

Senate Finance and Public Administration Committee

Senate Finance and Public Administration Standing Committee
ANSWERS TO QUESTIONS ON NOTICE
ADDITIONAL BUDGET ESTIMATES 2008-09 (February 2009)

Prime Minister and Cabinet Portfolio

Department/Agency: ANAO

Outcome/Output Group: Performance Audit Services

Topic: Impact of Efficiency Dividend

Senator: Boyce

Question reference number: PM 50 (a-e)

Type of question: Written

Date set by the committee for the return of answer: Thursday, 9 April 2009

Questions:

- a) The ANAO reduced the number of reports it undertakes by 10% last year. This has resulted in 5 fewer reports being produced.
- b) Given the efficiency dividend, how does the ANAO plan to continue producing this number of reports and not reduce the number in 2009 or in future years?
- c) Can you provide the monetary cost of producing each report undertaken by the ANAO in 2008, as well as the number of employees used to produce each report?
- d) Can the ANAO provide staffing levels for the periods 2006-07 2008-09 and current, broken down by job title/type of position?
- e) Given budgetary pressures, how difficult has it been for the ANAO to recruit staff with the skills required to produce reports?

Answers:

- a) The ANAO plans to produce 6 fewer performance audit or better practice guides in 2008-09 than in 2007-08.
- b) The ANAO is constantly seeking to refine procedures and achieve efficiencies. The number of reports and better practice reports will depend on such factors as the complexity of topics selected and the resources available.
- c) The ANAO operates a full absorption costing model. The cost of each performance audit includes direct resource costs and a proportion of ANAO overhead costs. Refer to Attachment 1.
- d) The ANAO resourcing model includes employees and contractors who are utilised to address short term staffing issues, specialist expertise and work peaks. The ANAO has been pursuing a strategy to replace contracted staff with employees where possible. The ANAO has also received additional funding to undertake new tasks associated with the Defence major projects report and Government advertising and information campaigns. Actual staffing detail is included in Attachment 2.

e)The recruitment market has been very competitive. The ANAO has also has high staff turnover in recent years, as staff have highly marketable skills and have been actively recruited by other agencies. We expect the previously tight employment market to ease given the current economic downturn.

Number of pages: 8

Attachment 1 – Audit Reports tabled during 2008

Report Title	Cost \$	No. of ANAO Employees ¹	FTE Equivalent ²
Audit Report No.19 2007-08 Performance Audit <i>Administration of the Automotive Competitiveness and Investment Scheme</i>	303 700	4	1.4
Audit Report No.20 2007-08 Performance Audit <i>Accuracy of Medicare Claims Processing</i>	397 500	4	2.1
Audit Report No.21 2007-08 Performance Audit <i>Regional Delivery Model for Natural Heritage Trust and National Action Plan for Salinity and Water Quality</i>	393 500	4	2.1
Audit Report No.22 2007-08 Performance Audit <i>Administration of Grants to the Australian Rail Track Corporation</i>	354 100	2	1.8
Audit Report No.23 2007-08 Performance Audit <i>The Management of Cost Recovery by Selected Regulators</i>	353 100	3	2.3
Audit Report No.24 2007-08 Performance Audit <i>DIAC's Management of the Introduction of Biometric Technologies</i>	487 500	7	1.6
Audit Report No.25 2007-08 Performance Audit <i>Administering Round the Clock Medicare Grants</i>	358 600	3	1.5
Audit Report No.26 2007-08 Performance Audit <i>Tasmanian Forest Industry Development and Assistance Programs</i>	684 400	3	3.2
Audit Report No.27 2007-08 Performance Audit <i>Emergency Management Australia</i>	249 500	3	1.2
Audit Report No.28 2007-08 Performance Audit <i>Defence's Compliance with the Public Works Committee Approval Processes</i>	211 100	3	0.9

¹ ANAO Employees making a substantial contribution to the audit (Excludes ANAO Exec input).

² Some audits make limited use of internal specialist skills (such as IT auditors) this column reflects the annualized FTE effort for the audit based on the productive hours targets set out in the ANAO Workplace Agreement. Major discrepancies between cost and FTE effort will relate to contract in effort to conduct the audit.

Audit Report No.29 2007-08 Performance Audit <i>Parent School Partnerships Initiative</i>	256 700	2	0.13
Audit Report No.30 2007-08 Performance Audit <i>The Australian Taxation's Office Use of Data Matching and Analytics in Tax Administration</i>	482 000	4	2.1
Audit Report No.31 2007-08 Performance Audit <i>Management of Recruitment in the Australian Public Service</i>	861 000	4	4.6
Audit Report No.32 2007-08 Performance Audit <i>Preparation of the Tax Expenditure Statement</i>	428 500	5	1.8
Audit Report No.33 2007-08 Performance Audit <i>The National Capital Authority's Management of National Assets</i>	391 900	2	1.7
Audit Report No.34 2007-08 Performance Audit <i>Pathology Payments under Medicare</i>	264 700	1	0.18
Audit Report No.35 2007-08 Performance Audit <i>Building Certification of Residential Aged Care Homes</i>	338 000	1	1.11
Audit Report No.36 2007-08 Performance Audit <i>ATO Strategies to Address Tax Haven Compliance Risks</i>	327 200	3	1.5
Audit Report No.37 2007-08 Performance Audit <i>Management of Credit Cards</i>	374 200	3	1.9
Audit Report No.38 2007-08 Performance Audit <i>Administration of Job Network Service Fees</i>	425 200	2	0.8
Audit Report No.39 2007-08 Performance Audit <i>Managing e-Business Applications-Follow-up Audit</i>	128 400	1	0.14
Audit Report No.40 2007-08 Performance Audit <i>Taxpayers' Charter-Follow-up Audit</i>	164 200	2	0.7
Audit Report No.41 2007-08 Performance	391 400	4	1.9

Audit <i>Management of Personnel Security-Follow-up Audit</i>			
Audit Report No.42 2007-08 Performance Audit <i>Management of Customer Debt-Follow-up Audit</i>	482 400	3	2
Audit Report No.43 2007-08 Performance Audit <i>Third Tranche Sale of Telstra Shares</i>	568 200	4	2.6
Audit Report No.44 2007-08 Assurance Audit <i>Interim Phase of the Audit of Financial Statements of General Government Sector Agencies for the Year ending 30 June 2008</i>	356 700	120	1.0
Audit Report No.45 2007-08 Performance Audit <i>Specific Purpose Payments: General Recurrent Grants for Government Schools</i>	375 800	4	1.9
Audit Report No.46 2007-08 Performance Audit <i>Regulation of Commercial Broadcasting</i>	390 400	2	1.1
<i>Audit Report No.1 2008-09 Performance Audit Employment and Management of Locally Engaged Staff</i>	425 000	3	1.8
<i>Audit Report No.2 2008-09 Performance Audit Tourism Australia</i>	413 200	2	1.8
Audit Report No.3 2008-09 Performance Audit <i>Establishment and Management of the Communications Fund</i>	393 900	2	1.8
Audit Report No.4 2008-09 Performance Audit <i>The Business Partnership Agreement between the Department of Education, Employment and Workplace Relations (DEEWR) and Centrelink</i>	534 200	4	2.4
Audit Report No.5 2008-09 Performance Audit <i>The Senate Order for Departmental and Agency Contracts (Calendar Year 2007 Compliance)</i>	305 700	5	1.9
Audit Report No.6 2008-09 Performance Audit <i>Illegal, Unreported and Unregulated Fishing in the Southern Ocean</i>	434 600	5	1.3

Audit Report No.7 2008-09 Performance Audit <i>Centrelink's Tip-off System</i>	397 700	4	1.7
Audit Report No.8 2008-09 Performance Audit <i>National Marine Unit</i>	175 700	2	0.8
Audit Report No.9 2008-09 Assurance Review <i>Defence Materiel Organisation - Major Projects Report 2007-08</i>	1 058 000	6	3.9
Audit Report No.10 2008-09 Performance Audit <i>Administration of the Textile, Clothing and Footwear Post-2005 (SIP) Scheme</i>	384 800	3	1.9
Audit Report No.11 2008-09 Performance Audit <i>Disability Employment Services</i>	415 500	6	1.9
Audit Report No.12 2008-09 Performance Audit <i>Active After-school Communities Program</i>	410 700	3	2.3
Audit Report No.13 2008-09 Performance Audit <i>Government Agencies' Management of their Websites</i>	453 300	2	1.3
Audit Report No.14 2008-09 Assurance Audit <i>Audits of the Financial Statements of Australian Government Entities for the Period Ended 30 June 2008</i>	295 900	120	1.0
Audit Report No.15 2008-09 Performance Audit <i>The Australian Institute of Marine Science's Management of its Co-investment Research Program</i>	465 200	3	1.7
Audit Report No.16 2008-09 Performance Audit <i>The Australian Taxation Office's Administration of Business Continuity Management</i>	425 000	1	0.6

Attachment 2

TOTAL PERFORMANCE AUDIT STAFF AS AT 30 JUNE 2007

Staff 115 (112.3 FTE)
Operative staff 104 (101.6 FTE)

CLASSIFICATION	TOTAL NO. OF STAFF	FTE	INOPERATIVES (included in no's)
AUDIT STAFF			
Graduate	8	8	0
APS 3	1	0.5	0
APS 4	5	5	2
APS 5	12	11.3	1
APS 6	7	7	2
EL 1	23	23	3
EL 2	41	39.5	3
SES 1	10	10	0
SES 2	2	2	0
SUPPORT STAFF			
APS 3	5	5	0
APS 4	1	1	0

TOTAL PERFORMANCE AUDIT STAFF AS AT 30 JUNE 2008

Staff 122 (117.8 FTE)
Operative staff 110 (106.6 FTE)

CLASSIFICATION	TOTAL NO. OF STAFF	FTE	INOPERATIVES (included in no's)
AUDIT STAFF			
Graduate	10	10	0
APS 3	1	1	0
APS 4	8	8	0
APS 5	9	7.9	1
APS 6	18	17.2	4
EL 1	16	15.4	3
EL 2	42	41	4
SES 1	9	9	0
SES 2	2	2	0
SUPPORT STAFF			
APS 3	6	5.3	0
APS 4	1	1	0

TOTAL PERFORMANCE AUDIT STAFF AS AT 31 MARCH 2009

Staff 141 (135.4 FTE)
Operative staff 129 (124.2 FTE)

CLASSIFICATION	TOTAL NO. OF STAFF	FTE	INOPERATIVES (included in no's)
AUDIT STAFF			
Graduate	5	5	0
APS 3	1	1	0
APS 4	11	11	2
APS 5	19	18.6	1
APS 6	17	15.2	1
EL 1	22	20.6	3
EL 2	48	46.6	4
SES 1	9	9	0
SES 2	2	2	0
SUPPORT STAFF			
APS 3	6	5.4	1
APS 4	1	1	0