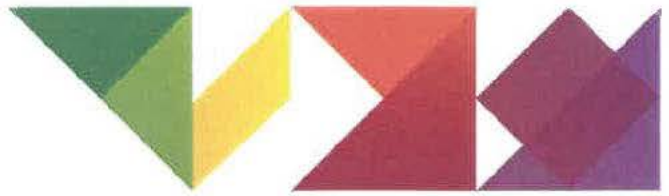




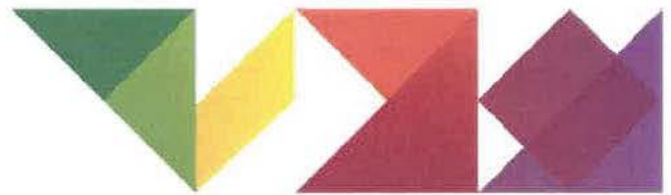
Request for closure of recommendation

Division:	Financial Management Division
ANAO / Internal Audit	Protiviti Audit – Internal Audit of Corporate Plan Performance Reporting
Audit Number and Name:	2017-18 –Internal Audit of Corporate Plan Performance Reporting and Performance Indicators
Recommendation Rating: High/Moderate/Low	Moderate
Recommendation Number and Description:	<p>Recommendation 1: FMD should:</p> <p>a) Update and roll out the new performance framework which includes clear protocols for regular reviews of performance measures (not included in the framework) to address Finding 1.</p> <p>b) Create a roadmap which shows:</p> <ul style="list-style-type: none"> How the Department will achieve alignment between the performance framework components (Corporate Plan, PBS and Annual Performance Statements) over time in line with the Department of Finance guidance to address Finding 2; Timeline and approach for evolving all performance measures (specifically the process for identification, selection and design of the performance measures) in line with better practice guidelines to address Finding 3 and improve performance data as discussed in Finding 4; A plan to update the centralised database of performance information so that each performance measure is associated with a sufficient evidence base, as discussed in Finding 4; A timeline for showing how performance reporting already produced for public accountability mechanisms (such as senate estimates) can be collected and considered as interim monitoring for achievement of performance measures as detailed in the Corporate Plan. This is related to Finding 4; and A plan for implementing a risk-based approach for monitoring of performance measures in line with Finding 5.
Original Completion Date:	31 October 2018
Reason for Closure:	<p>The recommendation has been addressed (and continues to be reviewed) through the significant change management program to improve how the Department undertakes performance reporting. The new <i>Performance Measurement and Reporting Framework</i>, which addresses elements of recommendations one and two, has been developed and received endorsement from the Program Assurance Committee and are seeking Executive endorsement.</p> <p>The Performance Reporting Section undertook testing during the 2017-18 Annual Report process by applying a risk framework to each performance measure published in the 2017-18 PB Statements and 2017-18 Corporate Plan. Performance measures were assigned a risk rating followed by Integrity Branch undertaking an audit of a sample of those measures assessed to be medium to high risk. This methodology will continue to be used for ongoing review of performance measures including the 2019-20 Portfolio Budget Statements.</p> <p>An Intranet site and associated User Guide have also been developed and regular collaboration is occurring with key program areas to improve performance reporting more broadly. A roadmap is in place that addresses the recommendations outlined above and the Performance Measure Reform Project will further deliver benefits and ensure alignment with the recommendations.</p>
Evidence for closure:	<ul style="list-style-type: none"> Transforming Performance Reporting Project Overview, including road map – TRIM link: D18-3058445 - Transforming Performance Reporting Project <i>Performance Measurement and Reporting Framework</i> – TRIM link: D18-2645355 Performance Reporting Framework - updated 31.08.18 Performance Reporting Intranet site, including User Guide. see: http://sharepoint.central.health/divisions/FMD/teams/prs/SitePages/Home.aspx Email from Performance Reporting Section (N.Packwood) dated 7 November 2018: Additional information on review processes applied to performance indicators
Delegate (FAS):	Charles Wann



<p>Future follow up action</p>	<p>External Accountability Comments:</p> <p>FMD has advised that the roll-out of the Performance Framework has been supported to date by:</p> <ul style="list-style-type: none"> • A 'soft launch' of the information on SharePoint as part of the 2018 Review. It will be used as a reference tool / information source for departmental staff working on the Review. <p>FMD provided a consolidated closure report for both recommendations. External Accountability has separated this into 2 closure reports to enable the Committee to clearly see which closure evidence aligns with each recommendation.</p> <p>(a) The performance framework is completed and PAC endorsed. (The Committee may consider deferring closure until Executive Board approve the framework or direct External Accountability to monitor closure process). The framework references review points for performance indicators that are carried out by the Performance Reporting Section (PRS). PRS also provided additional advice on review procedures as follows:</p> <p>'Check & Challenge' elements of Performance Reporting: PRS reviews the Department's performance measures (relevance, reliability, completeness, targets etc.) as part of development of Portfolio Budget Statements (PB Statements). They work with Divisions to improve existing and proposed performance measures (i.e. are they fit for purpose).</p> <p>Performance measures are reviewed during the development of the Annual Performance Statements (APS). While the focus is on ensuring the results against the performance measures are complete/accurate, an eye is kept on any performance measures that could/should be improved (noting that poorer performance measures reported in the APS have often been improved/ removed in the current PBS and are reported as legacy of the previous PB Statements).</p> <p>During development of both the PB Statements and APS, performance measures are closely scrutinised by the Secretary and the Minister's Office. The Department works closely with the Minister's Offices in developing the PB Statements, in particular, providing both verbal (info sessions) and written communication (instructions, templates, supporting information etc.) to Divisions as part of the PB Statements/APS processes (examples have been provided to the ARC previously).</p> <p>Reviews A major review of performance measures was undertaken for the 2017-18 PB Statements. The Department reduced the number of performance measures from 219 to 100 (as part of the 2018-19 PB Statements this was reduced to 87) and greatly improved their quality.</p> <p>A further review is about to be undertaken (2018 Performance Measure Reform). This is a both part of the continuous improvement of the Department's performance measures, and as a result of feedback from the Secretary and Minister's Offices during development of the 2018-19 PB Statements and 2017-18 APS.</p> <p>(b) a roadmap has been provided that addresses the requirements of the recommendation.</p>
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<p>ARC Outcome</p>	<p>Endorsed/Not Endorsed ARC Meeting Date: 20 November 2018</p>
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Request for closure of recommendation

Division:	Financial Management Division
ANAO / Internal Audit	Protiviti Audit – Internal Audit of Corporate Plan Performance Reporting
Audit Number and Name:	2017-18 –Internal Audit of Corporate Plan Performance Reporting and Performance Indicators
Recommendation Rating: High/Moderate/Low	Moderate
Recommendation Number and Description:	<p>Recommendation 2:</p> <p>FMD should roll out key components of the draft quality assurance and performance collection processes to address the weaknesses in record keeping (Finding 4), performance data (Finding 4), and quality assurance (Finding 5) in time for the 2017-18 Annual Performance Statement exercise. This could specifically include the approval and 'check and challenge' templates in line with ANAO principles.</p>
Original Completion Date:	May 2018
Reason for Closure:	<p>New and strengthened checks and processes were fully integrated during 2018 to assure the quality and collection of statutory performance information. In 2018, the Performance Reporting Section expanded the level of detail that program owners must provide in order to address performance measure quality and record keeping. Program owners must clearly articulate the program objective (with a particular focus on community impact) and provide details about the data and evidence sources used to measure performance. Program owners are required to provide the data/evidence source to the Performance Reporting Section (including TRIM record, website, database, other external data sources, third party provider publications etc). The relevant, responsible senior executive is also required to approve performance information, including that it is accurate, meets PGPA requirements and is auditable.</p> <p>The Performance Reporting Section also quality assures the information by check and challenging input against the ANAO principles and relevant Resource Management Guides. The section works with program owners to address performance measure quality and collection, wherever possible (noting that the Annual Performance Statements report back on previous years' measures and the capacity to improve information can be limited).</p> <p>The Performance Reporting Section also undertakes an assurance review of samples of performance measures to appear in the Annual Performance Statement. Samples of performance measures are assessed and rated utilising criteria based on legislative requirements and best practice guidelines, drawing heavily on ANAO recommendations. Findings from these reviews are used to improve performance information and are reported back to the Audit and Risk Committee. Reviews have been conducted over the past two reporting cycles and will continue to be used for future assessment of performance measures.</p> <p>This recommendation will be further addressed through the significant change management program to improve how the Department undertakes performance reporting. The <i>Performance Measurement and Reporting Framework</i>, central depository and enhanced guidance and tools will particularly assist.</p>
Evidence for closure:	<ul style="list-style-type: none"> Transforming Performance Reporting Project Overview, including road map – TRIM link: D18-3058445 - Transforming Performance Reporting Project <i>Performance Measurement and Reporting Framework</i> – TRIM link: D18-2645355Performance Reporting Framework - updated 31.08.18 Performance Reporting Intranet site, including User Guide. see: http://sharepoint.central.health/divisions/FMD/teams/prs/SitePages/Home.aspx
Delegate (FAS):	Charles Wann



<p>Future follow up action</p>	<p>External Accountability Comments:</p> <p>FMD provided a consolidated closure report for both recommendations. External Accountability has separated this into 2 closure reports to enable the Committee to clearly see which closure evidence aligns with each recommendation.</p> <p>Quality assurance processes are outlined in the Performance framework (including user guide) and the roadmap for the Transforming Performance Reporting Project. These include actions for</p> <p>a) improved record keeping Performance Reporting Section (PRS) requires program areas to provide details of the data sources for all performance measures. This includes TRIM records, data bases, external data sources, third party providers etc. The Central Depository, once established, will further improve the Department's record keeping.</p> <p>b) performance data: PRS reviews the Department's performance measures (relevance, reliability, completeness, targets etc.) as part of development of Portfolio Budget Statements (PB Statements). They work with Divisions to improve existing and proposed performance measures (i.e. are they fit for purpose). During development of both the PB Statements and APS, performance measures are closely scrutinised by the Secretary and the Minister's Office. The Department works closely with the Minister's Offices in developing the PB Statements, in particular, providing both verbal (info sessions) and written communication (instructions, templates, supporting information etc.) to Divisions as part of the PB Statements/APS processes (examples have been provided to the ARC previously).</p> <p>c) Quality assurance: The review of performance data also includes review/check data integrity (i.e. is data available, what is the source etc.) commensurate with PB Statements and APS reporting timeframes. The 2019 Performance Reporting Indicative Timeframe provided in the roadmap specifies PB Statements performance results to undergo "check and challenge" against ANAO principles.</p> <p>Reviews 2017-18 and 2018-19 Annual Performance Statement</p> <p>A major review of performance measures was undertaken for the 2017-18 PB Statements. The Department reduced the number of performance measures from over 219 to 100 (as part of the 2018-19 PB Statements this was reduced to 87) and greatly improved their quality.</p> <p>A further review is about to be undertaken (2018 Review). This is a both part of the continuous improvement of the Department's performance measures, and as a result of feedback from the Secretary and Minister's Office during development of the 2018-19 PB Statements and 2017-18 APS.</p> <p>Resources</p> <p>The PRS, from November 2018, has undertaken a SharePoint 'soft launch' to selected/relevant users to provide useful information to effectively plan, measure, develop, report and assess program performance. It will be used as a reference tool / information source for departmental staff working on the 2018 Review. Feedback will be sought on the content. The SharePoint page will then be publicised to all staff (for use in the 2018-19 PB Statements and beyond).</p> <p>Governance</p> <p>Regular reporting on performance frameworks is reflected in the Audit and Risk Committee Annual Work plan.</p>
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<p>ARC Outcome</p>	<p>Endorsed/Not Endorsed ARC Meeting Date: 20 November 2018</p>
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