



**Queensland
Government**

Department of
Education, Training and the Arts

18 AUG 2008



Ms Deborah Jeffrey
The Research Director
Public Accounts Committee
Parliament House
BRISBANE QLD 4000

Dear Ms Jeffrey

I refer to a letter dated 3 June 2008 from Mr Ken Hayward MP, Chair, Public Accounts Committee, seeking a submission from the Department of Education, Training and the Arts (DETA) on the effectiveness of the performance management systems (PMS) audit mandate, addressing the relevant terms of reference provided.

DETA is committed to continuous improvement and has worked collaboratively with the Queensland Audit Office to implement recommendations, which have led to improved performance management. The attached submission has been prepared in consultation with previously audited areas of the department as well as our Internal Audit Branch.

Should you have any questions or require additional information, I invite you to contact Ms Lesley Robinson, Acting Executive Director, Governance, Strategy and Planning Branch on telephone (07) 3237 1188.

Yours sincerely

Rachel Hunter
Director-General

Ref: 08/108970

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DEPARTMENT OF EDUCATION, TRAINING AND THE ARTS

Response to Terms of Reference

Inquiry into an evaluation of the effectiveness of the performance management systems (PMS) audit mandate in terms of the Parliament's previously expressed position

1. What is the role of the PMS audit mandate? Does it fulfil its function in the overall accountability process for the Parliament? What improvements has the mandate brought to the accountability systems?

The role of the PMS audit mandate is to review whether an agency is reporting information within an appropriate and relevant suite of measures in light of what the government and the agency want to achieve for the Queensland community.

While the mandate fulfils its purpose in terms of verifying to Parliament that the performance information publicly reported by an agency is credible, meaningful, accurate and reliable, the mandate's extension to cover what are 'appropriate' and 'relevant' measures may provide some inconsistency in Queensland Audit Office's role (please see comments at Question 3 below).

The department has actively implemented the agreed recommendations from Queensland Audit Office (QAO), resulting in more accurate and reliable reporting of output performance information.

2. Is the concept of PMS auditing understood by both auditor and auditee?

Audited work units from the department provided generally positive feedback about the process, with branches clearly understanding the role and purpose of the performance management systems audits and their contribution to overall improvements in accountability, efficiency and effectiveness.

3. Is the PMS audit mandate being used effectively by QAO?

Whilst the department supported and has implemented recommendations made by QAO through its performance management systems audits, the current scope of the mandate, in particular, the very broad definitions of what are 'appropriate' and 'relevant' measures, may be seen as blurring QAO's objective audit role.

Appropriateness and relevance of measures relate more to business focussed advice to agencies rather than a clear audit function. While this type of advice is actively sought by the department in its commitment to continuous

improvement, it is suggested that the effectiveness of the mandate may be further enhanced by another body, such as the revised Public Service Commission (PSC), working with agencies in terms of 'appropriateness and relevance' of measures. This would allow the QAO to concentrate on the more objective audit role of scrutinising the rigor of the information provided by an agency and assuring Parliament that the agency has the appropriate checks and balances in place.

4. How does QAO assess if individual PMS audits have been effective?

The QAO utilises the ORIMA survey to provide independent assessment back to the Auditor-General and the PMA audit group. ORIMA prepares a report from the surveys of audit clients and stakeholders, the results of these surveys being reported in the QAO Annual Report.

In addition to undertaking its own internal evaluation within two weeks after conducting an audit, the QAO also makes follow-up contact with audited areas 18 months to two years after the initial audit occurred, to monitor whether there has been a change of practice or behaviour in accordance with QAO's findings/recommendations.

Subsequent media exposure on issues and website hits also provide the QAO with some indication that PMS audits have been effective.

5. How could the effectiveness of the PMS audit mandate be improved?

Please see response to Question 3.