

The Auditor-General

Audit Report No.6 1999–2000

# Audit Activity Report January to June 1999

## Summary of Outcomes

Australian National Audit Office

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Canberra ACT  
9 August 1999

Dear Madam President  
Dear Mr Speaker

In accordance with the authority contained in the *Auditor-General Act 1997*, I present this report of the results of our audits and audit related services over the first half of 1999, to the Parliament. The report is titled *Audit Activity Report: January to June 1999— Summary of Outcomes*.

Following its tabling in Parliament, the report will be placed on the Australian National Audit Office's Homepage—  
<http://www.anao.gov.au>.

Yours sincerely



P. J. Barrett  
Auditor-General

The Honourable the President of the Senate  
The Honourable the Speaker of the House of Representatives  
Parliament House  
Canberra ACT

## AUDITING FOR AUSTRALIA

The Auditor-General is head of the Australian National Audit Office. The ANAO assists the Auditor-General to carry out his duties under the *Auditor-General Act 1997* to undertake performance audits and financial statement audits of Commonwealth public sector bodies and to provide independent reports and advice for the Parliament, the Government and the community. The aim is to improve Commonwealth public sector administration and accountability.

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**Audit Team**

Michael Lewis

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# 1. Introduction

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**1.1** The Australian National Audit Office (ANAO) aims to assist Commonwealth bodies to improve performance and accountability through the delivery of an integrated audit service. The latter comprises a number of products and services including performance audits, which incorporate audits of financial control and administration, financial statement audits, assurance control and assessment audits, protective security audits, better practice guides and benchmarking studies.

**1.2** This report is the fifth in a series of reports tabled at six monthly intervals that summarise the audit and other related activities of the ANAO for the period January to June 1999.

**1.3** The purpose of the report is to:

- inform Parliament of the issues being addressed by the ANAO in its work to both encourage, and provide assurance about, a better performing and more accountable public sector;
- provide Parliament with a consolidated summary of the audit reports tabled in the last six months as well as details of the better practice guides and other audit services provided in the period; and
- focus on, and highlight, some of the major lessons learned from the audit services provided by the ANAO.

**1.4** The ANAO's principal client is the Parliament. The Joint Committee of Public Accounts and Audit (JCPAA), a statutory committee of the Australian Parliament, has particular responsibilities in relation to the ANAO. These include advising the Auditor-General of the audit priorities of Parliament; consideration of the operations and performance of the ANAO; reporting to Parliament about the Auditor-General's functions and powers and making recommendations to Parliament on the annual budget for the Office. The JCPAA reviews all ANAO reports, a selection of which is subject to quarterly public hearings. The ANAO often appears before Parliamentary Committees, most often the JCPAA, to give evidence in support of audit findings and/or elaborate on specific issues. The ANAO also provides seminars as well as briefings to individual or groups of Senators and members on request.

## **Corporate Governance**

**1.5** Since the early 1980s there has been a continuing drive to achieve a better performing Australian Public Service (APS) which provides less costly, better-focused, more responsive and higher quality services for

citizens. The APS, like State and Territory public services, has had to come to terms with a greater emphasis on the contestability of services and the outsourcing of non-core functions in pursuit of more cost-effective service delivery. The broad objective is to focus the APS on its core activities, namely policy development, legislative implementation and the contracting and oversight of service delivery. There is now a greater orientation towards outcomes rather than process, and an accent on continuous improvement to achieve better performance in an environment of devolved authority and greater management flexibility.

**1.6** In this environment, effective corporate governance is the key to delivering improved APS performance as well as ensuring proper regard for public accountability and ethical behaviour. Corporate governance is an issue which is currently receiving a great deal of attention in Australia and overseas, both in the private and public sectors. In the public sector the reforms to improve efficiency and effectiveness have directed attention to the need for more effective models of corporate governance, with a sharper focus on performance, notably timely, quality and cost-effective services to citizens.

**1.7** Definitions of corporate governance are many and varied. Broadly speaking, corporate governance generally refers to the processes by which organisations are directed, controlled and held to account. It encompasses authority, accountability, stewardship, leadership, direction and control exercised in the organisation. Corporate governance is concerned with structures and processes for decision-making and with the controls and behaviours within organisations that support effective accountability for performance outcomes.

**1.8** The major elements of corporate governance are strategic planning, risk management, performance monitoring and accountability mechanisms. The framework requires clear identification and articulation of responsibility and a real understanding and appreciation of the various relationships between the organisation's stakeholders and those who are entrusted to manage resources and deliver required outputs and outcomes. There is no one model of corporate governance but the broad principles are common to both the public and private sectors.

**1.9** Attention to corporate governance should not be merely a matter of form or rhetoric. In a democratic society, like Australia, the framework has real significance for the relationship between government and citizen and the expectations that each has of the other. Taxpayers are expected to contribute their share of taxation revenue. Citizens are entitled to expect efficient, effective and ethical use of public resources by the public sector regardless of their tax contribution. Notwithstanding the various



reforms that have occurred in public sector administration, this expectation has not changed. Proper attention to the governance framework can give citizens greater confidence in the efficient and effective operation of government. A robust framework also enables the public sector to manage better the changing demands of governments.

**1.10** In order to provide greater flexibility to agencies in the delivery of services, detailed accountability arrangements have been, or are being, replaced by a broader, principles-based framework. This has been achieved through the introduction of new legislation. For example:

- under the *Financial Management and Accountability Act 1997* Chief Executives are accountable for the efficient, effective and ethical use of their agency's resources;
- the *Commonwealth Authorities and Companies Act 1997* sets out reporting and accountability requirements for Commonwealth authorities; and
- the *Public Service Bill*, reintroduced into Parliament in March 1999, will further the Government's objective of providing agencies with greater flexibility in managing staff while maintaining appropriate levels of accountability and also enshrine APS values and the new code of conduct in legislation.

**1.11** Given the importance of corporate governance in this new environment, the ANAO has adopted it as one of the themes in its performance audit coverage. It has also published two discussion papers on the application of corporate governance in the public sector. The first of these, *Applying Corporate Governance Principles and Practices to Budget Funded Agencies*, highlighted the benefits of budget funded agencies applying the principles and practices of corporate governance for better performance. The second, *Corporate Governance in Commonwealth Authorities and Companies*, published in May 1999, aims to assist members of boards, chief executive officers and other senior executives of Commonwealth authorities and companies to evaluate their governance frameworks and make them more effective.

## **Better Practice**

**1.12** The ANAO continues to draw upon its audit experience to prepare better practice guides that assist agencies to better manage in this new environment.

**1.13** From 1 July 1999, responsibility for managing part of the Commonwealth's banking arrangements has been devolved to agencies. In March the ANAO published a guide, *Cash Management in the Commonwealth Public Sector*, drawing on ANAO, Department of Finance and Administration and other agency experience. The guide is designed

to provide practical assistance to agencies to improve their cash management, and hence the performance of their programs, in an accrual-based financial accountability framework.

**1.14** The management of parliamentary workflow is another important responsibility for agencies because it concerns the relationship between an agency and its portfolio minister. In May the ANAO published a better practice guide *Managing Parliamentary Workflow* which contains a checklist designed to assist Chief Executive Officers to assess the strengths and weaknesses of their agencies' current management of parliamentary workflow and also a detailed description of parliamentary workflow services.

**1.15** Not only does the ANAO publish separate, stand alone better practice guides, but many individual audit reports contain better practice principles which are relevant to all APS agencies. For example, Audit Report No.49 *Staff Reductions in the Australian Public Service* identified a range of better practice principles in relation to staff reduction exercises.

## **Assurance**

**1.16** As well as contributing to improvements in public sector administration, through its work on corporate governance, better practice guides and the like, the ANAO continues also to have a key role of providing positive assurance to the Parliament and the wider community about the operation of key controls in program administration. Public accounts committees (PACs) from a variety of parliamentary jurisdictions have expressed concerns about a reduction in internal and external audit coverage of legal compliance issues in public sector agencies. PACs have noted the emergence of a gap between the accountability issues expected to be covered by financial statement audits at one end of the audit continuum and broadly-based performance audits at the other. In an environment where risk management practices are increasingly being adopted in the public sector, while at the same time traditional controls and scrutiny exercised by internal audit units are diminishing or changing, PACs are concerned that insufficient audit coverage is being given to the 'middle ground'. As a consequence, the ANAO has re-engineered its Assurance and Control Assessment Audits with a view to ensuring that greater attention is given to providing assurance in the "middle ground" and will ensure compliance issues receive sufficient attention in the assurance and performance audit programs.

## **Information Technology**

**1.17** The past decade has seen a dramatic transformation in the role of information technology (IT) within organisations worldwide. The impact

on the management and delivery of government programs has been no less marked. The move to electronic commerce and the greater use of the Internet for business purposes is also escalating. This increased reliance on IT raises the importance of business risks and consequential audit issues associated with the use of IT by Commonwealth agencies. For example, security of IT systems involving, say, unauthorised access, virus attacks or the unauthorised use of information stored on databases. As part of its financial audit program the ANAO conducts tests on financial systems underlying the production of financial statements by agencies and will increasingly be focussing on IT matters in its performance audit program.

## **Summary of Recent Audit Coverage**

**1.18** The results of audits tabled in the past six months indicate that, for the most part, agencies are dealing effectively with the challenges facing them in achieving new approaches to the delivery of public services. Not surprisingly, the pace at which agencies are making the adjustment to a greater focus on achieving outputs and outcomes, and assuming new responsibilities in the deregulated public service environment tends to vary. The level and nature of risks facing agencies also vary. However, agencies are increasingly incorporating techniques such as risk management into their work and recognising that accountability requires them to set measurable goals for program performance and to monitor and report on that performance. Some agencies are relatively slow to recognise the benefits to be gained from attention to corporate governance as a means of addressing and managing issues associated with the public sector reform agenda. ANAO audit reports and better practice guides on key issues in public sector administration and the lessons learned from audits will assist agencies in this period of significant change. There has been an increasing audit focus on how agencies are managing the transition to a more contestable and outsourced environment, which includes extensive contract management, and on the necessary skills and management approaches that are required to ensure the required results.

## **Report Outline**

**1.19** The following chapters summarise the audit findings from performance audits (Chapter 2) and from financial statement audits (Chapter 3). Appendix 1 provides a short summary of each of the reports tabled between 1 January and 30 June 1999. Appendix 2 lists the audits in progress as at 30 June 1999. Appendix 3 lists speeches given by the Auditor-General and ANAO staff during the period January to June 1999.

## 2. Performance Audits

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*This chapter provides a summary of the key issues arising from performance audits tabled between January and June 1999.*

**2.1** Performance audits evaluate the economy, efficiency and effectiveness of the operations of public sector entities by examining and assessing resource use, information systems, performance outputs and outcomes including performance indicators and other performance information, monitoring systems and legal compliance.

**2.2** The Auditor-General has a mandate, under the *Auditor-General Act 1997*, to undertake, at his discretion, performance audits of all Commonwealth bodies other than Government Business Enterprises (GBEs) or persons employed under the *Members of Parliament (Staff) Act 1984*. Performance audits for wholly owned GBEs may, however, be undertaken by the Auditor-General where requested by the responsible Minister, the Minister for Finance or the Joint Committee of Public Accounts and Audit (JCPAA).

**2.3** General issues arising out of the performance audit reports tabled in the last six months included:

- corporate governance;
- risk management;
- performance monitoring;
- legal compliance;
- contract management; and
- asset sales.

### **Corporate Governance**

**2.4** Corporate governance remains a key issue for the performance auditing agenda. As outlined in the Introduction, corporate governance generally refers to the processes by which organisations are directed, controlled and held to account. The ANAO looks therefore for appropriate structures and processes for decision-making and the controls and behaviour that support effective accountability for performance outcomes.

**2.5** Audit Report No.32 *Agency Management of Parliamentary Workflow* focused on agency management of parliamentary and ministerial support processes coordinated within ministerial service units. In addition to

assessing agency effectiveness and efficiency, the audit considered the governance framework and accountability arrangements relevant to parliamentary workflows. The audit concluded that the agencies reviewed maintained effective management arrangements over their parliamentary and ministerial services. There was strong leadership from secretaries and senior executives supporting the provision of high quality service. Agencies were held accountable by ministers for all services provided and received ongoing, largely informal, feedback on service standards. The weakest areas of governance of agency management of parliamentary workflow were the lack of external reporting of services provided and their cost and, as a consequence, no real means of assessing accountability for the efficient use of agency resources.

## **Risk Management**

**2.6** The public sector management environment has traditionally been risk averse. Increasingly, however, managers are required to implement risk management practices and actively manage risks. In order to manage risks effectively it is necessary to develop a logical and systematic method of identifying, analysing, assessing, treating, monitoring and communicating the risks associated with an activity in a way that will enable an organisation to minimise losses and maximise opportunities. Although agencies are increasingly incorporating risk management techniques into their work, there is scope for more attention being given to this. Audit Report No.36 *Pay-As-You-Earn Taxation—Administration of Employer Responsibilities* found in a review of the ATO's PAYE Reconciliation Project that the ATO had not undertaken a soundly based risk assessment of the potential revenue losses through Group Employers failing to remit PAYE Group Tax deductions to the ATO. In Audit Report No.45 *Food Safety Regulation in Australia New Zealand Food Authority* a follow-up to a 1995 audit of Commonwealth consumer product safety organisations, the ANAO found that delays had occurred in implementing the risk management approach recommended, and agreed, in the previous audit.

## **Performance Monitoring**

**2.7** An effective performance framework requires setting objectives, strategies for achieving these objectives and mechanisms for collecting and using relevant data in a systematic way to assess performance. Performance information is not an end in itself but rather provides the basis for measuring and/or assessing whether a program is appropriate and performing to expectations and what opportunities exist to improve performance. It is therefore an integral part of the corporate management framework.

**2.8** Centrelink, the Commonwealth Services Delivery Agency, established within the Social Security Portfolio, provides a range of services on behalf of a number of other Commonwealth agencies. The arrangements between the other Commonwealth purchasing agencies and Centrelink are set out in agreements which contain, amongst other things, the performance information by which the Centrelink's service delivery arrangements can be assessed. These arrangements were explored in Audit Report No.30 *The Use and Operation of Performance Information in the Service Level Agreements*.

**2.9** The 1997–98 agreements between the then Department of Social Security and Centrelink contained many of the expected elements of a robust performance assessment framework. The performance assessment framework in the 1997–98 agreement between the then Department of Employment, Education, Training and Youth Affairs (DEETYA) and Centrelink had enabled the adequate assessment of achievements in that year. The framework contained mechanisms to help ensure data accuracy and reliability and also requirements for formal consultation or monitoring arrangements at various levels and regular and timely reporting supported by appropriate analysis.

**2.10** The ANAO examined the use of performance for specific purpose payments in Audit Report No.31 *The Management of Performance Information for Specific Purpose Payments—The State of Play*. Although there had been improvements since an earlier survey of Specific Purpose Payments (SPPs) the most disappointing issue to emerge from this latest survey was the limited use of performance indicators, targets and milestones in SPP Agreements and/or associated documented administrative arrangements. As many SPP performance indicators did not measure effectiveness, agencies have no objective means of measuring program achievements in such cases.

**2.11** Audit Report No.35 *The Service Pension*, conducted in the Department of Veterans Affairs (DVA), was one of a series of ANAO performance audits of pension or benefit payments functions. It built on experience gained from previous ANAO performance audits in this area. The audit found that the DVA needed better information to ensure that it was minimising the cost of service delivery. Overall, DVA was providing a high quality client service within policy and budgetary constraints, although it needed (and was developing) a more comprehensive set of performance indicators for its own management and accountability purposes.

**2.12** Shortcomings in the analysis of performance information were also noted in Audit Report No.39 *National Aboriginal Health Strategy—*

*Delivery of Housing and Infrastructure to Aboriginal and Torres Strait Islander Communities.* Although ATSIC collected appropriate performance information from NAHS projects for 1997–98, the information was not adequately analysed or reported at the state/territory and national levels. Changed financial arrangements between the Commonwealth and the states/territories for supporting the delivery of indigenous housing and infrastructure meant that ATSIC should further develop the criteria for assessing, monitoring and reporting its performance.

**2.13** Performance information issues were also addressed in Audit Report No.44 *Naval Aviation Force* which focused on the efficiency and effectiveness of the Department of Defence’s management of the Naval Aviation Force in achieving its required capacity within budgeted resources. The ANAO found that the effective and efficient management of Defence resources could be improved by, *inter alia*, setting appropriate benchmarks and performance targets for key cost drivers.

## **Legal Compliance**

**2.14** Legal compliance issues remain prominent in performance audits, most notably in recent audit work at the Australian Taxation Office (ATO). For the period in question three reports were tabled on the ATO’s responsibilities, addressing compliance matters. In Report No.34 *Fringe Benefits Tax* the ANAO found that there was a high level of complexity in the application of FBT law and relatively high costs of compliance with FBT. The audit found that the ATO had taken a number of initiatives in recent years to improve the administration of FBT and was putting in place several key strategies that had the potential to improve FBT compliance. Compliance issues were also a feature of Report No.36 *Pay-As-You-Earn Taxation—Administration of Employer Responsibilities*. The ANAO found that the ATO’s administration of the PAYE system was generally sound and ensured that most employers complied with their responsibilities for remitting tax withheld from employees’ salaries. However improvements in data integrity of support systems, coupled with implementation of client risk profiling, would lead to better targeting and timeliness of compliance activity and therefore better outcomes. Audit Report No.37 *Management of Tax File Numbers* examined the ATO’s administration of the tax file number system, the integrity of which is central to the tax revenue system. The ANAO confirmed that the TFN system had improved tax effectiveness by enabling the collection of additional revenue. However, the gap between current and optimal levels of effectiveness and efficiency has arisen from several factors including less than full compliance by the ATO’s clients with the TFN quotation arrangements.

**2.15** Legal compliance was also addressed in Audit Report No.35 *The Service Pension*. The audit, conducted in DVA, provided reassurance that, overall, the Department had systems in place to ensure that the correct service pension and other income support payments was paid to veterans and war widows in accordance with the legislation.

**2.16** Audit Report No.47 *Energy Efficiency in Commonwealth Operations* examined Commonwealth agencies' compliance with the Commonwealth's energy efficiency requirements. Not unexpectedly for a policy that had been operating for less than 12 months, the ANAO found that the requirements had been met to varying degrees. However, the indications were that the Commonwealth was close to achieving the energy use targets that were the primary objectives of the energy efficiency requirements.

### **Contract Management**

**2.17** The delivery of government services and programs by third party providers is becoming more widespread. The ANAO has undertaken a number of audits, which have examined the administration of such arrangements, including in particular the management of contracts between the program manager and the provider. Examples tabled in the period covered by this report include Audit Report No.30 *The Use and Operation of Performance Information in the Service Level Agreements* and Audit Report No.42 *The Establishment and Operation of Green Corps*. In both audits it was found that contracts in line with government policy were in place and appropriate performance arrangements existed. However, there was room for improvement in the comprehensiveness of contract management in the case of the Green Corps arrangement.

**2.18** Audit Report No.39 *National Aboriginal Health Strategy—Delivery of Housing and Infrastructure to Aboriginal and Torres Strait Islander Communities* found that contracted program management arrangements implemented by ATSIC were consistent with program objectives and effective in delivering major housing and infrastructure projects to indigenous communities.

### **Asset Sales**

**2.19** The Government has continued its program of selling major Commonwealth assets with the ANAO maintaining its audit coverage of such sales. Audit Report No.48 *Phase 2 of the Sales of the Federal Airports* examined the 1998 sale of 14 airport leases in Phase 2 of the Government's airport privatisation program. The ANAO had previously examined the Phase 1 sale of Federal airport leases in an earlier report Audit Report No.38 1997–98 *Sale of Brisbane, Melbourne and Perth Airports*. The audit



found that agencies had implemented all eleven recommendations made in the earlier report. The improved processes resulting from the implementation of the earlier recommendations assisted in an effective overall outcome for the Phase 2 sales process that raised \$730 million in proceeds. The ANAO did, however, recommend the further strengthening of administrative procedures in several areas for future Commonwealth trade sales.

## 3. Financial Statement Audits

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**3.1** The Auditor-General undertakes audits of the financial statements of all Commonwealth entities each year. The *Financial Management and Accountability Act 1997*, the *Commonwealth Authorities and Companies Act 1997* and the Corporations Law prescribe the need for entities to prepare financial statements and arrange for their audit.

**3.2** The results of financial statement audits together with any important audit findings arising from the audits are reported directly to the responsible Minister, generally at the completion of the audit, and progressively to the executive management of each entity.

**3.3** The audit report on the financial statements, which contains the audit opinion, is included, together with the financial statements of each entity, in its annual report tabled in Parliament.

**3.4** The Auditor-General also produces a report to the Parliament, which summarises the outcomes of all financial statement audits. Audit Report No.20 *Audits of the Financial Statements of Commonwealth Entities* for the period ended 30 June 1998 is the most recent of these reports and was tabled in the Parliament on 8 December 1998. Where the financial statements had not been submitted for audit in time to be included in the above report, the results of the financial statement audits are included in the Audit Activity Report for the next six-month period.

### Commonwealth Government of Australia 1997–98 Consolidated Financial Statements

**3.5** Section 55 of the *Financial Management and Accountability Act 1997* requires that the Minister for Finance and Administration prepare and submit for audit annual financial statements for the Commonwealth. The audit report on the *1997–98 Consolidated Financial Statements* was issued on 9 March.

**3.6** In previous years, the *Audit Act 1901* required the preparation of an Aggregate Financial Statement reporting on the particulars of the cash receipts and expenditures of the Commonwealth Public Account. This Statement was audited and tabled in Parliament by the Auditor-General on an annual basis.

With the passage of the *Financial Management and Accountability Act 1997* this requirement lapsed. After consultation with the Joint Committee of Public Accounts and Audit it was agreed to dispense with the separate detailed reporting of Commonwealth Public Account transactions but to include summarised information as a part of the *Consolidated Financial Statements*.

**3.7** The audit report noted uncertainty over the ability of the Commonwealth to recover assets in the Asia Pacific Region. The majority of those assets (\$1.4 billion) were export finance loans held by the Export Finance and Insurance Corporation. At the time of the audit report, there was significant inherent uncertainty concerning the economic situation in the Asia Pacific Region that gave rise to the possibility of a variation in the future carrying value of the loans.

**3.8** There were a number of other matters arising out of the *Consolidated Financial Statements*. These are detailed below.

### **Reporting of Executive Remuneration**

**3.9** As has been noted in previous years, the *Consolidated Financial Statements* do not include disclosure of remuneration received by Ministers or executive officers of Commonwealth entities. Although the accounting standards do not currently require the inclusion of this information, the reporting of executives' remuneration within the financial statements is considered to be a key accountability mechanism which represents better practice in financial statement disclosure. Such disclosure is required of companies reporting under the Corporations Law and of individual Commonwealth entities reporting in accordance with the Orders issued by the Minister for Finance and Administration. Given executives' remuneration is reported by individual entities, the ANAO has recommended to the Minister for Finance and Administration that consideration be given to the inclusion of this information in the *Consolidated Financial Statements* in future years.

## Financial Statements Preparation

**3.10** The ANAO also made a number of recommendations to the Minister for Finance and Administration aimed at improving the process for preparing the *Consolidated Financial Statements*. These were:

- optimising the use of the new Accrual Information Management System in the collection of information required to produce the statements;
  - ensuring changes in accounting standards are properly taken into account in planning for the statements; and
  - ensuring appropriate involvement of departmental officers throughout the statement preparation process.
- 

A handwritten signature in black ink, appearing to read 'P. J. Barrett', written in a cursive style.

Canberra ACT  
9 August 1999

P. J. Barrett  
Auditor-General

# Appendices



## **Appendix 1**

### **Audit reports tabled in the period 1 January 1999 to 30 June 1999**

#### **Audit Report No.30 1998–99**

##### *Performance Audit*

#### **The Use and Operation of Performance Information in the Service Level Agreements**

**Department of Social Security (DSS); Department of Employment, Education, Training and Youth Affairs (DEETYA); Centrelink**

The objective of the audit was to establish whether the performance assessment framework specified in the agreements between Centrelink and DSS and DEETYA enabled the adequate assessment of achievements under the purchaser/provider arrangements entered into by DSS, DEETYA and Centrelink.

The audit focused on the monitoring and reporting of performance in 1997–98; the process of developing the 1998–99 agreements; the performance information contained in the agreements for 1998–99, including the accuracy and reliability of the data used to measure performance; the requirement to achieve value for money; the cost of providing identified performance information; and progress made by agencies in preparing for the implementation of the accrual budgeting framework from 1 July 1999. The ANAO found that, in most areas examined, arrangements were working well in practice and sound performance information had been established. Where the ANAO was unable to confirm that DSS was undertaking timely and systematic monitoring, that agency moved quickly to address the matter. Agencies had made satisfactory progress in relation to the accrual budgeting framework. The ANAO made one recommendation, which was agreed, aimed at improving performance information.

## **Audit Report No.31 1998–99**

### *Performance Audit*

#### **The Management of Performance Information for Specific Purpose Payments—The State of Play**

Performance information provides the basis for measuring and/or assessing whether a program is appropriate and performing to expectations and what opportunities exist to improve performance. Specific Purpose Payments (SPPs) are a classification of Budget appropriations that involved \$18.7 billion in 1997–98 (some 15 per cent of Commonwealth outlays). The audit included 71 SPPs representing over 97 per cent of total outlays in 14 different agencies. The results provide the basis for measuring performance since the Joint Committee of Public Accounts and Audit (JCPAA) Report 342 *The Administration of Specific Purpose Payments* (1995) the subsequent JCPAA Report 362 *General and Specific Purpose Payments to the States* (1998). The objectives of the audit were to: identify and benchmark current practices in the management of performance information within SPP agreements, document the lessons learned, including better practice from different agencies; provide a longitudinal analysis of progress since 1995; and provide practical guidance for the development and implementation of appropriate performance information systems and accountability.

Considerable effort has been devoted by agencies to improving the quality of performance information in SPP agreements and/or associated arrangements. A number of good practices identified through the audit were consistent with ideal administrative features developed by the JCPAA. The most disappointing aspect of the 1997–98 survey was the limited use of performance indicators, targets and milestones in SPP Agreements and/or associated arrangements. Considerable scope for improvement was found in relation to financial accountability. Positive cash savings can be achieved by agencies (a) improving the provision of accurate and timely cash forecasts; (b) more closely matching funding to State and Territory needs; and (c) making smaller, more frequent in-advance payments. The ANAO has estimated that the Commonwealth's short-term borrowing costs could have been reduced by some \$32 million in 1996–97 by this latter means alone. The ANAO estimated that the full cost to the Commonwealth of administering the 71 SPPs examined was some \$68.8 million (one-third of one percent of the value of SPPs in 1996–97). The ANAO made nine recommendations aimed at strengthening the design and performance of SPP administration. Agencies generally agreed or agreed with qualification to the recommendations.



## **Audit Report No.32 1998–99**

### *Performance Audit*

#### **Agency Management of Parliamentary Workflow**

**Department of Defence; Department of Health and Aged Care; Department of Family and Community Services; and Centrelink.**

The audit reviewed management of parliamentary workflow by four agencies, focusing on parliamentary and ministerial support functions. Accordingly the audit did not include the services provided to the Government, Ministers and Parliament which relate to policy development and associated program delivery.

The objective of the audit was to review an important core business of agencies, to assess whether it was conducted efficiently and effectively, and to identify elements of good practice. The audit focused on issues of client service such as timeliness, quality and cost; governance frameworks and accountability arrangements; and operational matters such as IT systems, management information and benchmarking.

The audit concluded that the agencies reviewed achieved a high degree of effectiveness. Lack of information on the cost of services prevented any conclusion on efficiency. The audit made seven recommendations aimed at improving the efficiency and effectiveness of parliamentary workflow. Agencies agreed, or agreed with qualifications, to all of the recommendations.

## **Audit Report No.33 1998–99**

### *Audit Activity Report: July to December 1998*

#### **Summary of Audit Outcomes**

The report summarised the audit and other related activities of the ANAO in the period June to December 1998. Key themes to emerge were corporate governance; management of core programs; contract management; and asset sales.

## **Audit Report No.34 1998–99**

### *Performance Audit*

#### **Fringe Benefits Tax**

##### **Australian Taxation Office**

The objective of the audit was to ascertain and report to Parliament on the Australian Taxation Office's (ATO) administration of Fringe Benefits Tax (FBT) and to identify opportunities for improvement. The ANAO identified and reviewed five key issues relevant to the effective administration of FBT: knowledge of the taxpayer base; education of taxpayers; client service (advice handling); other enforcement activities (audits and reviews); and the systems required to support the administration of FBT, including staff skills and training and information systems. The ANAO found that the ATO has taken a number of initiatives in recent years to improve its administration of FBT and is currently putting in place several key strategies that have the potential to enhance its FBT administration. Notwithstanding these initiatives, the ATO still faces significant challenges in its administration of FBT. The ANAO made five recommendations to assist the ATO to address these challenges and improve the administration of FBT. The ATO agreed with all five recommendations.

## **Audit Report No.35 1998–99**

### *Performance Audit*

#### **The Service Pension**

##### **Department of Veterans' Affairs**

The audit objective was to determine DVA's performance in the economy, efficiency and administrative effectiveness of the delivery of income support payments to veterans and war widows. The audit found that DVA's administration of the service pension and other income support payments was generally sound. However, DVA needed a more complete picture of the costs of processing the service pension and other income support payments to inform effective decision making and provide a benchmark for assessing administrative efficiency. The ANAO found that DVA's management initiatives were reducing costs and improving client service. DVA was paying the correct pension to the correct people in a timely fashion and was providing, overall, a high quality client service within policy and budgetary constraints. The ANAO made eight recommendations for improvement. DVA responded positively to the audit and agreed to implement ANAO's recommendations, with three subject to qualification.

**Audit Report No.36 1998–99***Performance Audit***Pay-As-You-Earn Taxation—Administration of Employer Responsibilities****Australian Taxation Office**

The objective of the audit was to assess key aspects of the ATO's administration of the PAYE system in relation to employers' remittances and to identify opportunities for improvement. The ANAO focused on four areas of PAYE administration:

- remittance monitoring, especially managing late remittances;
- follow-up action for end of year reconciliation, including discrepancies;
- handling compliance intelligence gained from the public; and
- ATO compliance projects.

The ANAO considered the ATO's administration of the PAYE system in relation to employers' remittances to be generally sound. It ensures most employers comply with their responsibilities for remitting tax withheld from employees' salaries. The ANAO found that there is scope for improvement in the ATO's administration of PAYE. The audit revealed a risk to revenue arising from the ATO's lack of timeliness in actioning late PAYE remittances and reconciliation discrepancies. Improvements in data integrity of support systems, coupled with implementation of client risk profiling, would lead to better targeting and timeliness of compliance activity and therefore better outcomes. The ANAO made eleven recommendations aimed at improving the timeliness of follow-up action in dealing with non-compliance, better analysis of available information, improvements in data accuracy, consistent use of risk profiling and improved use of performance indicators. The ATO agreed with all recommendations.

## **Audit Report No.37 1998–99**

### *Performance Audit*

## **Management of Tax File Numbers**

### **Australian Taxation Office**

The TFN system is a cornerstone of the tax revenue system. It also supports two other significant areas of Commonwealth administration. These are the regulation of the superannuation industry and the administration of Commonwealth benefit payment systems. The efficiency and effectiveness with which these collection, regulation and distribution systems operate now depends crucially on the integrity of the TFN system. The legislated privacy arrangements are essential to the integrity of the TFN system. The objective of the audit was to report to the Parliament on the efficiency and effectiveness with which the ATO administers the TFN System and to identify opportunities for improvement of that system. The ANAO confirmed that the ATO's TFN system has improved tax effectiveness by enabling the collection of additional revenue. The ANAO also confirmed that the ATO's TFN system has improved administrative efficiency by enabling the provision of better services to clients at lower cost. These improvements have depended on four main factors: the extension of the TFN system; a higher level of voluntary compliance in the quotation by taxpayers of the TFN; improvements in the quality of the ATO's data; and widespread use of more sophisticated information technology.

Further gains in the effectiveness and efficiency of the TFN system are achievable. The gap between current and optimal levels of effectiveness and efficiency has arisen from several factors including: shortcomings in the quality of the ATO's data bases; weaknesses in the management of the risks associated with the verification of the identity of TFN applicants; and deficiencies in the systems supporting the administration of the TFN withholding tax. The ANAO notes that, in addition, less than full compliance by the ATO's clients with the TFN quotation arrangements has contributed to the gap. Seven recommendations were made to improve the efficiency and effectiveness of ATO's TFN system. ATO agreed with these, but with some qualification on two matters. Implementation of ANAO's recommendations could result in improved financial benefits, in the order of an additional \$460 million, for the Commonwealth.

**Audit Report No.38 1998–99***Preliminary Study***Management of Commonwealth Budgetary Processes**

**Department of Finance and Administration; Treasury; Australian Customs Service; Department of Family and Community Services; Department of Prime Minister and Cabinet.**

The objective of the preliminary study was to form a view regarding the quality of, and controls over, the Budget estimates and to inform the decision whether to proceed to a full performance audit. On the basis of the quantitative and qualitative analysis undertaken during the study the ANAO concluded that there are no apparent systemic problems in the cash-based estimating processes in the agencies reviewed that would, in themselves, lead to material statistical inaccuracies in the Budget's projected outcomes. (The first accrual-based Commonwealth budget was brought down in May 1999 for the 1999–2000 Budget.) The ANAO noted that it was likely that there would be greater volatility in the accuracy of the Budget estimates in the early years of application of accrual budgeting as the accruals basis of estimates is bedded down. The ANAO decided not to proceed with a full performance audit at this time. Agencies generally supported the preliminary study's findings.

## **Audit Report No.39 1998–99**

### *Performance Audit*

## **National Aboriginal Health Strategy—Delivery of Housing and Infrastructure to Aboriginal and Torres Strait Islander Communities**

### **Aboriginal and Torres Strait Islander Commission**

The National Aboriginal Health Strategy (NAHS) program aims to improve environmental health in indigenous communities through the construction of housing and the provision of water, sewerage and related systems. NAHS also facilitates training and employment opportunities for community members who want to be involved in the construction of NAHS housing and infrastructure. The objective of the performance audit was to form an opinion on the Aboriginal and Torres Strait Islander Commission's (ATSIC) management of the NAHS program in providing housing and related infrastructure to Aboriginal and Torres Strait Islander communities, and to identify any areas where program administration could be improved. The audit found that contracted program management arrangements implemented by ATSIC were consistent with program objectives and effective in delivering major housing and infrastructure projects to indigenous communities. However, ATSIC's analysis and reporting of NAHS performance information for 1997–98 were not sufficient for stakeholders to understand ATSIC's role, including the constraints on its role. The audit made seven recommendations aimed at improving ATSIC's management of the NAHS program. ATSIC agreed with all recommendations, one with qualification.

**Audit Report No.40 1998–99***Performance Audit***The Pharmaceutical Industry Investment Program—  
Assessment of Applicants****Department of Industry, Science and Resources**

In April 1997 the Government announced the Pharmaceutical Industry Investment Program (PIIP) to compensate the pharmaceutical industry, in part, for the Government exercising its monopoly power under the Pharmaceutical Benefits Scheme. \$300 million was allocated to fund the program over five years, and applications invited for funding from the program. The Department of Industry, Science and Resources (ISR) sought the services of the ANAO to provide an opinion on the probity of the methodology and procedures applied in the assessment of applicants. The objectives of the audit were to assist ISR in the timely identification of deficiencies in assessing responses from applicants and options for addressing any such deficiencies. This included testing for adherence to principles of fairness and equity. The ANAO provided advice during the course of the audit, which was accepted by ISR. The ANAO concluded that the assessment process was free of bias and conflict of interest, and that applicants were treated ethically, equitably and fairly.

## **Audit Report No.41 1998–99**

### *Performance Audit*

## **General Service Vehicle Fleet**

### **Department of Defence**

The ADF has a large fleet of unarmoured, multi-wheel drive vehicles capable of cross-country performance (6350 motor vehicles together with some 3100 trailers and 450 motorcycles). Known as General Service (GS) vehicles, they are used to move equipment, supplies and personnel in a combat support role. The objective of the audit was to assess the effectiveness of, and to identify possible areas for improvement in, Defence management of the GS fleet.

The ANAO recognised that Defence was undertaking a range of initiatives in relation to its management of the GS fleet but there was scope for significant improvement in a number of areas. The report highlighted deficiencies in the numbers of vehicles held against unit entitlements, as well as the inaccuracy of data holdings; the benefits of assessing unit vehicle needs and adjusting entitlements accordingly; establishing the required loan and repair pool numbers for GS vehicles and trailers; and addressing deficiencies in the trailer fleet. It also outlined the need to develop a set of objective mobility categories; gather life-of-type management information; complete a GS fleet life-of-type review using through-life costs; undertake a cost-benefit analysis of staged GS fleet replacement; as well as the need to determine the potential for increased usage of commercial vehicles. The report also identified scope to improve the monitoring and coordination of vehicle management activities; fleet management practices; the development of key management information systems; the care and maintenance of equipment and the high maintenance costs of GS vehicles. The report highlighted the need for a sound cost-benefit analysis prior to undertaking significant modifications to in-service GS fleets; the need for improved accident data; and the need to introduce measures to avoid the overloading of vehicles.

The ANAO made 15 recommendations directed towards improving management and accountability, achieving savings in operating costs and greater efficiency and effectiveness. The Department agreed to all recommendations.



## **Audit Report No.42 1998–99**

### *Performance Audit*

## **The Establishment and Operation of Green Corps**

### **Department of Education, Training and Youth Affairs (DETYA)**

The audit examined the effectiveness and efficiency of the administrative arrangements for the establishment and operation of the Green Corps Program. The focus was on DETYA's administration of the program, including the management of the contract with the Australian Trust for Conservation Volunteers, which managed and administered the day-to-day operations. The ANAO concluded that DETYA is well focused on achieving the required outcomes and outputs for the program; that the national organisation which had responsibility for running the program was contracted in line with government policy; and that appropriate performance arrangements existed. However, there were areas of the administration which were not fully effective and efficient. The ANAO made five recommendations relating to these areas of weakness. They included the need to undertake a comprehensive risk assessment of the program, ensure that criteria to evaluate the tenders from contracted agencies demonstrate procedural fairness, improve the comprehensiveness of contract management and use all information collected to monitor performance. DETYA agreed with all recommendations.

## **Audit Report No.43 1998–99**

### *Performance Audit*

## **Networking the Nation**

### **Department of Communications, Information Technology and the Arts**

Networking the Nation was established with effect from 1 July 1997 to support of activities and projects designed to meet a range of telecommunications needs in regional, rural and remote Australia. Funding for the program is provided by the Regional Telecommunications Infrastructure Fund (RTIF). The program provides total support of \$250 million, of which \$50 million was to be allocated annually for the five-year period from 1997–98. Funding decisions for grants are the responsibility of an independent Board appointed by the Minister for Communications, Information Technology and the Arts. The Department of Communications, Information Technology and the Arts provides administrative support to the Board. The ANAO examined the administration of the program to ascertain the scope for identifying improvements and to provide assurance on the effectiveness, efficiency and equity of the management and administrative processes. The audit found that the objectives of the program had broadened from those originally approved by Government. This raised issues about the necessary authority for the revised program objectives and had implications for the program and administrative effectiveness. The ANAO considered the Department should have briefed the Minister on the implications of broadening the objectives of the program and alerted him to his obligation to consult with his Ministerial colleagues in the interests of better accountability. The administrative processes were highly structured and labour-intensive. While a balance may need to be drawn between the economy of administrative arrangements and the effective delivery of the program, there is scope to review resource allocation for the program to better match resources to workload and to examine opportunities to reduce the costs of program delivery. In terms of access and equity, the program has been administered in accordance with the program designed and associated guidelines. Decision-making was equitable, with no obvious weighting in the allocation of funds to particular political parties. The ANAO made three recommendations that were accepted by the agency.

## **Audit Report No.44 1998–99**

### *Performance Audit*

## **Naval Aviation Force**

### **Department of Defence**

The Naval Aviation Force (NAF) is part of the Naval Combat Forces Sub-Group in the Defence portfolio. NAF's main function is to provide air support for Navy ships. The objectives of the audit were to assess whether the planning, management and resource allocation mechanisms and practices were conducive to achieving NAF's objectives in a cost-effective manner.

The ANAO could not identify a comprehensive and integrated military framework for the NAF embracing strategic, operational and tactical levels. As a result, it was not possible to assess whether NAF meets Defence's military requirements overall. NAF personnel were considered to perform professionally in their activities and generally met the requirements of their ships and Navy's operational standards. The audit found that the effectiveness and efficiency of the Defence resources employed in NAF could be improved, mainly by making clearer linkages between military preparedness requirements and resource allocations and usage; providing more cost-effective logistical support by reviewing maintenance and support policies and practices and setting appropriate benchmarks and performance targets for key cost drivers; and completing a comprehensive planning framework for NAF. The ANAO made 12 recommendations, aimed at improving the efficiency and effectiveness of the management of NAF. Defence agreed to all of these recommendations.

## **Audit Report No.45 1998–99**

### *Follow-up Performance Audit*

## **Food Safety Regulation in Australia**

### **Australia New Zealand Food Authority**

The ANAO conducted an audit of the Australia-New Zealand Food Authority (ANZFA) as a follow-up to a 1995 audit of the operations of five Commonwealth consumer product safety (Audit Report No.12 1995–96 *Risk Management by Commonwealth Consumer Product Safety Regulators*). The scope of the follow-up audit was confined to ANZFA because public health and safety associated with food is one of the most important areas of consumer product safety regulation. The objectives of the audit were to determine the extent to which ANZFA had implemented the agreed recommendations in the 1995 Audit and the effectiveness of the implemented recommendations in improving food safety regulation. The ANAO concluded that, although action was now being taken in a number of areas to implement improvements in food safety regulation, ANZFA had generally been slow to take action to implement the 1995 audit recommendations. The effectiveness of the implementation of the recommendations had yet to be demonstrated and the ANAO could not form an opinion on this matter at this time. Nevertheless, the ANAO considered that a number of measures under development by ANZFA had the potential to significantly improve the protection of public health and safety. The ANAO made five recommendations aimed at addressing the shortcomings identified. ANZFA agreed or agreed with qualification to all five recommendations.

## **Audit Report No.46 1998–99**

### *Performance Audit*

## **Redress of Grievances in the Australian Defence Force**

### **Department of Defence**

Members of the Australian Defence Force have informal and formal complaint mechanisms available to them to address grievances. The objective of the audit was to ascertain whether the redress of grievances system could be refined to improve the efficiency and timeliness of processing of complaints while preserving the equity and transparency the current system provides. The ANAO made 14 recommendations aimed at improving the efficiency and effectiveness of the current Redress of Grievance system. The Department agreed to all of the recommendations, although with six recommendations agreement was qualified.

## **Audit Report No 47 1998–99**

### *Performance Audit*

## **Energy Efficiency in Commonwealth Operations**

### **Department of Industry, Science and Resources; Australian Greenhouse Office**

The objectives of the audit were to form an opinion on the management of Commonwealth agencies' compliance with the Commonwealth's energy efficiency requirements and to identify areas for better practice in energy management by those agencies. The audit was conducted within twelve months of the announcement of the Energy Policy. Although the ANAO did not expect to find full compliance with all parts of the Policy, the ANAO anticipated that Commonwealth agencies should have developed, or be in the process of developing, systems and procedures to implement the Commonwealth's energy management requirements. This was the main criterion against which the performance of Commonwealth agencies was audited.

The ANAO concluded that the 12 Energy Policy Requirements, which apply to all agencies, had been met to varying degrees. Significant practical and administrative issues required resolution before an appropriate level of compliance with many of the Energy Policy requirements was achieved by those agencies; and many systems and procedures required by the Energy Policy remained to be developed by coordinating and other agencies. These findings notwithstanding, the whole-of-Government DISR report on *Energy Use in Commonwealth Operations for 1997–98* indicated that the Commonwealth Government was relatively close to achieving the energy use targets that were the primary objective of the Policy. The ANAO also considered that there was a risk that the momentum developed to date towards greater energy use efficiency could falter because agencies only focused on compliance with the requirements of the mandatory Policy at the expense of other more cost efficient energy efficiency initiatives. The ANAO made seven recommendations to improve the efficiency and effectiveness of Energy Policy implementation, all of which were agreed or agreed in principle by the responding agencies. In addition, the ANAO, DISR and AGO are developing a Better Practice Guide to assist agencies in achieving better results in energy management.

## **Audit Report No 48 1998–99**

### *Performance Audit*

#### **Phase 2 of the Sales of the Federal Airports**

The ANAO's objectives in auditing Phase 2 of the sales of the Federal airports were to review the efficiency and effectiveness of the conduct of the sales process with regard to the extent to which the sale objectives were achieved; review the effectiveness of the management of the sale process to ensure the Commonwealth received fair value; determine whether the sale arrangements adequately protected the Commonwealth's interests; and identify principles of sound administrative practice to facilitate improved administrative arrangements for future trade sales. The audit also examined steps taken to address the Government's ongoing privatisation objectives for the sale. The sale of leases for the 14 Phase 2 Federal airports was completed by 30 June 1998, in accordance with the Government's timetable. This represented a significant achievement given that it constituted the largest completed airport trade sales program in the world to that date and achieved the Government's sales objectives. The simultaneous trade sale of 14 of the 15 Phase 2 Federal airports raised Commonwealth proceeds of \$730 million, bringing total proceeds to date from the airports privatisation program to \$4.04 billion. Agencies implemented all eleven recommendations made in Audit Report No.38 1997–98 *Sale of Brisbane, Melbourne and Perth Airports*. The ANAO considers that the improved processes resulting from implementation of the audit's recommendations assisted an effective overall outcome for the Phase 2 sales process. The ANAO made four recommendations to improve the future management of Commonwealth asset sales all of which were agreed with qualification by the Office of Asset Sales and Information Technology Outsourcing.

## Audit Report No.49 1998–99

### *Performance Audit*

#### **Staff Reductions in the APS**

The objective of the audit was to assess the extent to which staff reductions have been managed in a sound strategic and cost-effective manner consistent with the Government's guidelines and the ANAO's 1996 better practice guide *Managing APS Staff Reductions*. The audit focused on the practices of three agencies (the Australian Taxation Office—ATO; the former Department of Primary Industry and Energy—DPIE; and the former Department of Transport and Regional Development—DoTRD) in relation to: strategic planning for staff reductions; implementation of staff reductions; and adherence to the Government's guidelines, including monitoring the impact of staff reductions on corporate knowledge and the diversity of APS staff.

Because the audit did not seek to consider, at the global level, the relationship between inputs and outputs/outcomes, no general conclusions could be drawn on how strategic agency decision-making had been in managing staff reductions across the APS. However, the ANAO found that the majority of staff reductions across the APS were achieved through retrenchment rather than through natural attrition; and comprehensive information that integrates the cost of staff reductions and the number of staff accepting redundancy was not available for the APS as a whole, nor was it given much attention in agencies' annual reports.

Overall, the reduction exercises examined in the three agencies audited were generally well managed with some examples of good practice. The three agencies audited formulated sound operational plans to implement staff reductions and adherence to the Government's guidelines was satisfactory in most instances with all agencies considering their action in the light of operational imperatives. However, the apparently limited emphasis given to managing the agencies' human capital (or corporate knowledge) should be addressed as part of any future staff reduction processes.

The report made nine recommendations all of which were agreed or agreed with qualification. The majority of recommendations identified in the audit were likely to have general application across all APS agencies and, therefore, should be considered in any future agency staff reductions. The ANAO included a series of better practice principles, which are also relevant to all APS agencies—these were welcomed by the agencies audited.

## **Appendix 2**

### **Performance audits and preliminary studies in progress at 30 June 1999**

Implementing purchaser provider arrangements between DHAC and Centrelink—tabled 13 July 1999

Use of Financial Information (cross-agency)—tabled 15 July 1999

Electronic Travel Authority (DIMA)—tabled 22 July 1999

Fraud Control Arrangements in Employment, Education, Training and Youth Affairs (DETYA)—tabled 22 July 1999

Protective Security—Classification system for protecting sensitive information (cross-agency)

Data Privacy in Centrelink (Centrelink)

IP Australia—Productivity and Client Service (DISR)

Emergency Management of Pests and Disease Incursions (AFFA and CSIRO)

Management of Major Equipment Acquisition Projects (Department of Defence)

Internal Audit—Benchmarking (cross-agency)

Financial Aspects of the Costs of Digital Conversion (Australian Broadcasting Corporation and Special Broadcasting Service)

Records Management in the APS (cross-agency)

Commonwealth Assistance for Housing Provision under the Commonwealth-State Housing Agreement (DFCS)

AusAID Management of Student Scholarship Program (AusAID)

Electronic Service Delivery by Commonwealth Agencies using the Internet (cross-agency)

Army Individual Readiness (Department of Defence)

Weather Services in the Bureau of Meteorology (DoEH)

Coastwatch Operations (ACS)

Commonwealth Debt Management (RBA, Treasury)

Management of Commonwealth Non-Primary Industry Levies (cross-agency)

Aspects of Administration of Veterans' Health Care (DVA)



Special Benefits—Compliance and Administration (Centrelink)  
 Coordination of Export Development and Promotion (cross-agency)  
 Construction of the New National Museum (DoCITA)  
 ATO Superannuation Guarantee (ATO)  
 Aviation Safety (CASA)  
 Commonwealth Management and Regulation of Plasma Fractionation (DHAC)  
 Administration of the Agri-Food Program (cross-agency)  
 Electricity Purchase (cross-agency)  
 Tax Debt Collection—follow-up audit (ATO)  
 FMIS Implementation (cross-agency)  
 Home and Community Care (DHAC)  
 Administration of Taxpayers Refunds (ATO)  
 Administration of Penalties (ATO)  
 National Roads Management (DTRS)  
 Implementation of Whole-of-Government IT Infrastructure and Outsourcing Initiatives (cross-agency)  
 Staffing and Funding Arrangements in Centrelink (Centrelink)  
 Administration of Business Migration Program (DIMA)  
 Management of Primary Industry Levies (AQIS, ACOSS)  
 Elements of vocational education and training (DETYA)  
 Certified Agreements in the APS (cross-agency)  
 ADF Personnel Retention Management (Department of Defence)  
 Defence Estate Management (Department of Defence)  
 Emergency Management (cross-agency)  
 Tactical Fighter Aircraft (Department of Defence)  
 Maralinga Rehabilitation Project (DISR)

## Appendix 3

### Speeches given by the Auditor-General and ANAO staff during the period January to June 1999

Mr P.J. Barrett AM

*'Commercial Confidentiality—A Matter of Public Interest'*

1999 ACPAC Biennial Conference: Commercial Confidentiality—Striking the Balance

Fremantle, 21 February 1999

Mr P.J. Barrett AM

*'Seeking to Make a Real Difference: Confronting Long-held Cultures and Attitudes'*

Address to Australian Business—Meet the Secretary Forum

Canberra, 10 March 1999

Mr P.J. Barrett AM

*'A More Systematic Approach to Effective Decision-Making for Better Outcomes or Results'*

IPAA Presentation

Canberra, 10 March 1999

Ms M. Golightly

*'Risk Management in the APS—Emerging Issues'*

Presentation to IBC Conference: Risk Management in the Public Sector

Canberra, 22 March 1999

Mr P.J. Barrett AM

*'The Convergence of the Public and Private Sectors—Accountability Versus Efficiency'*

National Public Sector Accountants Conference

Adelaide, 7–9 April 1999

Mr P.I. McVay

*'How to evaluate the Impacts or Effects of Environmental Programs'*

Presentation to the 1999 ASOSAI Training Course on Environmental Auditing

Seoul, South Korea, 13–21 April 1999

Mr J. Meert

*'Annual Report Awards'*

Ausinfo Seminar

Canberra, 5 May 1999

Mr P.J. Barrett AM

*'Auditing in Contemporary Public Administration (Covering the Responsibilities of the Auditor-General)'*

Presentation to Public Seminar Series, Graduate Program in Public Policy,  
'Democratic Governance: Improving the Institutions of Accountability',  
The Australian National University

Canberra, 17 May 1999

Mr P.J. Barrett AM

*'The Internal Auditors: How to Maintain Their Relevance?'*

Institute of Internal Auditors, National Annual General Meeting  
Sydney, 18 May 1999

Dr P.J. Nicoll

*'The Role of the Australian National Audit Office in Managing an Electronic Services Delivery Survey of Government Agencies'*

Developing and Implementing Profitable Government Strategies for  
Trading on the Internet Conference

Canberra, 15–16 June 1999

Mr P.J. Barrett AM

*'Notes on Leadership in a Changing Environment'*

Department of Employment, Workplace Relations and Small Business  
Leadership Development Program

Bowral, 16 June 1999

Mrs V. Walker

*'Agency Management of Parliamentary Workflow'*

IPAA Presentation

Canberra, 16 June 1999

Mr P.J. Barrett AM

*'Working With the Parliament'*

Address to the House of Representatives Lunchtime Seminar

Canberra, 22 June 1999

Dr P.J. Nicoll

*'Defining the Role of Risk Management and Public Sector Strategic Planning'*

Risk Management in the Public Sector Conference

Canberra, 28–29 June 1999

# Series Titles

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## Titles published during the financial year 1999–2000

Audit Report No.1 Performance Audit

*Implementing Purchaser/Provider Arrangements between Department of Health and Aged Care and Centrelink*

Department of Health and Aged Care

Centrelink

Audit Report No.2 Financial Control and Administration Audit

*Use of Financial Information in Management Reports*

Audit Report No.3 Performance Audit

*Electronic Travel Authority*

Department of Immigration and Multicultural Affairs

Audit Report No.4 Performance Audit

*Fraud Control Arrangements in Education, Employment, Training and Youth Affairs*

# Better Practice Guides

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Administration of Grants	May 1997
AMODEL Illustrative Financial Statements 1998	Jul 1998
Asset Management	Jun 1996
Asset Management Handbook	Jun 1996
Audit Committees	Jul 1997
Cash Management	Mar 1999
Controlling Performance and Outcomes	Dec 1997
Core Public Sector Corporate Governance, Principles for (includes Applying Principles and practice of Corporate Governance in Budget Funded agencies)	1997
Corporate Governance in Commonwealth Authorities and Companies–Principles and Better Practices	Jun 1999
Financial Statements Preparation	1996
Managing APS Staff Reductions	Jun 1996
Managing Parliamentary Workflow	Jun 1999
Management of Accounts Receivable	Dec 1997
Management of Corporate Sponsorship	Apr 1997
Management of Occupational Stress in Commonwealth Agencies	Dec 1998
New Directions in Internal Audit	Jul 1998
Paying Accounts	Nov 1996
Protective Security Principles (in Audit Report No.21 1997–98)	
Public Sector Travel	Dec 1997
Return to Work: Workers Compensation Case Management	Dec 1996
Security and Control for SAP R/3	Oct 1998
Selecting Suppliers: Managing the Risk	Oct 1998
Telephone Call Centres	Dec 1996
Telephone Call Centres Handbook	Dec 1996