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Governance and Joined-up Government – Some issues and early successes

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Pat Barrett
Auditor-General for Australia
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A. Joined–up government – the concept

As in other democracies, Australian governments have endeavoured to make the public sector less costly and better tailored to public needs while providing higher quality services to citizens. This has been reflected in a growing trend toward a range of organisations bringing their specialist skills to bear in order to achieve a common public sector goal in the most effective manner. In regard to the Australian Public Service, the Prime Minister has commented that:

Another challenge is the capacity of departments to successfully interact with each other in pursuit of whole of government goals and more broadly, for the entire Service to work in partnership with other bureaucracies, with business and with community groups as resources and responsibility are devolved closer to where problems or opportunities exist.1

The Prime Minister further commented that: ‘Whole of government approaches, collectively owned, by several Ministers, will increasingly become a common response.’2 A recent paper by the Management Advisory Committee noted this trend in regard to Australian Government use of information and communication technology, commenting:

In a devolved management system where the cost of enablers like [information and communications technology] is increasing, a ‘federated’ governance approach is desirable. A federated governance system is one in which independent agencies work together to achieve an optimal outcome for each other and government as a whole.3

A potential benefit to the citizen, businesses and community organisations of the move towards joined–up government is a reduced need to understand the way in which government is structured in order to secure the services they need. Citizens should not necessarily have to deal with any number of government departments, perhaps at Federal, State and local levels, in order to progress a particular course of action. One important aim of joined–up government is to integrate government services with the primary focus being on the needs of the citizen.

An example of the need for cross-agency governance arrangements was highlighted in the ANAO’s recent audit of the management of the administration of the Federation Fund Programme.4 That audit found that no Commonwealth department had the responsibility for monitoring the collective performance of Federation Fund projects against the programme’s objectives. Consequently, up to the time of the audit, very little performance information on the achievement of the programme’s overall objectives had been collected or reported to the Parliament.5 The audit noted that, where more than one portfolio is responsible for delivering the Government’s programme objectives, the concept of whole of government performance reporting through the identification of a ‘lead agency’ is an area of potential improvement in Commonwealth reporting and accountability.5
The trend toward ‘networked’ or cross agency approaches is one that is likely to continue as agencies take advantage of the opportunities offered by more responsive service delivery. Further, governments may choose to contract with separate contractors for various parts of the overall project, thereby imposing an ‘interface risk’ on themselves arising from construction complexities and possibilities of construction cost and time overruns. In that environment, governance issues need to be given greater prominence and consideration. It may for example, be appropriate for governance arrangements to be addressed in Cabinet submissions and subsequently approved by the Executive. These issues need to be addressed sooner rather than later if gaps in accountability are to be prevented, or at least minimised, and required performance is to be achieved.

Recently, Professor Allan Rosenbaum pointed out that, in many countries, governments have been compensating for the lack of needed institutions and technical (or specialist) capacities through the development of cross-sectoral relationships involving public-private sector-civil society collaboration in carrying out public initiatives and governmental service delivery. He went on to observe that “these relationships are numerous, complex and ever-growing”7. The concept of joined-up government has quickly been incorporated into notions of public-private partnerships with a sharing of common concerns and broad aims for more cost effective and responsive public services. Professor Rosenbaum opined that perhaps the single most important lesson learned in terms of collaborative service delivery arrangements is that:

Such arrangements must be both in the best interests of the individuals receiving the services and consistent with the broad public interests for the providing of public services by the governmental organization (or organizations – my addition) involved.8

B. Accountability in a sound corporate governance framework

It has been increasingly recognised, in both the private and public sectors, that appropriate corporate governance arrangements are a major factor in corporate success. A key element of corporate governance in both the private and public sectors is risk management. An effective corporate governance framework assists an organization to identify and manage risks in a more systematic and effective manner. A corporate governance framework, incorporating sound values, cost structures and risk management processes can provide a solid foundation on which we can build a cost effective, transparent and accountable public sector. As one expert opinion puts it:

...corporate governance is the organisation’s strategic response to risk.9

Integrated services have given rise to additional challenges and demands in this respect for the public sector because the parameters of risk are different to those involved in traditional approaches to the provision of public infrastructure and services. The governance arrangements that will facilitate protecting the public interest and enforcing government policy objectives need to be clearly established at the outset. All parties have to understand what is expected of them and be accountable for their own, and the shared, outcomes.

As has been observed by the Chartered Institute of Public Finance and Accountancy in the United Kingdom, no system of corporate governance can provide total
protection against management failure or fraudulent behaviour. However, sound corporate governance arrangements do form the basis of a robust, credible and responsive framework necessary to deliver the required accountability and bottom line performance consistent with an organization’s objectives. Figure 1 provides one model of the various components of corporate governance in the public sector. To be successful, all components have to be soundly integrated to provide an effective overall approach to the governance task.

Figure 1 Components of public sector governance

![Diagram of corporate governance components](image)


Corporatisation, privatisation and partnership arrangements commonly involve the transfer of direct control of an organisation responsible for delivering public services to a board of directors. As the Victorian Public Accounts and Estimates Committee also recently observed, accountability for Government spending can be at risk if arrangements involve parties who are not directly accountable to a Minister and not subject to parliamentary scrutiny. The Committee further observed that the standards and practices of good corporate governance are important elements for not only ensuring these boards operate as expected but also in preventing fraud and corruption.

In this increasingly complex environment, one of the most important components of robust accountability is to ensure that there is a clear understanding and appreciation of the roles and responsibilities of the relevant participants in the governance framework, namely the organisation’s stakeholders, including those who are entrusted to manage resources and deliver required outcomes. The absence of clearly designated roles weakens accountability and threatens the achievement of organisational objectives. Any uncertainty experienced by private and/or public participants in this respect can create confusion both as to who is accountable for what and about the requirements of the various relationships with stakeholders.
Joined-up government inevitably involves at least dual accountability of participants both for their individual organisations and for the joined-up arrangements. Robust governance arrangements can facilitate the management and successful acquittal of those accountability obligations. However, where the private sector is involved, the Government and the Parliament might need to re-examine the more traditional notions of accountability and any extension of them to private sector participants.

C. Success stories of ‘joined–up’ government

Discussed below are a number of examples of ‘joined–up’ government in the Commonwealth Government sphere. The successful examples are where the governance structures have been clearly agreed and responsibilities defined. However, an example has been provided where the common understanding of the agency roles and responsibilities took some time to develop. A particular example is provided of the development of infrastructure that allows Commonwealth agencies to communicate securely. Secure communications is an essential step to successful ‘joined–up’ service delivery to meet privacy and other concerns as well as to maintain confidence of all stakeholders in the record-keeping processes. This is also a particular challenge for Audit Offices.

1. Centrelink

Centrelink is a statutory authority within the Family and Community Services portfolio. Other agencies in the portfolio are the Department of Family and Community Services (FaCS), the Child Support Agency (CSA), the Social Security Appeals Tribunal (SSAT) and the Australian Institute of Family Studies. Centrelink operates under the Commonwealth Services Delivery Agency Act 1997 (CSDA Act), which gives Centrelink responsibility for the provision of Commonwealth services in accordance with service agreements. As an Australian Public Service (APS) organisation, Centrelink is subject to the Financial Management and Accountability Act 1997 (FMA Act) and is staffed under the Public Service Act 1999.

Purchaser/provider arrangements

Centrelink has one Government directed outcome, which is ‘effective delivery of Commonwealth services to eligible customers’. The outcome is supported by the output ‘efficient delivery of Commonwealth services to eligible customers’. Centrelink’s revenue is provided through Business Partnership Agreements (BPAs) or similar arrangements with client agencies. Funds are appropriated to the policy agencies and paid to Centrelink in return for specified services. Centrelink contributes to the social and economic outcomes set by Government by delivering services on behalf of 25 client agencies. These include:

- Australian Electoral Commission;
- Department of Agriculture, Fisheries and Forestry – Australia;
- Attorney-General's Department;
- Australian Taxation Office;
- Department of Education Science and Training;
- Department of Employment and Workplace Relations;
- Department of Employment and Workplace Relations;
- Department of Foreign Affairs and Trade;
• Department of Health and Ageing;
• Department of Immigration, Multicultural and Indigenous Affairs;
• Department of Communications, Information Technology and the Arts;
• Department of Transport and Regional Services;
• Department of Veterans' Affairs;
• Department of Family and Community Services;
• Department of Finance and Administration; and
• State and Territory Housing Authorities.

Successful elements of these business arrangements

Three main models can be employed to provide effective governance of joined–up or connected government arrangements:

• the lead agency model where the main agency applies its corporate governance framework to the partnership, with overall responsibility for the constituent parts;
• the committee model where a loose confederation of players come together and allocate corporate governance responsibility to discrete parts of the activity. In this way overall corporate governance equals the sum of the corporate governance from each party; and the
• board model where a Board is established to govern and manage the partnership. This is a separate entity with clear and comprehensive responsibility for all aspects of the partnership but only for the partnership.

Centrelink is an example of the committee model, whereby it typically enters into formal arrangements with other government entities (such as through BPAs), sometimes on a purchaser/provider basis. The responsibilities of Centrelink and the other party are clearly spelt out in these arrangements and then subsumed into their own governance arrangements. The previous Secretary of FaCS recently observed that an important complement to the BPA was an assurance framework focussing on management criteria that are critical to the department’s success. The assurance framework was considered necessary “because the establishment of Centrelink had split accountability for one of the government’s largest and most sensitive programs”.13

FaCS/ Centrelink Business Partnership Agreement (BPA) model

Centrelink is the primary agency delivering Family and Community Services’ (FaCS) income support and related services. In 2001-2002, Centrelink delivered pensions, benefits and other services totalling $56 billion, at a cost to FaCS of $1.7 billion.

The relationship between FaCS and Centrelink is governed by a BPA, which acknowledges joint responsibility for performance. The BPA outlines the roles and responsibilities of the two parties. FaCS is responsible for providing Centrelink with appropriate policy advice, direction and funds to enable effective service delivery, and Centrelink is responsible for implementing strategies for payment control as part of its approach to service delivery.
The BPA is anchored in legislation, particularly the CSDA Act, under which the Secretary of FaCS has delegated to the Chief Executive Officer of Centrelink the responsibility for administering specified FaCS programs, including the Age Pension. Also under the Act, the activities agreed to in the BPA are the functions of Centrelink, and the agency’s board is responsible for ensuring that those functions are properly, efficiently and effectively performed. However, the Secretary of FaCS remains accountable under the FMA Act for the program expenditure. Centrelink is therefore required to provide assurance to FaCS that payments, and therefore program outlays, have been made in accordance with the Social Security Law. The previous Secretary of FaCS, in the address referred to above, observed that:

When the risk of conflict was high, FaCS and Centrelink, within their joint responsibility for the success of their shared portfolio and the interests of their shared Minister, coalesced their interests and their accountabilities.14

He went on to note that, in his opinion, a model in which the Secretary does not have a role in Centrelink’s governance weakens accountability.15

2. The Indigenous Communities Coordination Taskforce (ICCT)

Background to Initiative

In late 2000, the Council of Australian Governments (COAG) agreed on a framework by which all levels of government could continue to advance reconciliation and address Indigenous disadvantage.

In recognition of the mixed success of substantial past efforts to address disadvantage, COAG committed all levels of government to an approach based on partnerships and shared responsibilities with Indigenous communities, programme flexibility and coordination between government agencies with the focus being on the delivery of outcomes for local communities.

The Council agreed to take a leading role in driving the necessary changes and a tiered structure was established comprising:

- a Ministers group;
- a group of key Commonwealth departmental secretaries16 and the ATSIC CEO; and
- the Indigenous Communities Coordination taskforce.

Successful elements

While this particular initiative is at an early stage in its implementation, the early recognition of the partnership challenge, and the involvement of very senior officials from the participating agencies, have already provided indications of success.

All levels of government and each of the participating Indigenous communities clearly identified their expectations and the outcomes they sought from working together. To measure performance, a performance management framework that provides for measuring and reporting on progress towards achieving those outcomes was developed. In each of the communities, the ICCT acts as a ‘broker’ and coordinates all levels of funding and service delivery and negotiates the performance measurement and evaluation framework with community members.
3. International Students Management System

The Educational Services for Overseas Students (ESOS) Act 2000 protects the education and training export industry. This industry is Australia’s third largest service export industry earning some $4.25 billion in exports, with around 240,000 overseas students attending Australian universities, schools and colleges. PRISMS (Provider Registration and International Students Management System) assists DEST to meet its responsibilities as defined in the ESOS Act 2000.

The ESOS Act 2000, which replaced an earlier act, aims to:

- reduce the fraudulent or dishonest use of confirmation of enrolment forms for visa fraud, and strengthen compliance monitoring;
- ensure students receive the tuition for which they have paid, and, in the case of the collapse of a provider, ensure the student receives either alternative tuition or a refund;
- provide greater quality assurance of education and training providers for overseas students; and
- provide more systematic and effective arrangements for the Commonwealth to deal with providers working to facilitate student breaches of their visa conditions.

The ESOS Act requires the Secretary of DEST to administer the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS). Institutions are registered on CRICOS on the advice of State/Territory authority. DEST must accept that advice. Access to the information stored on CRICOS, that is course providers and courses of study, is available via the Internet to any interested person, overseas or in Australia.

The Act also requires the Secretary of DEST to establish an ESOS Assurance Fund, and appoint a fund manager. The fund is financed by contributions from, and levies on, registered education providers. The purpose of the Fund is to protect the interests of overseas students, and intending overseas students, of registered providers. The fund ensures that the students are provided with suitable alternative courses, or have their course money refunded, if the provider cannot provide the course(s) for which the students have paid. The current fund manager is PricewaterhouseCoopers.

An applicant for a student visa must enrol with a CRICOS-registered provider and course, and provide evidence of such enrolment for the purposes of obtaining a visa. Once in Australia, visa conditions require that they must maintain such enrolment. Holders of student visas must be enrolled in full time study, but they can obtain permission to work up to 20 hours per week in Australia. In July 2000, an electronic Confirmation of Enrolment (eCoE) system was introduced. The eCoE project is a collaborative development between DEST and the Department of Immigration and Multicultural and Indigenous Affairs (DIMIA). DIMIA now requires this form of evidence of confirmation of enrolment before issuing a student visa. The student enrolling in a course, and being confirmed by the provider, creates the eCoE on the PRISMS application. The eCoE is then sent electronically to DIMIA. DIMIA’s overseas officers are able to access and check the existence of the eCoE before issuing a visa. DIMIA then electronically advises DEST of the issue of the visa, and of the arrival of the student in Australia.
Registered providers are required to notify DEST, through the PRISMS application accessed over the Internet, of any variations in the student’s study. These notifications include commencement of study, course variations, non-attendance at the nominated course, and completion of study. The information is used by DIMIA to identify any students who have breached the terms of their student visa.

PRISMS is therefore a collaboration between DEST, DIMIA, education providers, and state authorities that register education providers. Apart from the DEST-DIMIA data link, communication with PRISMS by these collaborators is via the Internet.

**Successful elements**

A major element of the system is the ability for an overseas student to register with an approved provider, and obtain a visa shortly after. DEST student registrations are sent to DIMIA over a data link every 10 minutes. It is then available on the DIMIA system that is accessible to DIMIA’s overseas staff for visa approval.

A second significant feature is that education providers not approved by the State/Territory authorities cannot register students, and persons overseas cannot register as students with a ‘suspect’ provider and obtain a visa. This reduces, if not eliminates, the potential for the illegal use of student visas to bypass Australia’s immigration processes. Indications are that the system is successful in reducing problems in the overseas student education sector.

### 4. Administration of the 30 Per Cent Private Health Insurance Rebate

In 2002, the ANAO conducted an audit of the implementation of the 30 per cent private health insurance rebate scheme. The objective of the audit was to determine the effectiveness of Commonwealth Government agencies’ administration of the scheme. The primary issues examined included whether:

- the Health Insurance Commission (HIC) and the Australian Taxation Office (ATO) had adequate financial controls in relation to payments; and
- the Department of Health and Ageing, HIC and ATO had clearly defined roles and worked together to fulfil the Government’s objectives.

Eligible persons could claim the rebate in three ways:

- as a reduction in his or her private health insurance premium – the Premium Reduction Scheme (PRS);
- as a direct cash payment at Medicare offices – the Incentive Payments Scheme (IPS); or
- as a tax offset in his or her annual income tax return – the 30 per cent Private Health Insurance Tax Offset (Tax Offset).

Because there were three ways to claim the rebate, there were opportunities for eligible persons to accidentally, or otherwise, claim the rebate more than once. This would be a case of double or triple dipping.

The main risks associated with Tax Offset claims are: taxpayers inappropriately claiming both the Tax Offset and a premium reduction and/or a direct cash payment; and incorrectly calculating the amount claimable for the Tax Offset.

To address the risk of inappropriate multiple claiming, ATO planned to conduct data matching reconciliations between its data on Tax Offset claims, health fund data on
individual health insurance policies and premium reductions under the PRS, and HIC
data on PRS and IPS claims. Health funds and HIC are required to provide this data to
ATO under legislation. While ATO was able to data match with health funds, it was
unable to do so with HIC. It was not until September 2001 that HIC provided accurate
financial years. The delay in providing this information to the ATO was inconsistent
with the relevant legislation that requires HIC to provide this data to ATO within 90
days after the end of the financial year.

HIC’s non-compliance with the relevant legislation initially reflected the fact that the
legislation did not permit HIC to obtain the required data from health funds.
Legislative amendments to overcome this barrier were removed. Subsequently, HIC’s
non-compliance reflected its decision not to implement the required systems.

ATO’s data matching with health fund data for the first six months of the scheme
indicated that 95,585 Tax Offset claimants (14.8 per cent of matched Tax Offset
claimants) had inappropriately claimed both the Tax Offset and a premium reduction.
The total value of over-claiming associated with the double dipping amounted to $8
million or 6.4 per cent of the total Tax Offset claimed.

To address the risk of taxpayers incorrectly calculating the amount of Tax Offset
claimable, ATO conducted some outlier analysis to check for unrealistically high
claims. However, ATO did not check whether Tax offset claims were consistent with
premium data provided by health funds. ANAO requested that ATO conduct this
analysis during the course of the audit fieldwork. ATO found that, in the first six
months of the scheme, 17,775 Tax Offset claimants (3.1 per cent of Tax Offset
claimants) appeared to have over-claimed their Tax Offset by at least $100, with an
average apparent over-claim of $257 per taxpayer. The total value of these over-
claims was $4.6 million (3.7 per cent of the total Tax Offset claimed).

Successful elements

The initial implementation of the 30 per cent rebate had a very tight timeframe. The
HIC had effectively six weeks between legislation being introduced and
commencement date to implement support systems. The ATO had a few days to draft
legislative amendments to support the premium reduction option. Notwithstanding
the significant scale of the task, the agencies implemented the scheme on time.

However, it then took a further 2 ½ years to develop agreements between Health, HIC
and the ATO stating their respective roles and responsibilities, and a similar time to
obtain adequate performance information.

This example is one where, while the system operated reasonably successfully from
day one, proper controls and governance arrangements took time to develop and
implement.

5. Fedlink

It is important that Commonwealth agencies have access to a secure network to
communicate information electronically between them.

The Prime Minister, in his Investing for Growth industry statement of 8 December
1997, announced the Government’s intention to create a government-wide Intranet
(later named FedLink) for secure online communications by the end of 1998. The
telecommunications network would facilitate the more timely exchange of
information between government agencies, the Parliament and ministerial offices. The
Intranet was expected to provide a full multimedia capability to agencies to communicate with and provide secure access to external telecommunications networks. It was the intention of the Government to work with industry to find innovative solutions for the network.

The interdepartmental committee advising the Prime Minister on this initiative considered that the telecommunications network would be used for all electronic intra-government communications. It would allow secure agency access from the Intranet to the Internet, and it would provide public access via the Internet and Intranet to appropriate agency information and transactions. Fedlink was to comprise two elements:

- a high capacity telecommunications infrastructure (phase 1); and
- information technology applications which supported Internet and Intranet communication and transactions in a secure environment (phase 2).

The then Office of Government Information Technology (OGIT) was the coordinating agency. OGIT sought the services of the ANAO to provide an opinion on the probity of the methodology and procedures applied in the evaluation process for Phase 1. The ANAO reported the results of this probity audit in Report No. 11 of 1998-99, *OGIT and Fedlink Infrastructure*.  

Given the importance of secure communications between government agencies, the Government decided that agency heads should, by March 2001, formally assess their existing external communication security arrangements and ensure that they provide safeguards at least the equivalent of those embodied in the FedLink infrastructure. If they did not, existing networks were to be migrated to FedLink, or to infrastructure providing and equivalent or higher stand, by December 2001. For new networks, this requirement was to apply from July 2001.  

In July 2001, the Government announced that a private company had signed an agreement with NOIE to deliver FedLink- a proven technical solution for secure intra-government communication and an enabler for online government. It was announced that the network will ensure security of data transfer up to ‘protected’ level by sending information between participating users through encrypted tunnels.

In March 2002, it was announced that the encrypted communications service, FedLink, was now operational with seven Commonwealth agencies fully connected and another eight in the process of completing the formal requirements to implement the system.

The connection status at 15 November 2002 was that 14 Commonwealth agencies were connected. Five of these were departments, and nine were statutory authorities or Commonwealth authorities and companies. There are 77 agencies subject to the Financial Management and Accountability (FMA) Act, and 113 bodies subject to the Commonwealth Authorities and Corporations (CAC) Act. Potentially, the great majority of these could benefit from use of Fedlink. The ANAO has not audited the reasons for the limited use by Commonwealth agencies of this secure network. It appears, however, that the potential benefits of a secure means of communicating Commonwealth information electronically have been only partially realized.

**Successful elements**

Secure communications between Federal agencies is necessary to meet security and privacy requirements. As with the previous example, implementation of Fedlink was
not an immediate success, with actual implementation several years after the implementation date set by the Government. The main reason for the delay appears to be the need to resolve technical concerns about the security of the network. However, secure communication between participating Federal agencies is now a reality and reflects the level of collaboration being achieved.

D. Some Implications for ACAG in auditing joined–up government arrangements (joined–up audits?)

There are many permutations for arrangements relating to joined–up government within Australia. Delivery of services may require the cooperation of agencies within the same level of government (Commonwealth agency with Commonwealth agency, state agency with state agency), agencies from differing, multi-government, levels (between Commonwealth, State, and local government agencies), and may introduce the additional complexity of including the private sector.

The convergence of the public and private sectors will continue to introduce new levels of complexity and risk to public sector agencies. Managing the new risks is crucial to the achievement of value for money – the primary gain from involving the private sector in the first place. Convergence has many different dimensions and involves a wide range of stakeholders including both non-government and community players. Agreeing governance structures and demonstrating accountability are particular challenges in the new business environment. Commonwealth agencies can outsource functions - in full or in part. However, the Federal Parliament insists that they cannot outsource their responsibility or overall accountability. The federal Government recently reinforced this point in noting that:

*Agencies remain accountable for the delivery of services, even where the service delivery is provided by the private sector.*

*Central to the accountability principle is the need to maintain awareness of client needs and how they are being met.*

The convergence of the public and private sectors has occurred largely as a consequence of demands for more responsive service delivery and for improved efficiency in both sectors, for example, as part of the National Competition Policy, impacting on all levels of government and private sector firms. It provides the opportunity for public sector agencies to gain from specialist expertise and international better practice in complex and dynamic areas such as information technology and communications. However, convergence also brings into sharp focus the differences between the two sectors, which need to be managed responsively on a case-by-case basis. Audit offices have a very important role to play in terms of defining and strengthening acceptable accountability frameworks for the twenty-first century.

Public and private sector agencies have very different legal and accountability requirements. For the Commonwealth public sector, legal responsibilities are defined by specific functional statutes as well as general requirements outlined in legislation such as the *Financial Management and Accountability Act 1997* and the *Commonwealth Authorities and Companies Act 1997*. By contrast, private sector organisations have specific obligations under corporation’s law and trade practices legislation, as well as relevant State/Territory legislation. The legislature has further contributed to strengthening private sector accountability. For example, the amendments to the *Privacy Act 1988*, which came into effect on 21 December 2001,
have exposed the private sector to similar privacy obligations to those that already existed in the public sector. Commonwealth agencies have their primary accountability to the Executive and the Parliament. Private sector companies, however, have as their primary responsibility the provision of shareholder value.

Convergence of the public and private sectors requires agencies to find the appropriate balance between efficiency and accountability with regard to their particular business opportunities and risks. Whether this will result in a different kind of accountability will largely be a decision of the Parliament and/or the Government. However, the Prime Minister has made it clear that we need to find ways to minimise any limitations associated with what could be described as the ‘Silo effect’ largely as a result of devolved authority to individual agencies.

**Audit coverage**

A particular concern for ACAG members is audit coverage of services delivered by joined–up government. In any joint delivery of services by independent organisations there is always the risk that the differing priorities of the organisations will reduce the efficiency and effectiveness of the delivery of the service. As discussed earlier in this paper in respect of public-private sector arrangements, agreeing governance structures and demonstrating accountability are particular challenges. ACAG members are both part of the governance structure in the Commonwealth, States and Territories, and one of the accountability mechanisms in their particular legislatures. However, cross-government service delivery may mean that part of the delivery process is outside the jurisdiction of individual ACAG members. Accountability for the total delivery of the service is therefore at risk.

For ACAG members, there is an additional risk that separate audits by two or more ACAG members of a joined–up government project, where each audit is necessarily limited to the member’s own area of responsibility, may result in differing conclusions about the project. A further risk is that part or all of a project may ‘fall between the cracks’ and not be considered for audit at all.

While these risks are not new to ACAG members – joint projects between Australian governments have been a reality since federation – the necessary closer links brought about by technology, and the immediacy demanded by the public for delivery of services irrespective of which government is responsible, bring into sharper focus the need for better project governance and accountability. Particular emphases are being placed on responsiveness of service delivery and overall performance of government.

Consequent to these needs for accountability of joined–up projects is the challenge for ACAG members to consider joint responsibility for providing assurance to the various legislatures. Current legislation that determines the operation of each member may limit the extent of cooperation between members. That is, joint audits may not be legally possible. However, cooperation between ACAG members to conduct contemporaneous audits may often be possible. This approach was successfully adopted for an audit of the gun buy-back scheme, funded by the Commonwealth and operated by the States and Territories, in 1996-97.

ACAG may wish to consider how members should address the challenge of auditing joined–up government, within their own constituencies, involving a number of agencies and the private sector in shared arrangements and between constituencies with the involvement of different levels of government.
NOTES AND REFERENCES

1 Howard, John the Hon. MP, Prime Minister 2001, Centenary of the APS Oration, Address to the Centenary Conference of the Institute of Public Administration. Canberra, June.

2 ibid.

3 Management Advisory Committee, 2002, Australian Government use of information and communication technology, Canberra.

4 ANAO Audit Report No.11 2001-02, Administration of the Federation Fund Programme, Canberra, 19 September.

5 ibid., p.17

6 ibid.


12 ibid., pp. 13-14.


14 Ibid., p.12

15 Ibid., p.12.

16 The Secretaries come from Immigration and Multicultural and Indigenous Affairs (Chair), Employment and Workplace Relations, Education, Science and Training, Environment Australia, Family and Community Services, Health and Aging, Transport and Regional Services, and Prime Minister and Cabinet.


21 Australia, Senate 2002, Debates (Proof), 14 May, p. 1369.
