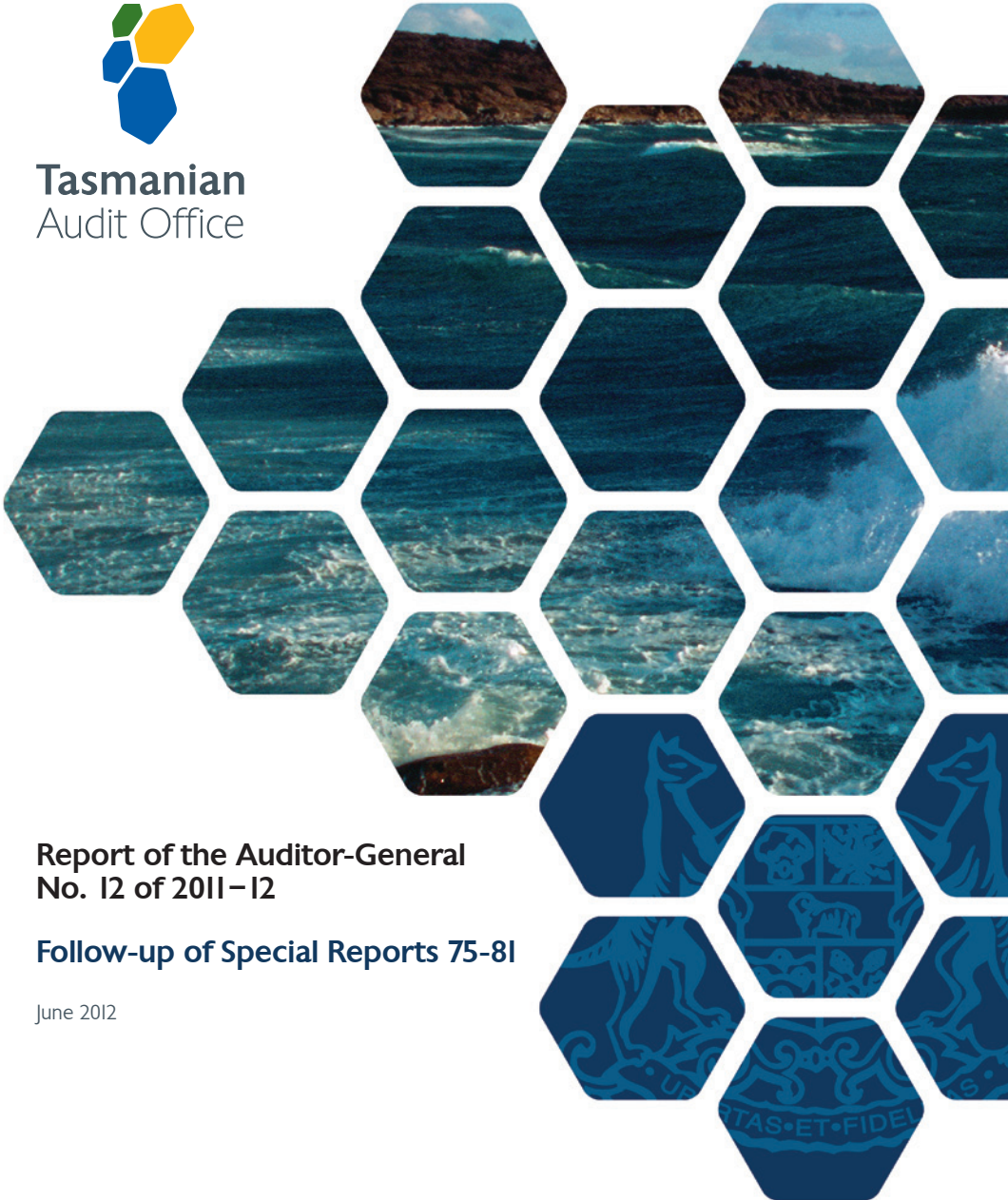




**Tasmanian**  
Audit Office



**Report of the Auditor-General  
No. 12 of 2011–12**

**Follow-up of Special Reports 75-81**

June 2012

## INTRODUCTION

We conduct audits with the goal of assessing the performance and compliance of state entities. Identifying areas for potential improvement is an essential part of such audits and recommendations are made in support of that objective.

Follow up audits inform Parliament about the extent to which state entities have acted on recommendations made in previous Special Reports.

The five reports selected for follow up are:

- Special Report No. 75, a compliance audit examining:
  - *Executive termination payments*
- Special Report No. 76, a compliance audit examining:
  - *Complaint handling in local government*
- Special Report No. 77, a performance audit examining:
  - *Food safety: safe as eggs?*
- Special Report No. 78, a performance audit examining:
  - *Management of threatened species*
- Special Report No. 81, a performance audit examining:
  - *Contract management.*

In addition to being a yardstick on the performance of state entities, the follow up process provides feedback on our own effectiveness. A low rate of implementation could indicate that recommendations were impractical or pitched at an inappropriate level. Consequently, in follow up audits we regard an implementation rate of 70 per cent as satisfactory.

## DETAILED AUDIT CONCLUSIONS

### Overview

Overall, each of the departments exceeded our benchmark of 70 per cent, with 82 per cent of the recommendations implemented.

### *Executive termination payments*

The majority of recommendations were implemented to a degree.

Recommendations 1 and 6 had a high implementation rate, but the remaining recommendations were in most cases not implemented as intended.

Although Recommendations 3 and 5

did not apply to many of the entities, policies that supported payment of ex gratia amounts often did not reflect the intention of the recommendations regarding standards of documentation and approval.

The implementation of Recommendations 2 and 4 was also inconsistent with the underlying intention of detailed review.

Overall, only two of the 28 entities examined did not achieve our benchmark of 70 per cent, with 85 per cent of the recommendations implemented.

## *Complaint handling in local government*

We found that most councils had made significant progress in implementing the majority of recommendations.

Kentish Council was the exception as it had made little progress against a recommendation that councils should develop systems that allow complaints to be analysed to identify systemic weaknesses and underlying problems. However, we noted the Council had completed a major upgrade of its records management system after the completion of audit work.

Overall, an implementation rate of 85 per cent exceeded our benchmark of 70 per cent.

## *Food safety: safe as eggs?*

Since we tabled Special Report 77, the majority of councils had made significant progress against the majority of recommendations.

Brighton Council was the exception as it had not made progress against a recommendation that management should monitor progress on food premises inspections and provide reports to Council. However, Brighton was in consultation with neighbouring councils to determine how such monitoring can be performed and was looking at adopting a suitable program in the near future.

Overall, an implementation rate of 88 per cent exceeded our benchmark of 70 per cent. This implementation rate is also supported by data which indicates that there has only been one major egg-related salmonella outbreak, resulting in two hospital admissions, since the 2008 audit was tabled.

## *Management of threatened species*

The Department of Primary Industries,

Parks, Water and Environment had made significant progress against the recommendations in our 2009 report.

A reallocation of funding allowed for the preparation of Listing Statements and the development of advisory tools between 2009 and 2011. As a result, Listing Statements, which provide a key role in the guidance of recovery actions for species, now cover an extra 156 threatened species. Of those 156 species now covered by a Listing Statement, 10 were prepared for newly listed species.

Overall, the Department implemented 78 per cent of our recommendations.

## *Contract management*

All recommendations were, at a minimum, partially implemented. Recommendation 3, which required departments to establish Steering Committees for major contracts, was fully implemented. However, work was still required in the areas of:

- risk management and risk mitigation
- monitoring
- use of contract management expertise and guidelines.

In terms of additional testing, the Department of Infrastructure, Energy and Resources had achieved comprehensive and consistent performance monitoring and reporting for the Kingston Bypass project. However, further work was required in relation to:

- achievement of agreed outcomes
- consistency of project objectives
- risk management.

Overall, each of the departments exceeded our benchmark of 70 per cent, with 75 per cent of the recommendations implemented.

# LIST OF RECOMMENDATIONS

The following Table reproduces the recommendations contained in the body of the Report.

REC	SECTION	WE RECOMMEND THAT ...
1	1.4.2	... all entities review executive contracts with the aim of improving: <ul style="list-style-type: none"><li>• redundancy clauses</li><li>• early termination clauses</li><li>• clarity between redundancy and early termination</li></ul>
2	3.4	... Kingborough Council develop a forward inspection program.
3	3.4	... councils monitor activity against their forward inspection program.
4	5.4.1	... the Department of Infrastructure, Energy and Resources (DIER) implements stronger budgetary oversight.
5	5.4.1	... DIER improves the consistency of stated objectives in project documentation.
6	5.4.2	... DIER implements an ongoing risk management process.
7	5.4.2	... where aboriginal culture and heritage sites represent a major risk to the outcome of the project, DIER only awards a project once issues surrounding management of such sites is resolved.



HM Blake  
Auditor-General  
26 June 2012

**For the full report go to:** <http://www.audit.tas.gov.au/publications>



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