



Appendix E - Action taken by ARPANSA on Report 30

Action taken/to be taken by ARPANSA in response to the recommendations in ANAO Audit Report 30 (as at 24.10.2005)

Number	Recommendation	Action
Rec. 1	The ANAO recommends that ARPANSA's Corporate and Branch plans address key priorities and strategies for delivering regulatory outcomes. This would include clearer articulation of objectives and prioritisation of those objectives.	ARPANSA has prepared a strategic regulatory framework that sets out the fundamental ways that ARPANSA seeks to achieve regulatory outcomes for inclusion in the newly prepared corporate plan. The paper has been considered by the RRCC and has been circulated to all licence holders for comment. This policy paper has been incorporated into the ARPANSA 2005/08 Corporate Plan. A more strategic Regulatory Branch Business Plan has been prepared; it will be completed by mid November after holding a one day externally facilitated workshop involving all Regulatory Branch staff.

Number	Recommendation	Action
Rec. 2	The ANAO recommends that ARPANSA develop key performance indicators and targets for the regulatory function that inform stakeholders of the extent of compliance by controlled persons, and of ARPANSA's administrative performance.	The revised Regulatory Branch Business Plan has had KPIs added which will be monitored and reported in future Annual Reports so as to provide information about licence holder and ARPANSA performance. KPIs attributed to licence holder performance will be consulted with all licence holders before being finalised.
Rec. 3	The ANAO recommends that ARPANSA enhance its risk management framework to identify risks to achievement of regulatory outcomes, mitigation strategies to manage those risks, residual risks, and a process of systematic monitoring of residual risks and their treatment.	ARPANSA is revising its risk management framework and has identified the risks to achievement of regulatory outcomes. The revised framework will be completed by December 2005. It will include a Risk Management Communication Strategy by which info on risk management policy; risk application, techniques and evaluation; review mechanisms; and current risk issues are communicated to external and internal stakeholders.
Rec. 4	The ANAO recommends that ARPANSA strengthen management of the potential for, or perceptions of, conflict of interest, in accordance with legislative responsibilities, by: <ul style="list-style-type: none"> • ensuring adequate documentation of all perceived or potential conflicts of interest; • taking action to better manage the conflict of interest arising from its regulatory role in respect of its own sources and facilities; and • implementing and ensuring compliance with instructions issued. 	ARPANSA is reviewing and preparing to 'relaunch' its policy and procedures for managing conflict of interest. With regard to regulation of its own use of sources and facilities, to increase transparency, ARPANSA will be seeking the assistance of the Victorian State regulator to take part in inspections and assessments of ARPANSA's own radiation activities.
Rec. 5	The ANAO recommends that ARPANSA: <ul style="list-style-type: none"> • review and assess performance against customer service standards in its customer service charter; and • systematically action and report on all complaints received. 	ARPANSA is working to ensure a consistent approach to the handling of complaints across the regulatory and service functions of ARPANSA within the ARPANSA Quality Management System. The Customer Service Charter will be reviewed and forwarded to all licence holders annually, together with a feedback form. The first feedback survey will be undertaken in March 2006, so as to allow the results to be included in the 2006 Annual Report. Complaints handling performance, as with other Customer Service Charter requirements, will be reported in future Annual Reports.

Number	Recommendation	Action
Rec. 6	<p>The ANAO recommends that, in order to provide assurance that cost recovery is consistent with better practice and government policy, ARPANSA:</p> <ul style="list-style-type: none"> • develop a policy framework to guide its cost recovery arrangements; • and have sufficiently reliable data and analysis, on cost elements to support management decisions on cost recovery – such analysis should include the alignment of fees and charges with the costs of regulation for particular groups of clients or types of licences, to the extent that this is cost-effective. 	<p>ARPANSA has prepared a draft policy framework on cost recovery as recommended by the ANAO. It sets out the basis for the current fees and charges and future models for cost recovery. That paper has been reviewed by the RRCC and has been circulated to all licence holders for comment. Comments closed on 21.10.05</p> <p>ARPANSA is installing software to record regulatory activity in relation to individual licence holders. This activity will be costed and will form the basis for a more transparent recording of regulatory costs by licence holder and by source and facility licence. This program will commence in November 2005 and activity based costing will form the basis for future reviews of fees and charges.</p> <p>ARPANSA will follow the Government Cost Recovery Guidelines as much as possible, bearing in mind that those Guidelines exempt cost recovery from other Government agencies.</p>
Rec. 7	<p>The ANAO recommends that ARPANSA enhance guidance to applicants to better reflect the requirements of the ARPANS Act and Regulations and, in particular, to provide guidance on the statutory matters that the CEO must take into account.</p>	<p>The current information pack to applicants will be reviewed and rewritten during October-November 2005. It will be submitted to the RRCC for comment. The RRCC includes two members who are from agencies which are current major ARPANSA licence holders.</p>
Rec. 8	<p>The ANAO recommends that ARPANSA introduce appropriate systems to ensure its application processing complies with the requirements of the ARPANS Act and Regulations.</p>	<p>Once the applicant information pack is rewritten, and consulted with the RRCC, it will be used as a template to develop an information pack for ARPANSA officers assessing applications. To be prepared in conjunction with the applicant info pack in November 2005.</p>

Number	Recommendation	Action
Rec. 9	<p>The ANAO recommends that ARPANSA enhance its licence application assessment processes by ensuring that:</p> <ul style="list-style-type: none"> • guidance to staff explicitly addresses specified statutory matters that the CEO must take into account; and • regulatory assessment reports provided to the CEO on each application explicitly address the extent to which an application addresses these matters. 	<p>Implementing ANAO recommendations 7 and 8 as above (November 2005) will result in ANAO recommendation 9 also being completed.</p>
Rec. 10	<p>The ANAO recommends that ARPANSA develop a risk-based decision-making process for the use of additional licence conditions. This would require clear procedures and documentation addressing, inter alia, why and how conditions will be applied, monitoring of those conditions, and their costs and benefits.</p>	<p>The use of additional licence conditions is now relatively rare as the licensing or pre-existing activities have been completed. A paper on the role of additional licence conditions will be prepared by the end of November 2005.</p>
Rec. 11	<p>The ANAO recommends that ARPANSA develop and implement a central database for the management of applicant and licence-holder information.</p>	<p>The implementation of a central regulatory management information system is seen as very important to address several of the ANAO recommendations, particularly in relation to risk management and report monitoring. ARPANSA has completed the system scope and project plan for the information management system. ARPANSA currently developing the user requirements and will engage a programmer to build the system in several stages to be completed by mid 2006.</p>
Rec. 12	<p>The ANAO recommends that ARPANSA monitor the timeliness of licence approvals against service standards, and report on this in its annual report.</p>	<p>'Service standards' for assessment of licence applications and applications for reg 51 modifications will be included in I the Regulatory Branch plan. Performance will be monitored and reported in future Annual Reports.</p>

Number	Recommendation	Action
Rec. 13	<p>The ANAO recommends that ARPANSA develop and implement an explicit, systematic and documented overall strategic compliance framework that:</p> <ul style="list-style-type: none"> • identifies and articulates the purpose, contribution, resourcing and interrelationships of the various compliance approaches; • is based on systematic analysis of the risk posed by licensees and the sources and facilities under their management; and • targets compliance effort measures in accordance with assessed licensee risk. 	<p>In order for ARPANSA to develop an explicit, systematic and documented overall strategic compliance framework, it must firstly address ANAO recommendations 7, 14, 15, 16 and 18. These recommendations will be addressed by 31.12.05, after which time the overall compliance framework will be documented, to be completed by March 2006.</p>
Rec. 14	<p>The ANAO recommends that, to facilitate licensee understanding of and compliance with their obligations, ARPANSA revise or replace the Licence Handbook to address identified weaknesses.</p>	<p>Reliance on the Licence Handbook has been reduced for new and revised licences by including conditions explicitly on the licence. The Licence Handbook will be revised and retained as a general reference source for licence holders to be informed about the Act, Regulations and licence holder rights and obligations.</p>
Rec. 15	<p>The ANAO recommends that ARPANSA enhance its reporting guidelines by:</p> <ul style="list-style-type: none"> • implementing procedures to keep the guidelines up to date; • specifying the level of supporting evidence required in reports; • providing feedback to - licensees on reports; and • seeking client feedback on its guidelines. 	<p>The reporting guidelines have been revised and enhanced. There will be further consultation with licence holders on the new guidelines in the next quarter. Arrangements for regular feedback are being addressed.</p>
Rec. 16	<p>The ANAO recommends that ARPANSA monitor compliance by licensees with reporting requirements.</p>	<p>Recent quarterly reports do clearly report on this compliance.</p>
Rec. 17	<p>The ANAO recommends that ARPANSA develop standard procedures, for the consideration and assessment of reports, that address:</p> <ul style="list-style-type: none"> • processes to provide assurance that licensee reports are appropriately assessed and acted upon; and • the collation and monitoring of reported information for risk management purposes. 	<p>This recommendation is closely linked with ANAO recommendations 15 and 16. Acting on this recommendation will be assisted by the enhancement of the management information system.</p>

Number	Recommendation	Action
Rec. 18	<p>The ANAO recommends that ARPANSA establish a systematic, risk based framework for compliance inspections that includes:</p> <ul style="list-style-type: none"> • an integrated inspection program based on systematic and transparent assessment of the relative risks of facilities and hazards; • inspection reporting procedures that clearly assess the extent of licensee compliance with licence conditions; • recording of report findings in - management information systems, to facilitate future compliance activity, and analysis of licence compliance trends; • accountable and transparent procedures for discretionary judgements, where compliance inspections vary from standard procedures; and • reporting on ARPANSA's performance in conducting inspections. 	<p>Pending completion of the management information system, ARPANSA will undertake a sound risk assessment of a sample of different types of licence holder, taking into account the nature, location and use of the source/facility, the safety processes in place, and the licence holder's past compliance history. Drawing on the outcomes of this sample, the reporting functions of the management information system will be developed in order to undertake risk assessment across the licence holder cohort.</p> <p>A rating scale will be introduced for assessing licence holder compliance and common report format and terminology will be introduced for consistent appraisal and -recommendations to the CEO.</p> <p>Once these enhancements have been made, an overall inspection schedule, explicitly based on risk, will be prepared.</p> <p>Reporting of ARPANSA and licence holder performance will be undertaken. Any licence holder performance measures will be consulted with licence holders.</p>
Rec. 19	<p>The ANAO recommends that, in order to provide greater assurance that failures to meet licence conditions are dealt with and reported appropriately, ARPANSA:</p> <ul style="list-style-type: none"> • develop internal systems, policies and procedures to support a consistent approach to defining non-compliance and breaches; • have a robust framework to support a graduated approach to enforcement action; and • maintain a database of non-compliance and enforcement actions taken and their resolution. 	<p>A matrix of responses to potential situations will be drawn up and consulted with licence holders, before 31.12.05. The purpose of the matrix will be to provide a consistent and appropriate graduated regulatory response, which is known to all licence holders.</p> <p>The regulatory action taken will be recorded on the central database, and monitored for effect.</p>