

**GOVERNMENT RESPONSE**

**HOUSE OF REPRESENTATIVES  
STANDING COMMITTEE ON  
ABORIGINAL AND TORRES  
STRAIT ISLANDER AFFAIRS**

**REVIEW OF AUDITOR  
GENERAL'S REPORT NO. 6,  
1995-96 PERFORMANCE AUDIT**

**COMMUNITY DEVELOPMENT  
EMPLOYMENT PROJECTS  
SCHEME ABORIGINAL AND  
TORRES STRAIT ISLANDER  
COMMISSION**



**HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ABORIGINAL AND  
TORRES STRAIT ISLANDER AFFAIRS - REVIEW OF AUDITOR GENERAL  
REPORT NO. 6 CDEP SCHEME**

In 1995, the Australian National Audit Office (ANAO) began an audit of the administrative efficiency and effectiveness of the Community Development Employment Projects (CDEP) Scheme. The audit was divided into two phases, Phase One being completed and tabled in Parliament in October 1995.

Phase One evaluated the efficiency and administrative effectiveness of the CDEP Scheme and resulted in sixteen recommendations to improve the administration of the scheme. This phase involved only Central Office, one State Office and one Regional Office.

The House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs reviewed this report in October - November 1996 and have made ten recommendations based on it's findings.

The Government is committed to the continuing improvement in the efficiency and effectiveness of program management and delivery. The ANAO report indicated that "While the audit identified some areas of good practice, there were a number of areas at all three levels of CDEP administration which require improvement."

ATSIC being the responsible agency for the CDEP Scheme has acknowledged the need to address findings of this review and has taken appropriate action to implement recommendations made by the ANAO (refer Attachment A).

The ANAO examined previous reviews of the CDEP Scheme and found several common issues in which their field work indicated that the concerns remained. ATSIC has initiated action to overcome these issues (refer Attachment B).

The ANAO has made several comments about good practices and measures taken to improve the administration of the Scheme. The report clearly indicates that ATSIC is committed to a process of continuous improvement to ensure efficient and effective administration and a high standard of accountability.

The Government accepts that there is a need to continually seek to improve program management and delivery in order to provide the best service possible and to ensure that public monies are effectively spent.

The ANAO has now completed Phase Two of the audit, based on a larger sample of State and Regional Offices. The recommendations of Phase Two have generally overtaken the Phase One recommendations. ATSIC will report progress in addressing the ANAO recommendations through the normal Executive Government monitoring process conducted by the Department of Finance.

## ATTACHMENT A

### SCHEDULE OF RESPONSES TO THE RECOMMENDATIONS MADE BY HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ABORIGINAL AND TORRES STRAIT ISLANDER AFFAIRS AUDITOR GENERAL REPORT NO. 6 CDEP SCHEME

Recommendation	Comment
1. That the OEA conduct an impact study on the effectiveness of the devolution process to be scheduled for the 1997/98 financial year	<b>Agreed.</b> ATSIC is currently seeking advice from OEA on whether a review will take place in 1997/98.
2. The results of evaluations and audits be distributed without delay to all levels of the ATSIC administration to allow the earliest adoption of the findings	<b>Agreed.</b> This is the current practice of the OEA. In addition, the Continuous Improvement and Client Services Section issues "Lessons to be learnt" circulars which draw attention to major findings of audits.
3. Undertake an analysis of the benefits to Aboriginal and Torres Strait Islander communities who participate on CDEP Schemes with a view to showing the linkages between the objectives set by the Communities, the strategies to implement these objectives and the outcomes	<b>Agreed.</b> An impact evaluation is currently being conducted by the OEA. The primary focus of the evaluation is on urban CDEPs. Data is also being collected on projects located in rural and remote areas.
4. An evaluation of the effectiveness of training initiatives and programs be undertaken by ATSIC to ensure they are reaching the target audience	<b>Agreed.</b> ATSIC has prepared a questionnaire to be sent to Regional Managers seeking their advice on the effectiveness of training initiatives.
5. ATSIC adopts the advice of the Audit Office that all material requests and information be made available promptly to each office and not, as it appears to be the case "when requested".	<b>Agreed.</b> Recommendation will be complied with in instances where data generated is not available through systems that can be accessed by State and Regional Offices.
6. A detailed assessment be carried out of the extent to which the Quality Assurance Package is being used in Regional and State Offices of ATSIC, subject to further consideration of the matter in the Phase Two Audit Report.	<b>Agreed.</b> This matter has been raised in the Phase Two report and will be addressed in response to that report. The CEO recently issued a direction that makes the use of the Quality Assurance package compulsory.
7. ATSIC ensure that examples of good practice, such as the approach taken by Cairns Regional Office in monitoring participant schedules, be distributed widely through all levels of ATSIC administration. These could then be used as models for other offices and may lead to standard practice.	<b>Agreed.</b> Presently ATSIC has a network in place for dissemination of information, which can be utilised for this purpose. Examples include the electronic noticeboard system, the CDEP Current Issues Bulletin, ATSIC TV and Annual Conferences held by the Continuous Improvement and Client Services Section.
8. ATSIC introduce effective measures to ensure that information provided to them by CDEP organisations be assessed and evaluated and that appropriate and timely feedback be given to organisations on the subsequent findings.	<b>Receiving further consideration.</b> This matter was addressed in the Phase Two report. This will be reviewed as part of ATSIC's review of Generic Grant Procedures.

<p>9. Whatever examples of "best practice" are found, the ANAO bring these to the attention of the relevant sections of the ATSIC administration.</p>	<p>Agreed. The ANAO supports this recommendation in principle. Through regular briefings during the course of field work, various levels of administration are advised of any good practices identified. As well, the ANAO widely disseminates it's audit reports to bring them to the attention of all levels of administration.</p> <p>The ANAO embarked on better practice series during 1995-96. The better practice guides are derived from the results of audits and include lessons learned from an audit of a particular entity that has relevance to the wider public sector. Better practice guides are widely distributed to all public sector agencies.</p> <p>The ANAO considers that ATSIC needs to ensure that it has processes in place which facilitate the efficient and effective dissemination of better practices on a regular basis to all levels of administration.</p> <p>OEA reports also identify innovation and best practices and are referred to the relevant Central Office policy area to examine possible implications on a national basis.</p>
<p>10. ATSIC develop an action plan with target dates to monitor and measure it's responses to the recommendations in Audit Report No. 6 of 1995/96.</p>	<p>Generally the recommendations of the Phase One report have been overtaken by the recommendations made in the Phase Two report. The effectiveness of action taken in response to Phase One will be reviewed as part of the consideration of the Phase Two report.</p>

## ATTACHMENT B

### PREVIOUS REVIEW CONCERNS AND ATSI ACTION TO DATE

Issue	Action by ATSI
1. The need for more training for CDEP organisations and project staff	As a result of the recommendation made by HORSCATSIA and the ANAO, ATSI has completed a training survey. The result of this is a new CDEP Training Strategy, which involves the development of an interactive training package for project staff and to CDEP Managers. The implementation of the strategy has begun.
2. The need for improved planning at each level.	Operational Plans between ATSI Central Office and State Offices are linked in terms of objectives and strategies. It is planned to emphasise the needs for links between ATSI State Office and Regional Office Operational Plans at the next State Support Units Conference in April 1997.
3. The need for a review of the CDEP objective and the development of appropriate related performance information.	An informal review has been undertaken as the first step. This has resulted in a new draft objective with performance indicators which better reflect the program and it's objective. This will be executed in 1998/99.
4. The need for improved field servicing.	This has been acknowledged by ATSI. The review of ATSI Generic Grant Procedures and implementation of relevant recommendations of the Special Auditor Review should identify ways of providing better field servicing.
5. The development and use of Information Technology and management information systems.	ATSI has developed and is using: (a) a computer database system for the maintenance of participant schedules (CDEP Manager); and, (b) a computer database system for general grant administration purposes (INSIGHT). In addition, ATSI is developing a computer database system for the reporting on a national basis of performance information (PPMR).
6. Assessment of the usefulness of current reporting practices.	An assessment is to be made in the current review of ATSI Generic Grant Procedures scheduled to be completed on 30 June 1997.