

Department of Resources, Energy and Tourism



Individual Program Review – Working in Partnership Program

August 2009
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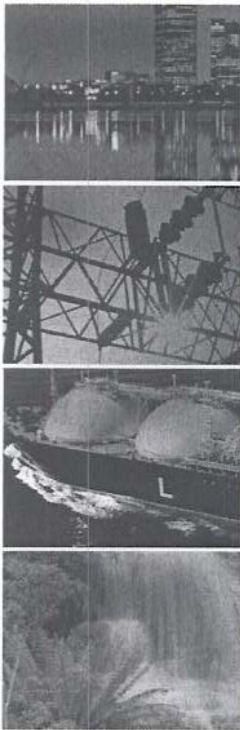
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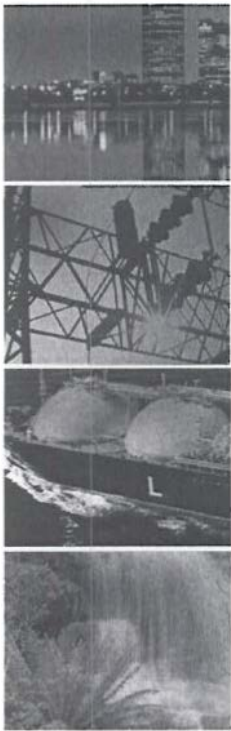
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1 Executive summary

1.1 Background

The Working in Partnership (WIP) program (previously known as the Indigenous Communities/Mining Industry Regional Partnerships Program) was launched in August 2001 and aims to promote the building of long-term, effective partnerships between Indigenous communities and the exploration and mining industry. The program facilitates workshops that bring together members of the mining and exploration industries, traditional owners and indigenous community members and government agency service providers to discuss issues of mutual interest and forge new partnership arrangements that have mutual benefits. The WIP program is run by the Sustainable Mining Section within the Minerals Branch of the Resources Division of the Department of Resources, Energy and Tourism (the Department) and its current budget is \$500,000 per year.

Since the program's inception, the WIP program has expended approximately \$3.2 million to undertake its activities including the facilitation of approximately 2 workshops per year, follow-up activities from workshops, training and other capacity building activities in regional areas that the Department has identified as areas that would benefit from improved relationships between key stakeholder groups.

1.2 Positive findings

Taking into consideration the nature of the WIP program, sound program management practices are displayed. Some of the key characteristics are:

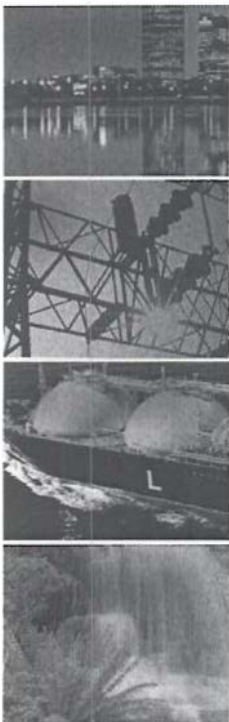
- Established procedures are in place to manage and monitor financial expenditure and stakeholder relationships; and
- Regular workshop evaluations are undertaken to assess the effectiveness of workshops and implement future improvements.

1.3 Overall assessment and key actions

The program maturity of the WIP program is classified as *'Well established'*, due to the WIP program being a mature program, with appropriate structures in place to manage the program.

The governance maturity of the WIP program is classified as *'Strong oversight provided'*, as the program is managed within the Department's existing governance structures, makes up part of the departmental budget and regular workshop evaluations are undertaken.

| Potential program delivery inhibitors | Internal control gaps | Better practice improvements |
|---------------------------------------|-------------------------------|-------------------------------|
| No significant matters noted. | No significant matters noted. | No significant matters noted. |



2 Scope and background

2.1 Scope

The Department has requested a high-level review of a selection of programs, this assessment will:

- consider the systems and processes in place to manage the Department's programs, including financial, legal, stakeholder management (including program objectives, guidelines, marketing, competitive assessments, decision-making, contract negotiation, monitoring, auditing, reporting and evaluation);
- consider the risks associated with management of the programs (including financial, legal, reputational and other risks); and
- recommend changes or improvements to ensure the Department's program management is both efficient and effective, in accordance with best practice (including administration, organisation and training).

There are a number of selected programs to be reviewed. They include:

- Energy Efficiency Opportunities
- Tropical North Queensland grant component
- **Working in Partnership**
- Second Generation Biofuels Research and Development Program
- Payments under the Offshore Petroleum Act 2006
- Biofuels Capital Grants
- Ethanol Production Grants Program
- Ethanol Distribution Program
- Asia Pacific Partnership on Clean Development and Climate
- Advanced Electricity Storage Technology
- Low Emissions Technology Demonstration Fund
- TQUAL Grants / Australian Tourism Development Program
- Energy Innovation Fund
- Renewable Energy Fund
- Low Emission Coal Initiatives

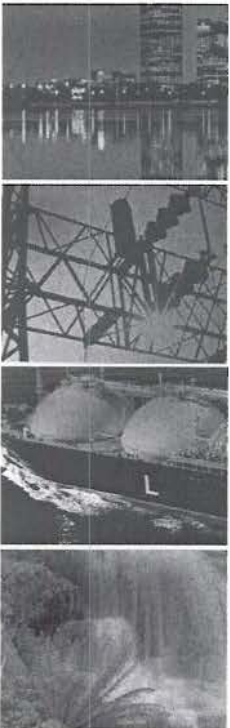
At the conclusion of these individual assessments, the key issues and recommendations will be consolidated to identify any systemic issues or themes that have arisen. A summary report will be developed to capture these issues and make practical and insightful recommendations for improvement.

2.2 Background

The following managers and staff have been interviewed in undertaking the review of the WIP program:

- David Abbott, Acting Manager, Sustainable Mining Section, Minerals Branch, Resources Division
- Ellen Butler, Acting Assistant Manager, Sustainable Mining Section, Minerals Branch, Resources Division

Information in relation to the program was provided by these managers and staff. Publicly available information, including from the Department's website, was also used.



3 Program context, maturity and observations

3.1 Program attributes and context

The following table provides an overview of the program, as at the date of this review.

| Attribute | Context |
|--------------------------------------|---|
| Program overview and type | The WIP program is run by the Department and facilitates workshops in regional areas that the Department has identified as areas that would benefit from improved relationships between key stakeholder groups, being Indigenous communities and the exploration and mining industry. Approximately 2 workshops are hosted each year. |
| Level of program complexity | Low – the program is funded from departmental expenses and is of a relatively small value, being currently \$500,000 per year. |
| Nature and value of benefit provides | The WIP program funds workshops with participants from indigenous communities and the exploration and mining industry. The workshops provide participants an opportunity to discuss topics such as education, training and employment opportunities. The Department pays for costs related to the workshops, such as the cost of consultant facilitators, venue hire, catering etc. The level of funding available for the program's expenditure is currently \$500,000 per annum. |
| Nature and level of funding | Total departmental funding appropriated was \$1.2 million across financial years 2001/02 to 2004/05, with an additional \$2 million across financial years 2005/06 to 2008/09. The funding covers workshop costs; a range of other activities that are consistent with the program objectives; and administration costs in respect of the program. |
| Customer profile and numbers | The program's customer profile consists of two core groups; indigenous community members and members of the exploration and mining industry. Workshops are attended by members of the above two groups as well as Departmental representatives and other Government departments as required. Approximately 60 people attend each workshop. |
| Nature of delivery model | The ongoing administration of the program is undertaken by the Department. |
| Resources | The Sustainable Mining Section within the Minerals Branch of the Resources Division is responsible for program design and implementation as well as ongoing program delivery. |

| Attribute | Context |
|----------------------------|---|
| Contractual arrangements | The Department enters into standard contracts for service with external consultants to act as facilitators for the workshops. |
| Program life ie. from – to | The program was launched in 2001 and is ongoing. |

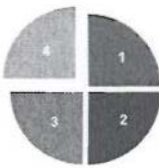
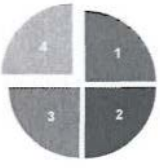
3.2 Program and governance maturity

The program maturity of the WIP program is classified as *'Well established'*.

The WIP program was launched in August 2001 and is ongoing so it is considered to be a mature program. There are appropriate structures in place to manage the program, such as procedures for determining appropriate locations for workshops, procedures in place for managing and monitoring expenditure and regular reporting and evaluation processes.

The governance maturity of the WIP program is classified as *'Strong oversight provided'*.

The program is managed within the Department's existing governance structures and makes up part of the departmental budget. Regular workshop evaluations are undertaken to improve future workshops and financial monitoring of the program is undertaken weekly.

| | |
|---|---|
| <p>Program maturity:</p> <p>4 – Well established</p>  | <p>Governance maturity:</p> <p>4 – Strong oversight provided</p>  |
|---|---|

Program maturity key:

- Well established**
- Operating smoothly, some isolated issues
- Developing
- Early establishment stage



Governance maturity key:

- Strong oversight provided**
- Adequate oversight provided
- Governance developing
- Requires additional attention

3.3 Detailed observations

Strategic management

| Area | Observation | Action required | Overall importance |
|--|--|-------------------------------|--------------------|
| Program governance and decision-making | <ul style="list-style-type: none"> The Department is responsible for program oversight. The Sustainable Mining Section within the Minerals Branch of the Department's Resources Division is responsible for determining where each regional workshop will be held. Departmental guidelines and approvals apply to expenditure of program funds, as the program is funded as part of the departmental budget. | No significant matters noted. | |
| Staffing / delivery structure | <ul style="list-style-type: none"> The Sustainable Mining Section within the Minerals Branch of the Department's Resources Division is responsible for program design and the program's delivery process. The team responsible for the WIP program is equivalent to 1.4 Average Staffing Levels (ASL). The team also makes use of consultants external to the Department as facilitators for the workshops. The consultants are responsible for, in conjunction with the Department, conducting research in preparation for the workshops, identifying the key stakeholders for each particular workshop, determining the issues to be discussed and identifying relevant government groups to participate. They also conduct the planning and facilitation of the workshops with the Department's staff providing assistance. | No significant matters noted. | |
| Risk management practices | <ul style="list-style-type: none"> The Department conducts an annual program activity risk assessment. The assessment identifies a number of risks, their source, impact, mitigating treatment strategies and an overall rating. | No significant matters noted. | |
| Stakeholder relationships | <ul style="list-style-type: none"> The identified stakeholders in the program include Indigenous and non-Indigenous businesses, government and non-government organisations and community service providers. | No significant matters noted. | |

| Area | Observation | Action required | Overall importance |
|--------------------------------------|--|-------------------------------|--------------------|
| | <ul style="list-style-type: none"> The objective of the program is to strengthen the relationships of the above stakeholders. The Department maintains regular communication with stakeholders, conducts surveys following each workshop to better understand stakeholder views and provides follow-up workshops for emerging issues. | | |
| Program design and issues management | <ul style="list-style-type: none"> The program is designed so that the regional workshops conducted by the Department facilitate the achievement of the program objectives. The program team within the Sustainable Mining Section regularly reports on the progress of the program and any issues requiring attention to the program manager and Section manager. | No significant matters noted. | |

Business processes

| Area | Observation | Action required | Overall importance |
|---|---|-------------------------------|--------------------|
| Application vetting/ eligibility/approval | <ul style="list-style-type: none"> Approval for each regional workshop is provided by the WIP program manager. Approvals for expenditure from the program budget are via the same Regulation 9 approvals that exist for other Sustainable Mining Section expenditure. | No significant matters noted. | |
| Delegations | <ul style="list-style-type: none"> The program uses the existing delegation arrangements within the Department. | No significant matters noted. | |
| Policies & procedures / Quality control | <ul style="list-style-type: none"> The normal policies and procedures of the Department govern the program. Each workshop is evaluated by participants at its conclusion. Evaluations are provided directly to the Department to ensure independent evaluation of the consultants used to facilitate each workshop. Results from the evaluation forms are included in the consultant's report on the workshop. Any suggestions for improvement are incorporated into the next workshop. | No significant matters noted. | |



| Area | Observation | Action required | Overall importance |
|---------------------------------------|--|-------------------------------|--------------------|
| | <ul style="list-style-type: none"> The external consultant compiles a final report at the conclusion of each workshop. This report is provided to all who were invited to the workshop and is also posted on the Department's website. The WIP program was reviewed in February 2004 by the then Department of Industry, Tourism and Resources' Budget Evaluation and Strategic Unit, Corporate Division. This review focused on the continued appropriateness of the WIP program against the Government's broader social and industry policy objectives relating to Indigenous Australians and the exploration and mining industry; the effectiveness of the WIP program in achieving its objectives and the efficiency of the WIP program by considering the costs involved in the program's administration. The results of the review were positive, with minimal improvement observations. | | |
| Contract management / grant deed | <ul style="list-style-type: none"> The Department enters into a standard contract for service with each consultant that facilitates WIP program workshops. The contracts used are reviewed by the Department's legal area. | No significant matters noted. | |
| Segregation of incompatible functions | <ul style="list-style-type: none"> Workshop participants complete evaluation forms at the conclusion of each workshop. As the facilitators are also evaluated as part of this process, the evaluation forms are provided directly to the Department. As the majority of the program's expenditure consists of salary costs and procurement activities, incompatible functions in respect of the payment process are addressed through the Department's existing payment controls and procedures. Invoices for program expenditure are entered into the financial system by Departmental staff who are not involved with the program. | No significant matters noted. | |
| Customer fraud | <ul style="list-style-type: none"> There are no known instances of customer fraud. | No significant matters noted. | |
| Customer monitoring & communication | <ul style="list-style-type: none"> The consultants the Department uses to facilitate workshops and the workshops themselves are evaluated by workshop participants. | No significant matters noted. | |



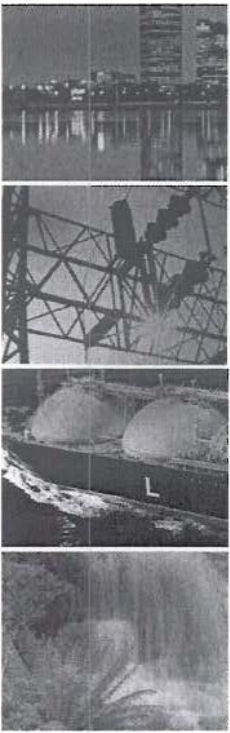
| Area | Observation | Action required | Overall importance |
|---|---|-------------------------------|--------------------|
| | <ul style="list-style-type: none"> The Department maintains regular contact with industry and Indigenous community members, particularly in the period prior to and during planned workshops. | | |
| Compliance strategy / portfolio of controls | <ul style="list-style-type: none"> As WIP program expenditure forms part of the departmental budget, controls used to manage expenditure are the same as those used within the Department. | No significant matters noted. | |
| Customer satisfaction | <ul style="list-style-type: none"> The level of customer satisfaction with WIP is determined by evaluations completed by participants at the conclusion of each workshop. Where there are suggestions for improvements, they are incorporated into future WIP workshops. | No significant matters noted. | |

Resource management

| Area | Observation | Action required | Overall importance |
|------------------------------------|--|-------------------------------|--------------------|
| Funds control and cash forecasting | <ul style="list-style-type: none"> Program funding is appropriated to the Department. Payments for consultant invoices are dependent of the completion of contract milestones. Once each milestone within a contract is reached, an invoice is raised by the consultant and a purchase order is raised by the Department. The Sustainable Mining Section of the Department is responsible for monitoring program funds committed and balances available based on monthly reports generated. Program expenditure is allocated to two cost codes and various cost centres within the Financial Management Information System (FMIS). The program team is responsible for ensuring that all expenditure is correctly assigned. The program team maintains an Excel spreadsheet, which tracks the expenditure of the program. This spreadsheet is compared to reports generated by the FMIS to determine the accuracy of what has been | No significant matters noted. | |



| Area | Observation | Action required | Overall importance |
|--------------------------------|--|-------------------------------|--------------------|
| | recorded. Any necessary adjustments are made on a monthly basis by the program team. | | |
| Management Information Systems | <ul style="list-style-type: none">The Department's existing FMIS is used to administer the program. All invoices relating to WIP program expenditure are maintained within this system. | No significant matters noted. | |
| Knowledge management | <ul style="list-style-type: none">Given the size of the WIP program, the WIP program team is considered appropriate to enable knowledge transfer within the team. | No significant matters noted. | |
| Documents and records | <ul style="list-style-type: none">All program documents, including invoices are located within the Department.The final reports compiled by external consultants for each workshop are kept by the Department and also published on the Department's website. | No significant matters noted. | |



Appendix A: Summary table of recommendations

| Ref | Recommendations | Responsibility/ due date |
|-----|-------------------------------|-----------------------------|
| | No significant matters noted. | |