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Auditor-General for Australia



19 February 2021

Senator Tim Ayres  
Chair  
Senate Standing Committees on Finance and Public Administration  
[fpa.sen@aph.gov.au](mailto:fpa.sen@aph.gov.au)

Dear Senator Ayres

**Inquiry into the current capability of the Australian Public Service (APS)**

The Australian National Audit Office (ANAO) published the following performance audit reports that you may find relevant to the Senate Standing Committees on Finance and Public Administration inquiry into the current capability of the Australian Public Service.

- Auditor-General Report No.20 2020-21 [Management of the Australian Public Service's Workforce Response to COVID-19](#)
- Auditor-General Report No.11 2019-20 [Implementation of the Digital Continuity 2020 Policy](#)
- Auditor-General Report No.16 2018-19 [Implementation of the Australian Government's Workplace Bargaining Framework](#)

Information about what the audits assessed, concluded and recommended is attached. The audit reports are available online at [www.anao.gov.au](http://www.anao.gov.au).

In addition to the above audit reports, I published the [Auditor-General's mid-term report](#) reflecting my first five years in the role. The report presents a description and analysis of the role and impact of audit, as well as analysis of the financial audit and performance audit work of the ANAO.

The ANAO has also published a number of Audit Insights, which bring together learnings from performance audits, with relevant topics to this Inquiry including Administering Regulation, Performance Measurement and Monitoring and Board Governance. These can be found at [www.anao.gov.au/pubs/audit-insights](http://www.anao.gov.au/pubs/audit-insights).

Should the Committee require further information in relation to this matter, my office would be pleased to provide you with a briefing at a time convenient to you or appear as a witness at a hearing.

Yours sincerely

Grant Hehir

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**Auditor-General Report No.20 2020-21 *Management of the Australian Public Service's Workforce Response to COVID-19*** assessed the effectiveness of the management of the Australian Public Service (APS) workforce in implementing the Australian Government's COVID-19 priorities. To form a conclusion against the objective, the ANAO adopted the following high-level audit criteria:

- Were appropriate arrangements established to oversee and monitor the APS's workforce response to COVID-19?
- Were efforts to position the APS workforce to respond to COVID-19 managed effectively?

The audit concluded that:

- Management of the APS workforce in implementing the Australian Government's COVID-19 priorities was effective.
- Arrangements established to oversee and monitor the APS's workforce response to COVID-19 were appropriate. As a whole-of-government framework for managing the APS workforce in a crisis was not in place prior to COVID-19, planning was conducted in flight and risks were managed reactively. The Australian Public Service Commission (APSC) established largely appropriate arrangements to oversee, monitor and report on the work of its cross-agency taskforces. Further, the Chief Operating Officers (COO) Committee provided appropriate oversight for the response, including appropriate monitoring of actions it initiated.
- Management of efforts to position the APS workforce to respond to COVID-19 was effective. APSC's Workforce Management Taskforce deployed 2,240 staff to other agencies, mostly to Services Australia, to meet critical needs. Guidance on COVID-19 workforce measures was largely effective, and various initiatives are underway to capture lessons learned from the response to inform planning for future operations.

The Auditor-General made no recommendations but identified key messages for Australian Government entities relating to governance, risk management and policy implementation.

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**Auditor-General Report No.11 2019-20 *Implementation of the Digital Continuity 2020 Policy*** examined the extent to which Australian Government entities have implemented the Digital Continuity 2020 policy, and how effectively the National Archives of Australia is monitoring, assisting, and encouraging entities to meet the specified targets of the policy. To form a conclusion against the audit objective the ANAO adopted three audit criteria.

- Has the National Archives of Australia established effective arrangements to administer the Digital Continuity 2020 policy?
- Has the National Archives of Australia implemented effective monitoring and evaluation arrangements?
- To what extent have selected Australian Government entities implemented the Digital Continuity 2020 policy?

The audit concluded that:

- The Australian Government is unlikely to achieve the objectives of the Digital Continuity policy by the end of 2020, and the National Archives of Australia (the Archives) has been largely ineffective in monitoring, assisting, and encouraging entities to meet the targets of the policy.
- The Archives' arrangements to administer the Digital Continuity 2020 policy are limited in effectiveness. Appropriate governance arrangements to provide strategic direction and oversight of the policy were not maintained. The products, advice, and guidance material issued by the Archives to support entities implement the policy are largely fit for purpose, with some exceptions in relation to the clarity of terminology and timeliness. The Archives does not have a stakeholder engagement and communication strategy, and does not effectively target entities requiring additional assistance to implement the targets of the policy. Risks to the implementation of the Digital Continuity 2020 policy are not being effectively identified, managed, or reported.
- The effectiveness of the arrangements for monitoring and evaluating the implementation of the Digital Continuity 2020 policy are limited. The priorities, objectives, and targets utilised by the Archives to measure its performance in overseeing the implementation of the policy have not been designed to appropriately align with the policy's objectives. Monitoring and reporting processes have been integrated into an annual whole-of-government survey, however the performance information is not clearly aligned with the policy itself, is not subject to sufficient quality assurance processes, and does not include clear and consistent benchmarks to measure success.
- The Attorney General Department (AGD), Civil Aviation Authority (CASA), and Inspector-General of Intelligence and Security (IGIS) have partially implemented the targets of the Digital Continuity 2020 policy due by 31 December 2018. AGD has fully implemented or made substantial progress against all of the targets. CASA has partially implemented all targets except for one. IGIS has not implemented a number of targets, particularly those associated with principle two of the policy. AGD and CASA have established specific arrangements to internally monitor and report on progress against the targets of the policy. IGIS does not have such arrangements.

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The ANAO made seven recommendations:

1. The National Archives of Australia should establish effective internal arrangements to administer and oversee the implementation of the Digital Continuity 2020 policy, and any successor policies. The arrangements should include appropriate governance structures and a strategy to guide the administration of the Digital Continuity 2020 policy, and any successor policies, as a coordinated program of work.
2. The National Archives of Australia should develop and implement a stakeholder engagement and communication strategy that:
  - a. includes measures to ensure that entities are appropriately consulted when introducing new or revised targets; and
  - b. establishes mechanisms to ensure targets are clearly identified and consistently communicated as either mandatory, suggested, or optional.
3. The National Archives of Australia should develop and implement a risk management plan for the successful implementation of the Digital Continuity 2020 policy, and any successor policies.
4. The National Archives of Australia should establish appropriate monitoring and evaluation arrangements for the Digital Continuity 2020 policy, and any successor policies that:
  - a. include performance measures that are relevant, reliable, and adequate in order to enable an accurate assessment of performance against strategic objectives, and the effectiveness of the administration and oversight arrangements to support achievement of the policy objectives;
  - b. capture consistent performance information to enable accurate analysis of the performance of entities to implement targets over the life of the policy; and
  - c. clearly define how success will be measured and reported.
5. The National Archives of Australia should develop and implement a regime to provide appropriate assurance on the accuracy of reported data on entity progress in the implementation of the Digital Continuity 2020 policy.
6. The Civil Aviation Safety Authority should:
  - a. review and update the Electronic Transactions Policy to include appropriate instruction and guidance around the adoption of digital workflows and authorisation; and
  - b. complete the assessment of existing business systems and processes to ensure that information created, captured, stored, used to deliver services, or inform decision making meets minimum metadata standards and functional requirements for the management, transferral, and disposal of information.
7. The Office of the Inspector-General of Intelligence and Security should establish a plan for the implementation of the Digital Continuity 2020 policy, with a particular focus on those targets which were due on or before the end of 2018. The plan should also include clear processes for ongoing monitoring and reporting of progress.

All entities agreed with the recommendations made by the ANAO.

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**Auditor-General Report No.16 2018-19 *Implementation of the Australian Government's Workplace Bargaining Framework*** assessed the Australian Public Service Commission's (APSC) and selected entities' implementation of the Australian Government's Workplace Bargaining Framework. To form a conclusion against the audit objective, the ANAO adopted the following high level criteria:

- Does the APSC have effective arrangements in place to support the implementation of the workplace bargaining framework?
- Have selected entities implemented the workplace bargaining framework effectively?
- Have selected entities developed and monitored productivity improvements appropriately?

The audit concluded that:

- The APSC and selected entities largely implemented the required processes in the 2014 and 2015 bargaining policies, except some entities implemented arrangements that are inconsistent with the intent of the policies and there is limited transparency of productivity gains and compliance at a whole-of-service level.
- The APSC designed effective arrangements to support the implementation of the 2014 and 2015 enterprise bargaining frameworks, except it could not demonstrate that it implemented effective quality assurance processes to ensure the consistent assessment of agreements. The Government does not require the APSC to monitor entities' implementation of the bargaining policies, limiting the visibility of compliance at a whole-of-service level. Two of the selected entities implemented arrangements outside their enterprise agreements that are inconsistent with the intent of the bargaining policies.
- The development of governance and communication arrangements by selected entities were largely appropriate, although no entity established a complete set of governance and communication arrangements.
- The documented evidence base regarding the source of funds to pay for remuneration increases reduced once the requirement to have productivity measures approved by the APSC was removed. There is currently no requirement for entities or the APSC to monitor and report on either the achievement of identified productivity measures, or sources of funding for remuneration increases, limiting the transparency of productivity gains (including from the removal of restrictive work practices).

The ANAO made two recommendations:

1. That the APSC strengthen, fully implement and document its quality assurance processes to support the consistent assessment of agreements over time and between entities.
2. That for future bargaining rounds, all selected entities establish key governance arrangements such as implementation plans, communication plans and risk management documentation prior to the commencement of bargaining activities and actively use these throughout the process.

The entity agreed to all recommendations made by the ANAO.