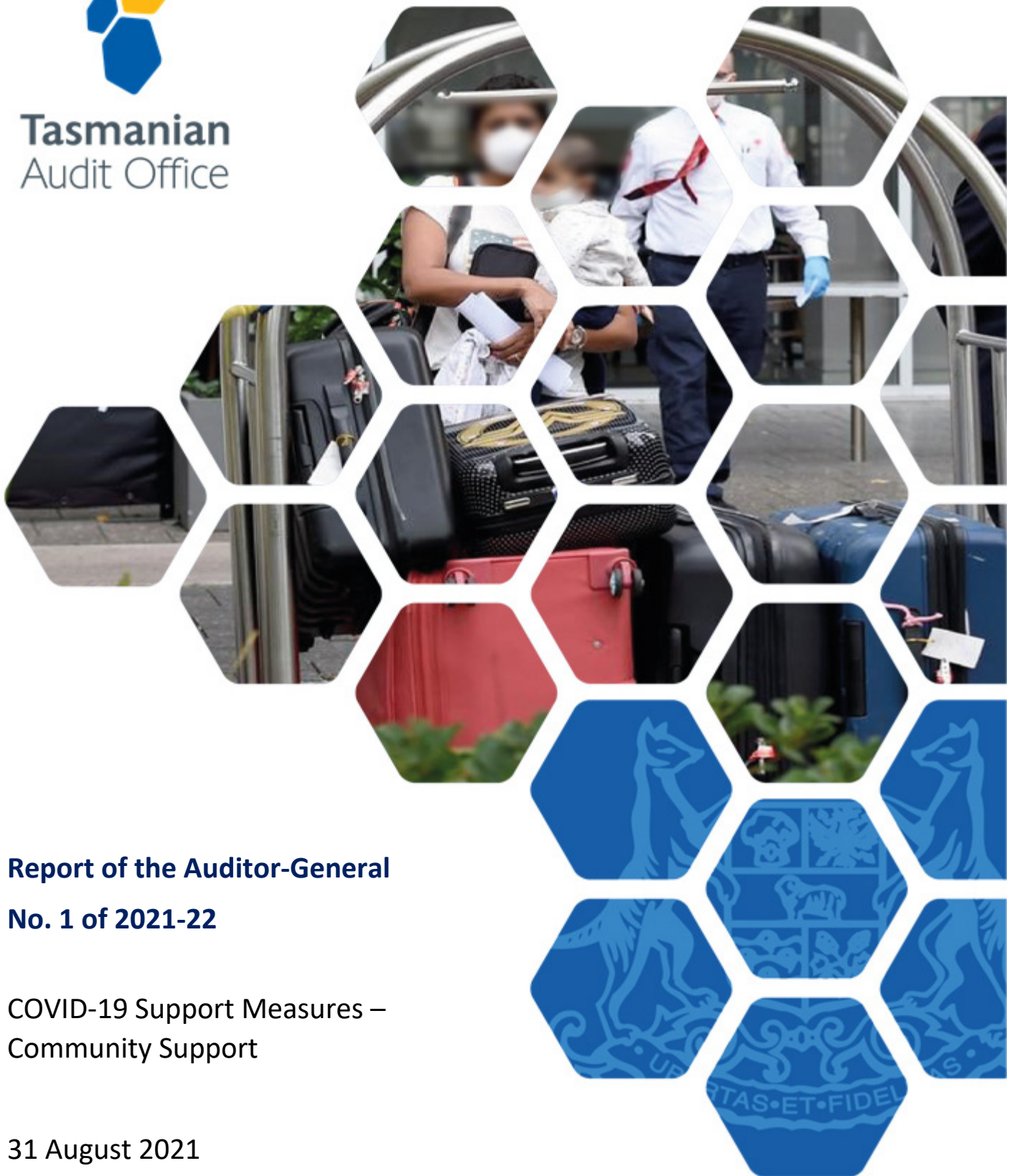




**Tasmanian**  
Audit Office



**Report of the Auditor-General  
No. 1 of 2021-22**

COVID-19 Support Measures –  
Community Support

31 August 2021

## The Role of the Auditor-General

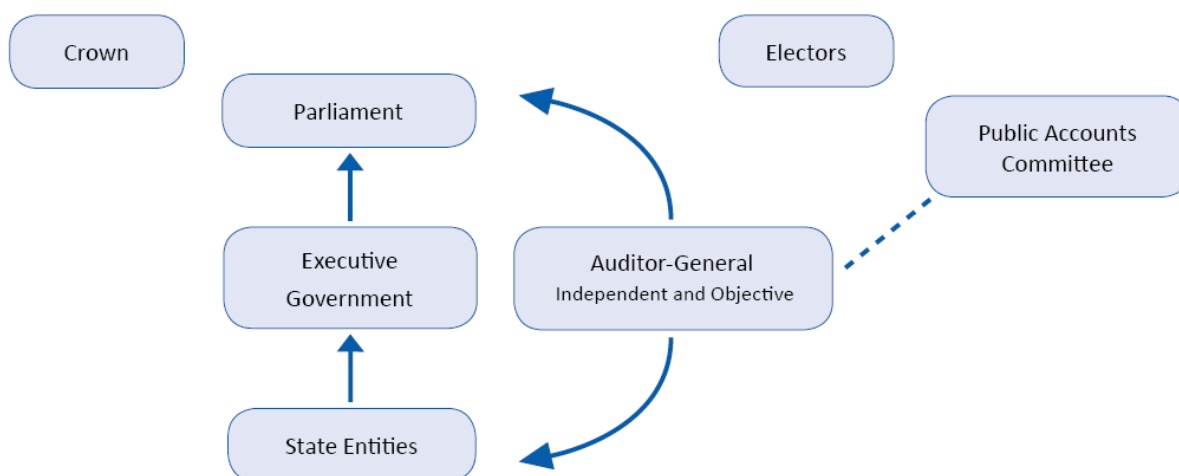
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The primary responsibility of the Auditor-General and Tasmanian Audit Office is to conduct financial or 'attest' audits of the annual financial reports of State entities, audited subsidiaries of State entities and the Treasurer's Annual Financial Report reporting on financial transactions in the Public Account, the General Government Sector and the Total State Sector. The aim of a financial audit is to enhance the degree of confidence in the financial statements by expressing an opinion on whether they present fairly, or give a true and fair view in the case of entities reporting under the *Corporations Act 2001*, in all material respects, the financial performance and position of State entities and were prepared in accordance with the relevant financial reporting framework. The outcomes of the audits of State entities and audited subsidiaries of State entities are reported to Parliament each year.

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Where relevant, the Treasurer, a Minister or Ministers, other interested parties and accountable authorities are provided with opportunity to comment on any matters reported. Where they choose to do so, their responses, or summaries thereof, are included within the reports.

## The Auditor-General's Relationship with the Parliament and State Entities





**2021  
PARLIAMENT OF TASMANIA**

**COVID-19 Support Measures – Community Support**

**31 August 2021**

Presented to both Houses of Parliament pursuant to  
Section 30(1) of the *Audit Act 2008*

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31 August 2021

President, Legislative Council  
Speaker, House of Assembly  
Parliament House  
**HOBART TAS 7000**

Dear President, Speaker

**Report of the Auditor-General No. 1 of 2021-22: COVID-19 Support Measures  
– Community Support**

This report has been prepared consequent to examinations and investigations conducted under section 23 of the *Audit Act 2008*.

This report relates to my review of selected COVID-19 stimulus measures and targeted support payments and expenditures. The objective of the review was to express a limited assurance opinion on the Department of Communities Tasmania's implementation of the Community Support Fund and Supporting our Veterans COVID-19 Grants Program.

Yours sincerely



Rod Whitehead  
**Auditor-General**

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# Foreword

It would be difficult to look back at 2020 without framing it in terms of the impact of COVID-19 on our lives. Tasmania, like every jurisdiction in the world, has had to grapple with how to position its health, education, social and economic responses. Those responses have needed to be rapid.

There is a greater risk of fraud, error and inequity when programs and processes are developed and implemented quickly. As a result, it was essential that these risks were effectively managed in the design of hotel quarantine procurement, contract management and other financial arrangements as well as grant giving activities. Careful design and implementation of preventative, detective and corrective controls to address these risks was therefore crucial in the circumstance we found ourselves in.

This is the final report in a series of audits and reviews covering selected COVID-19 stimulus measures and targeted financial support payments and expenditures. The other reports in this series were:

- Report of the Auditor-General No. 5 of 2020-21: Review of selection COVID-19 support measures and expenditure in 2019-20
- Report of the Auditor-General No. 9 of 2020-21: COVID-19 Support Measures – Small Business Hardship Grant Program
- Report of the Auditor-General No. 12 of 2020-21: COVID-19 Support Measures – Payroll Tax Waiver.

My hope from the audits and reviews of selected COVID-19 stimulus measures is twofold. Firstly, to bring some assurance to the Parliament and, more broadly, the community that effective controls were put in place and risks effectively managed to ensure the objectives of the funding have been met in supporting businesses and the community during these challenging times. Secondly, to provide some pragmatic recommendations to help improve the rapid implementation of stimulus funding programs in the event that we face a similar challenge in the future.



Rod Whitehead

**Auditor-General**

31 August 2021

# Independent assurance report

This independent assurance report is addressed to the President of the Legislative Council and the Speaker of the House of Assembly. It relates to my review of the Community Support Fund and the Supporting our Veterans COVID-19 Grants Program (Supporting our Veterans Program), which were administered by the Department of Communities Tasmania (Communities Tasmania).

## Review objective

The objective of the review was to form a limited assurance conclusion on the effectiveness of Communities Tasmania's implementation of the Community Support Fund and the Supporting our Veterans Program.

## Review scope

This is the fourth and final report in a series of audits and reviews covering selected COVID-19 stimulus measures and targeted financial support payments and expenditures. This review covered the:

- following elements of the Community Support Fund:
  - identification, selection and management of providers of hotel quarantine, security and transport
  - execution and ongoing management of agreements entered into with community service providers
  - Local Emergency Food Relief COVID-19 Grants Program (Food Relief Program) from program design through assessment to monitoring and evaluation
- Supporting our Veterans Program from program design through assessment to monitoring and evaluation.

Activities or arrangements relating to the above elements that occurred after 30 April 2021 were not included within the review scope. In addition, the review of hotel quarantine was focussed on procurement of services, contract management and other related financial arrangements. It did not examine the effectiveness of hotel quarantine in preventing COVID-19 community transmission.

## Review approach

The review was conducted in accordance with Australian Standard on Assurance Engagements ASAE 3500 *Performance Engagements* issued by the Auditing and Assurance Standards Board, to express a limited assurance conclusion. The procedures performed in a limited assurance review vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently the level of assurance obtained in a

limited assurance review is substantially lower than the assurance that would be obtained had a reasonable assurance engagement been performed.

The review evaluated the following criteria:

1. Were hotel quarantine procurement, contract management and related financial arrangements in compliance with the legislative framework and consistent with better practice?
2. Did support measure design promote equity and mitigate risk?
3. Were applications assessed in a timely and consistent manner?
4. Was monitoring and evaluation of funding outcomes effective?

Criterion 1 applied to the hotel quarantine program. Criteria 2, 3 and 4 applied to agreements with community service providers, the Food Relief Program and the Supporting our Veterans Program.

I conducted my limited assurance review by making such enquiries and performing such procedures I considered reasonable in the circumstances. Evidence for the review was obtained primarily through discussions with relevant personnel and examining corroborative documentation and included:

- correspondence and discussions with Communities Tasmania employees involved in implementing the community support measures
- correspondence and discussions with employees of the Department of Primary Industries, Parks, Water and Environment (DPIPWE) and Department of Police, Fire and Emergency Management (DPFEM) involved in the administration of hotel quarantine
- examination of documentation and data relating to the supporting measures, including advice from the agencies involved to Ministers, agreements, application forms, application assessments and acquittal reports.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## Responsibility of management

Responsibility for administering hotel quarantine and the other community support measures reviewed rests with the Secretary of Communities Tasmania. This included the:

- identification, selection and management of providers of hotel quarantine and associated services
- the execution and ongoing management of agreements entered into with community service providers as a result of direct engagement
- the execution of the Food Relief Program and the Supporting Our Veterans Program.

## Responsibility of the Auditor-General

In the context of this review, my responsibility was to express a limited assurance conclusion on the effectiveness of Communities Tasmania's implementation of the Community Support Fund and the Supporting our Veterans Program as evaluated against the criteria.

## Independence and quality control

I have complied with the independence and other relevant ethical requirements relating to assurance engagements, and apply Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance review.

## Conclusion

Based on the procedures I have performed and the evidence I have obtained, nothing has come to my attention that causes me to believe that, in all material respects, Communities Tasmania's implementation of the Community Support Fund and the Supporting our Veterans Program was not effective.



Rod Whitehead

**Auditor-General**

31 August 2021

# Executive summary

## Summary of findings

Implementation of the Community Support Fund and Supporting our Veterans Program was generally effective.

In respect to hotel quarantine, Communities Tasmania had existing processes and established relationships in place from its previous experience in managing emergency accommodation for displaced persons in times of natural disaster emergencies. This meant that a number of its controls had already been stress tested. Communities Tasmania was able to build on these relationships over time. An effective contract management approach was adopted to ensure there were enough hotel quarantine rooms to meet demand. When the opportunity arose, the number of hotel quarantine facilities were then consolidated to provide a more efficient and secure quarantine service.

Communities Tasmania made resources available to address key risks for hotel quarantine through a number of mechanisms including:

- a Wage Subsidy Program and Daily Allowance Program (Wage Subsidy Program) for hotel quarantine workers to reduce the risk of transmission of COVID-19 to the community
- standard operating protocols to ensure operations were consistent across all hotel quarantine facilities.

Management of agreements and financial arrangements was relatively efficient despite the multi-agency approach involving five of Tasmania's nine Government Departments. This approach required the introduction of processes or steps that could have been avoided if a single agency approach for financial and commercial arrangements had been adopted. However, these minor inefficiencies did not significantly detract from the overall efficiency of hotel quarantine procurement, contract management and related financial arrangements. A review of hotel quarantine arrangements, led by the State Control Centre, was tabled in a Heads of Agency COVID-19 Coordination Group in May 2021.

Communities Tasmania also had a well-established process for administering funding agreements through direct engagement with partners and grant programs. Templates were readily available for program guidelines, application forms, risk assessment and management, communication strategies, grant deeds and reporting. These templates, which were modified for the specific purpose funding and grant programs, allowed for timely implementation of support measures. Modifications included tailoring grant deeds with each organisation to include the purpose of funding and specific reporting requirements to monitor funding recipients' performance and report on funding outcomes.

While the strength of the implementation of the Food Relief Program and the Supporting our Veterans Program was in the use of existing processes, it was also a weakness. The requirement for Communities Tasmania to implement a number of support measures at once meant that limitations of the current approach were highlighted. Opportunities for improvement included:

- documentation of risk remaining once mitigation strategies were in place
- explicitly requesting supporting information, such as audited financial statements, in Program Guidelines and application forms when it is expected by assessors
- collection of data in a more structured way, from application through to the final report, to improve the efficiency of monitoring and evaluation
- reviewing standard reporting requirements to ensure the benefit of the requirement to Communities Tasmania outweighs the cost to applicants.

We thank Communities Tasmania staff for their assistance with this review.

## Recommendations

1. The Government improve the transparency of decisions to provide funding to non-government organisations and individuals for emergency response and recovery activities.
2. Communities Tasmania implement an end-to-end grant management system that can support templates for application and assessment processes, support and record correspondence with applicants and implement system-based controls.
3. Communities Tasmania review grant documentation to improve the efficiency of assessment, monitoring and evaluation through a more data driven approach and document risk remaining once risk mitigation strategies are in place.

## Submissions and comments received

In accordance with section 30(2) of the Audit Act, a summary of findings or Report extract was provided to the Premier and Treasurer and other persons who, in our opinion had a special interest in the Report, with a request for commissions or comments.

Submissions and comments we receive are not subject to the audit nor the evidentiary standards required in reaching an audit or review conclusion. Responsibility for the accuracy, fairness and balance of these comments rests solely with those who provided the response. However, views expressed by the responders were considered in reaching review conclusions.

Section 30(3) of the Act requires this Report include any submissions or comments made under section 30(2) or a fair summary of them. Submissions received are included below.

## **Response from the Premier and Treasurer**

The Tasmanian Government is committed to ensuring that COVID-19 support measures, particularly for those most at risk in our community, are funded and administered expeditiously, to give Tasmanians the confidence and assurance that the Government is meeting their needs during this difficult time.

The Government acknowledges that the pace and volume of financial support measures administered by the Department of Communities Tasmania (Communities Tasmania) has placed significant pressure on systems and processes that have not been designed, or expected to, cope with this unprecedented demand. I welcome observations and recommendations in the Report that support, and have the potential to enhance, improvements that are already underway to Communities Tasmania's grant management systems and procedures.

I am pleased that the Report once again highlights the strong and effective collaboration between Tasmanian Government agencies in establishing and managing the operation of quarantine hotels which have been, and continue to be, a critical component of Tasmania's defence against COVID-19. The arrangements that have been put in place draw on the strengths and expertise of each of the lead agencies in managing the individual requirements of border control and screening, safe and sufficient accommodation, and regulating conditions for entry into Tasmania. Importantly, they also showcase the joined-up and coordinated nature of these arrangements despite the involvement of multiple agencies, and in remarkable and challenging circumstances. The success of the quarantine hotel program, particularly in terms of safeguarding the State, cannot be overstated.

**The Honourable Peter Gutwein MP**

## **Response from the Secretary of the Department of Communities Tasmania**

COVID-19 continues to present Tasmania with unprecedented challenges. The way that Tasmanian Government Agencies have responded and continue to respond is to be commended. My Agency has continued to respond to the Pandemic in an agile and responsive manner and to ensure that Government decisions are administered efficiently and in accordance with the policy intent.

I would note that as part of the Tasmanian Emergency Management Arrangements (TEMA) the responsibility for recovery and response activities are well defined and understood. The Department is also working collaboratively with the COVID-19 Control Centre (CCC) to implement actions from the review of hotel quarantine.

Communities Tasmania support the two recommendations as they relate to the Department and notes work is ongoing to continuously improve our grant management systems.

**Michael Pervan**

# 1. Introduction

- 1.1 As this review assessed the financial arrangements associated with hotel quarantine in response to the COVID-19 pandemic, we outline below the legislative framework for quarantine arrangements and identify the key government agencies involved in managing quarantine activities during the COVID-19 pandemic.
- 1.2 This review also assessed the implementation of COVID-19 support measures by Communities Tasmania. Information on the funding provided through those support measures is provided below.

## Quarantine arrangements

### Legislative framework for quarantine arrangements

- 1.3 The Premier declared a State of Emergency on 19 March 2020. On the same day, the Premier announced border restrictions with all nonessential travellers entering Tasmania required to quarantine for 14 days. Once the initial period of all nonessential travellers being required to quarantine in a government-operated accommodation facility concluded, Tasmania's border entry conditions depended on where each traveller spent time prior to their day of arrival.
- 1.4 Travellers that spent time in areas assessed as medium or high-risk based on Public Health advice were directed to quarantine in a suitable premises under the *Public Health Act 1997*. A suitable premises is defined as:
  - a private residence
  - short-term rental accommodation where the person or family isolating is or are the only occupants
  - other premises approved by the Deputy State Controller or the Director of Public Health.
- 1.5 If the traveller could not nominate suitable premises then they were required to quarantine in a government-operated quarantine facility.
- 1.6 From 31 July 2020, travellers directed to quarantine under the *Emergency Management Act 2006* were charged for their stay in government-operated quarantine facilities under the *COVID-19 Disease Emergency (Miscellaneous Provisions) Act 2020*. Under this Act, waivers of Quarantine Fees were available to travellers if the:
  - quarantine period began immediately after the person or one of their family members entered the State for compassionate or medical reasons or returned to the State after having left it for compassionate or medical reasons
  - requirement for the person to pay the Quarantine Fee, or pay by a specific day, would cause financial hardship.



- 1.7 Decisions on the waiving of Quarantine Fees were made by a person who, under the *Police Services Act 2003*, was a Deputy Commissioner or Assistant Commissioner.
- 1.8 Not all people who entered hotel quarantine were charged. The charging of the Quarantine Fee was not applicable to people directed to quarantine under the *Public Health Act 1997* or, as authorised by the State Controller in March 2021, people arriving in Tasmania within 24 hours of an announcement being made of an area or premises being classified as medium or high risk. Additional circumstances where hotel quarantine fees would not be charged are outlined in the *COVID-19 Disease Emergency (Miscellaneous Provisions) (Quarantine Debt) Order 2020* and include people who:
- arrive in Tasmania and are symptomatic on arrival
  - are waiting on approval to leave hotel quarantine
  - are directed to quarantine until a determination is made that they did not have to isolate in a hotel.

### **Management of hotel quarantine arrangements during COVID-19**

- 1.9 While Communities Tasmania was the lead agency for hotel quarantine, four other Tasmanian departments were also involved in elements of the hotel quarantine program. The departments' responsibilities were:
- Communities Tasmania — establishing and managing agreements with accommodation, hotel security, transport, waste management, fencing and carpark providers, including the Wage Subsidy Program; establishing Standard Operating Protocols to ensure consistency across multiple sites; addressing guests concerns and complaints; referring guests to relevant agencies when required; issuing invoices for the Quarantine Fee; and reissuing or cancelling invoices if the invoice was found to be incorrect or a Quarantine Fee exemption was approved by DPFEM.
  - DPFEM — managing security arrangements in relation to compliance with quarantine directions; and making decisions to waive, or extend the time to pay, the Quarantine Fee
  - DPIPWE — identifying travellers that must enter hotel quarantine at the border; managing the process for approved Tasmanian employers to access interstate and international seasonal workers; and supporting the online system for hotel quarantine exemptions, including requesting additional information where submitted applications were incomplete and making an initial recommendation to DPFEM on applications for Quarantine Fee exemptions
  - Department of Premier and Cabinet — administering and making amendments to the *COVID-19 Disease Emergency (Miscellaneous Provisions) Act 2020*; and establishing agreements between States under the National Partnership Agreement on COVID-19 Response

- Department of Health (Health) — delivering a number of finance-related activities, such as account payment and invoicing, on behalf of Communities Tasmania under a shared services arrangement; and delivering health-related services to hotel quarantine guests, including infection prevention and control and COVID-19 testing in the hotels.

1.10 Figure 1 summarises the multi-agency approach highlighting the key responsibilities of each Department from a hotel quarantine guest's perspective from arrival through to the departure or, if applicable, finalisation of the Quarantine Fee.



Source: Tasmanian Audit Office.

## Support measures covered by this Review

1.11 Support measures administered by Communities Tasmania and covered by this Review included:

- \$3.5m in funding agreements with community service providers listed in Table 1
- \$0.2m Food Relief Program
- \$0.5m Supporting our Veterans Program.

Table 1: Specific purpose funding provided through the Community Support Fund

Funding recipient	Purpose of funding	Funding provided (\$)
Australian Red Cross Society, Rural Business Tasmania and Salvation Army	Recovery Network Partners.	770,000
Neighbourhood Houses	Assisting 35 Houses to support their communities.	700,000
TasCOSS	Delivering a Fund to enable community sector organisations to continue service delivery through technology.	350,000
	Ensuring a joined-up and connected community response.	100,000
Community Transport Services Tasmania	Maintaining essential transport. <sup>1</sup>	260,000
Meals on Wheels, Australian Red Cross Society	Freezing meals for the elderly and vulnerable. <sup>1</sup>	250,000
Loaves and Fishes	Increasing production of ready-to-eat meals for delivery across the state.	156,000
Hamlet and City Mission	Providing food for persons in hardship.	144,000
Volunteer Tasmania	Mobilising volunteers.	130,000
Foodbank	Increasing delivery and supplies.	100,000

Funding recipient	Purpose of funding	Funding provided (\$)
Waterbridge Food Cooperative	Extending their delivery of food boxes.	100,000
Council of the Ageing	Developing an effective communication plan for older Tasmanians.	65,000
Youth Network of Tasmania	Developing a communication and marketing campaign.	65,000
Tasmanian Men's Sheds	Helping people stay connected.	65,000
Scrubby Hill Farm	Supplying Waterbridge Food Co-operative and the surrounding Huon Valley community.	40,000
National Disability Services	Support those with disability face the additional challenges of COVID-19. <sup>1</sup>	15,000
Various	Further payments to Loaves and Fishes, Foodbank and Hamlet as part of the 2020-21 Budget. Funding has been provided from the Community Support Fund and from other budget allocations within Communities Tasmania.	215,000
<b>Total</b>		<b>3,525,000</b>

Note 1: These support measures were administered by Health. Communities Tasmania reimbursed Health from the Community Support Fund.

Source: Communities Tasmania.

## 2. Hotel quarantine procurement, contract management and related financial arrangements

In this Chapter, we assess the effectiveness of procurement, contract management and other financial arrangements related to hotel quarantine. This covers:

- identification and selection of hotel, security and transport providers for the hotel quarantine program
- establishment of agreements with hotel, security and transport providers to deliver the required services
- management of agreements with a focus on reviewing services to ensure the required standard of service delivery was achieved and, if ongoing, the agreed service remains fit for purpose.

We did not examine the effectiveness of hotel quarantine in preventing COVID-19 community transmission.

### Chapter summary

The hotel quarantine agreements and associated processes were in compliance with the Tasmanian Government procurement framework and consistent with better practices for contract management. The process used to identify hotels that were suitable for hotel quarantine was appropriate. Agreements were responsive to the challenges associated with private contractors providing services in a pandemic and had been appropriately reviewed. The way hotels were turned into hotel quarantine facilities through template agreements or varying existing contracts was efficient. In addition, the approach to contract management addressed key risks and improved over time.

Value for money for hotel quarantine was achieved within the confines of emergency arrangements and limited supply. The Wage Subsidy Program was a risk-based response to outbreaks in other jurisdictions in which the source of transmission was attributed to employees working in a hotel quarantine facility. The Quarantine Fee paid by the guest broadly equated to the cost of providing rooms, meals and laundry services to guests, but did not represent full cost recovery.

Management of agreements and financial arrangements was relatively efficient despite the multi-agency approach involving five of Tasmania's nine Government Departments. This approach required the introduction of processes or steps that could have been avoided if a single agency approach for financial and commercial arrangements had been adopted. However, these minor inefficiencies did not significantly detract from the overall efficiency of hotel quarantine procurement, contract management and related financial arrangements. A review of hotel quarantine arrangements, led by the State Control Centre, was tabled in a Heads of Agency COVID-19 Coordination Group in May 2021.

From the start of the pandemic to 30 April 2021, budgeted expenditure for hotel quarantine was \$36.7m, actual expenditure was \$52.8m and \$9.3m in Quarantine Fee invoices had been issued. Additional funding above budgeted expenditure was requested and approved.

## **Establishment of and variations to agreements was appropriate**

- 2.1 The establishment of agreements was transparent, in compliance with the legislative framework and appropriate in the context of a pandemic.
- 2.2 Communities Tasmania was responsible for securing and managing government provided accommodation, security, transport services, waste management, fencing and carparks for the hotel quarantine program as well as related financial arrangements, such as the Quarantine Fee. This responsibility was a natural fit as Communities Tasmania had previously been responsible for organising accommodation for people displaced as a result of natural disasters.
- 2.3 The initial task was to secure accommodation for:
  - essential workers who were not able to return to their own residences
  - those people who were in Tasmania and had to find alternate accommodation when commercial accommodation was closed or their normal residence was not suitable during isolation periods.
- 2.4 While a number of hotels offered their services to Communities Tasmania at the start of the pandemic, availability of hotels was constrained initially due to the number of suitable accommodation premises. The assessment of suitability was based on whether the accommodation facility:
  - was located near an airport or port
  - had the capability to maintain site security
  - had the capability to provide meals to guests on-site.
- 2.5 Agreements entered into with successful hotel operators were in a 'letter of engagement' format and based on a template to ensure consistent terms and conditions were in place across hotel quarantine facilities. Legal advice from the Solicitor-General was sought on the template prior to implementation.
- 2.6 By 30 March 2020, Communities Tasmania had agreements with four hotels in the north-west of the State, three hotels in the south and two hotels in the north.
- 2.7 Once the borders were reopened, the task expanded to securing accommodation for returning travellers to undertake their quarantine period. New supply challenges, such as the risk of hotel reputational damage associated with operating a quarantine facility as experienced in other jurisdictions, emerged. These challenges were addressed by including termination clauses in agreements that allowed hotels to determine when they transitioned back to normal operations.





2.8 The criteria applied to determine whether accommodation premises could provide hotel quarantine services to the required standard were also refined. In addition to those outlined in paragraph 2.4, the criteria also included:




- a large number of guest rooms
- availability of:
  - site amenities including access to areas for exercising and smoking
  - room amenities such as WIFI, telephone and television
  - a 24 hour reception service
  - private security contractors
  - a laundry service for guests
- providing facilities for agencies, such as the Tasmanian Health Service, to deliver services to guests as required
- a COVID-19 Safety Plan in place.

2.9 The additional criteria resulted in a more efficient use of limited resources through a reduction in the number of hotel quarantine facilities. This reduction in the number of hotel quarantine facilities occurred naturally as agreements with hotels that were no longer suitable expired.

2.10 Figure 2 provides an overview of the reasons that guests accessed hotel quarantine from April 2020 to April 2021.

Figure 2: Reasons for guests entering hotel quarantine from April 2020 to April 2021

Key	Comment
Domestic travellers and frontline workers 	By 30 April 2021, 8,927 people had been placed in a hotel quarantine facility. This number includes: <ul style="list-style-type: none"> <li>• Tasmanians returning from other States early in the pandemic</li> <li>• Tasmanians and interstate visitors who visited areas declared as hot spots</li> <li>• people at risk, including frontline workers delivering essential services that had been in close contact with a suspected or confirmed case of COVID-19 that did not have suitable premises in which to quarantine.</li> </ul>
Seasonal workers (Tas) 	From December 2020 to the end of April 2021, 841 seasonal workers from the Pacific Islands, including Timor-Leste, Tonga and Vanuatu, arrived under the Seasonal Worker Program and Pacific Labour Scheme to meet industry requirements.

Key	Comment
Seasonal workers (Vic) 	Under an agreement with the Victorian Government, Tasmania agreed to quarantine workers from the Pacific Islands in Government designated facilities over the first half of 2021, with costs to be borne by the Victorian Government and the agriculture industry. To the end of April 2021, 417 seasonal workers destined for Victoria were accommodated in quarantine facilities.
International repatriation 	In December 2020, a repatriation flight carrying 118 Australian citizens returning from India arrived in Hobart. The repatriated Australians were accommodated in government accommodation for 14 days.
Antarctic expeditioners 	Between October and November 2020, four groups of Antarctic expeditioners totalling 114 persons were accommodated in hotel quarantine. During January 2021, an additional four groups of Antarctic expeditioners totalling 72 persons were accommodated in hotel quarantine.

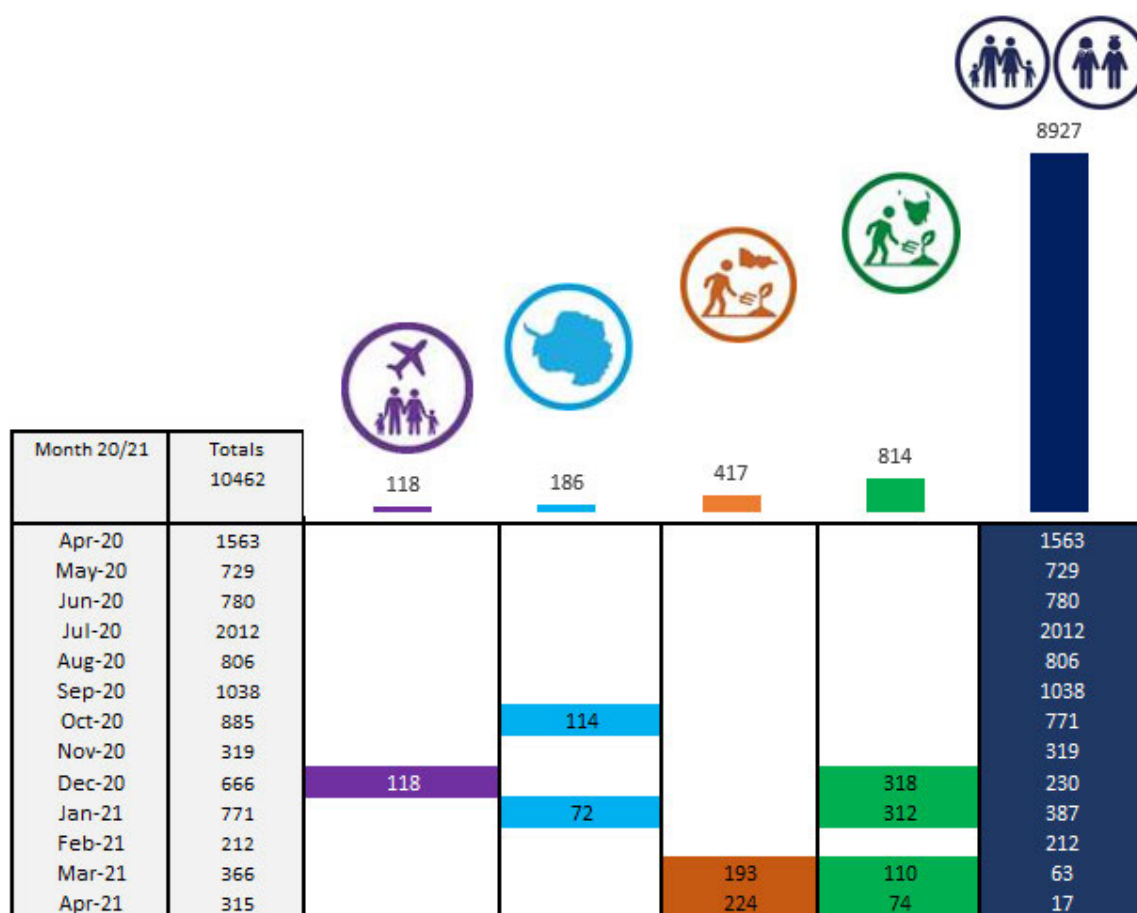
Source: Tasmanian Audit Office.

## Flexibility in approach to agreements with providers ensured sufficient capacity

- 2.11 A flexible approach to agreements with providers meant that demand for hotel quarantine rooms was met between April 2020 and April 2021. While demand for hotel quarantine rooms was initially unknown, processes were put in place to provide more comprehensive information on visitor numbers.
- 2.12 Daily Situation Reports, prepared by the Communities Tasmania Emergency Operations Centre covering Monday through to Friday, brought together information about arrivals and hotel room availability. Figure 3 provides the number of guests that passed through hotel quarantine each month between April 2020 and April 2021 and the reasons guests were travelling.



Figure 3: Number of hotel quarantine guests and reason for travel between April 2020 to April 2021



Source: Tasmanian Audit Office.

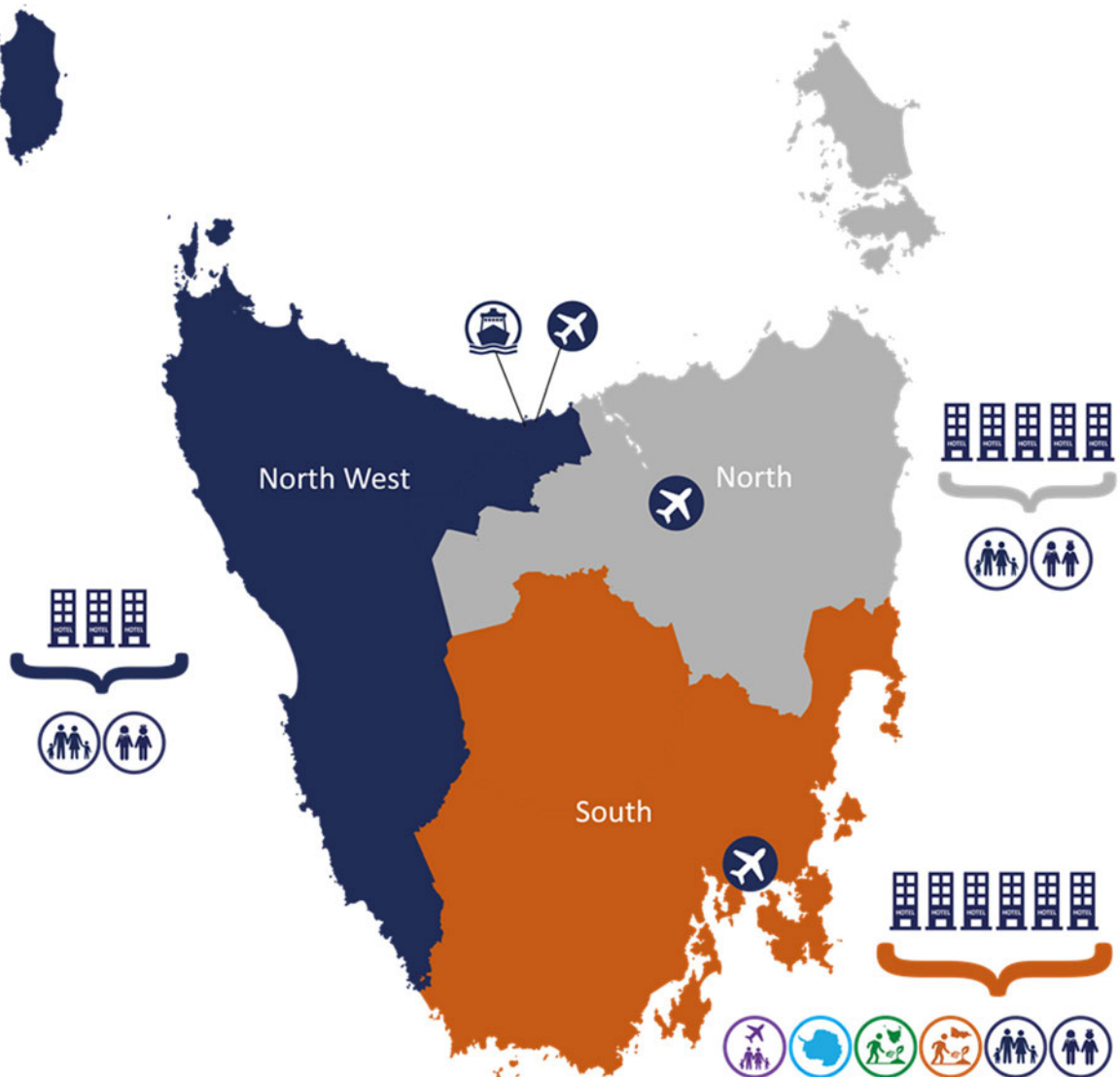
2.13 Room availability within the existing hotel quarantine facilities was monitored through hotel reception registers. These registers provided Communities Tasmania with knowledge of the number of rooms occupied and the timing of rooms becoming vacant as guests left hotel quarantine.

2.14 An active hotel register was also maintained. Hotels were added to the register after hotel operators had offered their services and Communities Tasmania had assessed the hotel as being a suitable hotel quarantine facility. When room availability was considered too low or did not align with the operational requirements, the hotel register and a template agreement were used to quickly engage additional hotels in the required locations.

2.15 Figure 4 provides the:

- number, by region, of accommodation providers that had agreements with Communities Tasmania to operate as hotel quarantine facilities in July 2020 when demand for hotel quarantine rooms was at its highest
- reasons why hotel quarantine guests in that region travelled.

Figure 4: Number of hotels with agreements in July 2020 and reasons for travel by region



Source: Tasmanian Audit Office.

- 2.16 If a surge in future quarantine demand occurs that cannot be met through the voluntary supply of suitable rooms on the active hotel register, the *Emergency Management Act 2006* gives the State Controller the power to require the owner of a hotel to surrender the hotel and place it under the control of any person involved in emergency management. Use of this power is considered to be an option of last resort.

## Financial arrangements were generally appropriate with value for money achieved

- 2.17 The design of the Wage Subsidy Program and Quarantine Fee was generally appropriate and the provision of a bed and meals to guests was considered to be value for money. The Quarantine Fee broadly equated to the cost of providing rooms, meals and laundry services to guests, but did not represent full cost recovery.

2.18 From the start of hotel quarantine through to 30 April 2021, Communities Tasmania advised the cost of hotel quarantine was:

- \$38.84m for domestic travellers
- \$10.73m for seasonal workers
- \$3.26m relating to repatriation flights, Antarctic expeditions and quarantine for frontline staff.

2.19 The figures above do not include the amount:

- recouped from hotel quarantine guests liable to pay the Quarantine Fee
- payable to the Victorian Government for their assistance in meeting demand associated with repatriation flights
- receivable from the Victorian Government for the Tasmanian Government's assistance in relation to seasonal workers.

### **Average cost of rooms and meals**

2.20 Establishment of agreements with accommodation providers involved consideration and agreement of the number of hotel rooms available and the cost of:

- exclusively procuring all available hotel rooms
- meals prepared
- other services provided, such as laundry, to guests.

2.21 While benchmarks were available for domestic business travel, benchmarks for hotel quarantine, where entire hotels are booked for exclusive use, have not been established. In the absence of a more suitable benchmark, we used the reasonable amount for hotel rooms and meals per day published in the Australian Taxation Office (ATO) Tax Determination to evaluate the daily rate for rooms and meals in the hotel quarantine program. We found the average daily rate for rooms and meals was less than the ATO's reasonable amounts for domestic travel in Tasmania of:

- \$147 per night of accommodation
- \$114 for meals per day.<sup>1</sup>

2.22 Not all contracts reviewed covered the cost of laundry or provided a cost for children's meals, but when it was covered it was consistent.

### **Wage Subsidy Program**

2.23 From 3 December 2020, a Wage Subsidy Program was implemented to reduce the risk of transmission of COVID-19 from the hotel quarantine setting into the community. Under the Wage Subsidy Program approved by the Premier, workers that were

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<sup>1</sup> Australian Tax Office, Tax Determination 2019/11.

required to physically attend a hotel quarantine site for more than 30 minutes in a 24-hour period were provided with a:

- a wage subsidy to discourage secondary employment
- an allowance to incentivise compliance with COVID-19 safe behaviours, including COVID-19 testing.

2.24 Initially the program was implemented for people working in the international hotel quarantine environment. On 9 March 2021, the Premier approved the extension of the Wage Subsidy Program to people working in the domestic hotel quarantine environment.

2.25 Hotel and security staff working at hotel quarantine facilities were paid:

- the difference between the relevant base full time wage and the amount received as a result of hours worked each week
- a \$150 per day allowance for working in a hotel quarantine facility.

2.26 Payments were made to employers of hotel and security staff one week in arrears following receipt of weekly staff declarations. Staff declared that they:

- were employed
- conformed with the obligations under the COVID-19 safety measures, including limiting contact with vulnerable groups and mandatory testing under a direction issued in accordance with the *Public Health Act 1997*
- had received prior wage subsidy payments from their employer who was distributing the subsidy.

2.27 Declarations were initially submitted in paper form. It is now an electronic web-based form which is downloaded by Communities Tasmania Officers and manually entered into a spreadsheet. Increasing automation of the declaration process would increase efficiencies and reduce the risk of human error.

2.28 At the time of review, Communities Tasmania was in the early stages of an internal audit of the Wage Subsidy Program.

2.29 An agreement was also in place for public servants, from 2 December 2020, who had to be physically present at a hotel quarantine site or came into contact with an international traveller.<sup>2</sup> This agreement ensured that public servants that fell into either category:

- would be paid their usual hours regardless of hours actually worked
- received a \$150 day allowance for the period the employee undertook duties at a hotel quarantine site and for 14 days after the work at the hotel quarantine site concluded.

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<sup>2</sup> The wage subsidy agreement for public servants was not within the scope of this audit.

## Quarantine Fee

- 2.30 The Quarantine Fee was announced by the Premier on 24 July 2020, with Quarantine Fees charged from 31 July 2020. The amount to be charged was specified in the *COVID-19 Disease Emergency (Miscellaneous Provisions) Act 2020* and is provided in Table 2.

Table 2: Quarantine Fees specified in the *COVID-19 Disease Emergency (Miscellaneous Provisions) Act 2020*

Item	Quarantine Fee per day	Quarantine Fee over a 14-day period
One adult	200	2,800
One adult, one child	236	3,300
Two adults	271	3,800
Two adults, one child	307	4,300
Two adults, two children	343	4,800

Source: TAO

- 2.31 The Quarantine Fee broadly equated to the cost of providing rooms, meals and laundry services to guests.
- 2.32 While the announcement was made in July 2020, invoices could not be issued to relevant hotel quarantine guests until the *COVID-19 Disease Emergency (Miscellaneous Provisions) Act 2020* was gazetted on 14 October 2020. This resulted in a backlog of approximately three months of Quarantine Fee invoices. Communities Tasmania advised that the backlog of invoices was cleared within six weeks.
- 2.33 Invoices were raised based on a guest register maintained by Communities Tasmania that reflected guest information entered by hotel reception staff, including contact information and arrival and departure dates.
- 2.34 As at 30 April 2021, a total of \$9.3m in invoices had been issued, with \$4.7m collected. Not all of the \$4.6m outstanding will be collected as exemptions or variations may have been approved for a portion of that amount.
- 2.35 In addition to issuing initial Quarantine Fee invoices, Communities Tasmania was also responsible for:
- reissuing invoices where:
    - a partial exemption applied
    - errors in contact information or days in hotel quarantine which resulted in changes to the amount charged

- cancelling invoices where an exemption had been approved by a Deputy Commissioner or Assistant Commissioner in DPFEM.
- 2.36 The estimated error rate for Quarantine Fee invoices was 10-15 per cent over the period reviewed. Errors that resulted in the invoices being reissued included:
- incorrect contact name
  - two invoices rather than one being issued to two adults occupying the same hotel room
  - incorrect number of days in hotel quarantine due to the check-in system defaulting to a 14 day stay and this not being corrected in the event that an earlier departure occurred.

2.37 Communities Tasmania advised that the number of errors had reduced over time.

## Contract management processes improved over time

2.38 Communities Tasmania's approach to procurement and contract management improved as the pandemic progressed and the hotel quarantine program matured.

2.39 Contract management was supported by:

- Standard Operating Protocols (SOPs) covering actions from the time an arrival was identified as requiring to enter hotel quarantine to their departure—the first SOPs were prepared in July 2020, with additional SOPs prepared and existing SOPs reviewed subsequent to July 2020
- site reviews
- registers that allowed for: the receipt, management and, if necessary, escalation of complaints; and identification and management of issues and emerging risks
- weekly performance reports from hotel providers as well as other contractors
- daily toolbox meetings at each hotel quarantine facility in which safety aspects, risks and issues were discussed.

2.40 The SOPs, which supported consistent operations across all hotel quarantine facilities, were approved by Public Health Services and provided a robust framework for providing guidance and feedback to contractors, with the following exception. Although strategies had been implemented to support people with disabilities, these strategies had not been documented within the SOPs.

2.41 Site Managers and Government Liaison Officers (GLOs) were also put in place to support communication between: Communities Tasmania; hotel, security and transport providers; and hotel quarantine guests. While operational in nature, these roles demonstrated active contract management commensurate with the risk associated with the hotel quarantine program.

- 2.42 From November 2020, one Site Manager for southern Tasmania and one Site Manager for northern and north-western Tasmania were appointed to identify risks and challenges and ensure overall compliance with required standards.
- 2.43 GLOs were in place from the start of hotel quarantine and were Communities Tasmania's virtual contact point for guests at hotel quarantine facilities. The GLOs:
- maintained the Guest Communications Register which recorded issues raised by guests along with actions taken
  - promptly escalated issues when they could not be resolved
  - completed Daily Shift Reports which recorded matters escalated for the attention of the Site Manager and the Emergency Operations Centre.
- 2.44 Changes such as the ones highlighted above are evidence of relevant recommendations from the National Review of Hotel Quarantine being implemented in a timely manner.

## **Management of agreements and financial arrangements was relatively efficient notwithstanding the multi-agency approach**

- 2.45 The governance arrangement for the hotel quarantine program was a multi-agency approach based on the pre-existing responsibilities and past experience of agencies. For example, and as illustrated in Figure 1, on page 9:
- Communities Tasmania was responsible for securing and managing government provided accommodation as it had previously been responsible for organising accommodation for people displaced as a result of natural disasters
  - DPIPWE was responsible for identifying travellers that must enter hotel quarantine at the border due to its responsibilities for implementing border security
  - DPFEM made decisions on who received a waiver from paying the Quarantine Fee consistent with its role in leading whole-of-government emergency responses through the State Control Centre.
- 2.46 The multi-agency approach meant that cooperation between the Departments was necessary for the hotel quarantine program to function effectively. Examples of where cooperation between Departments was required included:
- sharing of information on arrivals between DPIPWE and Communities Tasmania to provide Communities Tasmania with advance notice of hotel quarantine guests arriving as part of the seasonal workers program
  - use of an online system accessible by DPIPWE and DPFEM to administer the Quarantine Fee exemptions from which DPFEM provided Communities



Tasmania with a batch file of invoices needing amendment as a result of exemptions being granted.

2.47 The examples of cooperation provided in paragraph 2.46 are also examples of minor inefficiencies. Specifically, the multi-agency approach required the introduction of processes or steps that could have been avoided if a single agency approach had been adopted. However, these minor inefficiencies did not significantly detract from the overall efficiency of hotel quarantine procurement, contract management and related financial arrangements.

2.48 A review of hotel quarantine arrangements, led by the State Control Centre, was tabled in a Heads of Agency COVID-19 Coordination Group in May 2021. Recommendations arising from this review relating to procurement, contract management and related financial arrangements included:

- strengthening governance arrangements
- improving information sharing, processes and systems
- implementing a quality assurance program.



### 3. Implementation of agreements with community service providers

In this chapter, we assess the agreements Communities Tasmania executed through direct engagement with community service providers. This covers:

- selection of providers to deliver the required community services
- establishment of agreements with selected community service providers
- management of agreements with a focus on reviewing services to ensure the required standard of service was delivered.

#### Chapter summary

There was no formal authorisation of funding recipients or amounts. Communities Tasmania was not involved in selecting funding recipients or determining amounts and had to rely on Ministerial media releases for the allocation of funding. Communities Tasmania could however, contact Ministerial offices if clarification regarding funding allocation was required.

Use of existing relationships and processes resulted in a simple administration approach, minimal use of resources and timely implementation. Agreements were tailored to include specific reporting requirements that helped monitor funding recipients' performance and report on funding outcomes. The agreements were executed by Communities Tasmania Officers with appropriate delegation.

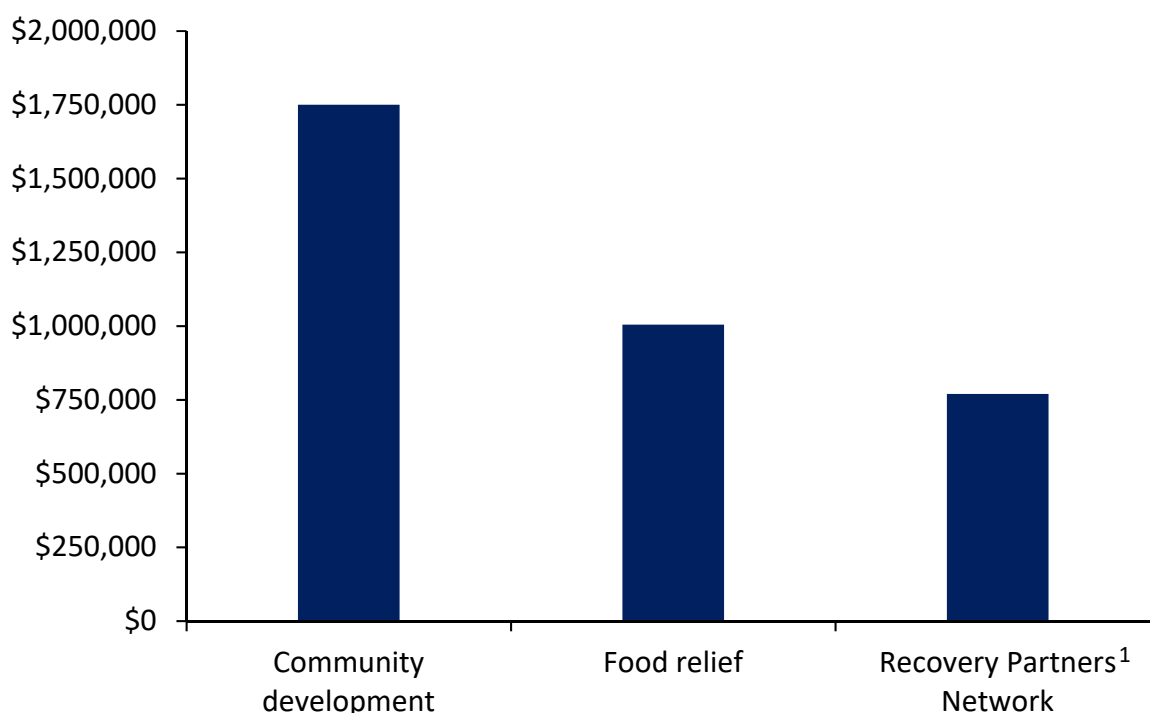
From the start of the pandemic to 30 April 2021, budgeted expenditure for agreements with community service providers was \$3.8m and actual expenditure was \$3.5m.

#### There was no formal authorisation of funding recipients or amounts

- 3.1 There was no formal authorisation of funding recipients or amounts. While Communities Tasmania had established relationships with a number of funding recipients, it was not involved in selecting funding recipients or determining the amount of funding to be awarded. As a result, reliance was placed on media releases issued by the Premier, the Minister for Housing and Human Services and the Minister for Disability Services and Community Development for the allocation of \$3.0 million in funding.
- 3.2 There was a mechanism in place by which Communities Tasmania could confirm details regarding the service providers or funding amounts with Office of the Minister for Disability Services and Community Development (Minister).

- 3.3 Funding was also outlined on the Coronavirus website and then distributed across the broad categories provided in Figure 5.<sup>3</sup>

Figure 5: Specific purpose funding recipients managed by Communities Tasmania



Note 1: The Recovery Partners Network brings together non-government and community organisations and Tasmanian Government agencies to build relationships for collaborative and coordinated recovery efforts during and after emergencies.

Source: Tasmanian Audit Office.

- 3.4 Funding was allocated as outlined on the Coronavirus website with the following exception. Funding for the TasCOSS Essential Technology Fund was increased from \$250,000 to \$350,000 due to demand. This increase in funding was approved by the Premier on 6 May 2020. When seeking approval to increase funding, Communities Tasmania advised the Premier that TasCOSS received 122 applications for funding totalling \$946,000. An assessment process was undertaken and this was reduced to 68 eligible organisations totalling \$350,000. The grant program run by TasCOSS was outside of the scope of this Review.
- 3.5 In addition, Communities Tasmania entered into an agreement with a Recovery Network Partner who had an existing relationship with the Department of State Growth (State Growth) to deliver funding in a timely manner. Once the agreement was established, responsibility for the ongoing administration of the agreement was transferred to State Growth.

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<sup>3</sup> [www.coronavirus.tas.gov.au](http://www.coronavirus.tas.gov.au)

## **Use of existing relationships and processes resulted in an efficient approach to funding services**

- 3.6 Grant deeds with each organisation were completed using a standard Government template tailored to include:
- the purpose of funding
  - specific reporting requirements that would help monitor funding recipients' performance and report on funding outcomes.
- 3.7 Variations were used effectively to ensure funding continued to be distributed to service providers in a timely manner.
- 3.8 All agreements, and variations to agreements, were executed by Communities Tasmania Officers with appropriate decision-making delegation.

## **Funded services were effectively monitored**

- 3.9 Recipients of specific purpose funding had complied with reporting obligations, such as progress reports and, in cases where the funded initiative had ended, final reports.
- 3.10 The approach adopted by Communities Tasmania facilitated reporting to Parliament and the Premier's Economic and Social Recovery Advisory Council.

## 4. Management of the Food Relief Program

In this chapter, we assess the management of the Food Relief Program including whether:

- program design:
  - supported achievement of the objective of the Food Relief Program
  - managed risks associated with rapid implementation of a grant program
- applications were assessed in a timely and consistent manner
- monitoring and evaluation activities were effective.

### Chapter Summary

Program design was generally appropriate and funding decisions were consistent, equitable and timely. Communication with applicants was also effective.

A limitation of the Food Relief Program Guidelines was that the eligibility criteria were quite specific to ensure organisations had capacity to meet demand for food relief. During the application assessment process, it was identified that 8 of the 39 applicants had initiatives that were consistent with the Food Relief Program objective, but were outside the Food Relief Program Guidelines parameters and therefore ineligible for funding. Communities Tasmania's response was to seek, and receive, approval from the Minister to provide funding to these organisations.

Limitations in existing systems and processes impacted on Communities Tasmania's ability to efficiently implement the Food Relief Program. The system used by Communities Tasmania to manage grant programs provided minimal opportunities to automate processes and did not allow for the implementation of system-based controls. In addition, the risk assessment and management strategy did not identify the amount of residual risk associated with the Food Relief Program after mitigation strategies were in place.

Monitoring and evaluation of the Food Relief Program was generally effective, with the majority of applicants meeting reporting obligations. However, we identified opportunities to improve template reports and the collection of data.

From the start of the pandemic to 30 April 2021, budgeted expenditure for the Food Relief Program was \$150,000 and actual expenditure was \$211,000. Funding above the budgeted expenditure was requested and approved.

### Program design was responsive to community needs and generally appropriate

- 4.1 The Food Relief Program was implemented in response to advice from food relief organisations that, due to COVID-19 restrictions, there was an increased demand for services and fundraising had reduced.

- 4.2 The Minister approved allocation of funds to the Food Relief Program within seven weeks of the Premier's 26 March 2020 announcement of the Community Support Fund.
- 4.3 The design of the application, assessment, distribution of funding and monitoring and evaluation processes was:
- consistent with the objective of the Food Relief Program
  - informed by the risk assessment and management strategy
  - facilitated reports to Parliament.
- 4.4 Areas for improvement included:
- redesigning application forms and reporting templates to capture data in a more efficient way
  - ensuring all eligibility criteria, including reasons for ineligibility, are captured in assessment forms (see paragraph 4.12 for the more information)
  - documenting the residual risk remaining once mitigation strategies are in place.
- 4.5 The eligibility criteria were made quite specific to ensure organisations had the capacity to meet demand for food relief as a result of COVID-19. The consequence of this action was that 8 of the 39 applicants had initiatives that met the Food Relief Program objective, but were outside the Food Relief Program Guidelines parameters and therefore ineligible for funding (see paragraphs 4.10 to 4.11 for more information on application assessment and grants awarded).

## **Limitations of the existing grant management system impacted on Program efficiency**

- 4.6 The system used to manage grants cannot be accessed by all Communities Tasmania Officers involved in grant program administration and has limited functionality. For example, the existing system cannot:
- support online application forms
  - facilitate engagement with applicants from the point at which the application form is first accessed or downloaded through to reporting on outcomes
  - allocate tasks to Communities Tasmania Officers involved in program administration
  - alert Program Managers when tasks are overdue
  - enforce compliance with relevant legislation and internal procedures.
- 4.7 In July 2021, Communities Tasmania advised:
- 'The improvement opportunities outlined within the audit align to the opportunities and recommendations identified in the grants management

project that is being undertaken by the Department of Communities Tasmania. The majority of improvements specific to grants will be resolved through the implementation of purpose-built grants management system that will enable a consistent approach to grants processes.’

## **Communication with potential applicants was effective**

- 4.8 The communication strategy for the Food Relief Program was comprehensive and effective. The commencement of the Food Relief Program was communicated through a media release, a Community, Sport and Recreation grant alert and provision of program documentation, including the Food Relief Program Guidelines, on the Communities Tasmania website. The Food Relief Program Guidelines were detailed and supported applicants through the application process.
- 4.9 The Food Relief Program was oversubscribed, with 39 applications submitted seeking a total of \$321,100 in funding.

## **The assessment process and award of funding was consistent, equitable and timely**

- 4.10 The assessment process and award of funding was:
- generally consistent although some eligibility criteria were not strictly applied for all applications
  - equitable with funding distribution mirroring population distribution
  - relatively timely with all funding decisions made within 20 working days of the Food Relief Program closing.
- 4.11 The criteria that were not strictly applied related to whether the:
- ready-to-eat meal service was in place on 1 January 2020
  - hamper service provider was a registered agent of Foodbank or Loaves and Fishes.<sup>4</sup>
- 4.12 There was one applicant that received funding under both the Supporting our Veterans Program and the Food Relief Program. The Food Relief Program Guidelines specified that organisations that had already received funding for food relief through other COVID-19 support measures were not eligible. The decision to award funding despite this applicant’s ineligibility was not covered in the assessment documentation due to a weakness in the assessment form design.

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<sup>4</sup> Foodbank and Loaves and Fishes had already received funding through other COVID-19 support measures and their register sub-agents were ineligible for additional funding.

- 4.13 The majority of the 11 applications that were unsuccessful were unable to demonstrate an increase in demand for their service or a reduction in fundraising in their application.
- 4.14 Funding of \$211,000 was awarded to:
- 20 applicants assessed as eligible and recommended for funding with a total funding amount of \$155,700
  - 8 applicants assessed as ineligible but suitable for funding with a total funding amount of \$55,300.<sup>5</sup>
- 4.15 Approved funding was less than requested funding for 14 of the 28 successful applicants. In the assessments reviewed, the amount provided was reduced due to ineligible or low priority costs being included in the requested amount.
- 4.16 Approval of funding above the \$150,000 budget for the Food Relief Program was required before the eight applications assessed as being ineligible but suitable for funding could be approved. Approval to increase the Food Relief Program budget to \$211,000 was given by the Minister on 25 June 2020.

## Monitoring and evaluation was generally effective

- 4.17 Within the sample examined, reporting obligations were met by 67 per cent of funding recipients and were extended for a further 17 per cent of recipients.
- 4.18 In the final report, funding recipients responded to a series of questions on the performance of agreed services in text boxes and provided supporting evidence that the funding had been expended as intended. While this approach provides confirmation that funds were spent on the agreed services, it resulted in inconsistencies in the data provided on performance. Collection of data in a more structured way allows a higher degree of automation, providing a more efficient and accurate approach to monitoring and evaluation.
- 4.19 A number of final reports had not been signed before a Justice, Commissioner for Declarations or authorised person as required. Based on the value of the funding amount and the COVID-19 restrictions in place, it is not clear that the benefit of this requirement for Communities Tasmania outweighed the cost in terms of time and resources to the applicant.

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<sup>5</sup> Recipients are reported on the Communities Tasmania website ([www.communities.tas.gov.au/csr/Grants](http://www.communities.tas.gov.au/csr/Grants)).

## 5. Management of the Supporting our Veterans Program

In this chapter, we assess the management of the Supporting our Veterans Program including whether:

- program design:
  - supported achievement of the objective of the Supporting our Veterans Program
  - managed risks associated with rapid implementation of a grant program
- applications were assessed in a timely and consistent manner
- monitoring and evaluation activities were effective.

### Chapter summary

Program design was generally appropriate and funding decisions were consistent, equitable and timely. An area for improvement was to clarify the financial information required to support applications in either the Supporting our Veterans Program Guidelines or the application form. Provision of this information would have helped avoid requests for further information.

The limitations in existing systems and processes identified in relation to the Food Relief Program also apply to the Supporting our Veterans Program. See paragraphs 4.6 and 4.7 for further information.

Monitoring and evaluation of the Supporting our Veterans Program was generally effective, with the majority of applicants meeting reporting obligations. However, opportunities to improve template reports and the collection of data were identified.

From the start of the pandemic to 30 April 2021, budgeted expenditure for the Supporting our Veterans Program was \$500,000 and actual expenditure was \$420,000.

### Program design was generally appropriate with steps taken to ensure the needs of potential applicants were met

5.1 The design of the Supporting our Veterans Program was generally appropriate and the program was implemented in a timely manner. After the announcement of the Supporting our Veterans Program on 27 March 2020, Communities Tasmania worked with RSL Tasmania to ensure the needs of RSL Sub-Branched and Ex-Serving Organisations were addressed by the Supporting our Veterans Program. The responsible Minister approved the Supporting our Veterans Program Guidelines within a month of the announcement of the program.



- 5.2 The design of the application, assessment and funding distribution processes was:
- consistent with the objective of the Supporting our Veterans Program
  - informed by the risk assessment and management strategy.
- 5.3 Areas for improvement related to redesigning application forms and reporting templates to capture data in a more efficient way and documenting the residual risk remaining once risk mitigation strategies are in place.
- 5.4 The finding that the limited functionality of the existing grant management system impacted on the efficient implementation of the Food Relief Program in paragraphs 4.6 to 4.7 also applied to the Supporting our Veterans Program.

## **Communication with potential applications was comprehensive**

- 5.5 The communication strategy for the Supporting our Veterans Program was comprehensive. Potential applicants were notified of the Supporting our Veterans Program through a media release, direct letter to eligible organisations from the responsible Minister, direct email to eligible organisations, grant alert and provision of program documentation, including the Supporting our Veterans Program Guidelines, on the Communities Tasmania website.
- 5.6 The Supporting our Veterans Program Guidelines supported applicants through the application process, with one exception. The Supporting our Veterans Program Guidelines and the application form provided limited details on the financial information needed to support an application. Provision of this information would have helped avoid additional requests for information.

## **The process for assessing applications and awarding funding was consistent, equitable and timely**

- 5.7 The process for assessing applications and awarded funding was:
- consistent across the two funding rounds
  - equitable with all eligible application receiving the funding requested and proportion of applications submitted by electorate mirroring the proportion of funding awarded by electorate
  - timely with: successful applicants receiving payment within ten working days of returning a signed grant deed to Communities Tasmania; and 53 per cent of funding paid within 20 working days of the first funding round closing.
- 5.8 In some instances, assessors had to request that applicants also provide audited financial statements. The need to request further information has been addressed in relation to the content of the Supporting our Veterans Program Guidelines and design of the application form. While the lack of guidance in respect to financial information had the potential to delay funding decisions, it had minimal impact on this occasion.

- 5.9 After the first funding round, \$326,800 had been awarded to 41 organisations leaving \$173,200 in unallocated funds. As a result, the Supporting our Veterans Program was reopened on 23 June 2020 until 12 July 2020 for a second round of funding. After the second funding round, \$418,900 had been awarded to 52 organisations and \$81,100 remained in unallocated funding.<sup>6</sup> The approach adopted for the second funding round was consistent with that adopted for the first round.
- 5.10 On 23 June 2020, the Minister for Veterans' Affairs also approved \$60,000 from the unallocated funds be allocated to fund the preparation of a business case on the feasibility of a Veterans' Wellbeing Centre in Tasmania.

## Monitoring and evaluation was generally effective

- 5.11 As at 19 April 2021, final reports had been submitted or the agreement was extended for 71 per cent of the 53 grants provided.
- 5.12 The written report on performance of the agreed services provided evidence that funding had been spent as intended. A limitation of the approach was that data provided on performance across the Supporting our Veterans Program was inconsistent. Collection of data in a more structured way would allow a more efficient approach to monitoring and evaluation through increased automation of processes.
- 5.13 The final report and acquittal declaration needed to be signed before a Justice of the Peace, Commission for Declarations or authorised person. Based on the value of the funding amount and the COVID-19 restrictions in place, it not clear that the benefit of this requirement for Communities Tasmania outweighed the cost in terms of time and resources to the applicant.

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<sup>6</sup> Recipients are reported on the Communities Tasmania website ([www.communities.tas.gov.au/csr/Grants](http://www.communities.tas.gov.au/csr/Grants)).

# Acronyms and abbreviations

ATO	Australian Taxation Office
Audit Act	<i>Audit Act 2008</i>
Communities Tasmania	Department of Communities Tasmania
DPFEM	Department of Police, Fire and Emergency Management
DPIPWE	Department of Primary Industries, Parks, Water and Environment
Food Relief Program	Local Emergency Food Relief COVID-19 Grants Program
GLOs	Government Liaison Officers
Health	Department of Health
Minister	Minister for Disability Services and Community Development
SOPs	Standard Operating Protocols
State Growth	Department of State Growth
Supporting our Veterans Program	Supporting our Veterans COVID-19 Grants Program



# Audit Mandate and Standards Applied

## Mandate

Section 23 of the *Audit Act 2008* states that:

- (1) The Auditor-General may at any time carry out an examination or investigation for one or more of the following purposes:
  - (a) examining the accounting and financial management information systems of the Treasurer, a State entity or a subsidiary of a State entity to determine their effectiveness in achieving or monitoring program results;
  - (b) investigating any matter relating to the accounts of the Treasurer, a State entity or a subsidiary of a State entity;
  - (c) investigating any matter relating to public money or other money, or to public property or other property;
  - (d) examining the compliance of a State entity or a subsidiary of a State entity with written laws or its own internal policies;
  - (e) examining the efficiency, effectiveness and economy of a State entity, a number of State entities, a part of a State entity or a subsidiary of a State entity;
  - (f) examining the efficiency, effectiveness and economy with which a related entity of a State entity performs functions –
    - (i) on behalf of the State entity; or
    - (ii) in partnership or jointly with the State entity; or
    - (iii) as the delegate or agent of the State entity;
  - (g) examining the performance and exercise of the Employer's functions and powers under the *State Service Act 2000*.
- (2) Any examination or investigation carried out by the Auditor-General under subsection (1) is to be carried out in accordance with the powers of this Act

## Standards Applied

Section 31 specifies that:

'The Auditor-General is to perform the audits required by this or any other Act in such a manner as the Auditor-General thinks fit having regard to -

- (a) the character and effectiveness of the internal control and internal audit of the relevant State entity or audited subsidiary of a State entity; and
- (b) the Australian Auditing and Assurance Standards.'

The auditing standards referred to are Australian Auditing Standards as issued by the Australian Auditing and Assurance Standards Board.



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