



Nation Building – Economic Stimulus Plan

Business Assurance Review

Response to Recommendations

Introduction

The Nation Building – Economic Stimulus Plan Business Assurance Review (the Review) was undertaken by PricewaterhouseCoopers on behalf of the Commonwealth and State and Territory Coordinators-General and finalised in December 2009.

The Review examined the governance arrangements put in place across the Commonwealth and across jurisdictions to deliver the outcomes of the Nation Building – Economic Stimulus Plan.

The Review noted the critical role played by the network of coordinators across the Commonwealth and jurisdictions in working to deliver programs and respond to issues on a collaborative basis. Since provision of the Review in December 2009, Commonwealth Coordinators and State and Territory Coordinators-General have been working to implement each of the recommendations outlined in the Review.

Recommendations

The Review outlined eight recommendations which have been accepted and which are being implemented by the network of coordinators.

Since the provision of the Review, a number of actions have been undertaken to address recommendations. A summary of the status of work to address each of the recommendations outlined in the Review is provided below.

Status of Recommendations

1. The role of the Commonwealth and State and Territory Coordinators-General as well as program area Coordinators should be continued through the construction and delivery phase and clarified as appropriate when roles change to ensure the ongoing alignment of Commonwealth and State and Territory objectives under the Plan.

Implemented: Coordinators-General in jurisdictions and Commonwealth Coordinators have all agreed to the importance of maintaining the existing oversight and coordination function as the programs under the Nation Building – Economic Stimulus Plan continue to be delivered. The Office of the Commonwealth Coordinator-General maintains a register of current coordination arrangements.



2. While governance arrangements are in place in all jurisdictions, in some jurisdictions there is a need for better documentation of these arrangements. The relevant State and Territory Coordinators-General should ensure that the governance arrangements in place are documented and address the following essential components:

- clearly defined roles, responsibilities and accountabilities (including roles in relation to Non-Government entities such as Block Grant Authorities and Housing Associations)
- reporting requirements and responsibilities
- project level governance activities (for example, the roles of project control boards) and associated risk management approaches.

Implemented: The Business Assurance Reviewer provided separate observations regarding the status of governance documentation to individual jurisdictions. All jurisdictions have advised the Office of the Commonwealth Coordinator-General that the recommendation has been implemented and that governance arrangements that are in place are appropriately documented.

3. As part of the Program Assurance Framework for the Plan, the Coordinators-General are managing the high level risks associated with delivery of the Plan. Risks being managed at the overall Plan level include ongoing alignment of activities and schedules with the Plan, quality and consistency of reporting, and effectiveness of the partnership model in meeting the objectives of the Plan. These risks and mitigation strategies should be further documented in a manner which facilitates monitoring of ongoing effectiveness of these strategies.

Implemented: Activities have been undertaken to implement this recommendation including ongoing monitoring through enhanced reporting arrangements and regular ongoing engagement at both the Commonwealth and jurisdiction levels in monitoring and analysis of high level coordination risks.



4. State/Territory and Commonwealth Coordinators-General should implement high level status reports on the actual against forecast achievement of objectives, using traffic lights or other indicators which highlight clearly the views of the reporting agency regarding status against plan and identify areas for attention.

The ability to report actual against expected activity is dependent on the validity of the estimates or forecasts; where these are not realistic they should be re-forecast at the delivery level, which is predominantly the States and Territories. The focus of the commentary in the status reports should then be on the exceptions to the planned activity.

The data in the status reports should be consistent with the monthly data submitted to Commonwealth agencies. Where differences in reported information arise through different systems, the State and Territory Coordinators-General should ensure that these can be reconciled to the data shown in the consolidated Commonwealth level report.

A key factor in determining the success of status reporting will be the establishment of consistent milestones within forecast data.

Implemented: Significant work has been undertaken with Commonwealth agencies and State and Territory Coordinators-General to review reporting processes and implement changes to strengthen reporting of projected activity and progress against milestones. Fortnightly reports to the Office of the Commonwealth Coordinator-General, including an assessment of progress against program milestones, and the distribution of these across the coordinators network ensures that data is consistent and cross-checked at various stages. The Office of the Commonwealth Coordinator-General has implemented a revised process for verification of data provided through program-area monthly reporting frameworks to ensure visibility of information and opportunity for comment by Coordinators-General in each jurisdiction.



5. A challenge across the Plan is to ensure that the information provided from a project level is consistent with the requirements of the relevant guidelines. State and Territory Coordinators-General should ensure that appropriate processes are in place to validate information included in status reports to Commonwealth Agencies. Where information is provided directly by delivery agencies to the Commonwealth, this should be made available to State and Territory Coordinators-General to enable reviews of the data to occur.

Implemented: Coordinators-General from all jurisdictions have advised that appropriate processes are in place to validate information reported to Commonwealth implementing agencies, or that the implementation of validation processes are in progress.

6. Responsibility for coordinating and reporting on the major elements of the Plan is well understood across the jurisdictions. However, for elements of the Plan that are delivered directly by Commonwealth agencies, or which involve smaller numbers of projects, the responsibility of State and Territory Coordinators-General for reporting and monitoring implementation is not as clear. The OCG [Office of the Commonwealth Coordinator-General], in conjunction with Commonwealth agencies with program responsibility, should clarify with State and Territory Coordinators-General their roles, responsibilities and expectations with respect to reporting for all elements of the Plan, including those elements where the States and Territories are not directly responsible for delivery.

Ongoing: Roles and responsibilities are continually discussed and negotiated as priorities shift across the Nation Building – Economic Stimulus Plan. The review of reporting processes that has occurred has clarified reporting expectations.



7. State and Territory Coordinators-General should review available information in their jurisdiction, including examining of data for exceptional or outlying results, in order to confirm whether the COAG 10 per cent aspirational target for apprentices and trainees is being met.

Ongoing: A sub-group of Coordinators-General has been established to analyse information across jurisdictions that can be used to provide a level of assurance regarding the aspirational COAG objective. Analysis and verification of information available at the state and territory and Commonwealth levels will be provided to the Working Group for an assessment in relation to the objective. A piece of consolidated advice for the Nation Building – Economic Stimulus Plan will be produced and fed into broader monitoring processes being undertaken in relation to all of the COAG apprentices and trainees commitments.

8. To ensure that the assurance processes across the Plan are optimised where possible, the Commonwealth Coordinators should consolidate the assurance and compliance matrices developed for the Plan through this review. When additional compliance activity is planned at a Commonwealth level this should consider the extent, type and relevance of assurance activity already being undertaken across the Plan

Implemented: Commonwealth Coordinators have all received copies of the Business Assurance Review and have undertaken to consider the matrix of existing assurance activity in implementing any additional compliance activity at the individual program level.

Authorised by the Commonwealth Coordinator-General on behalf of the national network of Coordinators and Coordinators-General.