

Audit Reports Summaries

Audit Report No. 18 1995-96

Summary

Department of Health and Family Services

COMPETITIVE EMPLOYMENT TRAINING AND PLACEMENT SERVICES

Origins of the Audit

The Australian National Audit Office (ANAO) conducted a project audit of Competitive Employment, Training and Placement services, part of the Disability Services Program administered by the then Department of Human Services and Health, primarily because of parliamentary concerns relating to these services.

Under the Administrative Arrangements Order of 11 March 1996, the Disability Services Program is now administered by the Department of Health and Family Services.

Competitive Employment, Training and Placement Services

Competitive Employment, Training and Placement services assist people with a disability to find a job in the open labour market.

Most Competitive Employment, Training and Placement services find jobs with full award wages and conditions for their clients and provide an initial period of intensive on-the-job training followed by a lower level of maintenance support.

Competitive Employment, Training and Placement services do not constitute a discrete program but are one type of employment service available to disabled people within the overall Disability Services Program under the sub-program, *Access and Participation by People with a Disability*.

Expenditure on Competitive Employment, Training and Placement services has risen from \$15.4 million in 1991-92 to an estimated \$41.7 million in 1995-96, an increase of 170 per cent.

Rapid growth in funding for open employment initiatives largely reflects a changing philosophy towards the employment of disabled people, away from institutional, sheltered employment into more open employment within the general workforce.

Scope of the Audit

The ANAO's objectives for the project audit were :

- to assess whether funds for new Competitive Employment, Training and Placement services funded between 1 January 1994 and 30 June 1995 were distributed in accord with program objectives; and

- to establish whether internal and external accountability arrangements for the funding of Competitive Employment, Training and Placement services were adequate.

The audit did not seek to replicate the work of the Strategic Review of the Commonwealth Disability Services Program undertaken by the Honourable Professor Peter Baume, AO and Ms Kathleen Kay which was completed in January 1995.

Distribution of Funds for Competitive Employment, Training and Placement Services

State and Area offices of the Department submit recommendations to the Minister for funding of new services.

Under the *Disability Services Act 1986*, the Minister for Human Services and Health, now Health and Family Services, is empowered to approve funding for a new Competitive Employment, Training and Placement service.

The Minister must be satisfied that the grant will further the objectives and principles of the Act and complies with applicable guidelines.

The audit found that the recommendations to the Minister for her approval - for projects which commenced in 1994 and 1995 - were submitted in a format which provided adequate and sufficient information to enable the then Minister to fulfil her responsibilities in regard to funding decisions under the Disability Services Act.

In the sample of Competitive Employment, Training and Placement projects examined during the audit, which included all new services funded in 1994 and 1995, the Australian National Audit Office observed that :

- all services recommended had stated objectives and principles which were in line with the objectives of the Disability Services Program;
- new Competitive Employment, Training and Placement places allocated to these services followed published funding priorities;
- indicators were reported in the recommendations forwarded to the Minister; and
- funding decisions made by the Minister followed the objectives set down for Competitive Employment, Training and Placement services.

Key Findings

The ANAO found that :

- funding for new Competitive Employment, Training and Placement services between 1 January 1994 and 30 June 1995 was distributed in accordance with program objectives;
- internal accountability for provision of Competitive Employment, Training and Placement services could be improved;
- certain information provided by the Department to the then Minister for Human Services and Health, to assist in her reply to Parliamentary Question No.2495 on Competitive Employment, Training and Placement services, was incorrect; and
- external accountability of the Disability Services Program sub-program, *Access and Participation by People with a Disability*, which includes Competitive Employment, Training and Placement services, could be improved.

Recommendations

The report makes three recommendations, that:

- the Department of Health and Family Services examine its control mechanisms to ensure the accuracy of advice to its Minister on Questions on Notice;
- the Department of Health and Family Services review the monitoring function of Central Office in respect of project grants recommended by State and Territory Offices, with a view to strengthening the function; and
- the Department of Health and Family Services ensure greater transparency in the funding of employment services for the disabled and in the reporting of funding trends and outcomes of the sub-program, *Access and Participation by People with a Disability*, for accountability purposes and as a matter of public information.

The Department agreed with all three recommendations.