

8 August 2012

Mr R Hopper MP  
Chair  
Legal Affairs and Community Safety Committee  
Parliament House  
George Street  
BRISBANE QLD 4000

Dear Mr Hopper

Thank you for your letter dated 16 July 2012 seeking submissions in relation to the Committee's Review of the Strategic Review of the Office of the Queensland Ombudsman.

The Queensland Ombudsman is an important part of the integrity and accountability framework for the Queensland public sector. From this viewpoint it is pleasing to note that the Strategic Reviewer's recommendations seek to strengthen and broaden the Ombudsman's mandate to bring it in line with other integrity offices such as the Auditor-General.

**Recommendation 15:** The Strategic Reviewer's recommendation that the Ombudsman's powers be extended to non-government agencies that receive significant government funding would place the Ombudsman on a similar footing as the Auditor-General under s.36A of the *Auditor-General Act 2009* (the Act). This recommendation acknowledges the move to outsourcing public sector service provision, which the current mandate does not adequately address.

Should this recommendation be supported, in order for this mandate to be exercised effectively, regard would need to be given to whether:

- the Ombudsman has sufficient powers to access documents and individuals; and
- the powers are limited to matters related to the purpose for which the Government funding was provided, or broader powers across the entity's operations.

**Recommendations 16 and 17:** With regard to the options of either establishing a board of advice or having an expanded role for the Ombudsman's Office audit committee, I note that the nature of the matters identified for which additional advice and support could be provided, are consistent with the roles and responsibilities for audit committees established in the *Audit Committee Guidelines: Improving Accountability and Performance* issued by Queensland Treasury and Trade. As a department, the Ombudsman must have regard to these guidelines under s.35 of the *Financial and Performance Management Standard 2009*.

While acknowledging a board would operate in an 'advisory capacity' only, this role can be adequately provided for through the existing governance structure, including the operation of an effective audit committee and oversight by the Parliamentary committee. This arrangement may serve to better reflect the Ombudsman's role as an independent officer of the Parliament.

**Recommendations 33 and 35:** In relation to these recommendations, we note that the Strategic Reviewer refers to the Ombudsman undertaking 'audits' of complaints management systems and identified service delivery programs. The term 'audit' has a particular meaning in the audit profession, which relates to the nature of the 'opinion' expressed and the standards of evidence required to support this opinion, as set out in the standards issued by the Auditing and Assurance Standards Board (AUASB).

To better distinguish from the role of the Auditor-General, the terms 'review' or 'assessment' would be more appropriate, and would be consistent with the terminology used within s.14A of the South Australian *Ombudsman Act 1972*.

**Recommendation 36:** We would be happy to discuss with the Ombudsman the ramifications of him reviewing the service delivery aspects of a Government program, and QAO's existing role in undertaking performance audits under s.37A of the AG Act.

**Other Proposals for Legislative Change:**

The proposed amendment to s.50(4) to require Mayors to table reports of the Ombudsman at a council meeting is, in principle, consistent with s.62 of the *Local Government (Finance, Plans and Reporting) Regulation 2010* which requires Mayors to table reports of the Auditor-General at council meetings.

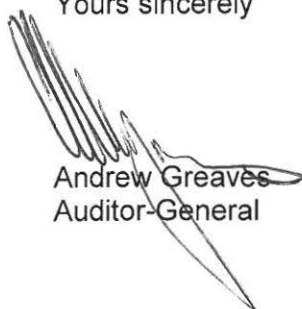
In relation to the proposed amendment to s.65 regarding the appointment of an acting Ombudsman where the Ombudsman is interstate, guidance may be obtained from s.23 of the AG Act which states:

- (2) *The deputy auditor-general is to act as auditor-general—*
- (a) *during vacancies in the office of auditor-general; and*
  - (b) *during periods when the auditor-general is absent from duty or Australia or is, for another reason, unable to perform the functions of the office.'*

The proposed inclusion of a provision to broaden the mandate of the Ombudsman to include GOCs would align the Ombudsman's mandate with that provided to other integrity offices including the QAO and CMC.

If you would like any further information, please contact Mr Paul Christensen, Director—Audit Policy and Quality on 3149 6038.

Yours sincerely



Andrew Greaves  
Auditor-General