

Annual Plan 2014–15

Volume three: Performance audit work program



VAGO

Victorian Auditor-General's Office
Auditing in the Public Interest

Performance audit work program

3.1 Overview of our performance audit program

3.1.1 Planned outputs for 2014–15

In 2014–15, we plan to deliver 28 performance audits drawn largely from the 31 topics listed in this annual plan. Identifying more topics than we are able to audit provides a degree of flexibility to respond to changes, while still proceeding with a full program.

From time to time, we may introduce new topics into the program to accommodate high-priority issues that emerge. We will provide advance notice to audited agencies and the Public Accounts and Estimates Committee of any proposed new performance audit topics.

We aim to table 90 per cent of our performance audit reports within one month of the planned date for tabling in Parliament. Most performance audits take between six to 10 months to complete.

We will report on achievement of these targets in our Annual Report.

3.1.2 Our audit portfolio

Our performance audit program for the next two years covers a wide range of public sector activities and agencies. We will also undertake a range of different types of performance audits.

While some audits will address a single topic that is unique to that year, others will be an annual 'check-up' of performance in high priority areas, such as major infrastructure and information technology projects.

Some audits 'follow on' from past performance audits, for example after assessing the rollout of 'smart meters' in 2009, we will now examine the extent to which benefits have been realised.

For the first time in recent years, our performance audit program will also include a number of 'follow-up' performance audits to verify agency reports of action against past audit recommendations. Volume four explains this process. We will establish the 2015–16 follow-up program after we collect agency updates of their progress in implementing recommendations from 2012–13 audits.

3.1.3 Delivering our audits

While the Victorian Auditor-General's Office (VAGO) uses external contractors to assist with the delivery of some of our financial audits, we principally use in-house teams to deliver our performance audits. We engage experts from time to time to advise our performance audit teams on complex and technical issues.

3.2 Areas of performance audit focus

This section sets out our areas of performance audit focus for 2014–15 and 2015–16. For each audit listed, the audit scope is set after the completion of detailed planning and consultation with the Public Accounts and Estimates Committee and relevant departments and agencies.

This section also lists the agencies we propose to include in our audits, and identifies where an audit covers the activities of agencies that sit across more than one departmental 'sector'. Sometimes the Auditor-General may add or remove an authority from an audit. This Plan provides an indication of our intentions at this stage.

Given performance audits require six to 10 months to complete, we have commenced nearly half of the audits for tabling in 2014–15.

3.2.1 Sector-wide



Delivering services to citizens and consumers via devices of personal choice, 2014–15

Objective:

To examine the strategy, procurement, implementation and ongoing monitoring of the delivery of public services using mobile and other devices.

Issues:

The rapid growth of ‘smart device’ usage in the broader community is challenging the public sector’s ability to effectively engage with citizens, deliver services, and provide information. This audit will provide assurance on public sector agency efforts to move key transactions online and to assess whether online or other digital services are more effective and cost efficient compared to traditional service delivery modes.

Proposed authorities:

A selection of agencies providing service delivery via mobile or online means.

Digital dashboard: status review of major ICT projects and initiatives, 2014–15 and 2015–16

Objective:

To examine the timeliness, cost and delivery performance, as well as benefits realisation, of a selection of significant information and communications technology (ICT) projects across the public sector.

Issues:

Successive audit reports by our office have identified deficits in the planning and implementation approaches used for major ICT initiatives, with projects often incurring substantial delays and cost overruns. Given the increasing reliance by government on ICT to manage and deliver services, ICT projects require close monitoring to support their success. This audit will occur on an annual basis, targeting ICT projects of significant risk and materiality.

Proposed authorities:

A selection of public agencies undertaking major ICT initiatives.

High Value High Risk, 2014–15 and 2015–16

Objective:

To assess the effectiveness and efficiency of the High Value High Risk (HVHR) process.

Issues:

The HVHR review process aims to address time and budget overruns and the extent of benefit from the delivery of major infrastructure projects. The process applies to all projects over \$100 million, assessed as high risk, or determined by government as warranting additional oversight. Given the significance of these projects, we will complete annual HVHR audits examining how effectively the process is improving outcomes for a range of projects and review action against past HVHR audit recommendations.

Proposed authorities:

The Department of Treasury and Finance (DTF), and relevant portfolio departments.

Responses to performance audit recommendations, 2014–15 and 2015–16

Objective:

To determine the extent of agency response to, and monitoring of, VAGO performance audit recommendations.

Issues:

Our performance audits generate recommendations to address identified deficiencies and improve the management and delivery of public services. This audit will inform Parliament and the public about the extent to which public entities are responding to and monitoring our audit recommendations, promote agency accountability for responding to audit recommendations and facilitate knowledge sharing across public entities regarding responses to identified audit issues.

Proposed authorities:

For 2014–15, all public entities that received performance audit recommendations in 2012–13.

For 2015–16, as above, as well as all public entities that received performance audit recommendations in 2013–14.

Access to public sector information, 2015–16

Objective:

To examine the effectiveness of the government's Information Management Framework in categorising, storing and facilitating access to public sector information and data.

Issues:

Information is a powerful resource that can be used to drive innovation, commerce and social engagement. Government and the public sector are the largest holders of information of all kinds. Economies and communities can profit if more people are able to access this information. This audit will examine the impact of the whole-of-government Information Management Framework and its associated guidelines in improving the management and use of public sector information.

Proposed authorities:

Department of State Development, Business and Innovation (DSDBI), Department of Justice (DOJ), Department of Transport, Planning and Local Infrastructure (DTPLI), DTF, and relevant portfolio departments.

Public participation in government decision-making, 2015–16

Objective:

To examine the effectiveness of public sector agencies in incorporating public participation in their decision-making processes.

Issues:

Public participation is a critical input for informing government policies, and translating them into effective strategies, programs and projects. Failure to provide adequate opportunities for public participation risks alienating the community and creating negative impacts through poorly informed decisions. This audit will examine how agencies engage the public, efficiently and effectively, to inform policymaking and implementation.

Proposed authorities:

Department of Premier and Cabinet (DPC) and a selection of portfolio departments.

Risk management, 2015–16

Objective:

To examine the progress in refining the *Victorian Government Risk Management Framework* to better manage statewide and interagency risks, and the effectiveness of its application.

Issues:

Public sector agencies are vulnerable to statewide risks that are likely to result in significant consequences, ranging from increased traffic congestion and escalating expenditure to treat chronic diseases, to major disruptions to information systems. Multiple past audits by our office have found gaps in how agencies identify and collaboratively manage statewide and interagency risks.

Proposed authorities:

DTF, Victorian Managed Insurance Agency (VMIA), and a selection of portfolio departments.

Using technology to improve safety outcomes in public domain spaces, 2015–16

Objective:

To examine the impact of technology advances on public safety, specifically the use of Closed Circuit Television Cameras (CCTV) for safety purposes in high profile public spaces.

Issues:

Victoria has invested significant resources in technology to increase safety in public areas. The use of CCTV and similar devices not only acts as a crime deterrent but also assists law enforcement agencies to apprehend offenders. This audit will examine how this type of technology investment is planned and targeted, and what outcomes are being monitored and achieved.

Proposed authorities:

DTPLI, DOJ, Melbourne City Council and Victoria Police.

3.2.2 Central agencies



Managing regulator performance, 2014–15

Objective:

To examine the effectiveness and efficiency of a selection of regulators.

Issues:

Past performance audits identified significant issues with the performance of several regulators. Ineffective regulatory practices have the potential to reduce business innovation, productivity, competition, job creation and economic growth. The audit will examine areas of governance, performance and oversight of a selection of regulators.

Proposed authorities:

DTF and a selection of regulators.

Public sector performance measurement and reporting, 2014–15

Objective:

To examine the effectiveness of public sector performance measurement and reporting.

Issues:

Effective measurement and reporting of public sector performance is essential to achieving transparency and accountability in government. Past audits and a 2014 review by the Public Accounts and Estimates Committee identified ongoing shortcomings with departmental performance information. This audit will consider whether publicly reported information by a selection of departments meaningfully demonstrates performance and the achievement of outcomes that are important to the Victorian community. It will also examine whether departments have properly applied the government's performance measurement and reporting system and whether DTF has effectively overseen the development and application of an updated and effective public sector performance measurement and reporting system.

Proposed authorities:

DTF, DPC, Department of Health (DH) and DTPLI.

3.2.3 Education and early childhood development

Additional school costs for families, 2014–15

Objective:

To assess whether the Department of Education and Early Childhood Development (DEECD) and government schools are managing parent education costs economically, efficiently and effectively and in accordance with legislation and policies.

Issues:

There is little consistency between schools in how additional parent payments are applied—including what is considered optional or voluntary. The full effect of parents' ability to pay additional costs on student participation is unknown. The audit will assess how efficiently government schools manage costs and charges to parents and how effectively DEECD and government schools manage and support families to meet additional school costs.

Proposed authorities:

DEECD and a selection of government schools.

Education transitions, 2014–15

Objective:

To examine how effectively kindergartens, primary and secondary schools (education providers) and DEECD are supporting the transitions of children in the education system.

Issues:

Within the education system there are a number of key transitions that shape a young person's learning and development. Transitions occur when young people move from grade to grade within school and when they move into and between schools. There are two major transition periods that children and young people undergo while in the schooling system, when moving from kindergarten to primary school; and then from primary to secondary school.

Effective transitions require education providers to plan and coordinate their support for students. Developing pathways to support the ongoing engagement of children with education is central to DEECD's current strategic plan. The audit will examine the support and guidance provided by DEECD and the activities of education providers to efficiently and effectively transition students.

Proposed authorities:

DEECD and selected kindergartens and government schools.



Regulation of Vocational Education and Training, 2014–15

Objective:

To assess how efficiently and effectively the Victorian Registration and Qualifications Authority (VRQA) is regulating the vocational education and training system (VET).

Issues:

Following legislative changes in 2009, the VET marketplace in Victoria has undergone significant change. Since this time, VET enrolments have increased by 76 per cent and the percentage of training delivered by publicly owned TAFE institutes has fallen from 66 per cent to 42 per cent. This audit will assess the efficiency and effectiveness of VRQA's actions to regulate VET providers, supporting the delivery of quality education for VET students.

Proposed authorities:

VRQA and selection of TAFE institutes.

DEECD strategic planning, 2015–16

Objective:

To examine high-level strategic planning within DEECD, including the evidence base used and how performance against strategic plans is understood and acted on.

Issues:

DEECD's Strategic Plan outlines its 10-year goal to become a world leader in learning and development, the outcomes it is seeking to deliver in the next decade, and the priorities and strategies it has established for the next four years. This audit will examine the adequacy of DEECD's evidence base for decision-making; whether its goals and outcomes represent realistic, time bound and measurable outcomes; and how well its staff understand and act on its strategies and priorities.

Proposed authorities:

DEECD.

Developing school leaders, 2015–16

Objective:

To assess the effectiveness of DEECD's programs to develop school leaders.

Issues:

Effective school leadership is critical to the success of the Victorian Government's autonomous schools model. This model gives school leaders—principals and assistant principals—considerable decision-making authority about schools' operations, including staffing, and asset and financial management. This audit will provide insight into DEECD's actions to identify, support and develop school leaders in achieving improved teacher, student and school performance.

Proposed authorities:

DEECD and Bastow Institute of Education Leadership.

Pre-service education for teachers, 2015–16

Objective:

To examine how effectively DEECD and the Victorian Institute of Teaching (VIT) are supporting a ready supply of high-quality graduate teachers in required teaching specialisations and locations across Victoria.

Issues:

Aside from socio-economic factors, teaching quality has the largest impact on student learning outcomes and is critical to improving student performance. High-quality Initial Teacher Education (ITE) programs are fundamental in ensuring that graduates enter the teaching profession ready to work. Improving the quality of teacher education benefits student performance, social cohesion and innovation. This audit will examine the critical roles DEECD and VIT play in influencing and regulating the provision of ITE.

Proposed authorities:

DEECD and VIT.

3.2.4 Environment and primary industries



Biosecurity, 2014–15

Objective:

To examine how effectively biosecurity risks to the environment, social amenity and human health are managed.

Issues:

Biosecurity threats include animal or plant pests and diseases posing significant risks to the economy, the environment and communities. Climate change, changes in land use and increasing global trade and travel exacerbate the risk. Past audits identified gaps in how biosecurity threats to marine and freshwater environments, social amenity and human health are managed. This audit will examine prevention, response and recovery activities for biosecurity issues as well as governance arrangements across relevant agencies.

Proposed authorities:

Department of Environment and Primary Industries (DEPI) and may also include DH, Parks Victoria and local councils.

Effectiveness of catchment management authorities, 2014–15

Objective:

To assess the effectiveness of catchment management authorities (CMA) in performing their legislative functions, and how DEPI supports and monitors CMAs in fulfilling their roles and responsibilities.

Issues:

Victoria's catchments are critical in sustaining healthy and resilient ecosystems, and supporting primary industries. These natural assets are facing increasing pressure from climate variability, changing land use and increasing demand for agricultural productivity. The audit will assess how CMAs are protecting regional catchments and how catchments are managed at a statewide level.

Proposed authorities:

DEPI and a selection of CMAs.

Management and oversight of Caulfield Racecourse Reserve, 2014–15

Objective:

To examine the effectiveness of the Board of Trustees in managing the Caulfield Racecourse Reserve and of DEPI in overseeing the operations of the Trustees.

Issues:

The Caulfield Racecourse Reserve is a significant public asset, reserved by Crown grant as a racecourse, public recreation area and park. The audit will examine the extent to which the Trustees effectively manage the reserve to adequately cater for these diverse purposes. The audit will also assess whether there are sound governance arrangements that are adhered to, and whether DEPI has established an effective accountability regime.

Proposed authorities:

DEPI and the Caulfield Racecourse Reserve Trust.

Managing landfills, 2014–15

Objective:

To determine whether active and closed landfills are appropriately designed, managed and rehabilitated to prevent risk to the environment and public health.

Issues:

Protecting the environment from the impacts of landfill remains a significant challenge. Historically, poorly located, designed and managed landfills have adversely affected surface water, groundwater and air quality through dust, leachate, gas and odour emissions. Public health can also be affected by landfills located near residential areas. This audit will examine how the Environment Protection Agency (EPA) is administering the regulatory framework for landfill management, and how councils are complying with this framework for both active and closed landfills.

Proposed authorities:

EPA and a selection of local councils.

Effectiveness of the Environmental Effects Statement process, 2015–16

Objective:

To examine how effectively the environmental effects statement (EES) process is managed.

Issues:

The *Environment Effects Act 1978* provides for the assessment of projects with the potential to have a significant adverse effect on the environment at a regional or state level—the EES process. The audit will examine the rigour of the EES process, the quality of information for decision-making, the monitoring of conditions imposed through the process and whether recommended reforms to the EES process have been implemented.

Proposed authorities:

DTPLI, EPA and DEPI.

Enhancing food and fibre productivity, 2015–16

Objective:

To assess the effectiveness of dairy and grain industry research in driving achievement and practice change to meet government productivity goals for agriculture.

Issues:

Victoria is Australia's largest food and fibre exporting state, and to maintain this, the government's 2012 Growing Food and Fibre initiative aims to double food and fibre production in Victoria by 2030. Research is vital to continue building on current achievements, particularly in the face of pressures such as climate change and competition from overseas markets. This audit will examine how well research informs and drives dairy and grain practice and productivity.

Proposed authorities:

DEPI, Agriculture Research and Development Group, and Agriculture Victoria Services.

Implementation of water reforms, 2015–16

Objective:

To assess the effectiveness of the Office of Living Victoria's (OLV) implementation of the state government's water reform program.

Issues:

The state's water regulatory framework and its administration has been under review since 2012 when OLV was established with a role to deliver urban water reform. The government's new urban water policy *Melbourne's Water Future* informs the way the state plans and manages the water cycle in cities and towns to make better use of all available water sources. The audit will assess how effectively OLV has been in implementing this reform agenda, including the implementation of the policy's key initiatives.

Proposed authorities:

OLV.

Monitoring Victoria's water resources, 2015–16

Objective:

To examine the effectiveness and efficiency of water monitoring programs and partnerships across Victoria's water resources.

Issues:

The *Water Act 1989* requires continuous assessment of water resources. A coordinated and efficient statewide approach is needed to collect water quality data to support this. A sound understanding of water quality and quantity is essential to decision-making in water management and regional planning, and tracking progress against government targets. This audit will assess the quality of data collection and reporting, and how agencies work together to assess and understand performance against government targets.

Proposed authorities:

DEPI, OLV, EPA and Melbourne Water Corporation.

3.2.5 Health



Dental health services, 2014–15

Objective:

To assess the accessibility of public dental health services in Victoria.

Issues:

There is a lack of timely access to public services for basic restorative and preventive dental care. Waiting times for public restorative dental care and dentures in 2012 and 2013, were 23 and 22 months respectively. Delayed access to dental care can mean emergency care procedures are needed for preventable conditions. Poor oral health is also linked to poor physical health and can impact on employment and social relationships. This audit will assess the accessibility of public dental health services, their distribution across the state, and demand management.

Proposed authorities:

DH, Dental Health Services Victoria and community and rural health services with public dental chairs.

Efficiency and effectiveness of hospital services: high-value equipment, 2014–15

Objective:

To assess the economy and efficiency of managing high-value equipment in public hospitals.

Issues:

An affordable, efficient health system positions Victoria well to address future challenges associated with a growing and ageing population, and higher rates of chronic and complex health conditions. The audit will examine how economically and efficiently public hospitals manage a sample of high value equipment. It will focus on a number of metropolitan and large regional public hospital networks.

Proposed authorities:

DH, a selection of public health services and possibly Health Purchasing Victoria.

Heatwave management: reducing the risk to public health, 2014–15

Objective:

To determine whether DH's Heatwave Framework is effective in reducing the impact of extreme heat on public health.

Issues:

Heatwaves are forecast to increase in frequency, severity, and duration in Victoria. Vulnerable populations such as the elderly, people with pre-existing health conditions, and those living in urbanised environments are at higher risk of morbidity and mortality due to extreme heat conditions. This audit will focus on the public health response to heatwaves. It will examine how DH, in coordination with local councils and Victoria Police, prepares for and responds to heatwave related emergencies.

Proposed authorities:

DH, Ambulance Victoria, the Health and Human Services Emergency Management branch within the Department of Human Services (DHS), Victoria Police and a selection of health services and local councils.

Managing the nursing workforce, 2014–15

Objective:

To assess the effectiveness of recruitment and retention strategies in meeting demand for nursing services within the Victorian public health system.

Issues:

The nursing workforce, like the general population, is ageing. At December 2013, 27 per cent of the Australian practising nursing workforce was aged 50–59 years. The impending retirement of a large cohort of the nursing workforce coincides with the increased demand on health services arising from the ageing population. The nursing workforce also faces known issues of violence, bullying and workplace injury that impact on recruitment and retention. This audit will examine how well recruitment and retention strategies are working to address these issues.

Proposed authorities:

DH and a selection of public health services.

Palliative care, 2014–15

Objective:

To determine whether palliative care is delivered effectively and in an appropriate setting.

Issues:

Research indicates that while most people with a life-threatening illness would prefer to die at home, or in a home-like environment, only a minority achieve this wish, with most people still spending their last days in acute hospital settings. This situation not only ignores the wishes of people at the end of their life, but also places a significant cost burden on acute health services. This audit will examine access to, and the provision of, palliative care across hospital and community settings and assess outcomes from *Strengthening palliative care: Policy and strategic directions 2011–15*.

Proposed authorities:

DH, Regional Palliative Care Consortia and a selection of public health services.

Chronic disease prevention and management: chronic kidney disease, 2015–16

Objective:

To assess the effectiveness of approaches to prevent and care for people with chronic kidney disease (CKD).

Issues:

CKD refers to all kidney conditions where a person has evidence of kidney damage and/or reduced kidney function, lasting at least three months, regardless of the specific diagnosis of disease or condition causing the disease. Nationally, one in seven hospitalisations is for dialysis with end-stage kidney disease caused largely by diabetes. The need for dialysis means this chronic disease places a high burden on acute health facilities. This audit will assess DH policy actions to address CKD and how public health services are managing demand and patient care.

Proposed authorities:

DH and a selection of public health services.

Hospital performance, 2015–16

Objective:

To assess the effectiveness of the measurement and reporting of hospital performance and how this is used to drive improved performance.

Issues:

Hospital performance reporting is necessary to provide information to government and the public on the performance of the system, including service volume, timeliness of access, quality of care and patient outcomes. This information can then be used to help plan and improve health services. Past audits have identified issues with the performance measures and data used within the health service performance monitoring system. This audit will examine the effectiveness of the performance monitoring framework for public health services.

Proposed authorities:

DH and a selection of public health services.

Patient safety in public hospitals, 2015–16

Objective:

To determine whether risks to patient safety in public hospitals are effectively managed.

Issues:

Clinical incidents, for example adverse drug events, infections, patient falls, wrong procedures and pressure ulcers, can have serious consequences for patient health and quality of life and can result in death. They can also have financial consequences arising from extended patient stays in hospitals. This audit will focus on the prevention and management of clinical incidents.

Proposed authorities:

DH and a selection of public health services.

3.2.6 Human services



Early intervention for children at risk, 2014–15

Objective:

To examine the effectiveness of prevention and early intervention services for vulnerable children and their families.

Issues:

Early response and support is essential to prevent children and families ending up in the child protection system. DHS provides such support through its Child FIRST service (Child and Family Information Referral and Support Teams). A 2012 government inquiry into Victoria's child protection system found that Child FIRST needed substantial and urgent reform to its role and governance to meet its aims. This audit will examine whether Child FIRST services are appropriately targeted and effective in supporting children and families and diverting them from child protection.

Proposed authorities:

DHS.

Preventing and responding to family violence, 2015–16

Objective:

To assess the effectiveness of DHS and Victoria Police programs and strategies for preventing and responding to family violence.

Issues:

Intimate partner violence contributes more than any other risk factor to preventable disease, disability, and death for Victorian women aged 15 to 44. *Victoria's Action Plan to Address Violence against Women and Children – Everyone has a responsibility to act* was released in 2012. It is a whole-of-government strategy with actions including expanded family violence and sexual assault counselling, reforms to legal, police and court processes and better connected services for women and children who experience violence. This audit will examine the effectiveness of DHS and Victoria Police responses to family violence.

Proposed authorities:

DHS and Victoria Police.

3.2.7 Justice



Access to legal aid, 2014–15

Objective:

To assess how well Victoria Legal Aid (VLA) is performing its functions and duties including achieving its objectives under the *Legal Aid Act 1978*.

Issues:

VLA provides access to legal support, particularly for people who are socially and economically disadvantaged, and may not otherwise have access to appropriate advice and representation. VLA is experiencing increasing service demand and complexity of its caseload that potentially impacts on the quality of services and outcomes for clients. This audit will assess arrangements in place to plan and deliver legal aid services, and effectively monitor performance.

Proposed authorities:

VLA.

Emergency response ICT systems, 2014–15

Objective:

To examine the suitability, resilience and operational performance of key ICT systems at the Emergency Services Telecommunications Authority (ESTA) and a selection of emergency response agencies.

Issues:

Victorians expect emergency services to respond promptly and efficiently to crisis incidents. Emergency response ICT systems need to be highly reliable and operationally available. However, from time to time, unplanned outages can occur and disrupt operations. The audit will assess the effectiveness of emergency ICT systems during normal service delivery periods as well as the impact of partial or total ICT system failure on an efficient emergency response.

Proposed authorities:

DOJ, DH, ESTA, Fire Services Commissioner Victoria, Office of the Emergency Services Commissioner, Ambulance Victoria, Country Fire Authority (CFA), DEPI, Metropolitan Fire and Emergency Services Board, Victoria Police and Victorian State Emergency Service.

Emergency service response times, 2014–15

Objective:

To assess the responsiveness of emergency services—police, fire and ambulance.

Issues:

The failure of emergency services to respond to incidents in a timely way poses risks to public health and safety, and property. Whether and how emergency services monitor their performance around responsiveness is a key part of their accountability to the public. The reliability of the measures and underpinning data is an important part of building confidence in the ability of these services to respond to emergencies. This audit will examine the robustness of performance measurement and reporting of the timeliness of responses by emergency services.

Proposed authorities:

Ambulance Victoria, DH, CFA, Metropolitan Fire Brigade, Victoria Police and Victoria State Emergency Service.

Mental health strategies for the justice system, 2014–15

Objective:

To examine the effectiveness of planning and coordination for mental health across Victoria's criminal justice system.

Issues:

People in the criminal justice system have significantly higher rates of mental illness than those in the general community. Victoria's growing prisoner population means the need for mental health services in the justice system is increasing. This audit will assess whether effective planning and coordination guides agency action in addressing the mental health needs of people within the criminal justice system.

Proposed authorities:

DOJ, DHS, DH and Victoria Police.

Administration of Victoria's Superior Courts, 2015–16

Objective:

To examine the effectiveness of initiatives to reduce cost and time delays caused by court backlogs, and how well these initiatives have been managed.

Issues:

The court system is dealing with increasing legal case demand and complexity. There is a need to boost court capacity to manage change and improve performance and productivity of current administrative systems and process. Both former and current governments have implemented measures intended to reduce delays in the court system and improve efficiency. This audit will examine the outcomes of these initiatives.

Proposed authorities:

Court Services Victoria and DOJ.

Responding to property crime, 2015–16

Objective:

To assess the effectiveness of Victoria Police response to property crime.

Issues:

Property crime includes arson, household burglary, graffiti, vandalism, vehicle theft and theft. Effective and efficient responses from Victoria Police are critical given the high volume of property crimes and its economic and social impact. The audit will assess whether strategies are effective and investigations are timely and aligned with community expectations. The audit will also consider whether Victoria Police uses an evidence-based approach, and efficiently targets resources to respond to property crime.

Proposed authorities:

Victoria Police.

Victorian Electoral Commission, 2015–16

Objective:

To assess the effectiveness, efficiency and economy of the Victorian Electoral Commission (VEC) including the conduct of state and local elections.

Issues:

VEC maintains the electoral enrolment register, conducts state, local government, statutory, commercial and community elections, and boundary reviews. It is critical that the work of VEC is efficient and inspires public confidence in the electoral system process. This audit will examine the performance of VEC including its management of electronically assisted voting, automatic enrolments, electronic roll mark off, and election-related infringements.

Proposed authorities:

VEC.

3.2.8 State development, business and innovation



Managing mining approvals: environmental conditions, 2014–15

Objective:

To assess the environmental management of mineral exploration and mining activities.

Issues:

Mineral and extractive industries can have detrimental environmental impacts on soil and water quality, cause soil disturbance and vegetation removal, and introduce plant or animal pests and generate waste. This audit will examine how DSDBI, as the mining regulator, uses its licensing process and compliance activities to minimise environmental impacts and facilitate effective rehabilitation of disturbed areas.

Proposed authorities:

DSDBI and may include DEPI and EPA.

Realising the benefits of smart meters, 2014–15

Objective:

To examine whether consumer-specific benefits of advanced metering infrastructure are being achieved.

Issues:

Our report *Towards a ‘Smart Grid’ – the roll-out of the Advanced Metering Infrastructure* tabled in 2009 found little evidence to show that the cost-benefit analysis of advanced metering infrastructure was adequately considered during project design. This raised the risk of inequitable transfer of economic benefits to industry, rather than consumers. This audit will examine the extent to which agencies have addressed this risk.

Proposed authorities:

DSDBI.

Managing the Regional Growth Fund, 2015–16

Objective:

To assess the effectiveness of the management of the Regional Growth Fund (RGF).

Issues:

The RGF is a \$1 billion investment in regional infrastructure over eight years from 2011. It is intended to drive regional development by providing better infrastructure and services, strengthen communities, create jobs, and support new projects. This audit will assess whether RGF programs and grants address identified needs and achieve intended outcomes. It will also follow up on actions against recommendations from the 2012 audit, *Management of the Provincial Victoria Growth Fund*.

Proposed authorities:

DSDBI.

Supporting workers in transitioning industries, 2015–16

Objective:

To examine the effectiveness of support for workers transferring from declining to stable and emerging sectors of industry.

Issues:

Areas such as manufacturing, retail, agricultural and tourism face significant challenges in coping with industry decline. These sectors have ‘transitioning workforces’, where employees need to up skill, re-skill or find alternative employment. This audit will assess the effectiveness of the support provided for workers affected by declining sectors of the economy.

Proposed authorities:

DSDBI and DEECD.

3.2.9 Transport, planning and local infrastructure



Coordinating public transport, 2014–15

Objective:

To assess Public Transport Victoria's (PTV) progress in coordinating public transport services.

Issues:

A coordinated transport system is envisioned in the *Transport Integration Act 2010* and should facilitate network-wide efficient, coordinated and reliable movements of persons and goods. Long wait times and poor connections, however, continue to hinder efficient public transport use, reduce economic productivity and cause passenger frustration with public transport. This audit will assess the effectiveness of PTV in achieving seamless travel within and between different transport modes.

Proposed authorities:

DTPLI and PTV.

Managing the environmental impacts of transport, 2014–15

Objective:

To assess the effectiveness and efficiency of DTPLI, VicRoads and PTV in managing the environmental impacts of transport—including greenhouse gas (GHG) emissions, noise, and other air pollution.

Issues:

Transport is the second largest contributor to Victoria's net GHG emissions, accounting for around 15 per cent of those emissions. Of all modes, passenger vehicles produce around 60 per cent of transport-related emissions. The intensity of GHG emissions of trams and trains is also high, due to Victoria's reliance on brown coal. Transport agencies have explicit environmental obligations under the *Transport Integration Act 2010*. This audit will examine how agencies are meeting these obligations.

Proposed authorities:

DTPLI, VicRoads and PTV.

Operational effectiveness of the myki ticketing system, 2014–15

Objective:

To examine the operational effectiveness of the myki ticketing system.

Issues:

Between 2010 and 2013, the Public Transport Ombudsman and the Transport Ticketing Authority received over 5 700 complaints covering issues including overcharging, faulty cards and machines, and problems with refunds. The system has also had significant budget increases. In June 2013, the capital and operating budget required until 2016 was estimated to total \$1.55 billion. The audit will examine whether myki is operating effectively and achieving expected benefits.

Proposed authorities:

DTPLI and PTV.

Tendering metropolitan bus contracts, 2014–15

Objective:

To examine whether PTV has effectively secured greater value for money from new bus service franchising arrangements.

Issues:

Buses are an important part of Melbourne's public transport system, especially for connecting people to the radial train service and providing local travel. In 2013 a new bus franchise agreement worth \$1.4 billion over seven years, and covering approximately 30 per cent of the metropolitan bus network was established. The audit will assess the effectiveness of the new bus franchise arrangements.

Proposed authorities:

PTV.

Victoria's consumer protection framework for building construction, 2014–15

Objective:

To assess the adequacy and effectiveness of consumer protection relating to building construction.

Issues:

Consumer issues with building construction persist. Significant issues with aspects of builder registration and dispute resolution services are regularly raised by consumers, and problems commonly arise where builders may become insolvent. This audit will assess progress in implementing the *Victorian Domestic Building Consumer Protection Reform Strategy* and the effectiveness of reforms to the consumer protection framework. This will include examining the establishment of the Victorian Building Authority (VBA) and the extent to which it and other reforms, including changes to the Builders Warranty Insurance Scheme, have or are expected to improve consumer protection.

Proposed authorities:

DTPLI, VBA and VMIA.

East West Link, 2015–16

Objective:

To assess the achievement of the objectives set out in the East West Link business case as well as implementation progress.

Issues:

Demand for cross-city travel is growing and Melbourne's poor connectivity from east to west is becoming a significant constraint on the city's competitiveness, productivity, prosperity and liveability. The East West Link is a planned 18-kilometre freeway from the Eastern Freeway to the Western Ring Road via CityLink's Port of Melbourne precinct. This audit will consider the effectiveness of the procurement processes, governance and project management arrangements, and achievement of desired outcomes.

Proposed authorities:

DTPLI and Linking Melbourne Authority.

Managing and reporting on the performance and cost of transport capital projects, 2015–16

Objective:

To examine whether transport agencies have improved how major capital projects are planned, delivered and monitored.

Issues:

Transport capital programs, excluding the East West Link project, account for 46 per cent of the state's capital commitment for 2013–14. This represents a budget of approximately \$18.2 billion. The scale and complexity of transport projects present risks to the State's finances should projects experience significant cost overruns. Failure to deliver projects as planned can also affect transport efficiency and the liveability of these areas. This audit will examine how well transport agencies understand and manage costs associated with capital projects.

The audit will review project planning, management and governance arrangements of a sample of current and completed major transport projects.

Proposed authorities:

DTPLI, VicRoads, PTV. Port of Melbourne Corporation and Port of Hastings Development Authority may also be included.

Managing Victoria's planning system for land use and development, 2015–16

Objective:

To examine the management of planning schemes, the planning permit system and whether the intended outcomes of the *Planning and Environment Act 1987* and planning schemes are being achieved.

Issues:

An effective planning system is vital for protecting physical and cultural community amenities, natural resources, the environment, and for responding to development needs and future risks, for example, rising sea levels.

This audit will examine whether the management of planning schemes and the planning permit system is resulting in appropriate land use and development, and provide assurance on the appropriate application of Acts, planning schemes and plans and the effectiveness of planning for risks such as rising sea levels.

Proposed authorities:

DTPLI and a selection of councils.

Public safety on Victoria's train system, 2015–16

Objective:

To examine the effectiveness of Protective Services Officers (PSO) in reducing crime and improving perceptions of commuter safety on trains.

Issues:

PSOs are a key strategy in efforts to reduce crime and improve perceptions of safety for people using trains, especially at night. This audit will examine the effectiveness of the deployment of PSOs, and the actions necessary to optimise future deployment. The audit will also review actions of PTV and DTPLI to our recommendations in the 2010 audit *Personal Safety and Security on the Metropolitan Train System*.

Proposed authorities:

Victoria Police, PTV and DTPLI.

3.2.10 Local government

Effectiveness of support for local government, 2014–15

Objective:

To assess the economy, efficiency and effectiveness of support provided to councils.

Issues:

Past audits in the local government sector have highlighted a need for improvement in key areas of council administration. A range of support is delivered by multiple entities to assist councils to carry out their duties and obligations to the community and to facilitate more efficient and effective council operations. Such support activities may include the provision of advice, advocacy, guidance and services such as training. Key entities provide varied levels of support to councils, either independently or in conjunction with each other. The audit will assess how efficiently and effectively support is delivered to achieve intended outcomes and determine whether value for money is being achieved.

Proposed authorities:

Local Government Victoria and the Municipal Association of Victoria.



3.3 Future areas of performance audit focus

This Plan provides a proposed program of areas of audit focus for 2014–15 and 2015–16. Our planning process, however, also provides us with insight on potential risks, issues and priorities that may shape the audit program in future years.

Figure 4.1 lists areas of audit interest that may be included in future performance audit programs. These potential areas are indicative, and do not represent a definitive list of future audits.

We will consult with key stakeholders, including audited agencies and their audit committees, as we develop these topics in future Annual Plans.

Figure 3A
Potential areas of performance audit interest 2016–17 and 2017–18

Sector-wide	
Implementing the Gifts, Benefits and Hospitality Framework	Examine compliance of agencies with government policy and established better practice.
Managing public sector records	Determine whether agencies effectively manage records and examine the effectiveness of support to agencies from the Public Record Office Victoria.
Strategic planning to manage pace and impact of technology change in public sector ICT	Examine strategic planning approaches to identify emerging technology threats and opportunities and the alignment of proposed public sector ICT investments to emerging technologies and service delivery channels and platforms.
Central agencies	
State asset management	Examine the effectiveness of the Asset Management Framework in informing government's asset management decisions and understanding of benefits, costs and risks.
Preparedness to respond to terrorism incidents	Follow up on the implementation of recommendations made in the 2009 <i>Preparedness to Respond to Terrorism Incidents</i> audit.
State development, business and innovation	
Meeting workforce skill gaps through migration programs	Examine whether skilled migration programs are being effectively used as a last resort to fill skill shortages that training and education programs cannot.
Education and early childhood development	
Reform of the skills system	Determine whether implementation of reforms to the VET system have created a responsive VET market which meets student and employer needs.
Delivering against key educational outcomes	Examine DEECD's achievements against a range of key educational outcomes covering early childhood, school and further education.
Environment and primary industries	
Implementation of the Victorian coastal strategy	Assess how effectively the Victorian Coastal Strategy is being implemented by DEPI, the Victorian Coastal Council, Regional Coastal Boards, Parks Victoria and local government.
Managing emergency environmental spill incidents	Examine the effectiveness and efficiency of agencies responsible for managing environmental spill incidents, looking at small frequent incidents to large infrequent environmental emergencies such as a marine oil spill.

Figure 3A

Potential areas of performance audit interest 2016–17 and 2017–18 – *continued*

Health	
Health service governance	Examine the effectiveness of governance arrangements for health services including the relationship between health services and DH.
Effectiveness and efficiency of hospital services	Assess the efficiency and effectiveness of an area of high volume service, such as pathology tests or medication provision, in health services.
Human services	
Outcomes from 'Services Connect'	Assess the effectiveness of DHS' new integrated 'Services Connect' model.
Justice	
Administration of parole	Examine the administration of parole given changes to the Parole Board and decision-making procedures.
Responding to serious and organised crime	Assess Victoria Police's understanding of, and response to, organised crime.
Managing sex offenders	Examine Corrections Victoria and Victoria Police's management of sex offenders, including those on supervision orders and those living in the community.
Redeveloping the core law enforcement support system in Victoria Police	Examine whether the Policing Information Process and Practice (PIPP) reforms have resulted in a robust strategy to address known ICT issues.
Transport	
Improving safety on Victoria's roads	Examine the impact of the current road safety strategy and the progress of agencies against the related action plan, including the extent to which lessons learnt from previous road safety initiatives have informed current and planned future actions.
Managing the performance of rail franchisees	Examine PTV's effectiveness in managing the performance of rail franchisees, including the adequacy of contracts and performance monitoring arrangements.
Implementing the taxi industry reforms	Evaluate the effectiveness of recent taxi reforms and their implementation, including the role of the Taxi Services Commission.
Regulating transport safety	Assess the efficiency and effectiveness of the state's arrangements for regulating bus and rail safety.
Planning and local infrastructure	
Public participation in planning	Assess the adequacy and effectiveness of public participation and consultation for major planning policy developments.
Effectively planning for growth	Assess the effectiveness of planning for infrastructure and services in major growth areas including assessment of Regional Growth Plans.
Local government	
Effectiveness of councillor training and support	Assess whether councillor training, professional development and support are effective in preparing and equipping councillors to competently, professionally and impartially perform their duties and responsibilities.

Source: Victorian Auditor-General's Office.

VAGO welcomes ideas and input from the community on audit topics for future years. You can send through your thoughts to the Auditor-General via our webpage http://www.audit.vic.gov.au/contact_us/concerns_and_suggestions.aspx.

Proposed VAGO reports to Parliament and other key publications 2014–15 and 2015–16

2014–15	2015–16
Sector-wide	
Delivering services to citizens and consumers via devices of personal choice	Access to public sector information
Digital dashboard: status review of major ICT projects and initiatives	Digital dashboard: status review of major ICT projects and initiatives
High Value High Risk	High Value High Risk
Public participation in government decision-making [guideline]	Public participation in government decision making
Responses to 2012–13 performance audit recommendations	Responses to 2012–13 and 2013–14 performance audit recommendations
Information and Communication Technology Controls: Results of the 2013–14 Audits	Risk management
Portfolio Departments and Associated Entities: Results of the 2013–14 audits	Using technology to improve safety outcomes in public domain spaces
	Information and Communication Technology Controls: Results of the 2014–15 Audits
	Portfolio Departments and Associated Entities: Results of the 2014–15 audits
Central agencies	
Managing regulator performance	Auditor-General's Report on the Annual Financial Report of the State of Victoria
Public sector performance measurement and reporting *	
Auditor-General's Report on the Annual Financial Report of the State of Victoria	
Education and early childhood development	
Additional school costs for families *	DEECD Strategic Planning
Education transitions *	Developing school leaders
Regulation of Vocational Education and Training	Pre-service education for teachers
School funding [information piece]	Technical and Further Education Institutes: Results of the 2015 audits
Technical and Further Education Institutes: Results of the 2014 audits	Universities: Results of the 2015 audits
Universities: Results of the 2014 audits	
Environment and primary industries	
Biosecurity	Effectiveness of the Environmental Effects Statement process
Effectiveness of catchment management authorities *	Enhancing food and fibre productivity
Management and oversight of Caulfield Racecourse Reserve *	Implementation of water reforms
Managing landfills *	Monitoring Victoria's water resources
Water Entities: Results of the 2013–14 audits	Water Entities: Results of the 2014–15 audits
Health	
Dental health services	Chronic disease prevention and management: chronic kidney disease
Efficiency and effectiveness of hospital services: high-value equipment *	Hospital performance
Heatwave management: reducing the risk to public health *	Patient safety in public hospitals
Managing the nursing workforce	Public Hospitals: Results of the 2014–15 audits
Palliative care *	
Public Hospitals: Results of the 2013–14 audits	
Human services	
Early intervention for children at risk	Preventing and responding to family violence
Justice	
Access to legal aid *	Administration of Victoria's Superior Courts
Emergency response ICT systems *	Responding to property crime
Emergency service response times	Victorian Electoral Commission
Mental health strategies for the justice system *	
State development, business and innovation	
Managing mining approvals: environmental conditions	Managing the Regional Growth Fund
Realising the benefits of smart meters	Supporting workers in transitioning industries
Transport, planning and local infrastructure	
Coordinating public transport *	East West Link
Managing the environmental impacts of transport *	Managing and reporting on the performance and cost of transport capital projects
Operational effectiveness of the myki ticketing system	Managing Victoria's planning system for land use and development
Tendering metropolitan bus contracts	Public safety on Victoria's train system
Victoria's consumer protection framework for building construction	
Local government	
Effectiveness of support for local government *	Local Government: Results of the 2014–15 audits
Local Government: Results of the 2013–14 audits	
VAGO accountability products	
Annual Plan 2015–16	Annual Plan 2016–17
Annual Report 2013–14	Annual Report 2014–15
Note: Bold text indicates a new report not in the previous annual plan	Note: * indicates work has commenced on this performance audit due for completion in 2014–15
Grey shading indicates Financial Audit reports	