

QUESTION TAKEN ON NOTICE

JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT: 16 November 2009

IMMIGRATION AND CITIZENSHIP PORTFOLIO

Audit Report No. 36 of 2008- 09 – Settlement Grants Program (SGP)

Question 1:

The audit found that settlement needs reporting from State and Territory Offices varied in detail and that staff were uncertain about what to report. Have any steps been taken to rectify this situation, and if so, what has been done?

Answer:

The Department of Immigration and Citizenship has recently improved the settlement needs reporting with a new four monthly issue report from State and Territory Offices as part of a revised planning framework.

The report template captures the following information:

- Location of issue
- Category of issue
- Description of issue including details of the affected entrants/target group
- Origin of issue including source of information, evidence that the issue exists, and the date the issue was raised
- Responsibility for the issue
- Action taken to address the issue

The new reporting template came into effect in October 2009 and will be used nationally. The template ensure a consistent understanding of reports requirements.

State and Territory offices were engaged in the development of the template and instructions for format and content have been issued.

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Question 2:

It's pleasing to see the program contains a risk management framework, but the audit found that there is no formal monitoring of it throughout the year, and that some staff are even unaware of its existence. What has been done to improve this situation?

Answer:

The Settlement Grants Program Risk Framework identifies risks associated with the program, relevant risk owner (National Office, State and Territory offices or both), rating of the risks and how the risks are to be monitored at each phase of the program.

National Office identifies program risks and manages these through its grants management activities, system development work and through improved reporting to senior management on the program.

State and Territory Offices (STOs) report on program risks through quarterly exception reports, introduced in October 2008 where identified, systemic issues are incorporated by National Office into the Program's Risk Framework. In addition, risk owners monitor and minimise program risks through strategies such as conducting stakeholder meetings, conferences and interviews, grant management assessments and reviews and providing support and advice to both internal and external stakeholders as issues emerge. Policies and procedures are also created and updated on a regular basis as a result of the reporting framework.

STOs are provided with the risk management framework annually and are to develop local risk frameworks to ensure ongoing awareness and mitigation of program risks consistent with state and regional conditions.

These procedures are supporting ongoing development and evaluation of the Risk Framework to ensure its relevance to the management of the Settlement Grants Program.

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Question 3:

DIAC has addressed the issue of receiving grant applications without risk evaluations by recently introducing a standard risk assessment matrix into funding applications. What benefits have you seen from introducing this into the grant application process?

Answer:

The risk assessment matrix enables grant applicants to identify areas in their proposals which present potential risks to effectiveness of the grant sought from the department and outline mitigation strategies as appropriate.

The matrix allows grant assessors to gauge the level of risk associated with a project proposal and the amount of consideration which an applicant has placed on particular areas of the application.

The benefit of the risk assessment matrix has been more consistent and rigorous assessment of the risks associated with grant applications, thereby maximising the many and varied outcomes delivered through this grants program for newly arrived migrants and refugees. Outcomes which further social and economic wellbeing, foster inclusion and assist with personal wellbeing as well as broader community development.

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Question 4:

The audit report indicates that the publication of grant details on DIAC's website prior to agreement being reached between DIAC and the successful grant applicant may give the community elevated expectations of a project before it is fully planned. What is your opinion on this?

Answer:

Following approval of Settlement Grants Program (SGP) grants, DIAC provides basic grant information on its website, including the name of funded organisations, amounts funded and a brief project description of approved grants.

The Department does not believe this information unnecessarily or harmfully raises community expectation of program projects. The information is of interest to service providers and clients, providing advice on the availability of settlement services.

Relevant communities can use this information to work with service providers in the development of suitable projects. The Department expects communities and service providers to work together to plan for efficient and suitable projects.

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Question 5:

The ANAO suggests that starting the funding year later than July 1 would give DIAC and successful grant applicants more time to negotiate before having to start delivering services. What is your opinion on this suggestion?

Answer:

While starting the funding year later than July 1 would give DIAC and successful applicants more time to negotiate projects before having to start delivering services, there are disadvantages to projects commencing and operating outside the financial year cycle.

Service providers have identified difficulties and costs associated with the management of grants outside the financial year, including for example increased auditing costs and the need to manage and report (such as through annual reports) on grant programs operating under different timeframes.

The timing of projects was changed to align with financial years in response to service provider concerns about these issues.

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Question 6:

It is disappointing to read about the regular failures of the computer systems that support the Settlement Grants Program, especially those that have occurred at critical times in the grant application process. What steps are you taking to ensure the existing system is more reliable?

Answer:

Since 2008, the Settlement Grants Program (SGP) technical team has continually monitored system stability throughout critical periods. As a result, there have been no significant system outages since the 2007-08 grants round.

In addition, a number of system defects were rectified during the Systems for People 10 Release in November 2009. These defect resolutions have successfully addressed some of the issues that had previously caused outages at critical times during the application process.

A project is currently underway to replace the Grants Management System (GMS) that supports the SGP. The project will develop a system, which will support the end to end operations of not only the SGP, but all other settlement and multicultural grant programs administered by DIAC, including the National Action Plan and Diverse Australia Program. The initial release of the new GMS is planned for late 2010.

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Question 7:

Could you please update the Committee on whether you are going to develop a new, more reliable system to support the Settlement Grants Program?

Answer:

A project is currently underway to replace the Grants Management System (GMS) that supports the Settlement Grants Program (SGP). The project will develop a system, which will support the end to end operations of not only the SGP, but all other settlement and multicultural grant programs administered by DIAC, including the National Action Plan and Diverse Australia Program.

The initiative will address limitations experienced over many years with the existing GMS and make available for the first time, direct system capabilities to support grant programs.

Establishing a consistent grants management and reporting capability across the DIAC's various grant programs will ensure more consistent decision-making, ensuring the policy objectives of the settlement and multicultural affairs programs are more effectively addressed. In addition, the new system will be able to incorporate any future grant types with ease.

In developing a new grants management system, the Department intends to consult closely with stakeholders to ensure its usability and functionality reflect best practice.

This project will address the recommendations expressed in the ANAO Settlement Grants Program Performance Audit Report. The initial release of the new GMS is planned for late 2010.