

**MEDIA RELEASE****25 March 2021****Total Facilities Management Contract Implementation**

Auditor-General, Mr Michael Harris, today presented a report on **Total Facilities Management Contract Implementation** to the Speaker for tabling in the ACT Legislative Assembly. The audit considered Housing ACT's management of the Total Facilities Management contract with Programmed Facility Management (Programmed) for the maintenance of social housing properties. The report makes a number of findings in relation to the governance and performance management arrangements of the contract.

The report identified that a series of governance groups and forums involving representation from both Housing ACT and Programmed had been established for the review and oversight of the delivery of social housing maintenance services under the contract. Mr Harris says 'while effective overall, these arrangements have not been effective in monitoring the contract's financial and budget management'.

The report identified that the contract includes quality assurance activities and the development and implementation of a Performance Management System, which is both comprehensive and complex. Mr Harris says 'monitoring and assessing performance across the fifty key performance indicators requires reliable, robust, and repeatable measurement methodologies as well as accurate, complete, and verifiable data. This had not been achieved at the time of the audit'. The report noted Housing ACT and Programmed continue to seek to improve the accuracy of performance and financial reporting.

The report makes findings in relation to the financial and budget management arrangements for the contract. Mr Harris says 'in 2019-20 \$51.83 million was spent on reimbursable expenses for work performed under the contract; an overspend of \$7.55 million (17 percent). Poor financial management systems and processes meant that the overspend was not identified until June 2020 and quantified until September 2020'. The report noted that Housing ACT and Programmed have since strengthened the governance and performance management activities of the contract in order to improve performance monitoring and financial reporting.

The audit report made one recommendation for improvement.

Copies of Implementation of the **Total Facilities Management Contract: Report No. 02/2021** are available from the ACT Audit Office's website [www.audit.act.gov.au](http://www.audit.act.gov.au). If you need assistance accessing the report please phone 6207 0833.