



**Queensland
Government**

Queensland Health

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30 JUL 2008

The Research Director
Public Accounts Committee
Parliament House
Alice and George Streets
BRISBANE QLD 4000

Dear Ms Jeffrey

I refer to a letter dated 3 June 2008 from Mr Ken Hayward MP, Chair of the Public Accounts Committee addressed to the Acting Director-General, Professor Andrew Wilson, regarding the effectiveness of the Queensland Audit Office Performance Management Systems audit mandate.

As you will be aware, section 80 of the *Financial Administration and Audit Act 1977* authorises the Auditor-General of Queensland to conduct Performance Management Systems audits. The object of these audits includes determining whether the performance management systems in place enable the public sector entity to assess whether its objectives are being achieved economically, efficiently and effectively and to report this information to Parliament.

Since being given this mandate three years ago, the Queensland Audit Office has undertaken five Performance Management Systems audits where the audit scope has included Queensland Health. The areas audited included:

- Capital Works – Report No 5 2006;
- Performance Measures – Report No 4 2007;
- Beyond Agency Risk – Report No 6 2007;
- Skills Shortages in Queensland – Report No 7 2007; and
- Enhancing Accountability through Annual Reporting – Report No 1 2008.

These Performance Management Systems audits focused on ascertaining whether the systems and controls used by management to monitor and measure performance assisted in meeting stewardship responsibilities.

In consultation with senior management of each of the areas audited, the overall conclusion was that all findings were positively received. Auditees, when asked for benefits to be derived from such a mandate for the Auditor-General, replied that the authority which the Auditor-General possesses, assisted in bringing about change. The only “negative” experience of Queensland Health’s involvement in these audits was a perceived lack of timeliness in completing the audit, when compared with the times advised by Queensland Audit Office at the opening interview.

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The recommendations and subsequent implementation plans assisted Queensland Health management to focus on performance measures which are relevant, purposeful and representative of actual Departmental performance. The audit recommendations added value to the quality of administration and assisted in the discharge of governance obligations.

I would like to acknowledge and congratulate the professional way in which officers of the Queensland Audit Office conducted the evaluations.

Should you require further information, Queensland Health's contact is Mr Michael Schafer, Acting Senior Director, Assurance and Risk Advisory Services, on telephone 3234 0839.

Yours sincerely



Michael Reid
Director-General

4 AUG 2008