

Portfolio Departments and Associated Entities: Results of 2012–13 Audits

Victorian Auditor-General's Report
Tabled 27 November 2013

Audit opinions

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- Parliament can place reliance on the financial reports prepared, with clear audit opinions issued.
- DEECD to review school buildings impairment policy:
 - \$4.4 billion invested between 2007–08 and 2012–13 including the Building Education Revolution and state investment programs
 - \$1.274 billion written off due to impairment policy in same period.
- Impairment policy is not considering educational outcomes and community use of these assets.

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Financial sustainability of self-funded entities

- Twelve of 47 self-funded entities had a high financial sustainability risk rating at 30 June 2013.
- Five entities face financial challenges that may reduce the service potential of their assets:
 - Docklands Studios Melbourne
 - Federation Square
 - Melbourne Convention and Exhibition Centre Trust
 - State Sports Centre Trust
 - Victorian Arts Centre Trust.

Use of contract and temporary staff

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- We were unable to determine if spending patterns on contract staff changed in response to the Sustainable Government Initiative.
- We identified instances where contract and temporary staff had been engaged for extended periods of time:
 - contract staff were often re-engaged once their contracts had finished, with few documented performance reviews
 - contract and temporary staff appear to be used to replace employees rather than to fill short-term or ad hoc vacancies.

Business continuity plans

Portfolio departments have business continuity plans but seven lack an overarching plan to prioritise and manage response and recovery in the event that more than one division is impacted.

- CenITex does not have a disaster recovery plan nor disaster recovery capabilities to respond to a significant business disruption.
- As a consequence, the state's ability to recover operations and provide essential public services after a significant event is at risk.
- Such a risk should be unacceptable to Parliament and the public.

Recommendations

		Accept
1.	The Department of Treasury and Finance should review the funding model to address the consequential financial sustainability risks for self-funded entities.	X
2.	All portfolio departments should have policies for engaging contract and temporary staff, and include a clear definition for each.	✓
3.	Portfolio departments should maintain registers of contract staff to facilitate regular monitoring and management.	✓
4.	Portfolio departments should obtain legal advice on whether individuals employed over long periods are legally contract staff or employees and address any financial consequences.	✓

Recommendations

		Accept
5.	Portfolio departments should conduct and document periodic performance reviews for all contract staff, and specifically before determining whether to extend contracts.	✓
6.	Portfolio departments should engage temporary staff for short periods of time not exceeding 12 months or for defined parcels of work only, to fill staff absences of a temporary nature.	✓
7.	Each portfolio department should develop an overarching business continuity plan so that recovery activities are appropriately prioritised and coordinated in the event of an interruption to business.	✓
8.	CenITex should lead the development and regular testing of a disaster recovery plan.	✓

Recommendations

		Accept
9.	Portfolio departments should periodically train staff about their business continuity and disaster recovery arrangements.	✓
10.	Portfolio departments should ensure business continuity and disaster recovery processes of shared service providers align with their own priorities and risks.	✓
11.	CenITex and portfolio departments should clarify and agree their respective responsibilities for disaster recovery management.	✓



Contact details

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