

## **Appendix 1**

### **Witnesses**

#### **22 April 1997 – Darwin**

##### **ABORIGINAL AND TORRES STRAIT ISLANDER COMMISSION**

Mr Joe De Luca, Quality Assurance Officer

Mr Ross McDougall, A/g Deputy State manager

#### **8 May 1997 – Cairns**

##### **ABORIGINAL AND TORRES STRAIT ISLANDER COMMISSION**

Mr Richard Aspinall, Regional Manager

#### **14 May 1997 - Canberra**

##### **ABORIGINAL AND TORRES STRAIT ISLANDER COMMISSION**

Mr Morris Brown, Manager, Community Development Employment  
Projects Scheme, Administration Section

Mr Barry Johnson, A/g Assistant General Manager, Community  
Development Employment Projects Scheme and Employment  
Branch

Mr Ron Morony, General manager, Economic Division

Ms Susan Paton, Manager, Continuous Improvement and Client  
Support Section

Mr John Tucker, Assistant Manager, Monitoring and Reporting,  
Strategic Planning and Policy Branch

**OFFICE OF EVALUATION AND AUDIT, ATSIIC**

Mr Peter McMahon, Deputy Director of Evaluation and Audit

Mr William Miller, Director of Evaluation and Audit

Ms Wai-Fong Yik, Evaluation Manager

**AUSTRALIAN NATIONAL AUDIT OFFICE**

Mr John Meert, Group Director, Performance Audit

Ms Ann Thurley, A/g Executive Director, Performance Audit

## Appendix 2

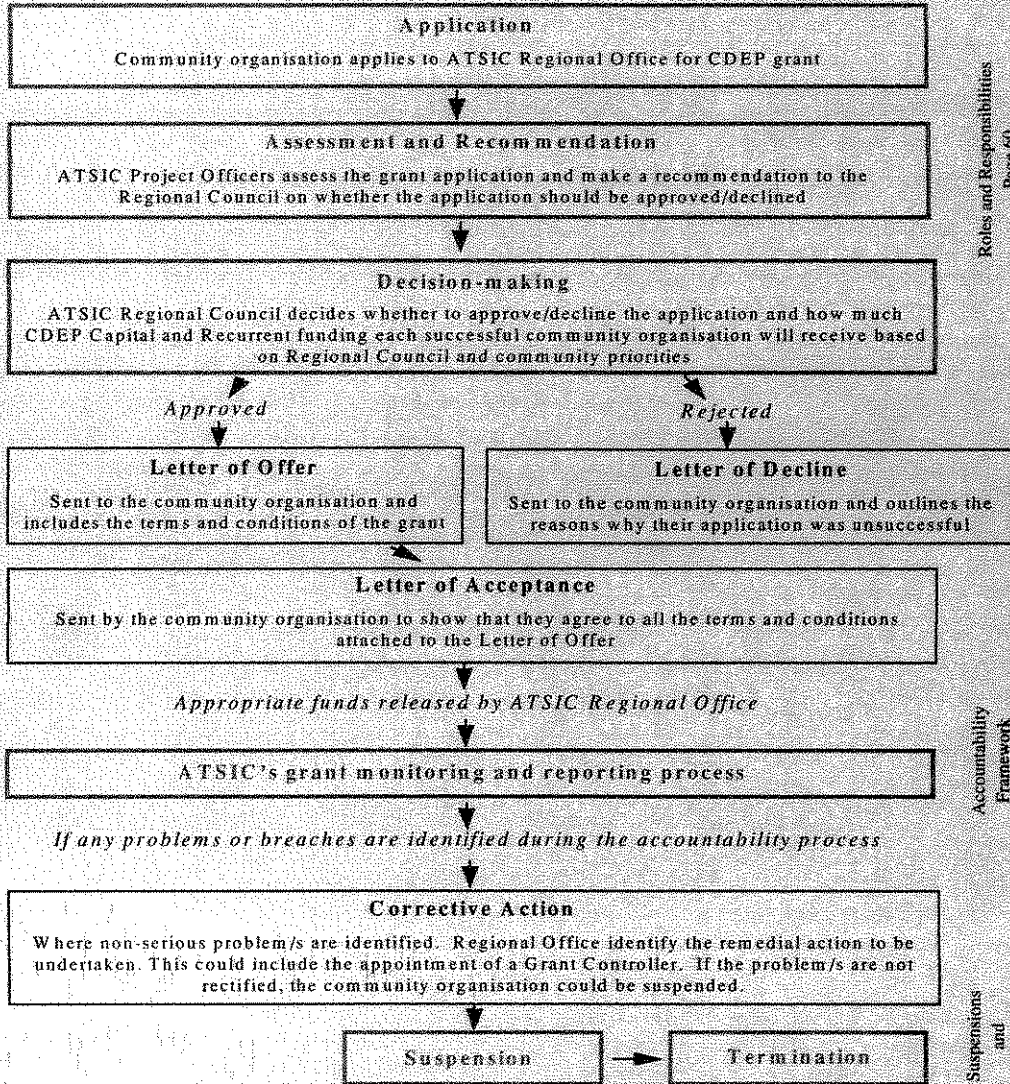
### Submissions and Exhibits

<b>Submission No.</b>	<b>Body/Organisation</b>
1	Australian National Audit Office
2	Aboriginal and Torres Strait Islander Commission
3	Office of Evaluation and Audit (ATSIC)
4	Australian National Audit Office
5	Office of Evaluation and Audit (ATSIC)
6	Aboriginal and Torres Strait Islander Commission (Cairns Regional Office)
7	Aboriginal and Torres Strait Islander Commission

<b>Exhibit No.</b>	<b>Body/Organisation</b>
1	Aboriginal and Torres Strait Islander Commission

### APPENDIX 3: OVERVIEW OF THE CDEP PROCESS



Roles and Responsibilities  
Page 60

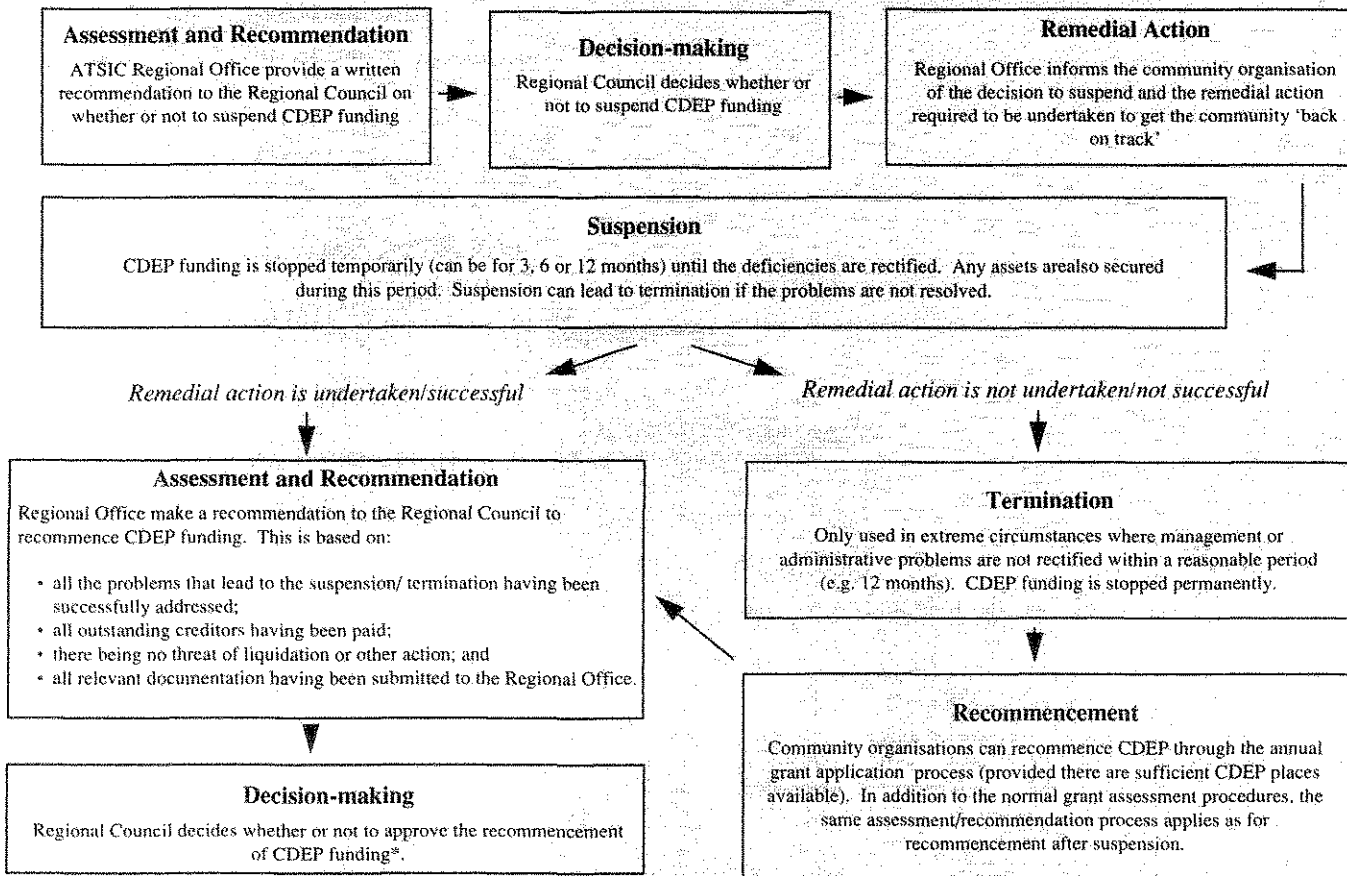
Accountability Framework  
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Suspensions and Terminations  
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<sup>1</sup> This overview was included as part of the ANAO's Submission (Submission No 1)

# SUSPENSIONS AND TERMINATIONS

Community organisation is in breach of the terms and conditions of the grant and/or the CDEP is not operating effectively for other reasons identified during the accountability process (e.g. planned work activities are not being undertaken). A Grant Controller may have been appointed to administer the grant funds on behalf of the community organisation in accordance with the terms and conditions of the grant.



\* Note: the State Manager has the delegation to make a final decision if there is disagreement between the Regional Office and the Regional Council.

## **Roles And Responsibilities**

### **CDEP participants**

- Turn up for work regularly<sup>2</sup> (unless on approved leave).
- Comply with the CDEP work rules established by the community organisation.
- Inform the Department of Social Security that they have joined CDEP.

### **Community Organisations**

#### Responsibilities to ATSIC

- Comply with CDEP Grant Procedures and the terms and conditions attached to the Letter of Offer for the duration of the grant.
- Remain a legally incorporated body eligible to receive ATSIC funding (as outlined in the Accountability Framework, page 5).

#### Responsibilities to individual CDEP participants

- Develop, monitor and ensure that meaningful work activities are offered to participants.
- Ensure all participants are aware of the local terms and conditions under which they are undertaking CDEP work activities and their rights and responsibilities as a participant of CDEP.
- General personnel issues such as award wages, workers' compensation insurance, income tax deductions, superannuation, occupational health and safety, appropriate supervision etc.

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<sup>2</sup> See Attachment A for information on CDEP work activities.

## **Roles And Responsibilities (contd)**

### **ATSIC Regional Council**

- Approve/decline applications for CDEP grants based on recommendations from the Regional Office.
- Control the distribution of CDEP funds to community organisations.
- Determine the full year allocation of the capital and recurrent components of CDEP funding to community organisations.
- Consider the operations of CDEP projects in relation to the Regional Plan.
- Approve/decline applications for splitting CDEP projects.
- Approve/decline terminations and suspension and recommencements based on recommendations from the Regional Office.
- Distribute CDEP participant places within the community organisations.
- Prioritise applications for new CDEP projects.

### **ATSIC Regional Office**

- Responsible for the day-to-day administration of the CDEP Scheme.
- Primary responsibility for ATSIC's grant monitoring and reporting process (i.e. office- and field-based monitoring, pages 6 and 7).
- Ensure that community organisations are aware of their accountability requirements and assist them in fulfilling these requirements.
- Identify any deficiencies in community organisations' administration of CDEP and the remedial action to be undertaken.

## **Roles And Responsibilities (contd)**

### **ATSIC State Office**

- Provide direction to Regional Office and ensure administration of CDEP is of a high standard (responsible for quality assurance).
- Coordination role in relation to ATSIC's field-based monitoring processes. This includes providing assistance to Regional Office staff in establishing monitoring schedules and conducting the spot checks and/or reviews. This ensures that important monitoring activities are undertaken by staff that are removed from day-to-day contact with community organisations.
- Development of State strategies to improve CDEP Scheme outcomes.

### **ATSIC Central Office**

- Oversee the administration of the CDEP Scheme on a national basis, including financial management.
- Provide direction to State and Regional Offices.
- Review, monitor and evaluate policies, strategies, guidelines and impacts to ensure that the CDEP Scheme is appropriate and effective in meeting client and program objectives.
- Policy role in relation to CDEP.
- Provide information on CDEP to organisations and participants.
- Develop strategies for improving service delivery and outcomes.
- Develop systems and procedures in relation to the CDEP Scheme.

**NOTE:** It is a provision in the terms and conditions relating to CDEP grants that all ATSIC staff are able to access any information/documentation relating to a community organisation's administration of a CDEP grant on request.



# Overview of ATSIC's Grant Monitoring and Reporting Process

## OFFICE-BASED MONITORING

What the community organisations are required to submit to ATSIC Regional Office

### Participant Schedules

Provide information on the eligible persons who are participating as CDEP workers.

### Periodic Financial Statements

Identify the financial statements, receipts, payments, capital items, cash balances and a detailed list of debtors and creditors for each community organisation.

### Project Performance Information Reports

Seeks information on what the community organisation has achieved in each CDEP work activity against what was planned to be achieved.

## FIELD-BASED MONITORING

ATSIC State and Regional Office monitoring activities

### Spot Checks

A short review which primarily verifies:

- the existence and eligibility of participants who are listed on the Participant Schedules;
- the management of particular documentation; and
- compliance with general grant conditions or other issues at the discretion of senior State management.

### Field Visits

Undertaken to monitor the progress of a community organisation and/or provide assistance and training as required.

### Reviews

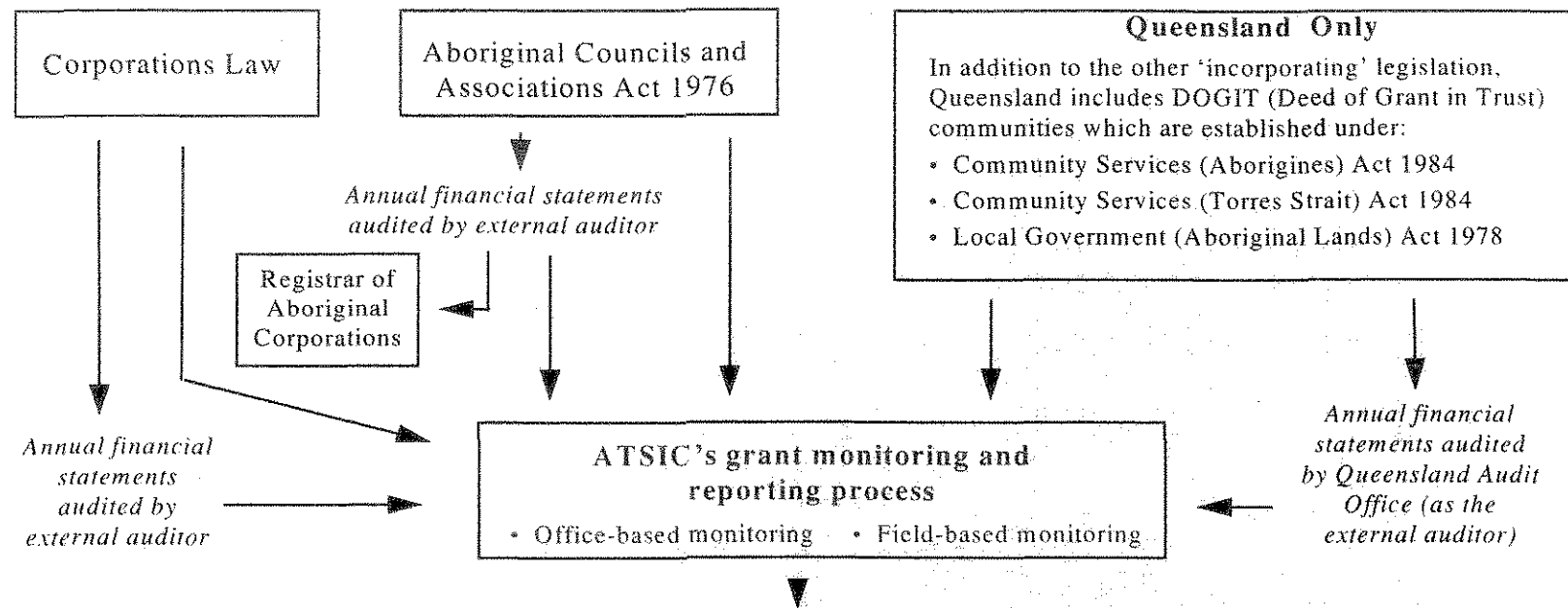
Undertaken for several reasons:

- to check whether the grant is being spent in accordance with CDEP terms and conditions;
- to assess the overall performance of the community organisation (ie. to determine whether community development and training is happening and participants are learning new skills in line with the objective of the CDEP Scheme); and
- to recommend appropriate action to address any identified deficiencies.

# ACCOUNTABILITY FRAMEWORK

**Community Organisation**

In most instances only legally incorporated bodies are eligible to receive ATSIC funding. There is a range of Commonwealth, State and Territory legislation under which bodies can be incorporated. Some examples are included below.



**Office of Evaluation and Audit (OEA):** conducts internal audits of the CDEP Scheme on an annual basis and an evaluation once every three years.

**Australian National Audit Office (ANAO):** The Financial Audit Business Unit (FABU) audits and reports on ATSIC's financial statements every year, including CDEP which is ATSIC's largest program. The Performance Audit Business Unit (PABU) undertakes a range of audits within ATSIC to evaluate the economy, efficiency and administrative effectiveness of program management. The selection of audit topics is based on a range of views and criteria to ensure maximum value for money and appropriate coverage of ATSIC's operations. Audit Reports No. 6 1995-96 and No. 26 1996-97 (CDEP Phase 1 and 2) are examples of performance audits.

# OFFICE-BASED MONITORING

*Quality assurance of Regional Office project administration is undertaken at Regional and State Office using a Quality Assurance Package. The aim of the OA Package is to assist managers to self-test and report on the extent to which compliance with procedures and processes exist.*

## COMMUNITY ORGANISATION

Provide information on the people who are participating as CDEP workers.

Provide information on the community organisations' financial management practices. They identify the financial statements, receipts, payments, capital items, cash balances and a detailed list of debtors and creditors for each community organisation.

Provide information on what the community organisation has achieved in each CDEP work activity against what was planned to be achieved.

### Participant Schedules

### Periodic Financial Statements

### Project Performance Information Reports

## REGIONAL OFFICE

- Check that there is no duplication (i.e. no participants are listed on the schedule for more than one community) and that all participants are eligible to participate in CDEP work activities (i.e. they are not too old/young).

- Funds are released to pay CDEP wages for the next quarter.

Assess the information provided to determine:

- the extent to which the community organisation has satisfactorily accounted for the grant;
- whether the CDEP grant money has been spent as intended; and
- whether any assistance is required.

Assess the information provided to determine whether:

- the community organisation's performance is satisfactory or if there are areas in which the community is experiencing difficulties; and
- training needs have been met.

This information forms part of ATSIC's external accountability process where the Commission is required to report on the outcomes of the CDEP Scheme in the Annual Report.

# FIELD-BASED MONITORING

*In addition to the examination of financial and physical reports, a crucial part of project monitoring is undertaken through field contact when consultation and investigation occurs with the community organisation.*

## COMMUNITY ORGANISATION

A short review which primarily verifies:

- the existence and eligibility of participants who are listed on the Participants Schedules;
- the management of particular documentation; and
- compliance with general grant conditions or other issues at the discretion of senior state management.

Undertaken to monitor the progress of a community organisation and/or provide assistance and training as required. Involves consultation with the community's Executive, consultants and CDEP staff.

Undertaken for several reasons:

- to check whether the grant is being spent in accordance with CDEP terms and conditions;
- to assess the overall performance of the community organisation (i.e. to determine whether community development and training is happening and participants are learning new skills in line with the objective of the CDEP Scheme); and
- to recommend appropriate action to address any deficiencies.

## REGIONAL OFFICE

Spot checks are undertaken at random, as part of a field visit or other type of review, or when problems are suspected. The checks are conducted by Regional Office staff and State Office CDEP Support Units are responsible for assisting the Regional Offices to develop schedules of spot checks and provide assistance as required.

### Spot Checks

Field visits can be initiated by either Regional Office staff or in response to an organisation's request. Regional Office staff generally aim to schedule one field visit every four to six weeks.

### Field Visits

Reviews are a major component of ATSIIC's monitoring program. The primary responsibility for scheduling and conducting the reviews lies with Regional Office. The State Office CDEP Support Units also have a coordinating role which includes providing assistance in establishing the CDEP review program and undertaking reviews.

### Reviews

The reviews vary in scope and approach depending on the nature of the issues to be addressed, e.g. financial management or operational concerns.

## CDEP Work Activities

The objective of the CDEP Scheme is to provide indigenous people with work to enhance the individual skills, community self-management and economic development.

- The work activities to be undertaken are decided by the community organisation as a whole.
- Work is doing things or projects that make a community a better and happier place for people to live. Work is fixing up problems, making money for the community or making the culture stronger.

### Types of CDEP work activities

Work can involve a large range of different activities. It is possible to divide these into three main categories as follows:

<b>Economic</b>	<b>Social</b>	<b>Cultural</b>
Mainstream employment such as: <ul style="list-style-type: none"><li>• collecting rubbish;</li><li>• repairs and maintenance to houses;</li><li>• arts and crafts.</li></ul>	<ul style="list-style-type: none"><li>• developing facilities for young people,</li><li>• drug and alcohol rehabilitation,</li><li>• child care facilities.</li></ul>	Activities relating to the maintenance of Aboriginal culture such as: <ul style="list-style-type: none"><li>• cultural business; and</li><li>• story telling.</li></ul>

### Hours of work

The community organisation decides on the number of hours CDEP participants are required to work. For some communities this is 30 hours per week while on others it is 15 hours. The normal number of hours of work is 20 per week.

## Pay

Each community organisation is entitled to a certain amount of CDEP Wages funding, depending on the number of eligible participants listed on the Participant Schedule. Work must be offered to every person on the participant list.

A CDEP participant cannot be offered work that would pay less than unemployment benefits. Community organisations may be able to pay a little more than the basic social security entitlement.

The community organisation decides whether participants will be paid if they do not work. Many communities have a 'no work no pay' policy but some communities pay participants some money if they do not work.

## Appendix 4

### **ATSIC/OEA Reviews of Relevance to the Administration of the CDEP Scheme Currently Under Way**

- 1. Review of the ATSIC Act:** review of the operations of ATSIC Act taking account of the substantial changes, since the last review was completed in 1993, in the environment in which ATSIC and Regional Councils operate; the review will encompass the functions and powers of the Commission and Regional Councils (announced May 1997; to report by February 1998).
- 2. Independent review of the CDEP Scheme:** requested by the Expenditure Review Committee (ERC) following a bid by ATSIC for further expansion of the Scheme; terms of reference will include an examination of the economic and and social outcomes of CDEP and the transition to full-time work for CDEP participants (announced May 1997, to be completed by October 1997).
- 3. OEA evaluation of the CDEP Scheme:** an assessment of the performance of the program based on surveys of current urban participants and ex-participants and also using data from the National Aboriginal and Torres Strait Islander Survey (Interim Report prepared May 1997; Final Report completed by June 1997).
- 4. Work review study:** this study will determine benchmarks in relation to staffing numbers and classification levels required to perform ATSIC's core business functions and analyse and document the specialised skills required of staff to undertake effectively core business functions (commenced May 1997; to be completed by July 1997).
- 5. Department of Finance Performance Information Review (PIR):** this review is seeking to improve performance and accountability in the Australian Public Service; the aim of the review is to establish the quality and clarity of existing objectives and performance information, and identify good practice; ATSIC is one of a number of agencies

being reviewed in 1997 which is the second year of the review (commenced in ATSIC in late 1996 and the recommendations of the review to be implemented in 1998/99).

6. **OEA Performance Information Reviews:** pilot testing has commenced (three minor programs - not CDEP) with a view to analysing the quality of ATSIC requests to funded organisations for performance information as well as the performance information provided by those organisations (results of pilot tests expected June 1997 and if pilot tests are successful larger scale performance information reviews will follow).

7. **Review of ATSIC's grant procedures and terms and conditions of grants:** grant procedures and terms and conditions of grant are being reviewed and, where feasible, simplified, while remaining in accordance with the ATSIC Act and maintaining an appropriate focus on public accountability; the review will focus on performance of funded organisations through the reporting of outcomes (consultancy commenced January 1997; due to be completed 30 June 1997).



## **Appendix 5**

### **Government's Response To Committee's Recommendations On ANAO Phase One Audit Report**

**HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ABORIGINAL AND  
TORRES STRAIT ISLANDER AFFAIRS - REVIEW OF AUDITOR GENERAL  
REPORT NO. 6 CDEP SCHEME**

In 1995, the Australian National Audit Office (ANAO) began an audit of the administrative efficiency and effectiveness of the Community Development Employment Projects (CDEP) Scheme. The audit was divided into two phases, Phase One being completed and tabled in Parliament in October 1995.

Phase One evaluated the efficiency and administrative effectiveness of the CDEP Scheme and resulted in sixteen recommendations to improve the administration of the scheme. This phase involved only Central Office, one State Office and one Regional Office.

The House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs reviewed this report in October - November 1996 and have made ten recommendations based on it's findings.

The Government is committed to the continuing improvement in the efficiency and effectiveness of program management and delivery. The ANAO report indicated that "While the audit identified some areas of good practice, there were a number of areas at all three levels of CDEP administration which require improvement."

ATSIC being the responsible agency for the CDEP Scheme has acknowledged the need to address findings of this review and has taken appropriate action to implement recommendations made by the ANAO (refer Attachment A).

The ANAO examined previous reviews of the CDEP Scheme and found several common issues in which their field work indicated that the concerns remained. ATSIC has initiated action to overcome these issues (refer Attachment B).

The ANAO has made several comments about good practices and measures taken to improve the administration of the Scheme. The report clearly indicates that ATSIC is committed to a process of continuous improvement to ensure efficient and effective administration and a high standard of accountability.

The Government accepts that there is a need to continually seek to improve program management and delivery in order to provide the best service possible and to ensure that public monies are effectively spent.

The ANAO has now completed Phase Two of the audit, based on a larger sample of State and Regional Offices. The recommendations of Phase Two have generally overtaken the Phase One recommendations. ATSIC will report progress in addressing the ANAO recommendations through the normal Executive Government monitoring process conducted by the Department of Finance.

**ATTACHMENT A**

**SCHEDULE OF RESPONSES TO THE RECOMMENDATIONS MADE BY  
HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON  
ABORIGINAL AND TORRES STRAIT ISLANDER AFFAIRS  
AUDITOR GENERAL REPORT NO. 6 CDEP SCHEME**

Recommendation	Comment
1. That the OEA conduct an impact study on the effectiveness of the devolution process to be scheduled for the 1997/98 financial year	<b>Agreed.</b> ATSIC is currently seeking advice from OEA on whether a review will take place in 1997/98.
2. The results of evaluations and audits be distributed without delay to all levels of the ATSIC administration to allow the earliest adoption of the findings	<b>Agreed.</b> This is the current practice of the OEA. In addition, the Continuous Improvement and Client Services Section issues "Lessons to be learnt" circulars which draw attention to major findings of audits.
3. Undertake an analysis of the benefits to Aboriginal and Torres Strait Islander communities who participate on CDEP Schemes with a view to showing the linkages between the objectives set by the Communities, the strategies to implement these objectives and the outcomes	<b>Agreed.</b> An impact evaluation is currently being conducted by the OEA. The primary focus of the evaluation is on urban CDEPs. Data is also being collected on projects located in rural and remote areas.
4. An evaluation of the effectiveness of training initiatives and programs be undertaken by ATSIC to ensure they are reaching the target audience	<b>Agreed.</b> ATSIC has prepared a questionnaire to be sent to Regional Managers seeking their advice on the effectiveness of training initiatives.
5. ATSIC adopts the advice of the Audit Office that all material requests and information be made available promptly to each office and not, as it appears to be the case "when requested".	<b>Agreed.</b> Recommendation will be complied with in instances where data generated is not available through systems that can be accessed by State and Regional Offices.
6. A detailed assessment be carried out of the extent to which the Quality Assurance Package is being used in Regional and State Offices of ATSIC, subject to further consideration of the matter in the Phase Two Audit Report.	<b>Agreed.</b> This matter has been raised in the Phase Two report and will be addressed in response to that report. The CEO recently issued a direction that makes the use of the Quality Assurance package compulsory.
7. ATSIC ensure that examples of good practice, such as the approach taken by Cairns Regional Office in monitoring participant schedules, be distributed widely through all levels of ATSIC administration. These could then be used as models for other offices and may lead to standard practice.	<b>Agreed.</b> Presently ATSIC has a network in place for dissemination of information, which can be utilised for this purpose. Examples include the electronic noticeboard system, the CDEP Current Issues Bulletin, ATSIC TV and Annual Conferences held by the Continuous Improvement and Client Services Section.
8. ATSIC introduce effective measures to ensure that information provided to them by CDEP organisations be assessed and evaluated and that appropriate and timely feedback be given to organisations on the subsequent findings.	<b>Receiving further consideration.</b> This matter was addressed in the Phase Two report. This will be reviewed as part of ATSIC's review of Generic Grant Procedures.

<p>9. Whatever examples of "best practice" are found, the ANAO bring these to the attention of the relevant sections of the ATSIC administration.</p>	<p>Agreed. The ANAO supports this recommendation in principle. Through regular briefings during the course of field work, various levels of administration are advised of any good practices identified. As well, the ANAO widely disseminates its audit reports to bring them to the attention of all levels of administration.</p> <p>The ANAO embarked on better practice series during 1995-96. The better practice guides are derived from the results of audits and include lessons learned from an audit of a particular entity that has relevance to the wider public sector. Better practice guides are widely distributed to all public sector agencies.</p> <p>The ANAO considers that ATSIC needs to ensure that it has processes in place which facilitate the efficient and effective dissemination of better practices on a regular basis to all levels of administration.</p> <p>OEA reports also identify innovation and best practices and are referred to the relevant Central Office policy area to examine possible implications on a national basis.</p>
<p>10. ATSIC develop an action plan with target dates to monitor and measure its responses to the recommendations in Audit Report No. 6 of 1995/96.</p>	<p>Generally the recommendations of the Phase One report have been overtaken by the recommendations made in the Phase Two report. The effectiveness of action taken in response to Phase One will be reviewed as part of the consideration of the Phase Two report.</p>

## ATTACHMENT B

### PREVIOUS REVIEW CONCERNS AND ATSIK ACTION TO DATE

Issue	Action by ATSIK
1. The need for more training for CDEP organisations and project staff	As a result of the recommendation made by HORSCATSIA and the ANAO, ATSIK has completed a training survey. The result of this is a new CDEP Training Strategy, which involves the development of an interactive training package for project staff and to CDEP Managers. The implementation of the strategy has begun.
2. The need for improved planning at each level.	Operational Plans between ATSIK Central Office and State Offices are linked in terms of objectives and strategies. It is planned to emphasise the needs for links between ATSIK State Office and Regional Office Operational Plans at the next State Support Units Conference in April 1997.
3. The need for a review of the CDEP objective and the development of appropriate related performance information.	An informal review has been undertaken as the first step. This has resulted in a new draft objective with performance indicators which better reflect the program and it's objective. This will be executed in 1998/99.
4. The need for improved field servicing.	This has been acknowledged by ATSIK. The review of ATSIK Generic Grant Procedures and implementation of relevant recommendations of the Special Auditor Review should identify ways of providing better field servicing.
5. The development and use of Information Technology and management information systems.	ATSIK has developed and is using: (a) a computer database system for the maintenance of participant schedules (CDEP Manager); and, (b) a computer database system for general grant administration purposes (INSIGHT). In addition, ATSIK is developing a computer database system for the reporting on a national basis of performance information (PPMR).
6. Assessment of the usefulness of current reporting practices.	An assessment is to be made in the current review of ATSIK Generic Grant Procedures scheduled to be completed on 30 June 1997.

## Appendix 6

### ANAO Recommendations<sup>3</sup>

*Set out below are the ANAO's recommendations with Report paragraph references and ATSIC's abbreviated responses. More detailed responses and any ANAO comments are shown in the body of the report. The ANAO considers that ATSIC should give priority to Recommendations Nos. 1 to 7, 9, 10, 11, 14 and 17.*

Recommendation  
No. 1  
Para. 2.33

The ANAO recommends that ATSIC:

- link Central, State and Regional Office operational plans in a way which clearly demonstrates how each of the three levels of administration is to contribute to the achievement of the overall objectives for CDEP;
- establish clear links between the key result areas, associated strategies and performance measures within each plan;
- identify critical tasks and associated priorities, and
- develop and apply an appropriate model for the allocation of staff resources.

**ATSIC response:** Agreed.

Recommendation  
No. 2  
Para. 2.45

The ANAO recommends that ATSIC implement formal mechanisms for reviewing and reporting progress against operational plans which ensure that:

- planned activities are undertaken;
- the information collected is analysed at various levels to draw meaningful conclusions;
- achievements are highlighted;
- any problems are identified and appropriate solutions adopted; and
- appropriate feedback on performance is provided to the various levels of administration.

**ATSIC response:** Agreed.

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<sup>3</sup> Audit Report No. 26, 1996-97, Community Development Employment Projects Scheme - Phase Two of Audit, Aboriginal and Torres Strait Islander Commission

Recommendation  
No. 3  
Para. 3.43

The ANAO recommends that ATSIC review its overall strategy for community-based performance information to ensure that:

- appropriate outcome measures of program performance are developed;
- targets are developed and a benchmark analysis is undertaken to measure improvements in the performance of the CDEP Scheme over time;
- it is mandatory to include in the Letter of Offer (therefore becoming a condition of the grant) at least one project-specific performance measure for each of the following Program performance indicators:
  - contribution of CDEP to communities; and
  - types of activities undertaken;
- the type of outcome measure/s selected are tailored to suit the prime objective of the individual project (for example social, economic and/or cultural outcomes);
- community organisations are requested to report against only those indicators for which information cannot be collected by other means; and
- a risk management approach is adopted to selecting the project-specific indicators to be used to monitor and assess the performance of individual CDEP projects.

**ATSIC response:** Agreed.

Recommendation  
No. 4  
Para. 3.72

The ANAO recommends that ATSIC review the program performance reporting framework to ensure reporting is meaningful and reliable and that it facilitates analysis of information to determine whether the program has met its performance objectives and targets efficiently and effectively.

**ATSIC response:** Agreed.

Recommendation  
No. 5  
Para. 4.12

The ANAO recommends that ATSIC review the administrative performance measures developed for each level of administration as soon as possible. The performance measures developed should demonstrate:

- that the type and level of administrative support provided to community organisations have led to improved outcomes for CDEP;
- the contribution and value added by each level of administration to achieving the objectives of the CDEP Scheme;
- that ATSIC's administrative activities are being undertaken in the most efficient and cost-effective manner; and
- that resources are being directed to the highest-priority tasks.

**ATSIC response:** Agreed.

Recommendation  
No. 6  
Para. 4.25

The ANAO recommends that ATSIIC review the existing external reporting requirements to include the provision of information on ATSIIC's administrative efficiency and effectiveness in the 1996-97 Annual Report.

ATSIIC response: Agreed.

Recommendation  
No. 7  
Para. 4.28

The ANAO recommends that ATSIIC introduce ongoing internal performance reporting mechanisms which will provide managers with timely information on key aspects of performance. This information should allow progress on tasks critical to the achievement of the objective to be assessed and assist with the early identification of the need for any remedial action or change of priorities.

ATSIIC response: Agreed.

Recommendation  
No. 8  
Para. 5.17

The ANAO recommends that ATSIIC ensure that:

- more training and guidance given to relevant staff in relation to the factors which need to be taken into account when assigning the scrutiny assessment rating;
- for each project, Regional Office staff document the justification for the scrutiny assessment rating given to each community organisation;
- the scrutiny assessment rating is consistent with the information contained on the CDEP Grant Assessment Form;
- the schedule of reviews of community organisations is developed on a risk management basis using the scrutiny assessment rating; and
- 'InSight' is enhanced to incorporate the electronic compilation and processing of the CDEP Grant Assessment Form.

ATSIIC response: Agreed.

Recommendation  
No. 9  
Para. 5.53

The ANAO recommends that, in relation to Periodic Financial Statements and Project Performance Information Reports, the ATSIIC Funding Procedures Manual be revised to:

- emphasise the requirement that appropriate follow-up action be taken where community organisations have not provided all components of the information required as part of the grant conditions;
- include more guidance on the methods of analysis to be used; and
- emphasise the requirement for the relevant staff to adequately document the basis for the overall performance assessment and any necessary remedial action identified.

ATSIIC response: Agreed.



Recommendation  
No. 10  
Para. 5.95

The ANAO recommends that in relation to field visits, spot checks and reviews, ATSIC ensure that:

- any necessary follow-up action is undertaken and adequate feedback is provided to the communities; and
- this follow-up action and feedback are documented for future reference.

**ATSIC response:** Agreed.

Recommendation  
No. 11  
Para. 5.98

The ANAO recommends that ATSIC consider revising the Project Monitoring section of the ATSIC Funding Procedures Manual to include a specific sub-section on reviews which:

- clearly defines the purpose of reviews and why these are important;
- provides further guidance on scheduling the reviews using a risk management approach;
- removes the distinction between Major Reviews and CDEP Project Performance Reviews, to provide Regional Managers with the flexibility to determine the scope and methodology of the reviews depending on their assessment of the associated risk; and
- includes a range of terms of reference which can be selected depending on the scope of the review (for example, financial or operational).

**ATSIC response:** Agreed.

Recommendation  
No. 12  
Para. 5.100

The ANAO recommends that, in relation to reviews, ATSIC ensure that State CDEP Support Units undertake an analysis of the findings of reviews to:

- identify any common issues which could be addressed on a State-wide basis;
- enable informed assessments to be made of Regional Office performance in relation to provision of support to community organisations; and
- provide a useful basis for planning CDEP Conferences.

**ATSIC response:** Agreed.

Recommendation  
No. 13  
Para. 6.21

The ANAO recommends that, to ensure CDEP Manager is being used effectively at the Regional Office and community level, ATSIC address as soon as possible the concerns raised by Regional Offices in relation to:

- the incompatibility of software; and
- access to input screen displays

with a view to improving overall administration and assistance to communities.

**ATSIC response:** Agreed.

Recommendation  
No. 14  
Para. 6.37

The ANAO recommends that ATSIC implement as soon as possible the recommendations of the Office of Evaluation and Audit's Post Implementation Review of the InSight Management Information System. This will lead to more efficient and effective functioning of the system.

**ATSIC response:** Agreed.

Recommendation  
No. 15  
Para. 6.39

The ANAO recommends that to facilitate improved project performance analysis, monitoring and follow-up there would be benefit in ATSIC enhancing InSight to:

- incorporate the compilation and processing of the CDEP Grant Assessment Form;
- maintain a record of field visits and spot checks planned and actually undertaken;
- maintain a schedule of reviews and the criteria used for assessment;
- identify and maintain a record of follow-up action undertaken and feedback provided as a result of the various monitoring activities undertaken; and
- assist with the lodgment and analysis of Periodic Financial Statements by:
  - further exploring the electronic lodgment of Periodic Financial Statements by community organisations; and
  - designing a form within InSight which electronically downloads the necessary information which can be used by Regional Office staff to analyse the Periodic Financial Statements.

**ATSIC response:** Agreed.

Recommendation  
No. 16  
Para. 7.15

The ANAO recommends that ATSIC adopt a combined approach to the quality assurance of Regional Office project administration which involves:

- ongoing monitoring of documentation relating to individual CDEP projects using a Quality Assurance Checklist; and
- a point-in-time assessment of Regional Office project administration using the Quality Assurance Package developed by the Office of Evaluation and Audit.

**ATSIC response:** Agreed.

Recommendation  
No. 17  
Para. 7.58

The ANAO recommends that, in relation to training, ATSIIC:

- focus its training efforts on key activities highlighted in the ATSIIC Funding Procedures Manual (for example, the analysis of Periodic Financial Statements and Project Performance Information Reports);
- undertake further training to increase the use and familiarisation of the 'InSight' management information system with Regional Office staff;
- given the significant effort devoted to the CD-ROM project to date, ensure that benefit is gained from the effort invested in the project (for example, the information compiled for the CD-ROM be used once a decision has been made on an alternative method for disseminating this information); and
- the Staff Training Handbook and widely disseminate it widely to all State and Regional Offices.

ATSIIC response: Agreed.