AUDITOR-GENERAL'S REPORT

PERFORMANCE AUDIT

Agencies Working Together to Improve Services

The Legislative Assembly
Parliament House
SYDNEY NSW 2000

The Legislative Council
Parliament House
SYDNEY NSW 2000

In accordance with section 38E of the *Public Finance and Audit Act 1983*, I present a report titled **Agencies Working Together to Improve Services.**

R J Sendt
Auditor-General

Sydney
March 2006

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Foreword

With the increase in the range of services provided by governments, it is inevitable that government departments become larger and more complex. Management attention may increasingly focus internally - on services being provided, rather than externally – on emerging community needs.

These tendencies can impede the delivery of quality public service.

Government departments traditionally work independently of each other. But the services that citizens need do not always fall conveniently within the scope of a single agency. Complex social issues such as child abuse, crime or homelessness do not belong neatly to a single department.

Since the 1990s, the NSW Government has been promoting collaboration between departments. Guidelines have been issued on how to set up collaborative projects; central agencies have provided support and forums have been established to facilitate joint problem solving.

In this audit we reviewed three case studies where collaboration had been used: a community based Aboriginal employment program, strategies to improve road safety and a program to divert people with a mental illness from the criminal justice system to hospital or community based care.

If done well, collaboration between departments can improve services and results. But the approach also creates risks because it can take longer and cost more than a single agency response. Collaboration can also diminish accountability if it is unclear what each department is responsible for.

This report highlights some of the benefits to be gained from the Government taking a collaborative approach to resolving complex problems. It also highlights the risks that chief executives need to address to make sure these approaches work.

Bob Sendt
Auditor-General

March 2006

Executive summary

Executive summary

Governments in general, face challenges in dealing with complex social problems such as drug abuse, child abuse, and homelessness. Since the late 1990s, the NSW Government has concentrated on using collaboration as a means of addressing these problems and better tailoring services to meet the needs of citizens.

In this audit, we examined three collaborative projects: the Employment and Training Strategy, the Statewide Community and Court Liaison Service, and the Road Safety 2010 Strategy. Our overall objective was to determine if collaboration had been a successful approach to improving services or results.

Audit opinion

In the cases we examined, we found that agencies working together can improve services or results. However, the changes were not always as great as anticipated or had not reached maximum potential.

The Government promotes and supports collaboration between agencies, expecting chief executive officers and their agencies to work together to respond more effectively to the needs of citizens. More and more problems facing government may require this approach. Yet getting agencies with different roles and responsibilities to work together can be a difficult process.

Establishing the right governance framework and accountability requirements between partners at the start of the project is critical to success. And joint responsibility requires new funding and reporting arrangements to be developed.

Guidance material from the NSW Premier's Department goes someway to help agencies establish collaborative partnerships, but it is now somewhat outdated (1999). Recent involvement of the NSW Cabinet Office in coordinating collaborative projects is having positive results.

The establishment of five joint chief executive forums covering portfolios such as human services, provides a stable platform to progress issues of shared interest that affect clients. These forums are possibly the best means of ensuring that collaboration between agencies occurs.

Recommendations

We recommend that the NSW Premier's Department routinely update its guidelines on agency collaboration to include:

- critical success factors (pages 19, 20, 22, 23 and 24)
- contemporary examples of best practice in collaboration (page 14)
- restating the role of the NSW Premier's Department in promoting and facilitating collaboration between agencies (page 14)
- recent changes such as the establishment of the chief executive forums and the involvement of the NSW Cabinet Office in establishing and monitoring cross-agency initiatives (page 14).

We recommend that the NSW Premier's Department establish a means of publicly reporting on collaborative projects being undertaken as well as the results (page 24).

We also recommend that the NSW Premier's Department in conjunction with NSW Treasury:

- continue to examine ways of funding collaborative projects that provide for joint decision-making on priorities as well as clear accountability for resources. A framework for funding collaborative projects should be published in time for agencies to use in the 2007-08 budget cycle (page 21).

Key audit findings

**Chapter 1
Can agencies work together?**

Collaboration involves a number of agencies working together to achieve government outcomes. The intent of collaborative efforts is to break down traditional barriers between agencies so that agencies work as one, focussed on achieving a common outcome.

Getting government agencies with different roles and responsibilities to work together is a complex process. Legislative arrangements can promote vertical accountability, from chief executives to the Minister, for expenditure and for providing services or products. These arrangements can create silos where agencies tend to work in isolation of each other and rarely cross boundaries.

Collaboration in NSW has been promoted through:

- guidance material on how to approach collaborative projects
- the allocation of resources to support collaborative efforts
- strategic initiatives such as the natural resources management reforms, and the CEO Committee on sustainable procurement in government
- specific forums of agency chief executives dedicated to removing barriers to collaboration and addressing common problems affecting clients
- agency amalgamations to create super departments such as the Department of Environment and Conservation which used to operate as three separate entities.

**Chapter 2
Does collaboration work?**

We found that collaboration had improved services or results in all three case studies.

In examining the approaches taken in the three collaboration case studies, we found there were no bureaucratic or regulatory restrictions limiting the extent of collaboration. Rather, differences in partner priorities or practices that were not addressed at the start of the project had a greater impact on outcomes.

As a minimum, accountability arrangements between the partners should be addressed at commencement and outline:

- project objectives, outcomes and timeframes
- the roles and responsibilities of each partner including service standards or specific contributions
- resources to be applied by each partner
- how partners identify and share risks and benefits
- how the project will be evaluated
- how progress and outcomes will be reported.

The case studies used various forms of formal and informal agreements between the partners but none had clearly articulated or documented all the above elements to ensure accountability.

What appears critical for the success of collaboration is not what form this agreement takes but rather its content. As a minimum, the accountability arrangements need to be comprehensive, clearly articulated and documented in some form.

The case studies

Aboriginal Employment and Training Strategy

The objective of this strategy is to maximise training and employment opportunities in 22 selected Aboriginal communities that are part of the Aboriginal Communities Development Program. Under the strategy, apprenticeships are offered in building construction and landscaping trades.

The Department of Aboriginal Affairs is the lead agency. The strategy started in 1998 and is due for completion in 2008. It has a budget of $11 million and involves four agencies in total (see Appendix 2).

Benefits of the strategy have been:

- 222 Aboriginal apprentices have been trained and employed in the 22 priority communities
- 13 Aboriginal building companies set up to employ the apprentices under the strategy
- new and refurbished houses that meet community needs
- apprentices become role models for other community members.

Statewide Community and Court Liaison Service

The objective of this Service is to divert people with a mental illness from the criminal justice system into appropriate hospital or community based care. The Service provides same day pre-hearing assessments to assist magistrates in deciding the best course of action for a defendant.

The service operates in 17 local courts and assesses around 10 percent of defendants.

Justice Health within NSW Health is the lead agency. The Service started in 1999, costs around $2 million each year and involves seven agencies in total (see Appendix 3).

The Service has achieved better, more appropriate outcomes for people with a mental illness than could be achieved by the local courts and Justice Health alone. Where the service is available, people with a mental illness are assessed at the time they attend court rather than being held in remand until an assessment can be completed.

Where appropriate, defendants are diverted from the prison system to receive treatment in a hospital or community setting.

Road Safety 2010 Strategy

The objective of this strategy is to halve the road toll, saving 2,000 lives, by the year 2010. The strategy promotes community understanding and involvement in road safety initiatives around three themes:
- safer people
- safer roads
- safer vehicles.

The Roads and Traffic Authority is the lead agency. The strategy started in 1999 and is due for completion in 2010. Around $113 million is spent each year on road safety and there are eight agencies plus local government involved in the strategy (see Appendix 4).

So far, the strategy has saved an estimated 234 lives.

Improving road safety is a complex problem that cannot be effectively addressed by one agency alone. The Strategy recognises that many agencies need to combine their expertise and resources and coordinate operations to achieve results.

Response from the NSW Premier's Department

I refer to your letters of 24 February 2006 to the Premier and to myself providing the final report of the Performance Audit titled Agencies Working Together to Improve Services. The Premier has asked me to respond on his behalf.

I welcome your principal finding that agency collaboration is working in NSW, and endorsing the work of Premier's Department and other central agencies in promoting collaboration.

Significant work has been undertaken in NSW to improve collaborative service delivery:

- *streamlining of CEO level groups to provide leadership to improve service delivery across the public sector, and by 'cluster' areas of Aboriginal Affairs, Criminal Justice, Human Services, Natural Resources and the Environment, and Transport;*
- *using the cluster groups to examine areas for integrated and cost efficient service delivery;*
- *bringing together agencies with common interests into the one department to better use resources, such as the Department of Environment and Conservation, and the Department of Primary Industries;*
- *development of cross-agency strategies, led by the cluster groups, (eg. City of Cities, and the Mental Health Action Plan);*
- *consolidation of regional coordination of service delivery via the Regional Coordination Program; and*
- *further measures announced by the Premier on 23 February 2006 in the Economic and Financial Statement including:*
  - *establishing a Service Delivery Unit, to provide improved efficiency of service delivery in key areas of Government, and*
  - *creating two departments to bring together agencies with common interests in State and Regional Development, and Arts, Sport and Recreation.*

The recommendations for action by Premier's Department contained in Audit Office report will be given close examination as the measures announced in the Economic and Financial Statement of 23 February 2006 are implemented.

I would like to thank your staff for their cooperative approach in conducting this performance audit, and for providing an opportunity for those agencies whose work is analysed in the report to comment on the findings.

(signed)

Col Gellatly
Director-General

Dated: 10 March 2006

Response from NSW Treasury

Thank you for the opportunity to comment on the Performance Audit report Agencies Working Together to Improve Services.

The Audit recommends that Premier's Department in conjunction with Treasury:

- *continue to examine ways of funding collaborative projects that provide for joint-decision making on priorities as well as clear accountability for resources. A framework for funding collaborative projects should be published in time for agencies to use in the 2007-08 budget cycle.*

Treasury agrees that collaboration between agencies is fundamental to improving the way that service delivery is planned and managed.

In December 2005 the Premier announced a Government commitment to establishing a new Performance Management and Budgeting System. The new system will focus on improved service delivery and the strengthening of accountability across government for service delivery outcomes.

In February 2006 the Premier's Economic and Financial Statement announced that over the next twelve months the systems and processes required to support the new system would be developed in preparation for full implementation in the 2008-09 Budget process. The Statement also recognized that the Government had commenced work in the performance management and budgeting area through the development of the Results and Services Plan (RSP).

The RSP is a high level service delivery and funding plan agreed between Ministers and the Budget Committee of Cabinet. It uses 'cause and effect' linkages to demonstrate the relationship between an agency's services and the results it is working towards. The RSP explains what an agency can achieve with its budget allocation, and helps agencies to align a core set of performance indicators with corporate, business and financial planning.

Currently the Budget process allows for joint agency funding proposals to be submitted by a lead agency. Treasury believes the RSP approach can augment this process by helping agencies to clarify accountability for accomplishment in collaborative projects, including the use of resources.

In 2003 the Government established five Chief Executive Officer (CEO) Cluster groups to discuss common issues and to identify opportunities for cross agency collaboration in areas such as human services and criminal justice. The Audit Opinion observes that the CEO cluster groups 'are possibly the best means of ensuring that collaboration between agencies occurs'.

There has been significant progress in giving cross-agency issues more prominence in the Budget cycle. In recent years the Budget process has been refined to include dedicated cluster-based meetings where Ministers' and agencies' strategic issues can be discussed in a broader cross-portfolio context. In preparing submissions to support this process, CEO Cluster groups are now applying the RSP approach in their service delivery planning.

Consolidating these developments is one option for promoting greater collaboration between agencies. Treasury believes, however, that consideration of specific funding and accountability arrangements for collaborative projects must proceed in conjunction with development of the new Performance Management and Budgeting System.

(signed)

J Pierce
Secretary

Dated: 6 March 2006

1. Can agencies work together?

At a glance

> The key question examined in this chapter is: what facilitates or prevents agencies from working together?
>
> We found that the Government promotes and supports collaboration between agencies and expects chief executives and their agencies to work together to respond more effectively to the needs of citizens.
>
> Getting agencies with different roles and responsibilities to work together is a difficult process. We found that guidance material from the NSW Premier's Department helps agencies address some of the problems associated with this. Also, the recent involvement of the Cabinet Office in coordinating specific collaborative projects and monitoring achievements will improve accountability for results.
>
> More importantly, we consider the establishment of the joint chief executive forums such as the human services cluster will provide a stable platform to progress issues of shared interest that affect clients and is possibly the best means of ensuring that collaboration occurs.

1.1   What is collaboration?

Collaboration is when government agencies work together to provide higher quality services, tailored to meet the needs of citizens

Collaboration, joined-up government, horizontal management, integrated services, cross agency approaches or whole-of-government solutions are just some of the terms used to describe government agencies working together towards a common goal.

These approaches are particularly suited to dealing with complex, problems such as drug abuse, child abuse, and homelessness. The intent of collaborative efforts is to break-down traditional barriers between agencies so that agencies work as part of one inclusive government sector focussed on achieving a common outcome.

Since the late 1990s, the NSW Government has attempted to make services more effective and more aligned to community needs by expecting chief executive officers and their agencies to collaborate.

1.2   The benefits of collaboration

NSW is not unique in its efforts to increase collaboration. Governments in Australia and overseas have recognised the benefits of better coordination and are using collaboration as a means of addressing citizen expectations for high quality services.

The benefits of collaboration include:
- better service delivery – strategies are used to improve access and the speed of service delivery
- more innovative solutions to problems as a result of bringing together people from different agencies
- services that are better tailored to meet the needs of clients by taking a wider view of service delivery than is possible using a sole agency response
- improved cost effectiveness through sharing resources and the removal of overlaps.

Exhibit 1:	The results of collaboration

Child protection

A committee of agencies involved in child protection and associated services was formed to develop a set of interagency guidelines for protecting children. These guidelines facilitate the early identification of children at risk and the exchange of information between agencies with a role in child protection.

The committee has also been responsible for the introduction of pre-employment screening of people working with children and for better referral practices for children at risk.

Government Access Centres

Government access centres have been established in a number of rural locations across the state. These centres provide a one-stop shop for advice on government services, for on-the-spot transactions (such as recreational fishing licences and fine payments) and for referral services.

Interagency action plan for better mental health

This plan recognises that a number of agencies have a role to play in responding to the needs of people affected by mental illness and outlines a coordinated approach to managing those needs. The plan sets out priorities and responsibilities for mental health and primary health care providers, human service agencies and justice agencies for the next five years. Performance indicators have been developed for each priority area to help judge whether strategies have been successful. Results are monitored through reports to Cabinet.

Source: Audit Office research

1.3   Why is collaboration important?

In the absence of collaboration and coordination between agencies, policy development can be disjointed and services delivered in a fragmented manner.

In addition, complex social problems may need holistic responses across many levels of government (Commonwealth, State and Local) and between the government and non-government sectors. This means drawing on a range of expertise to address problems like mental health, salinity, social justice, and the environment.

The potential consequences of agencies not collaborating are:

- agencies may duplicate efforts leading to waste
- disjointed service delivery can lead to unnecessary costs, confusion, client inconvenience or clients not receiving a service
- policy developed without consultation can lead to decisions made without the full knowledge of impacts or consequences
- insufficient consultation between agencies on the development of policy in areas that overlap may prove unworkable.

Overall, collaboration avoids the risks of duplication and is critical to comprehensive and coherent policy development.

1.4 Can agencies work together?

Getting government agencies with different roles and responsibilities to work together is a complex process. Legislative arrangements can promote vertical accountability from chief executives to the minister for expenditure and for providing services or products. These arrangements can create silos where agencies tend to work in isolation of each other and rarely cross boundaries.

Not surprisingly, agencies can see collaboration as being a distraction from the main game rather than a better way of working.

Promoting and supporting collaboration between agencies has been a key priority for governments since the 1990s. And emphasis on cross-agency collaboration was reaffirmed as a government priority in the Premier-Designate Morris Iemma's inaugural speech on 2 August 2005. It is part of the Strategic Management Framework to focus agencies on the way they should plan service delivery.

In general, collaboration in NSW is promoted through:
- guidance material on how to approach collaborative projects
- the allocation of resources to support collaborative efforts
- strategic initiatives such as the natural resources management reforms, and the CEO Committee on sustainable procurement in government
- specific forums of agency chief executives dedicated to removing barriers to collaboration and addressing common problems affecting clients
- agency amalgamations to create super departments such as the Department of Environment and Conservation (previously three separate entities).

More recently, the NSW Cabinet Office has taken a coordination role in developing whole-of-government responses to key policy issues such as improving indigenous health, addressing mental health, drug and alcohol problems. Cabinet Office also has a role in monitoring agency results on these projects and reporting these to Cabinet.

NSW Premier's Department is responsible for promoting collaboration between agencies

Primary responsibility for promoting collaboration between agencies lies with the NSW Premier's Department. The department published guidelines for agencies in 1999 on how to establish collaborative projects. Theses guidelines consist of a series of checklists covering key steps in collaboration illustrated by a number of case studies on best practice.

This guidance material goes someway to help agencies establish collaborative partnerships but is now somewhat dated and does not include recent changes such as the establishment of five joint chief executive forums and the involvement of the Cabinet Office.

The department has also put a number of structures in place to facilitate collaboration such as the:

- Regional Coordination Program established in 1994. In rural and regional areas of NSW, a coordinator is employed by the department to work with government agencies to implement projects that are important to the local community

- facilitates discussions with representatives from other jurisdictions on issues that cross state borders (see exhibit 3)

- Chief Executives Committee that meets regularly to address issues that cross portfolio boundaries

- five Chief Executive Officer forums consisting of chief executives from human services, justice, Aboriginal affairs, natural resources and the environment and transport. These forums are used to promote integrated service delivery through addressing common service issues and the exchange of information.

Agency CEOs see value in the Regional Coordination Program

Exhibit 2: Regional Coordination Program
In 2004, the NSW Premier's Department assessed the performance of 100 Regional Coordination Program (RCP) projects, undertaken or completed within the past 2 years.
The audit examined project objectives, achievements and results and included the results of a survey of 34 chief executive officers and 189 regional managers. The majority agreed that the RCP had improved the management of multi-agency initiatives and communication between agencies.
In responding to the survey, agencies indicated that the RCP facilitates agency networking, information exchange and relationship building and facilitates work on issues which cross agency boundaries.

Source: NSW Premier's Department 2004

Managing complex issues

As part of its responsibilities for promoting collaboration between agencies the department also facilitates the management of complex projects and issues.

Exhibit 3: Managing complex issues
Some examples of the NSW Premier's Department role in collaboration are:
- the department has developed a coordinated response to counter terrorism and major hazards. The department maintains the database of critical infrastructure and is currently reviewing security, emergency and business continuity plans at these facilities. The department has also held a forum for agencies responsible for critical infrastructure
- using the regional coordination program, the department has brought together representatives from both NSW and Victorian government agencies to discuss cross border issues such as how local residents can access services provided in either jurisdiction.

Source: NSW Premier's Department, Annual Report 2004-05

Chief executive forums have been increasingly used to improve public sector coordination and service delivery.

Working together can remove barriers to better services

Exhibit 4:	**Removing barriers to effective collaboration**
The chief executives of 12 agencies, such as Health, Housing, Ageing, Disability and Homecare and Community Services, are members of the Human Services chief executive forum whose role is to promote collaboration and coordination in service delivery between these agencies.	
In order to manage local services, the forum identified that each agency had split the state into geographical areas but each had chosen different boundaries. This was limiting the effectiveness of collaborative projects.	
In response, agencies have moved as closely as possible towards a common set of geographical boundaries. Now collaborative projects for specific regions can be developed as the boundaries are aligned. Similarly, the impact of population-based interventions can be monitored and measured.	

Source: Audit Office research

Recommendation

We recommend that the NSW Premier's Department routinely update its guidelines on agency collaboration to include:

- critical success factors (referred to in chapter 2 of this report)
- contemporary examples of best practice in collaboration
- restating the role of the NSW Premier's Department in promoting and facilitating collaboration between agencies
- recent changes such as the establishment of the chief executive forums and the involvement of the NSW Cabinet Office in establishing and monitoring cross-agency initiatives.

2. Does collaboration work?

At a glance

The key questions examined in this chapter are: does collaboration lead to service improvements; and are there any factors which limit success?

We found that collaboration had improved services in all three case studies, although these changes were not always as great as anticipated or had not reached maximum potential.

While we found that there were no restrictions on agencies working together, the approach taken to establish governance and accountability arrangements between the partners at the start of the project had the greatest impact on success.

2.1   Does collaboration work?

We examined three case studies where collaboration has been used to address a problem to determine if there were any barriers that limit the extent of collaboration and whether collaboration has achieved the intended results.

The case studies use a mix of approaches

All three case studies are quite different in how they were initiated, secured funding, and established governance frameworks and accountability arrangements (see exhibit 6). We have used these case studies to illustrate some of the factors critical to successful collaboration (see exhibit 5).

Overall, we did not find any bureaucratic or regulatory barriers limiting collaboration in these examples.

We did find that collaborative efforts improve services. However, changes were not always as great as anticipated or had not reached maximum potential. The approach taken to establish a collaborative project particularly the governance and accountability arrangements between the partners poses the greatest risk to success.

Exhibit 5:   Factors which impact on success
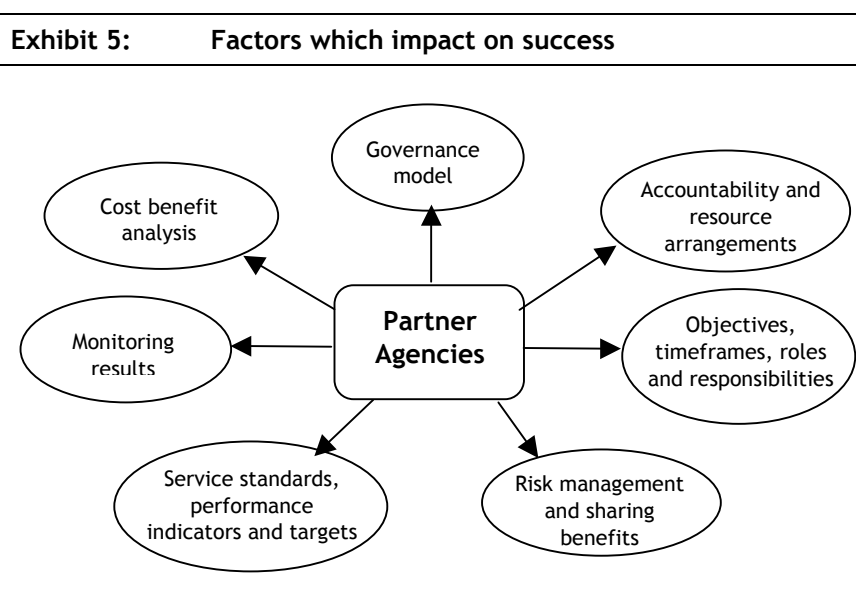
Source: Audit Office research

Exhibit 6:   Collaboration case studies

Initiative	Objective	Expenditure	Timeframe	Partners	Key features	How performance is measured	Results
Aboriginal Employment and Training Strategy (E&TS)	Maximise training and employment opportunities in 22 selected Aboriginal communities that are part of the Aboriginal Communities Development Program. Under the E&TS, apprenticeships are offered in building construction and landscaping trades.	$11 million	1998-2008	Department of Aboriginal Affairs (DAA) Department of Education and Training Aboriginal Housing Office Department of Employment and Workplace Relations	Lead agency (DAA). Memorandum of understanding / service level agreements with partners Budget controlled by DAA and payments made to partners.	Number of apprenticeships completed. Target 180.	222 Aboriginal apprenticeships completed. 13 Aboriginal building companies established.
Statewide Community and Court Liaison Service (SCCLS)	Divert people with a mental illness from the criminal justice system into appropriate hospital or community based care. The SCCLS primarily prepares the assessment reports to assist magistrates in deciding the best course of action. SCCLS operates in 17 local courts and provides same day pre-hearing assessments for around 10% of defendants.	$2.1 million	Commenced 1999-2000. Ongoing.	Justice Health (JH) NSW Local Courts Attorney General's Department NSW Police Department of Corrective Services Department of Health and Area Health Services Legal Aid Commission	Lead agency (JH) Service paid by JH No formal agreements between partner agencies.	Number of defendants assessed (target 10% of total). Number assessed and referred to hospital or community care.	In 2004-05: ▪ 2,177 people were referred for assessment (12%) ▪ 1,794 identified with a serious mental illness (82.4%) ▪ 249 diverted to hospital (13.9%) ▪ 880 diverted to community care (49%) ▪ 665 referred to custodial mental health care (37%) In courts where the SCCLS does not operate defendants are held on remand awaiting a mental health assessment.
Road Safety 2010 Strategy (RS2010)	Halve the road toll, saving 2,000 lives, by the year 2010. The strategy also promotes community understanding and involvement in road safety initiatives around three themes: ▪ safer people ▪ safer roads ▪ safer vehicles.	Between $113-130 million pa	1999-2010	Roads and Traffic Authority (RTA) NSW Police Department of Health Motor Accidents Authority Department of Corrective Services Attorney General's Department Department of Education and Training Catholic Education Commission and Association of independent Schools Local Councils.	Lead agency (RTA) Memorandum of understanding / contracts with partners Budget controlled by RTA. Payments made to partners.	Number of road fatalities. Target: to halve the road toll by the year 2010. RTA measures progress against the 1997 figure of 576 fatalities. Interim target of 400 fatalities in 2005.	Estimate 504 fatalities in 2005. RTA advised that this is the lowest annual result since 1945. Estimated number of lives saved from 1997 to end 2005 is 234 (target was 820 by 2005). The variables affecting road safety are complex and a suite of indicators is being developed to better measure impacts of RS2010.

Source: Audit Office research

2.2   Establishing governance

Three common governance models

Governance models define decision-making and accountability relationships between partner agencies. Three common governance models for cross-agency projects are the:

- lead agency model where one agency assumes overall responsibility for the project and controls funds

- committee or partnership model where agencies come together and equally share responsibilities

- board or joint venture model where a separate entity (a Board) is established with responsibility for all aspects of the project.

The lead agency model was most commonly used in our case studies although most had established steering committees to provide advice on services. This model preserves agency accountability while working collaboratively. That is, one agency is accountable for expenditure and outcomes and is in control of processes and priorities.

The choice of governance model should match the span of responsibility

Best practice suggests that the choice of governance model depends on whether the problem to be addressed falls primarily within the responsibility of a single agency or multiple agencies. That is, if the problem sits primarily with a single agency, the lead agency model is appropriate. Where the problem is shared by two or more agencies, the committee or partner model is appropriate. The board model is used for major new initiatives that span a number of portfolios.

Exhibit 7:   The role of Cabinet Office in joint initiatives

Recently the NSW Cabinet Office has become involved in coordinating whole of government responses to some difficult social issues. The Cabinet Office has set up a number of steering committees involving government agencies, non-government organisations and consumer groups to help develop solutions. Action plans are published that outline agency responsibilities and timeframes for task completion.

An example where this model is used is the Interagency Action Plan for Better Mental Health.

The involvement of the Cabinet Office in these projects is having a positive impact by fast tracking these collaborative efforts. It is able to bring agencies together and make them complete a unique piece of work that is within their jurisdiction and contributes to the collaborative outcome. Chief executive officers are reportedly held to account for achieving results through individual performance agreements.

Source: Audit Office research

None of the case studies selected a "best" approach

All the case studies had adopted a lead agency model. However in all cases, a more appropriate governance model may have been a committee or partner structure because the problems they were addressing went beyond the responsibilities of a single agency.

One example is the RS2010 Strategy where NSW Police and a number of other agencies play a critical role in helping to reduce the road toll as well as the Roads and Traffic Authority.

Similarly, the problem of managing people with mental health problems that commit a crime goes beyond the responsibility of Justice Health to include the Department of Corrective Services, NSW Police, community mental health teams and court officials.

In all case studies, the lead agency model may have limited the extent of cooperation and agreement with the partners on how to address the problem and partner agency commitment to outcomes.

Critical success factor

Choosing the wrong governance model may limit results and the sustainability of services. Governance models need to be tailored to suit the scale, complexity and nature of the task and the policy responsibilities of partner agencies involved in the project.

2.3   Establishing accountability

As a minimum, accountability arrangements between the partners should outline:
- project objectives, outcomes and timeframes
- the roles and responsibilities of each partner including service standards or specific contributions
- resources to be applied by each partner
- how partners identify and share risks and benefits
- how the project will be evaluated
- how progress and outcomes will be reported.

The case studies used various forms of formal and informal agreements between the partners but none had clearly articulated or documented all the above elements to ensure accountability.

Critical success factor

What is critical to the project's success is not what form the agreement between the partners takes but rather its content. As a minimum, the accountability arrangements need to be comprehensive, clearly articulated and documented in some form.

2.4   Defining objectives, roles and responsibilities

Only one agency had established project objectives with partners

According to the NSW Premier's Department guidelines, for collaboration to be successful, partners need to agree the project objectives, and their roles and responsibilities.

This approach creates a shared sense of ownership between the partners and commitment to the project outcomes.

GOOD
PRACTICE

Exhibit 8:   Gaining commitment through demonstrating wins

Justice Health undertook a pilot study of the Statewide Community and Court Liaison Service to demonstrate to potential partners the benefits of diverting defendants with a mental illness from the court system to more appropriate models of care.

The pilot study resulted in two outcomes; firstly it provided objective evidence of the benefits to clients and partner agencies from the service. Secondly, it tested whether the approach was effective in one court before making the service available at other sites.

Source: Audit Office research

In both the RS2010 Strategy and the Employment and Training Strategy, the lead agency developed the project objectives and goals before involving the partners. Both also used formal agreements with partner agencies to ensure collaborative work was undertaken.

Focusing on activities may mean we risk results

Exhibit 9:   Road safety education program

A component of the RS2010 Strategy is road safety education for school children by the Department of Education and Training.

The department delivers a variety of programs in schools under contract to the Roads and Traffic Authority as part of RS2010. The contract requires the department to report on:

- number of schools receiving assistance

- number of teachers attending professional development courses to learn how to deliver road safety programs.

However, the contract does not require the department to monitor its contribution to improvements in student learning outcomes related to road safety as we would expect.

Source: Audit Office research

If partner responsibilities are not clear, neither Parliament nor the public are able to hold an agency to account for the success or failure of a collaborative project.

Critical success factor

Partner agencies need to clearly define and agree objectives and timeframes. The roles and responsibilities of all partners including their contribution to outcomes should be outlined.

2.5   Allocating resources

The NSW Premier's Department guidelines recommend agencies designate a specific budget to a collaborative project. In addition, the guidelines suggest that when a number of agencies pool funds for a project this increases the likelihood of success and strengthens the commitment of agencies to support the project.

Project funding was the responsibility of the lead agency

Each year in NSW, the budget process results in an appropriation to government agencies. Agencies are responsible for these resources and held to account for expenditure.

Collaborative projects cross boundaries between agencies and do not sit comfortably with the traditional approach to appropriation. Where money is allocated to one partner, priorities and allocation decisions are generally dominated by that agency.

This was the case in the examples we reviewed.

In all case studies, the lead agency received project funding and was solely accountable for expenditure. Two of the three agencies had not sought financial contributions from their partners, or had pooled funds for the project. In contrast, partner agencies jointly funded a number of collaborative projects implemented as part of the RS2010 Strategy.

Some partners provide other resources

One project had received some assistance from its partners in the form of accommodation and equipment.

Exhibit 10:   Sharing resources
In order to provide the Statewide Community and Court Liaison Service in 17 local courts, Justice Health pays for a forensic psychiatrist and clinical nurse consultants to conduct assessments in each of the courts where the service operates. It also pays the administrative costs for supporting the service.
NSW Local Courts provide free accommodation to the clinical nurse consultant and access to other resources such as telephones, photocopiers etc.
Partner agencies provide access to data and information on clients such as case histories to assist with the assessment.

Source: Audit Office research

Recommendation

It is recommended that the NSW Premier's Department in conjunction with NSW Treasury continue to examine ways of funding collaborative projects that provide for joint decision-making on priorities as well as clear accountability for resources. A framework for funding collaborative projects should be published in time for agencies to use in the 2007-08 budget cycle.

2.6   Managing risks and distributing benefits

Achieving collaborative outcomes requires levels of organisation that go beyond normal requirements. Collaboration in itself creates a whole set of risks that need to be managed.

Exhibit 11:	Risks associated with collaboration
✖	partners working towards different goals
✖	partners failing to achieve desired outcomes
✖	information on client groups not accessible to partners
✖	insufficient funding or funding not pooled, leading to delays
✖	not addressing variations in results due to inadequate performance monitoring
✖	partners not committed to the aims and benefits of joint working
✖	partner responsibilities not clear to Parliament or the public.

Source: National Audit Office UK 2001

None of the case studies had identified risks or developed risk management strategies specific for the collaborative project, although they were aware of some of the risks associated with this approach. And none of the case studies had identified flow on benefits or costs to partners.

Critical success factor

Establishing accountability arrangements with partners will help address many of the risks associated with collaboration. Agreement needs to be reached on the approach to sharing project risk and the distribution of benefits.

2.7 Monitoring progress and evaluating results

A performance measurement system including service standards, performance indicators and targets should be developed during the planning phase. Regular reports on progress against indicators, targets or base-line data should be circulated to all partners to help maintain support and to address performance gaps.

In two of the case studies (RS2010 and Statewide Community and Court Liaison Service) the lead agencies had developed performance measures. RTA reports achievements to its partners. There are regular reports prepared on the Employment and Training Strategy for the steering committee, but these reports did not contain information that would be useful for judging results.

Although the lead agencies in the case studies had developed some performance indicators to monitor success, they were done in isolation to the partners and did not necessarily capture all the benefits or impacts of the project.

Exhibit 12:	**Capturing the benefits of better client services**

During 2004-05 the Statewide Community and Court Liaison Service completed 2,177 mental health assessments, diverting clients where appropriate to mental health facilities or community based treatments.

Apart from being of direct benefit to clients, this service also creates flow on benefits to partner agencies by reducing:

- court delays – judges or prosecutors who request an assessment do not have to wait for defendants to be transported to appropriate facilities for an assessment before a case can proceed

- transport costs – defendants do not have to be moved between corrections centres, courts and hospitals in order to have an assessment completed.

These benefits are not measured or monitored by the partner agencies.

Source: Audit Office research

Critical success factor

A comprehensive set of service standards, performance indicators and targets needs to be developed by partners at the planning stage. Partners need to also agree the content and frequency of reports on progress.

According to the NSW Premier's Department guidelines, project evaluations are useful in demonstrating and promoting achievements and in building support for extensions of the project or additional resources.

Justice Health, had undertaken an evaluation of the Statewide Community and Court Liaison Service during the life of the program. RTA commenced a mid-term review of RS2010 early in 2005 which had not been completed at the time of this audit report.

 GOOD PRACTICE

Exhibit 13:	**Evaluating project impacts**

Justice Health conducted an evaluation of the Statewide Community and Court Liaison Service at Tamworth Local Court. The results have indicated that following intervention, clients of the program have reported:

- improved family relationships
- reduction in the use of violence
- increased employment rates.

These results have piloted an evaluation methodology with better indicators than have previously been used. Further evaluations with this methodology will be completed for the other locations to monitor outcomes.

Source: Audit office research

Critical success factor

Partners should plan how and when to evaluate the project at the planning stage.

2.8   Reporting on improvements

There are no guidelines on how or what agencies involved in collaborative projects should report on outcomes and achievements.

Yet lead agencies did report achievements in their annual reports

Although the lead agencies had reported on the achievements of collaborative projects each year in their annual reports there is no single point where either agencies, Parliament or the public can access information on all collaboration projects being undertaken in the state.

Recommendation

It is recommended that the NSW Premier's Department establish a means of publicly reporting on collaborative projects being undertaken as well as the results.

2.9   Does collaboration improve services?

All three case studies have resulted in some improvement in services or better community outcomes due to the collaborative approach. Each lead agency has tried to address a problem that crosses agency boundaries and that requires collaboration in order to bring about a change.

The impact or cost of collaboration was not assessed

What we can't judge is whether this approach represents best value for money. None of the lead agencies had evaluated the collaborative aspects of the project to determine what improvements in services or efficiency could be directly attributable to the approach. None of the lead agencies undertook a cost benefit analysis of collaboration to see if the effort was warranted. And none of the lead agencies could quantify the cost of collaborating with partners.

Overall, collaboration needs to be approached by agencies with some caution. The challenge for agencies lies first in picking the appropriate solution to a problem bearing in mind that collaboration can:

- take longer and cost more than a single agency response
- require special governance and accountability arrangements
- diminish accountability.

Collaboration is not always the best way

Collaboration is not a one-size-fits-all solution. The NSW Premier's Department guidelines on collaboration provide a reasonable starting point for agencies to assess whether a collaborative approach is appropriate.

Although the case study projects appear particularly suited to a collaborative approach, none of the lead agencies had assessed whether or not collaboration was the best way of addressing the problem.

Critical success factor

Agencies need to examine the costs and benefits of collaboration before choosing this approach. Collaboration should be chosen where the issue is a priority for the government and the community and the potential service improvements are substantial.

2.10 What has limited results?

We found that for each case study, the results were only made possible by agencies working together. However, we also found that the results were not always as great as anticipated or had not reached maximum potential.

Although it is difficult to directly attribute these shortcomings to the collaborative approach chosen by each agency, we found that the governance model and accountability arrangements between the partners posed the greatest risk to success.

For example, while the Statewide Community and Court Liaison Service operates successfully in 17 courts, partner agencies were not aware of the extent of additional benefits from the service. If these benefits had been captured and a collaborative governance model was in place, partner agencies may have allocated resources to expand the program further (and possibly faster) than what has been achieved by Justice Health.

Similarly, the Road Safety 2010 Strategy has been successful in reducing the road toll but failed to meet its target for reduced road deaths by 2005. Although there are many reasons for this, we found weaknesses in the accountability arrangements between the lead agency and its partners that may have limited results.

Appendices

Appendix 1: About the audit

Audit objective The audit examined whether selected examples of collaboration between agencies had been a successful approach to improving services or results.

Audit scope The audit focused on the following aspects of collaboration:

- initiation
- service delivery
- governance
- funding arrangements

The audit did not examine:

- interactions between chief executive groups and member agencies that did not directly relate to the case studies or objectives of the audit
- whether the management and implementation of the collaborative project has been efficient and effective, except as it related to improvements in services or results.

Audit criteria The audit reviewed whether:

- there were any factors that facilitated or prevented the initiation of collaborative proposals
- a collaborative approach improved services or results and whether these benefits had been realised
- governance arrangements had facilitated or hindered the achievement of outcomes
- funding arrangements impacted on project initiation, progress or outcomes.

Selection of case studies We found more than 40 examples of NSW agencies working across organisational boundaries. These were grouped into programs that:

- improve client access to information and services
- address a specific issue
- facilitate client data exchange
- improve supplier access to information or services
- lead to structural changes.

The three audit case studies were taken from the second category, those that addressed specific community problems. The three case studies selected were the:

- Employment and Training Strategy within the Aboriginal Community Development Program, led by the Department of Aboriginal Affairs
- Statewide Community and Court Liaison Service, led by Justice Health
- Road Safety 2010 Strategy led by the Roads and Traffic Authority.

Audit approach   The audit acquired subject matter expertise through:

- interviews with staff from Justice Health, the Department of Aboriginal Affairs, the Roads and Traffic Authority, NSW Treasury, the Cabinet Office and the NSW Premier's Department

- the conduct of three focus groups involving staff from lead and partner agencies

- review of relevant documents

- research into practices in other jurisdictions.

Acknowledgements   The Audit Office would like to thank all those in the Department of Aboriginal Affairs, Justice Health, NSW Department of Health, and the Roads and Traffic Authority who contributed to our understanding of how their agencies collaborate with partner agencies.

We would also like to thank the representatives from partner agencies that attended our focus groups:

- Employment and Training Strategy
  NSW Department of Health, Department of Education and Training, Aboriginal Housing Office, Commonwealth Department of Employment and Workplace Relations, Department of Commerce

- Statewide Community and Court Liaison Service
  Department of Corrective Services, Chief Magistrate and registrar Central Local Court, NSW Legal Aid Commission, NSW Police, St Vincent's Hospital Caritas Unit, Darlinghurst Community Mental Health Team

- Road Safety 2010 Strategy
  NSW Department of Health, Motor Accident Authority, Attorney General's Department, Department of Corrective Services, Institute of Public Works Engineering Australia (NSW Division), NSW Police, Department of Education and Training, Local Government and Shires Association.

We also thank officers in the Premier's Department, the Cabinet Office, and NSW Treasury for their assistance.

Audit team   Our team leader for this performance audit was Giulia Vitetta, who was assisted by Bettina Ocias. Jane Tebbatt provided direction and quality assurance.

Cost   Including printing and all overheads the estimated cost of the audit is $290,000.

Appendix 2:   Employment and Training Strategy

Objective and purpose

The objective of the Employment and Training Strategy is to maximise employment and business opportunities in 22 priority Aboriginal communities. Under the strategy, a range of apprenticeships are offered in building construction and landscaping as well as training in business administration and project management.

The strategy is part of the Aboriginal Communities Development Program (ACDP); a $240 million, ten year, infrastructure program aimed at improving the health and living standards in 22 priority communities.

Partners

Partner agencies in the Strategy are:

- Department of Aboriginal Affairs
- Department and Education and Training
- Aboriginal Housing Office
- the Commonwealth Department of Employment and Workplace Relations.

The NSW Department of Health is a partner in the ACDP and employs the apprentices to repair houses under the Housing for Health program.

Cost

$11 million has been allocated from ACDP funding to the strategy.

Timeframe

The strategy commenced in 1998 and is due for completion in 2008.

Governance

The Department of Aboriginal Affairs is the lead agency and is responsible for the strategy.

An ACDP Steering Committee oversights the implementation of the strategy.

Formal arrangements between partners are documented in memorandums of understanding and service level agreements.

Aboriginal community members have been engaged in planning strategy projects, establishing local priorities and programming works.

Performance measures

The target for the strategy was to have 180 participants complete apprenticeship training in 15-20 priority communities.

Benefits

A total of 222 Aboriginal apprentices have been trained in 22 priority communities.

In addition, 13 Aboriginal building companies have been established which employ these apprentices.

Other benefits include improvements in the health and economic status of people living in the priority communities.

Response from the Department of Aboriginal Affairs

I refer to your correspondence of 10 February 2006, regarding the Performance Audit, Agency Collaboration in Service Delivery.

Thank you for the opportunity to comment on the report. I note the audit finding in relation to agencies working together can improve services or results and can break down traditional barriers between agencies, so that agencies can focus on achieving a common outcome.

There may still be improvements to be made in this area, but I am sure with further collaboration, commitment and good will amongst agencies these barriers will continue to abate.

Finally, I would like to thank the Audit Team for a useful review of the department's Collaboration with other agencies.

(signed)

Jody Broun
Director General

Dated: 14 March 2006

Appendix 3:   Statewide Community and Court Liaison Service

Objective and purpose

The objective of the Statewide Community and Court Liaison Service is to divert people with a mental illness from the criminal justice system into appropriate hospital or community based care.

The service employs mental health clinical nurse consultants in 17 local courts who:
- screen clients appearing before the courts
- conduct a psychiatric assessment of clients identified during screening
- prepare reports to assist the magistrate
- liaise with hospitals, community psychiatric facilities and other treatment locations
- liaise with psychiatric service providers in the criminal justice system.

Partners

Partner agencies are:
- Justice Health
- NSW Local Courts
- Attorney General's Department
- NSW Police
- Department of Corrective Services
- NSW Department of Health and Area Health Services
- Legal Aid Commission.

Cost

$2.1 million in 2005-06.

Timeframe

Justice Health established a pilot court liaison service in Central and Parramatta local courts in 1999. The service is now based in 17 local courts complemented by 2 telehealth services.

Governance

Justice Health is the lead agency responsible for the service.

There are no formal agreements with partners and no ongoing governance arrangements.

Performance measures

Number of defendants assessed (target is 10 percent). Number assessed and referred to hospital or community care.

Benefits

In courts where the service operates, defendants are screened and clients identified. Patients assessed as requiring care may be diverted from the prison system to a hospital or community mental health service.

Additional benefits to partners include reduced court delays, transport costs and patient risk although these benefits are not measured or monitored.

Response from NSW Health

Thank you for referring to me a copy of the report on the performance audit on agency collaboration in service delivery.

I was very pleased to note the finding that collaboration had improved services or results in all three case studies, including the Statewide Community and Court Liaison Service.

The audit report included the observation that, while the liaison service operates successfully in 17 courts, partner agencies were not aware of the extent of additional benefits from the service. The report went on to note that if these benefits had been captured and a collaborative governance model was in place, partner agencies may have allocated resources to expand the program further.

The Department of Health will now explore possible evaluation strategies with a view to establishing estimates of the quantifiable benefits accruing to the participating agencies as a result of this service. The outcome of any evaluation will, hopefully, form the basis for developing clearly articulated governance arrangements for the liaison service in the future.

Thank you once again for the work that has been done on this performance audit.

(signed)

Robyn Kruk
Director-General

Dated: 7 March 2006

Appendix 4:   **Road Safety 2010 Strategy**

Objective and purpose

The objective of the Road Safety 2010 (RS2010) Strategy is to halve the road toll, saving 2,000 lives, by 2010. The strategy promotes community understanding and involvement in road safety initiatives.

Partners

Partner agencies are:
- Roads and Traffic Authority (RTA)
- NSW Police
- NSW Department of Health
- Motor Accident Authority
- Department of Corrective Services
- Attorney General's Department
- Department of Education and Training
- Catholic Education Commission and the Association of Independent Schools
- Local Government.

Cost

There has not been a specific allocation for RS2010. RTA advised that the budget for various programs relating to RS2010 is between $113 million and $130 million.

Timeframe

RS2010 commenced in 1999 and is due for completion in 2010.

Governance

The RTA is the lead agency for RS2010. The RTA has established formal arrangements with partners, using memorandum of understanding or contracts. These documents outline what the partner is required to do and the funding to be provided by RTA.

The RTA convenes, or is a member of, government road safety committees, including the Government Agency Road Safety Committee and the Ministerial Road Safety Taskforce where the results of RS2010 are discussed.

Performance measures

The RS2010 Strategy has a target to save 2000 lives by the year 2010 and an interim target to save 820 lives by 2005.

The strategy outlines 3 broad themes: safer people, safer roads, and safer vehicles. The RS2010 strategy includes sub-targets for these outcome areas. For example, under safer roads, the target is to save around 600 lives by the year 2010 by improving road conditions.

Benefits

Estimated number of lives saved to 2005 is 234 (target was 820).

The RTA monitors other indicators of road safety such as the use of seat belts, speed related crashes etc. However, this data is not used to monitor RS2010 impacts.

The RTA commenced a mid-term review of the RS2010 Strategy in early 2005. The RTA advises that as part of this review, a suite of indicators will be developed to better measure the impacts of the program.

Response from Roads and Traffic Authority

Thank you for providing a copy of the final report entitled: Agencies working together to improve services.

As you note there has been ongoing discussion between your staff and Mr Michael Bushby and Dr Soames Job in the preparation of this report.

The Roads and Traffic Authority supports the overall findings of the report and endorses its finalisation.

(signed)

Mike Hannon
A/Chief Executive

Dated: 13 March 2006

Appendix 5:   Glossary

ACDP	Aboriginal Communities Development Program
AHS	Area Health Services
Chief Executives Committee	This is a formal, multi-agency group of Chief Executive Officers established to address strategic policy, planning, administrative, program, service delivery or other whole of sector or inter-departmental issues
Clinical Nurse Consultant (CNC)	Clinical Nurse Consultant is a mental health professional who provides a pre-hearing mental health assessment at local courts
collaboration	Collaboration is when several agencies work together to deliver an integrated service or policy to address complex problems such as child protection
E&TS	Employment and Training Strategy to provide training and employment opportunities for Aboriginal people in the communities in which ACDP is being implemented
MoU	Memorandum of Understanding
Road Safety Education Program	An educational program to provide professional development opportunities for teachers and assist delivery of road safety education to students by classroom teachers. The program is part of the school curriculum
Road Safety 2010 (RS2010)	Road Safety 2010 is a NSW Government strategy with the objective of halving the 1997 road toll by 2010
SCCLS	Statewide Community and Court Liaison Services are court-based mental health liaison services for individuals with psychiatric disorders, which divert individuals from court settings to community-based services

Appendix 6:   References and further information on collaboration

Australian National Audit Office, P. Barrett, *Governance and Joined-Up Government – Some Issues and Early Successes*, June 2003

Australian Public Service Commission, *Foundations of Governance in the Australian Public Service*, 2005

Australian Public Service Commission, Management Advisory Committee, *Connecting Government*, 2004

Canadian Centre for Management Development, *Moving from the Heroic to the Everyday: Lessons Learned from Leading Horizontal Projects*, 2001

Institute of Public Administration Australia (IPAA), *Working Together - Integrated Governance*, March 2002

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NSW Premier's Department Circular 2005-07, *Principles for the Operation and Conduct of meetings of Senior Officer Groups*, February 2005

NSW Premier's Department, *Working Together in the NSW Public Sector – Guidelines for collaboration and integrated services*, March 1999

New Zealand Department of Prime Minister and Cabinet, *Getting Better at Managing for Shared Outcomes*, August 2004

New Zealand Ministry of Social Development, *Mosaics – Key Findings and Good Practice Guide for Regional Co-ordination and Integrated Service Delivery*, 2003

New Zealand State Services Commission, *Report of the Advisory Group on the Review of the Centre*, November 2001

The Audit Office of New South Wales, *Shared corporate services: realising the benefits*, November 2004

Performance Audits by the
Audit Office of New South Wales

Performance Auditing

What are performance audits?

Performance audits are reviews designed to determine how efficiently and effectively an agency is carrying out its functions.

Performance audits may review a government program, all or part of a government agency or consider particular issues which affect the whole public sector.

Where appropriate, performance audits make recommendations for improvements relating to those functions.

Why do we conduct performance audits?

Performance audits provide independent assurance to Parliament and the public that government funds are being spent efficiently and effectively, and in accordance with the law.

They seek to improve the efficiency and effectiveness of government agencies and ensure that the community receives value for money from government services.

Performance audits also assist the accountability process by holding agencies accountable for their performance.

What is the legislative basis for Performance Audits?

The legislative basis for performance audits is contained within the *Public Finance and Audit Act 1983, Part 3 Division 2A,* (the Act) which differentiates such work from the Office's financial statements audit function.

Performance audits are not entitled to question the merits of policy objectives of the Government.

Who conducts performance audits?

Performance audits are conducted by specialist performance auditors who are drawn from a wide range of professional disciplines.

How do we choose our topics?

Topics for performance audits are chosen from a variety of sources including:

- our own research on emerging issues
- suggestions from Parliamentarians, agency Chief Executive Officers (CEO) and members of the public
- complaints about waste of public money
- referrals from Parliament.

Each potential audit topic is considered and evaluated in terms of possible benefits including cost savings, impact and improvements in public administration.

The Audit Office has no jurisdiction over local government and cannot review issues relating to council activities.

If you wish to find out what performance audits are currently in progress just visit our website at www.audit.nsw.gov.au/

How do we conduct performance audits?

Performance audits are conducted in compliance with relevant Australian standards for performance auditing and operate under a quality management system certified under international quality standard ISO 9001.

Our policy is to conduct these audits on a "no surprise" basis.

Operational managers, and where necessary executive officers, are informed of the progress with the audit on a continuous basis.

What are the phases in performance auditing?

Performance audits have three key phases: planning, fieldwork and report writing.

During the planning phase, the audit team will develop audit criteria and define the audit field work.

At the completion of field work an exit interview is held with agency management to discuss all significant matters arising out of the audit. The basis for the exit interview is generally a draft performance audit report.

The exit interview serves to ensure that facts presented in the report are accurate and that recommendations are appropriate. Following the exit interview, a formal draft report is provided to the CEO for comment. The relevant Minister is also provided with a copy of the draft report. The final report, which is tabled in Parliament, includes any comment made by the CEO on the conclusion and the recommendations of the audit.

Depending on the scope of an audit, performance audits can take from several months to a year to complete.

Copies of our performance audit reports can be obtained from our website or by contacting our Office Services Manager.

How do we measure an agency's performance?

During the planning stage of an audit the team develops the audit criteria. These are standards of performance against which an agency is assessed. Criteria may be based on government targets or benchmarks, comparative data, published guidelines, agencies corporate objectives or examples of best practice.

Performance audits look at:
- processes
- results
- costs
- due process and accountability.

Do we check to see if recommendations have been implemented?

Every few years we conduct a follow-up audit of past performance audit reports. These follow-up audits look at the extent to which recommendations have been implemented and whether problems have been addressed.

The Public Accounts Committee (PAC) may also conduct reviews or hold inquiries into matters raised in performance audit reports. Agencies are also required to report actions taken against each recommendation in their annual report.

To assist agencies to monitor and report on the implementation of recommendations, the Audit Office has prepared a Guide for that purpose. The Guide, *Monitoring and Reporting on Performance Audits Recommendations,* is on the Internet at www.audit.nsw.gov.au/publications/better_practice/better_practice.htm

Who audits the auditors?

Our performance audits are subject to internal and external quality reviews against relevant Australian and international standards. This includes ongoing independent certification of our ISO 9001 quality management system.

The PAC is also responsible for overseeing the activities of the Audit Office and conducts reviews of our operations every three years.

Who pays for performance audits?

No fee is charged for performance audits. Our performance audit services are funded by the NSW Parliament and from internal sources.

For further information relating to performance auditing contact:

Stephen Horne
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Performance Audit Reports

No	Agency or Issues Examined	Title of Performance Audit Report or Publication	Date Tabled in Parliament or Published
78	State Rail Authority (CityRail) State Transit Authority	*Fare Evasion on Public Transport*	6 December 2000
79	TAFE NSW	*Review of Administration*	6 February 2001
80	Ambulance Service of New South Wales	*Readiness to Respond*	7 March 2001
81	Department of Housing	*Maintenance of Public Housing*	11 April 2001
82	Environment Protection Authority	*Controlling and Reducing Pollution from Industry*	18 April 2001
83	Department of Corrective Services	*NSW Correctional Industries*	13 June 2001
84	Follow-up of Performance Audits	*Police Response to Calls for Assistance The Levying and Collection of Land Tax Coordination of Bushfire Fighting Activities*	20 June 2001
85*	Internal Financial Reporting	*Internal Financial Reporting including a Better Practice Guide*	27 June 2001
86	Follow-up of Performance Audits	*The School Accountability and Improvement Model (May 1999) The Management of Court Waiting Times (September 1999)*	14 September 2001
87	E-government	*Use of the Internet and Related Technologies to Improve Public Sector Performance*	19 September 2001
88*	E-government	*e-ready, e-steady, e-government: e-government readiness assessment guide*	19 September 2001
89	Intellectual Property	*Management of Intellectual Property*	17 October 2001
90*	Intellectual Property	*Better Practice Guide Management of Intellectual Property*	17 October 2001
91	University of New South Wales	*Educational Testing Centre*	21 November 2001
92	Department of Urban Affairs and Planning	*Environmental Impact Assessment of Major Projects*	28 November 2001
93	Department of Information Technology and Management	*Government Property Register*	31 January 2002
94	State Debt Recovery Office	*Collecting Outstanding Fines and Penalties*	17 April 2002
95	Roads and Traffic Authority	*Managing Environmental Issues*	29 April 2002
96	NSW Agriculture	*Managing Animal Disease Emergencies*	8 May 2002

No	Agency or Issues Examined	Title of Performance Audit Report or Publication	Date Tabled in Parliament or Published
97	State Transit Authority Department of Transport	*Bus Maintenance and Bus Contracts*	29 May 2002
98	Risk Management	*Managing Risk in the NSW Public Sector*	19 June 2002
99	E-Government	*User-friendliness of Websites*	26 June 2002
100	NSW Police Department of Corrective Services	*Managing Sick Leave*	23 July 2002
101	Department of Land and Water Conservation	*Regulating the Clearing of Native Vegetation*	20 August 2002
102	E-government	*Electronic Procurement of Hospital Supplies*	25 September 2002
103	NSW Public Sector	*Outsourcing Information Technology*	23 October 2002
104	Ministry for the Arts Department of Community Services Department of Sport and Recreation	*Managing Grants*	4 December 2002
105	Department of Health Including Area Health Services and Hospitals	*Managing Hospital Waste*	10 December 2002
106	State Rail Authority	*CityRail Passenger Security*	12 February 2003
107	NSW Agriculture	*Implementing the Ovine Johne's Disease Program*	26 February 2003
108	Department of Sustainable Natural Resources Environment Protection Authority	*Protecting Our Rivers*	7 May 2003
109	Department of Education and Training	*Managing Teacher Performance*	14 May 2003
110	NSW Police	*The Police Assistance Line*	5 June 2003
111	E-Government	*Roads and Traffic Authority Delivering Services Online*	11 June 2003
112	State Rail Authority	*The Millennium Train Project*	17 June 2003
113	Sydney Water Corporation	*Northside Storage Tunnel Project*	24 July 2003
114	Ministry of Transport Premier's Department Department of Education and Training	*Freedom of Information*	28 August 2003
115	NSW Police NSW Roads and Traffic Authority	*Dealing with Unlicensed and Unregistered Driving*	4 September 2003

No	Agency or Issues Examined	Title of Performance Audit Report or Publication	Date Tabled in Parliament or Published
116	NSW Department of Health	*Waiting Times for Elective Surgery in Public Hospitals*	18 September 2003
117	Follow-up of Performance Audits	*Complaints and Review Processes (September 1999)* *Provision of Industry Assistance (December 1998)*	24 September 2003
118	Judging Performance from Annual Reports	*Review of Eight Agencies' Annual Reports*	1 October 2003
119	Asset Disposal	*Disposal of Sydney Harbour Foreshore Land*	26 November 2003
120	Follow-up of Performance Audits NSW Police	*Enforcement of Street Parking (1999)* *Staff Rostering, Tasking and Allocation (2000)*	10 December 2003
121	Department of Health NSW Ambulance Service	*Code Red:* *Hospital Emergency Departments*	15 December 2003
122	Follow-up of Performance Audit	*Controlling and Reducing Pollution from Industry (April 2001)*	12 May 2004
123	National Parks and Wildlife Service	*Managing Natural and Cultural Heritage in Parks and Reserves*	16 June 2004
124	Fleet Management	*Meeting Business Needs*	30 June 2004
125	Department of Health NSW Ambulance Service	*Transporting and Treating Emergency Patients*	28 July 2004
126	Department of Education and Training	*School Annual Reports*	15 September 2004
127	Department of Ageing, Disability and Home Care	*Home Care Service*	13 October 2004
128*	Department of Commerce	*Shared Corporate Services: Realising the Benefit* *including guidance on better practice*	3 November 2004
129	Follow-up of Performance Audit	*Environmental Impact Assessment of Major Projects (2001)*	1 February 2005
130*	Fraud Control	*Current Progress and Future Directions* *including guidance on better practice*	9 February 2005
131	Follow-up of Performance Audit Department of Housing	*Maintenance of Public Housing (2001)*	2 March 2005
132	Follow-up of Performance Audit State Debt Recovery Office	*Collecting Outstanding Fines and Penalties (2002)*	17 March 2005
133	Follow-up of Performance Audit Premier's Department	*Management of Intellectual Property (2001)*	30 March 2005
134	Department of Environment and Conservation	*Managing Air Quality*	6 April 2005

No	Agency or Issues Examined	Title of Performance Audit Report or Publication	Date Tabled in Parliament or Published
135	Department of Infrastructure, Planning and Natural Resources Sydney Water Corporation Sydney Catchment Authority	*Planning for Sydney's Water Needs*	4 May 2005
136	Department of Health	*Emergency Mental Health Services*	26 May 2005
137	Department of Community Services	*Helpline*	1 June 2005
138	Follow-up of Performance Audit State Transit Authority Ministry of Transport	*Bus Maintenance and Bus Contracts (2002)*	14 June 2005
139	RailCorp NSW	*Coping with Disruptions to CityRail Passenger Services*	22 June 2005
140	State Rescue Board of New South Wales	*Coordination of Rescue Services*	20 July 2005
141	State Budget	*In-year Monitoring of the State Budget*	28 July 2005
142	Department of Juvenile Justice	*Managing and Measuring Success*	14 September 2005
143	Asset Management	*Implementing Asset Management Reforms*	12 October 2005
144	NSW Treasury	*Oversight of State Owned Electricity Corporations*	19 October 2005
145	Follow-up of 2002 Performance Audit	*Purchasing Hospital Supplies*	23 November 2005
146	Bus Transitways	*Liverpool to Parramatta Bus Transitway*	5 December 2005
147	Premier's Department	*Relocating Agencies to Regional Areas*	14 December 2005
148	Department of Education and Training	*The New Schools Privately Financed Project*	8 March 2006
149	Agency Collaboration	*Agencies Working Together to Improve Services*	March 2006

* Better Practice Guides

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