



**2020-21**

**Performance Audit Program**

The Auditor-General is a key part of the governance arrangements of the Australian Capital Territory. Put simply, the role of the Auditor-General is to provide assurance to the community that those responsible for the public administration of the Territory are undertaking their roles efficiently and effectively and are publicly accountable for the outcomes of their decisions and actions.

The legislation that provides the authority for the Auditor-General contains a number of important safeguards to ensure the work undertaken is independent of the political process, cannot be obstructed by non-compliance or non-cooperation and cannot be constrained in the choice of topics or subject matter audited.

There are three specific principles in the legislation that provide the community with confidence that the reports that the Auditor-General publishes are factual, evidence based and unbiased accounts of

the financial and administrative operations of the Territory that are undertaken on behalf of the residents of the Territory by the ACT Government and the public administration that implements its programs.

These three principles establish, as a matter of law, that the Auditor-General:

- is an officer of the Legislative Assembly and more specifically is not part of the government or the public service, both of which are the subject of audits;
- has complete discretion to determine what is audited, how it is audited, what is reported and how it is reported; and
- is not subject to direction by anyone either to do something or, just as importantly, to not do something.

The performance audit program provides information on areas of public administration that will be the subject of particular audit attention for 2020-21 and future years.



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# Planning and consultation

The ACT Audit Office plans for future performance audits through a detailed review process of proposed audit topics. The forward program provides stakeholders with information on short to medium-term priorities of the ACT Audit Office.

Performance audits for 2020-21 are scoped in detail, so that the ACT Audit Office and auditees are informed as to the potential objective and scope of each audit. Performance audits for subsequent years are dependent on priorities into the future.

The ACT Audit Office has developed the performance audit program having regard to its mandate, strategic plan, and the interests of the Legislative Assembly and the ACT community.

The performance audit program aims to balance coverage across the ACT government that focuses on topics that are of interest to the Legislative Assembly and the community. This includes representations and public interest disclosures.

The performance audit program may be subject to change as a result of additional planning or new and emerging priorities or risks. This may include the need to conduct urgent investigations, reviews or audits.

In developing the performance audit program, the ACT Audit Office has consulted with:

- the Public Accounts Committee;
- the Speaker of the Legislative Assembly;
- Members of the Legislative Assembly;
- the Head of Service;
- Directors-General and Chief Executive Officers (or their equivalents);
- statutory office holders of various ACT government agencies; and
- other community stakeholders.

This consultation has strengthened our understanding of public administration in the Territory.

Feedback through the consultation process was considered when selecting potential audit topics for the 2020-21 performance audit program; however, the Auditor-General ultimately determined the final performance audit program.



# Selecting audit topics

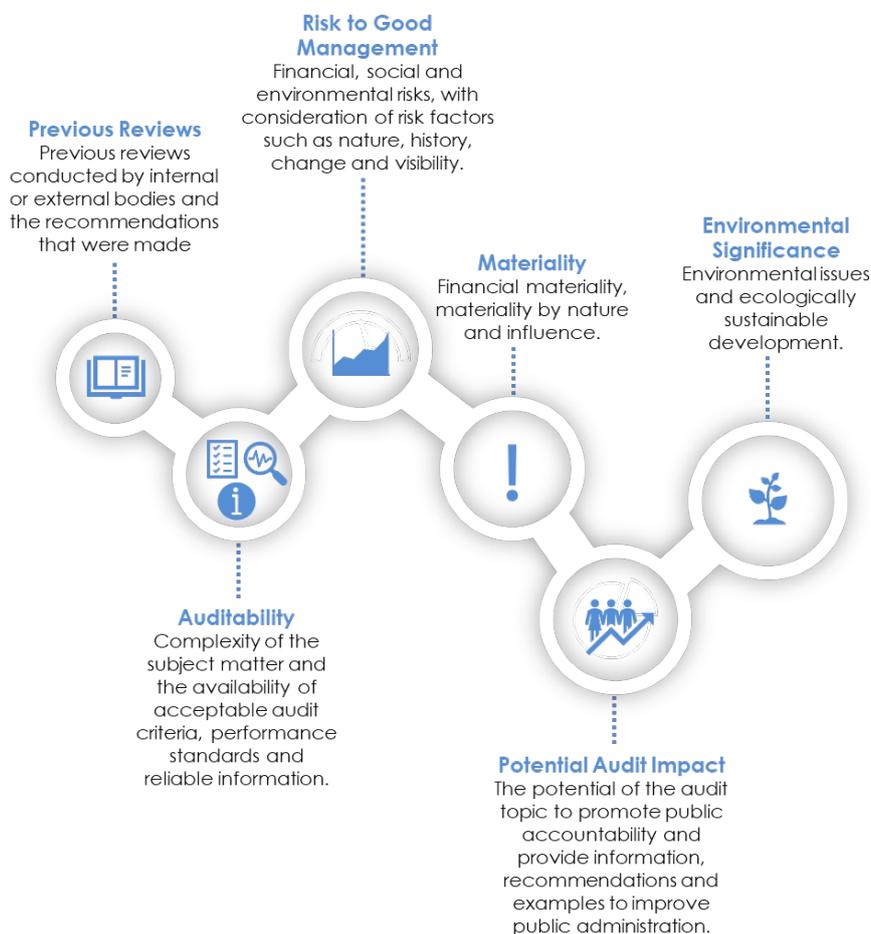
Selecting audit topics is a key part of the Auditor-General's independence. As part of exercising this independence responsibly, the ACT Audit Office seeks to:

- promote transparency, accountability and value for money in the delivery of public services;
- provide the Legislative Assembly with independent assessments of the performance of public sector bodies, particularly as they relate to key outcome areas such as law and order, public safety, health, education, environment, finance and public sector management; and
- respond to emerging issues of importance to the Legislative Assembly and broader community.

At times, the ACT Audit Office may receive representations and public interest disclosures. The Auditor-General considers the most appropriate way to deal with each of these, including (potentially) through a performance audit. The development of the Program has been informed by a review of representations and public interest disclosures received by the office.

The performance audit program also seeks to provide reasonable coverage across ministerial portfolios and of significant government activities over time. The ACT Audit Office seeks to avoid having too many audits in one agency, as this may affect the capacity of the agency to deal with the audits.

In considering potential audit topics, the ACT Audit Office considers six criteria as described below.



# 2020-21 Performance Audit Topics

## Audits to be delivered

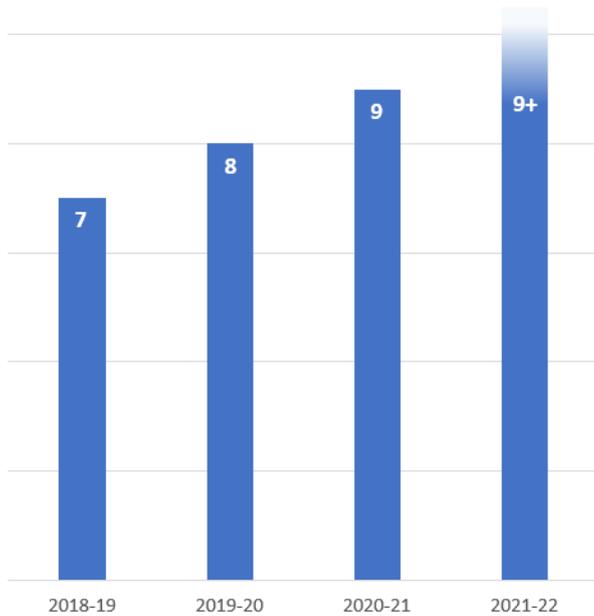
Eighteen audits are planned to be delivered over the next two years. In addition, two audits not tabled in 2019-20 are expected to be tabled in 2020-21.

The performance audit program lists audits based on the year the audit report is expected to be tabled in the Legislative Assembly, as many audits do not start and finish in the same financial year.

The performance audit program is designed to be flexible and responsive, so that we can focus on the right audits at the right time and use our resources to make a difference in the ACT community.

Experience has shown that some proposed audits may no longer be required due to circumstances changing in the subject areas. To allow for this, the future performance audit program includes slightly more audits than are expected to be delivered.

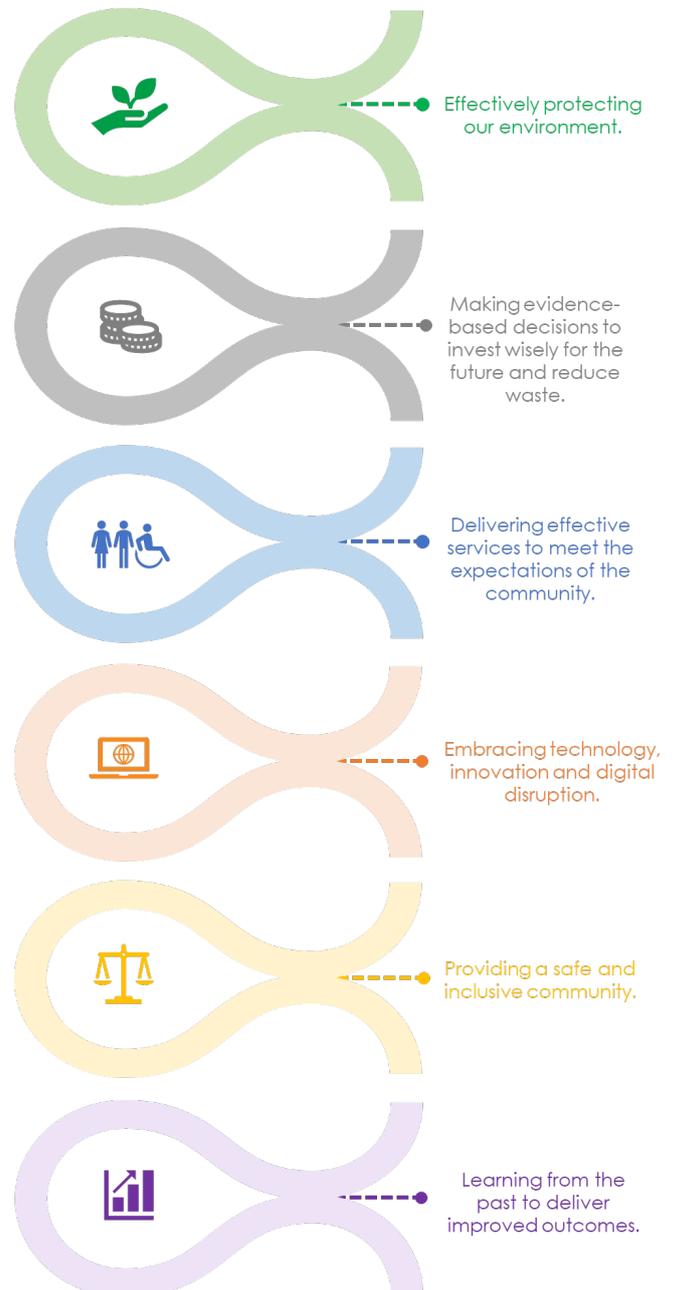
Number of audits delivered/planned



## Key Focus Areas

The Auditor-General has identified six key focus areas (described below) for the performance audit program.

Each performance audit topic that forms the 2020-21 performance audit program aligns with a primary focus area. The potential audit objective and scope of each audit topic is provided in the subsequent pages of this document.





## Effectively protecting our environment.

Audit Topic	Potential Auditee/s	Potential Objective and Scope
Land Management Agreements	Environment, Planning and Sustainable Development Directorate	<p>Land Management Agreements are intended to secure off-reserve conservation of land in the Territory that is subject to a rural lease. They facilitate collaboration between the ACT Government and rural landholders to establish appropriate, sustainable agricultural management practices and good farm biodiversity whilst maintaining the ecological and cultural values of the land and protecting the environment from harm. LMAs are subject to formal review every five years, unless an earlier review is triggered.</p> <p>The audit is examining the effectiveness of the management and administration of Land Management Agreements. The audit is considering whether leasehold land with a rural purpose clause in the ACT is subject to a Land Management Agreement and the legislative and policy framework is being applied as required. The audit is also considering the effectiveness of controls and processes to administer and manage the Land Management Agreements including monitoring, regulating and enforcing Land Management Agreement requirements.</p>
Emission Reduction Programs	Environment, Planning and Sustainable Development Directorate and selected agencies	<p>In April 2018, the ACT Government launched its <i>Transition to Zero Emissions Vehicles Action Plan 2018-2021</i>. This plan supports and encourages the use of zero emission vehicles and e-bikes in the ACT.</p> <p>The audit is examining the effectiveness of the planning and implementation of ACT Government vehicle-related emissions reduction activities, particularly those established in <i>The ACT's Transition to Zero Emissions Vehicles Action Plan 2018-21</i>. This includes activities relating to Government fleet vehicles, e-bike initiatives, the establishment of new charging infrastructure and incentives to increase the uptake of zero emissions vehicles.</p>



## Making evidence-based decisions to invest wisely for the future and reduce waste.

Audit Topic	Potential Auditee/s	Potential Objective and Scope
Canberra Light Rail	Major Projects Canberra and Chief Minister, Treasury and Economic Development Directorate	<p>On 10 September 2019, a redacted version of the <i>City to Woden Light Rail: Stage 2a City to Commonwealth Park Business Case</i> was released to the public.</p> <p>This audit could examine the economic analysis underpinning the Canberra Light Rail Stage 2a Business Case.</p> <p>The audit scope could include consideration of:</p> <ul style="list-style-type: none"> <li>• the methodology and processes used to calculate the benefits and costs of Stage 2a, including the blended indicative Benefit to cost Ratio presented in the Stage 2a Business Case;</li> <li>• the economic advice provided to Major Projects Canberra in relation to Stage 2a;</li> <li>• critical dependencies of Stage 2a, including those that are not directly managed by Major Projects Canberra and how these shaped the economic benefits analysis; and</li> <li>• the implementation of recommendations from the ACT Audit Office's Report No.5/2016.</li> </ul>
Total Facilities Management Contract Implementation	Community Services Directorate (Housing ACT)	<p>The Total Facilities Management (TFM) contract facilitates the provision of maintenance services to approximately 23,000 tenants across 11,800 public and community housing properties, as well as the Narrabundah Long Stay Park in Symonston and Bimberi Youth Justice Centre. The current TFM contract commenced in November 2018, following a significant procurement process.</p> <p>The ACT Audit Office completed the <i>Total Facilities Management Procurement</i> performance audit in 2019 (Report No.1/2019). The audit considered the effectiveness of Housing ACT's procurement processes for the Total Facilities Management contract. A key feature of the new Total Facilities Management contract was a revised performance management regime.</p> <p>This audit could consider the effectiveness of Housing ACT's management of the Total Facilities Management contract, including its management of the revised performance management regime.</p>



## Embracing technology, innovation and digital disruption.

Audit Topic	Potential Auditee/s	Potential Objective and Scope
Open Data Management	Chief Minister, Treasury and Economic Development Directorate and selected agencies	<p>The ACT Government has committed to open government, which intends to contribute to transparency in process and information, participation by citizens in the governing process, and public collaboration in finding solutions to problems and participation in the improved well-being of the community. The open government initiative aims to ensure the ACT does not miss the economic opportunities provided by the new era of digitisation. Open data is one component of open government and provides the community with publicly accessible data that can be freely used, reused and redistributed.</p> <p>The audit could examine the effectiveness of the ACT Government's implementation of its open data policy. The audit could also consider the activities of the Office of the Chief Digital Officer in implementing and monitoring the ACT Government's open data policy and could also examine how agencies are preparing for open data management and identifying potential data sets for re-use. This could include consideration of:</p> <ul style="list-style-type: none"> <li>• agencies' open data plans' compliance with Office of the Chief Digital Officer requirements;</li> <li>• agencies' understanding of open data principles; and</li> <li>• the effectiveness of agency assessments of data for release.</li> </ul>
Digital Records Management	Chief Minister, Treasury and Economic Development Directorate and selected agencies	<p>The Territory Records Office has established a whole of government arrangement for the use of Electronic Document Records Management Systems (EDRMS). Although the EDRMS have been configured to provide a full audit log of access and operations that occur within the application, advanced quality assurance and compliance management rests with individual agencies.</p> <p>The audit could consider agencies' implementation of EDRMS and their compliance with relevant legislative and guidelines.</p>



## Providing a safe and inclusive community.

Audit Topic	Potential Auditee/s	Potential Objective and Scope
Implementation of the Aboriginal and Torres Strait Islander Agreement	Community Services Directorate and selected agencies	<p>On 26 February 2019, the ACT Government signed the <i>ACT Aboriginal and Torres Strait Islander Agreement 2019-2028</i>. The Agreement builds on the previous Agreement (2015-2018) to be accountable to ACT Aboriginal and Torres Strait Islander communities, through the Aboriginal and Torres Strait Islander Elected Body, to provide accessible and equitable services that aim to improve the social, environmental, economic and cultural infrastructure within their communities.</p> <p>The Agreement sets the long term (10 year) direction in Aboriginal and Torres Strait Islander affairs in the ACT and obliges the signatories to work together to enable equitable outcomes for Aboriginal and Torres Strait Islander peoples in the ACT. Ten Focus Area Action Plans, intended to apply to ACT Government agencies, have been developed to support the implementation of the Agreement.</p> <p>The audit is examining the effectiveness of ACT Government agencies' implementation of the Aboriginal and Torres Strait Islander Agreement. The audit is considering the Agreement in general and two of its associated action plans (Justice and Housing) in detail. The audit considers the activities of the Office for Aboriginal and Torres Strait Islander Affairs as well as specific ACT Government agencies as relevant.</p>



## Delivering effective services to meet the expectations of the community.

Audit Topic	Potential Auditee/s	Potential Objective and Scope
ACT Ambulance Services	Justice and Community Safety Directorate	<p>The ACT Ambulance Service is responsible for providing emergency and non-emergency ambulance and aeromedical ambulance services to the ACT community and surrounding South East New South Wales region.</p> <p>The ACT Ambulance Service is operating in an increasingly challenging environment, which is characterised by an ageing population and more complex community health care needs. This includes an increasing demand for primary health care services from the ACT Ambulance Service.</p> <p>The audit could consider the ACT Ambulance Service's effectiveness in providing services to the ACT community including its planning processes for managing current and future demand and the developing requirements of the community.</p>
Planning for improved efficiency of ACT courts	Justice and Community Safety Directorate and selected agencies	<p>In 2015 the ACT Government announced several initiatives aimed at improving clearance rates and reducing backlogs in ACT courts. The initiatives will come into effect in 2020.</p> <p>A significant increase in the number of cases heard through ACT law courts is likely to increase the workload for several other government agencies including ACT Policing, the Director of Public Prosecutions and ACT Corrections.</p> <p>The audit could include consideration of whether the ACT Government has:</p> <ul style="list-style-type: none"> <li>• appropriately planned for resourcing requirements of the new law court facilities (including, but not limited to, additional judicial, administrative and custodial staff); and</li> <li>• considered, and planned for, the flow on effects that improved efficiency of cases through the ACT court system may have on agencies that interact with the judicial system.</li> </ul>

Audit Topic	Potential Auditee/s	Potential Objective and Scope
Teaching quality	Education Directorate	<p>Teaching quality and performance is important for students' educational outcomes. According to the Education Directorate's <i>Great Teachers by Design</i> strategy 'students taught by a great teacher can learn in six months what students taught by a less effective teacher will take a year to learn' and 'this effect is cumulative; students taught by a succession of high-performing teachers will progress three times as fast as those placed with less-effective teachers'.</p> <p>The <i>Great Teachers by Design</i> strategy, <i>Great Teaching by Design</i> strategy and the <i>Empowered Learning Professionals Leadership Plan 2018-2021</i> component of the Future of Education 10-year strategy, seek to implement a systemic approach to the professional development and support of ACT public school teachers through 'access to professional learning, mentoring and coaching, and the sharing of effective practice as they lead their students in their learning journey'.</p> <p>The audit could consider the Education Directorate's activities and initiatives to professionally develop and support its teachers. This could include consideration of initiatives developed and implemented through the <i>Great Teachers by Design</i> and <i>Great Teaching by Design</i> strategies and initiatives currently being implemented through the Future of Education 10-year strategy. A key focus of the audit will be the Education Directorate's effectiveness in developing and implementing system-wide strategies and initiatives across all ACT public schools.</p>



## Learning from the past to deliver improved outcomes.

Audit Topic	Potential Auditee/s	Potential Objective and Scope
<p>Health services for detainees</p>	<p>Health Directorate and Justice and Community Safety Directorate</p>	<p>Studies have shown that Australian prisoners have a disproportionate rate of serious mental illness when compared to the general population. Untreated mental illness is considered a key risk factor in relation to increased recidivism rates, meaning a recurrence of criminal behaviour.</p> <p>An <i>ACT Detainee Health and Wellbeing Survey</i>, completed in 2016, found that fifty-four percent of surveyed detainees within the Alexander Maconochie Centre had been diagnosed with a mental illness and seventy-one percent of correctional staff felt that they did not feel adequately trained in the management of detainees with mental health issues.</p> <p>A review of mental health services at the Alexander Maconochie Centre in June 2017 made 11 recommendations that covered issues such as transparency of roles and responsibilities, information sharing arrangements, models of care and staff training.</p> <p>The <i>2019 Healthy Prison Review</i> of the Alexander Maconochie Centre found that 72 percent of surveyed detainees reported that it was difficult to obtain access to psychological services when required. Seventy-three recommendations were made, three of which related to detainee mental health management.</p> <p>The audit could consider the effectiveness of the planning, management and delivery of mental health services provided within the Alexander Maconochie Centre.</p>

## 2021-22 Potential Performance Audit Topics

The following potential audit topics are under consideration for tabling in the Legislative Assembly in 2021-22. Further planning will refine the scope and focus of each audit. Stakeholders will be consulted during the planning phase of the 2021-22 Performance Audit Program.

Audit Topic	Potential Auditee/s	Potential Objective
The management of Development Applications	Environment, Planning and Sustainable Development Directorate and Access Canberra	<p>A key enabler of any development is the effectiveness of statutory Development Application processes.</p> <p>The audit could consider the efficiency and effectiveness of the administrative functions relating to Development Applications, including pre-lodgement, lodgement, determination and post approval processes. In doing so, the audit may consider specific Development Application types and the approval processes associated with these.</p>
Initiatives aiming to reduce recidivism	Justice and Community Safety Directorate	<p>In June 2019, the ACT Government announced a series of major Budget initiatives to further expand Justice Reinvestment efforts. This included the investment of \$70.9 million to 'build communities, not prisons'.</p> <p>The audit could consider the effectiveness of initiatives and programs that are currently in place to reduce recidivism and the effectiveness of the justice system initiatives announced by the ACT Government in June 2019. It may focus on selected focus groups and consider the tracking, monitoring and measuring practices in place to determine whether these programs have contributed toward reduced recidivism.</p>
ACTPS workplace safety	Chief Minister, Treasury and Economic Development Directorate and Selected agencies	<p>The Work Safety and Industrial Relations Division is responsible for setting the strategic direction for work health and safety management across the ACT public sector. This includes the sponsorship of whole of government policy and program initiatives that are designed to prevent harm, promote health and provide support when injury or illness occurs.</p> <p>The audit could consider the effectiveness of these initiatives and their impact on Work Health and Safety management in selected directorates.</p>

Audit Topic	Potential Auditee/s	Potential Objective
Planning for environmental offsets	Environment, Planning and Sustainable Development Directorate	<p>The aim of offsetting is to compensate for significant adverse environmental impacts of development on matters of national environmental significance and on relevant ACT protected native species. As a greater proportion of developable land in the ACT is urbanised, the options of identifying viable offset solutions are changing.</p> <p>The audit could consider the effectiveness of offsets policy establishment and implementation.</p>
Outpatient Care	Canberra Health Services	<p>Outpatient services (or ambulatory care) are services that are provided without the need for admission to hospital.</p> <p>The audit could consider the administration of the delivery of outpatient services, including the management of associated risks, and assess the quality of the services provided.</p>
Childhood Obesity	Health Directorate and Education Directorate	<p>Obesity is a national epidemic, with childhood obesity being particularly problematic for health outcomes in later life.</p> <p>The audit could examine the effectiveness of Health Directorate and Education Directorate programs in educating children and families on healthy lifestyles to reduce the incidence of overweight and obese children in the ACT. It could consider whether there is an effective strategy in place to prevent and reduce childhood obesity rates in Canberra and whether there is a strategy to increase participation in physical activity.</p>
Emergency Services Agency Communications Coordination	Justice and Community Safety Directorate (Emergency Services Agency)	<p>The Emergency Services Agency Strategic Reform Agenda aims to ensure cohesive operations across ACT Fire &amp; Rescue, the ACT Rural Fire Service, the ACT State Emergency Service and the ACT Ambulance Service. One component of this is the transition to a new Emergency Services Agency Communication Centre model.</p> <p>The audit could assess the effectiveness and efficiency of Emergency Services' communication coordination through the reformed Communications Centre model. It could consider the policies, processes and guidelines that are in place for coordinated Emergency Services communication during emergency situations.</p>

Audit Topic	Potential Auditee/s	Potential Objective
Ginninderry Joint Venture Governance	Suburban Land Agency	<p>The Ginninderry Joint Venture is an operational partnership established in 2016 in accordance with the West Belconnen Joint Venture Agreement.</p> <p>In 2018-19 the Ginninderry Joint Venture oversaw the first phase of what may be thirty development phases. The audit could consider the effectiveness of the Suburban Land Agency's participation in and support for the joint venture.</p>
ACT Digital Health Strategy	Health Directorate	<p>In May 2019, the ACT Health Directorate announced the <i>ACT Digital Health Strategy</i>. According to the Health Directorate, the <i>ACT Digital Health Strategy</i> 'presents a vision and direction to guide future activities and investments in technology across the Territory'.</p> <p>The audit could consider the effectiveness of systems development and whether there are processes in place to govern, manage risks and progress the sequential activities described in the road map for the implementation of the <i>ACT Digital Health Strategy</i>.</p>
Workplace Culture	Canberra Health Services and Health Directorate	<p><i>An Independent Review into the Workplace Culture within ACT Public Health Services</i> was completed in May 2019. The review examined the ACT public health services workplace culture and provided advice on systemic and institutional issues. The first review of the ACT public health services' implementation of the review's recommendations was completed in June 2020, with progress reports expected to be delivered in early 2021 and 2022.</p> <p>Following the outcomes of these progress reports, the audit could assess whether action taken to address the review's findings represent value for money, and whether the lessons learned from the review have broader themes for improving public administration.</p>
Fraud prevention practices across the ACTPS	Chief Minister, Treasury and Economic Development Directorate	<p>All ACT Government directorates and agencies are required to document and implement a fraud and corruption prevention plan.</p> <p>The audit could consider the effectiveness of fraud control and prevention activities across the ACT public sector, with a focus on high-risk areas and agencies. This may include a review of governance structures in place to prevent fraud, fraud identification, detection, and prevention policies and procedures and fraud and corruption prevention plans.</p>

Audit Topic	Potential Auditee/s	Potential Objective
Transport Canberra Buses	Transport Canberra and City Services Directorate	<p>The introduction of a light rail service in April 2019 was accompanied by the launch of a revised bus network. Further changes have been made to bus services since April 2019, including to weekend services and to school services.</p> <p>An audit of Transport Canberra Buses could include consideration of:</p> <ul style="list-style-type: none"> <li>• an assessment of the efficiency and effectiveness of the new network and delivery of its intended outcomes; and</li> <li>• the impact of the implementation of investment initiatives in the fleet.</li> </ul>
Elective surgery waiting lists for public patients	Health Directorate and Canberra Health Services	<p>Each year approximately 13,000 residents from the ACT and surrounding region undergo elective surgery as patients of the ACT public hospital system.</p> <p>The audit could assess the effectiveness of the management of the elective surgery waiting list. This could include consideration of the administration of the elective surgery waiting list, the frequency and quality of clinical review of long-wait patients and the management of associated risks.</p> <p>The audit could also assess the implementation of the Waiting List Policy. The audit could focus on particular units of interest, or more general processes through the Local Health Network and the Central Wait List Service.</p>