

Audit Reports Summaries

Audit Report No. 6 1995-96

Summary

Aboriginal and Torres Strait Islander Commission

COMMUNITY DEVELOPMENT EMPLOYMENT PROJECTS SCHEME

Performance Audit

Background

The audit reviewed the efficiency and administrative effectiveness of the Community Development Employment Projects Scheme (CDEP), highlighting good practices and suggesting improvements where needed.

The CDEP Scheme, which was established in 1977, is the largest single Aboriginal and Torres Strait Islander Commission (ATSIC) Program. In 1994-95 expenditure was \$292m, representing 31 per cent of ATSIC's total program budget for that period. The CDEP Scheme was developed primarily as an income support and community development scheme for remote Aboriginal communities. Since its inception, the Scheme has been extended to rural and urban areas.

In its White Paper on Employment and Industry 1994, *Working Nation*, the Government agreed to provide ATSIC with approximately \$80m over four years to expand and enhance the Scheme. As well, responsibility for ongoing CDEP management and financial decisions was devolved to ATSIC Regional Councils in July 1994.

Within ATSIC there are three levels of administration involved in the delivery of the CDEP Scheme: Central, State and Regional Offices. Central Office has a major role in policy development and providing direction. State Offices provide coordination between Regions. Regional Offices provide support and advice to Regional Councils and administer the CDEP Scheme.

Audit findings

The audit included fieldwork at each of the three levels of CDEP administration. In Phase One of the audit the ANAO reviewed the operations of one State and Regional Office, as well as Central Office. These offices represented a significant portion of the CDEP. Actioning the recommendations of this report will therefore realise significant benefits to the Scheme. In addition, the ANAO proposes to assess relevant action in other States and Regions during the follow-up audit (Phase Two).

The ANAO found a number of examples of good practice but identified many areas of CDEP administration in need of improvement in Central, State and Regional Offices. These are discussed below.

Central office

At this level of administration the ANAO found that:

- appropriate performance information had not been developed for the CDEP Scheme;
- little analysis of data collected from State and Regional Office was undertaken by Central Office. Analysis and the provision of appropriate feedback forms a critical link in the process of identifying good practice and areas in need of improvement. It would also strengthen the understanding of the need for these reports and their place in the accountability framework throughout all levels of the administration; and
- there were a number of different levels of planning for CDEP and inconsistencies in the use of planning terms. As well, the Government has provided \$16.5m over four years through *Working Nation* for enhancements to the CDEP Scheme, with a central component being improvements to planning. This funding has not yet been used for the purpose for which it was allocated.

Queensland office

At the State Office level there was a need to more clearly define its role and responsibilities regarding the administration of the CDEP Scheme. This definition is particularly important given the devolution of many CDEP responsibilities from Central to State/Regional Offices.

Regional office

The ANAO recognises that the Cairns Regional Office operates in a difficult environment. It has responsibility for two regions, covering nineteen CDEP organisations and 4500 participants. It also provides support to two Regional Councils, has a high rate of staff turnover and deals with constant changes to procedures, processes and reporting arrangements.

However, the ANAO found little evidence that individual projects funded under the CDEP Scheme were being monitored to ensure that they were progressing successfully, in that:

- Periodic Financial Statements and Project Performance Reports were not being analysed;
- field visits to CDEP organisations were not documented. These visits involve substantial resource use and represent an important mechanism for providing assistance to these organisations; and
- Major Reviews had not been undertaken in line with CDEP Procedures.

It is important that analysis is undertaken, documentation kept and reviews conducted to ensure that any problems are identified at an early stage and appropriate feedback and assistance provided to communities to improve project outcomes.

CDEP Reviews

Since the establishment of the CDEP Scheme, there have been a number of major internal and external reviews of the Scheme. The ANAO examined those reviews undertaken since 1992 and found that they raised concerns in common with those highlighted during this audit. The ANAO considers that there is minimal value in continually conducting reviews if action is not taken to address key findings which have been raised through previous successive reviews.

Conclusion

The ANAO decided that it could have the greatest impact on improving CDEP administration by:

- providing a report to Parliament on the Phase One findings (without proceeding to Phase Two at this stage) and widely disseminating the report to all levels of CDEP administration; and
- undertaking a follow-up audit in 1996 to assess ATSIC's progress in implementing the recommendations of previous reviews and this audit.

Recommendations

The ANAO made sixteen recommendations aimed at improving the coordination of CDEP administration, feedback to communities and other levels of administration and its overall effectiveness.

ATSIC Response

ATSIC indicates that the report has been useful in providing a focus on administrative issues requiring improvement in Central, State and Regional offices. ATSIC has agreed to 15 of the 16 recommendations and has already taken action against a number of the recommendations.