) may conduct reviews or hold inquiries into matters raised in performance audit reports. These inquiries are usually held 12 months after the report is tabled.

Who audits the auditors?

Our performance audits are subject to internal and external quality reviews against relevant Australian and international standards. This includes ongoing independent certification of our ISO 9001 quality management system.

The PAC is also responsible for overseeing the activities of the Audit Office and conducts a review of our operations every three years.

Who pays for performance audits?

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

Further information

Further information can be obtained from our website www.audit.nsw.gov.au or by contacting us on 9275 7277.

Performance Audit Reports

No	Agency or Issues Examined	Title of Performance Audit Report or Publication	Date Tabled in Parliament or Published
192	Department of Services, Technology and Administration	<i>Government Licensing Project</i>	October 2009
191	Land and Property Management Authority Maritime Authority of NSW	<i>Administering Domestic Waterfront Tenancies</i>	23 September 2009
190	Department of Environment, Climate Change and Water NSW Environmental Trust	<i>Environmental Grants Administration</i>	26 August 2009
189	NSW Attorney General's Department NSW Department of Health NSW Police Force	<i>Helping Aboriginal Defendants through MERIT</i>	5 August 2009
188	NSW Department of Health	<i>Tackling Cancer with Radiotherapy</i>	23 June 2009
187	Roads and Traffic Authority of NSW	<i>Improving Road Safety - Heavy Vehicles</i>	13 May 2009
186	Grants	<i>Grants Administration</i>	6 May 2009
185	Forests NSW	<i>Sustaining Native Forest Operations</i>	29 April 2009
184	NSW Police Force	<i>Managing Injured Police</i>	10 December 2008
183	Department of Education and Training	<i>Improving Literacy and Numeracy in NSW Public Schools</i>	22 October 2008
182	Department of Health	<i>Delivering Health Care out of Hospitals</i>	24 September 2008
181	Department of Environment and Climate Change	<i>Recycling and Reuse of Waste in the NSW Public Sector</i>	11 June 2008
180	Follow-up of 2003 Performance Audit	<i>Protecting Our Rivers</i>	21 May 2008
179	NSW Office of Liquor, Gaming and Racing; NSW Police Force	<i>Working with Hotels and Clubs to reduce alcohol-related crime</i>	23 April 2008
178	Greyhound and Harness Racing Regulatory Authority	<i>Managing the Amalgamation of the Greyhound and Harness Racing Regulatory Authority</i>	3 April 2008
177	Office of the Director of Public Prosecutions	<i>Efficiency of the Office of the Director of Public Prosecutions</i>	26 March 2008
176*	Better Practice Guide	<i>Implementing Successful Amalgamations</i>	5 March 2008
175	Department of Commerce Department of Primary Industries	<i>Managing Departmental Amalgamations</i>	5 March 2008
174	Department of Education and Training	<i>Ageing workforce - Teachers</i>	13 February 2008
173	NSW Police Force	<i>Police Rostering</i>	5 December 2007
172	Department of Primary Industries	<i>Improving Efficiency of Irrigation Water Use on Farms</i>	21 November 2007

No	Agency or Issues Examined	Title of Performance Audit Report or Publication	Date Tabled in Parliament or Published
171	Department of Premier and Cabinet Department of Commerce	<i>Government Advertising</i>	29 August 2007
170	RailCorp	<i>Signal Failures on the Metropolitan Rail Network</i>	15 August 2007
169	NSW Police Force	<i>Dealing with Household Burglaries</i>	27 June 2007
168	Ministry of Transport	<i>Connecting with Public Transport</i>	6 June 2007
167	Follow-up of 2001 Performance Audit: Ambulance Service of New South Wales	<i>Readiness to Respond</i>	6 June 2007
166	Follow-up of Performance Audit Department of Education and Training	<i>Using Computers in Schools for Teaching and Learning</i>	9 May 2007
165	Homelessness	<i>Responding to Homelessness</i>	2 May 2007
164	Department of Juvenile Justice NSW Police Force	<i>Addressing the Needs of Young Offenders</i>	28 March 2007
163	Legal Aid Commission of NSW	<i>Distributing Legal Aid in New South Wales</i>	13 December 2006
162	NSW Health	<i>Attracting, Retaining and Managing Nurses in Hospitals</i>	12 December 2006
161	Follow-up of 2003 Performance Audit	<i>The Police Assistance Line</i>	6 December 2006
160	NSW Health	<i>Helping Older People Access a Residential Aged Care Facility</i>	5 December 2006
159	NSW Health	<i>Major Infectious Disease Outbreaks: Readiness to Respond</i>	22 November 2006
158	Department of Education and Training	<i>Educating Primary School Students with Disabilities</i>	6 September 2006
157	Roads and Traffic Authority	<i>Condition of State Roads</i>	16 August 2006
156*	Fraud Control	<i>Fraud Control Improvement Kit: Meeting Your Fraud Control Obligations</i>	20 July 2006
155	Follow-up of 2002 Performance Audit	<i>Regulating the Clearing of Native Vegetation</i>	19 July 2006
154	Follow-up of 2002 Performance Audit	<i>Managing Sick Leave in NSW Police and the Department of Corrective Services</i>	June 2006
153	Performance Information	<i>Agency Use of Performance Information to Manage Services</i>	21 June 2006

* Better Practice Guides

Performance audits on our website

A list of performance audits tabled or published since March 1997, as well as those currently in progress, can be found on our website www.audit.nsw.gov.au.

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