



Tasmanian Audit Office

Follow up of selected Auditor-General reports: March to May 2015

Report of the Auditor-General No. 8 of 2017-18

24 May 2018



Audit objective

To form conclusions on the:

- extent to which recommendations made in the four reports have been implemented
- appropriateness of the rationale or evidence to support non-implementation.

Audit approach

- request entities to self-assess the degree to which the recommendations had been implemented
- test the assertions as to the extent of implementation of the recommendations
- undertake additional testing and revisiting the original audit tests where relevant
- undertake discussions with respondent staff

Audit scope

Four reports were selected:

- *Security of ICT infrastructure* (March 2015)
- *Tasmanian Museum and Art Gallery: compliance with the National Standards for Australian Museums and Galleries* (March 2015)
- *Number of public primary schools* (May 2015)
- *Road management in local government* (May 2015)



Tasmanian
Audit Office

Security of ICT infrastructure

March, 2015

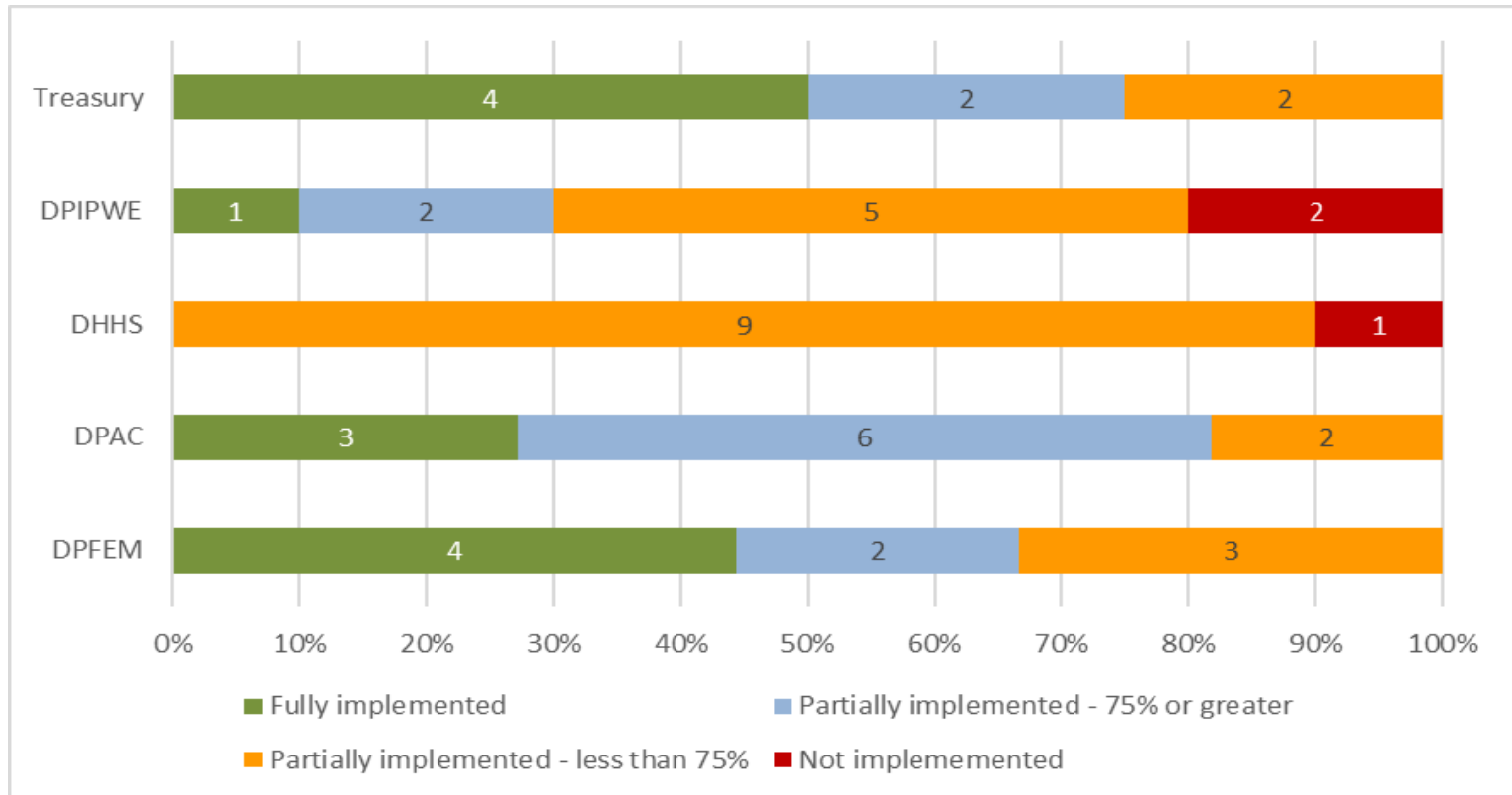
Background

- assessed the effectiveness of security measures for ICT infrastructure in state entities
- involved:
 - Treasury and Finance
 - Primary Industries, Parks, Water and the Environment
 - Health and Human Services
 - Premier and Cabinet
 - Police, Fire and Emergency Management

Original Findings

- reasonable security - some weaknesses - lack of policies on physical security, server room security, limited CCTV coverage
- information was generally safe and secure but all entities at some risk from cyber-attack
- lack of a strategic approach to ICT security - no ICT security plans, incident recording systems, BCPs and DRPs

Extent of recommendation implementation



Conclusions and Recommendation

Conclusions

- ICT security is a critical risk, the impacts of which have been played out regularly in the media. We expect state entities to place a high priority on addressing this risk and leading the way in the implementation of risk mitigation strategies
- ICT security measures should ensure that all systems are secure and provide a safe environment for government:
 - staff to carry out the entity's business
 - customers to interact with the entity
- Treasury and DPAC substantially implemented our recommendations and DPFEM is progressing well. DPIPWE and DHHS have yet to fully address ICT security risk

Recommendation

All entities continually assess the adequacy of their ICT security and ensure resources are allocated to address high risk areas

Responses received

Premier:

- Government providing greater emphasis on co-ordinating cybersecurity
- Chief Information Officer appointed in September 2017

Treasury:

- Supports conclusion that it has substantially implemented the recommendations
- Five recommendations fully implemented (TAO = 4)
- Two of the three recommendations not implemented will be completed in mid 2018

DHHS:

- Did not agree with some of our ratings
- Provided its own rating for some recommendations

Responses received

DPIPWE:

- Welcomed information to help improve its ICT security
- Individually addressed each of the 10 recommendations in the 2015 report
- Provided update on work being undertaken

DPAC:

- Supported our conclusion that DPAC had substantially implemented our recommendations
- Noted the increase in collaboration and sharing of resources across departments

DPFEM:

- Had no further comment to make



Tasmanian Audit Office

Tasmanian Museum and Art Gallery:
compliance with the *National Standards for
Australian Museums and Galleries*
March, 2015

Background

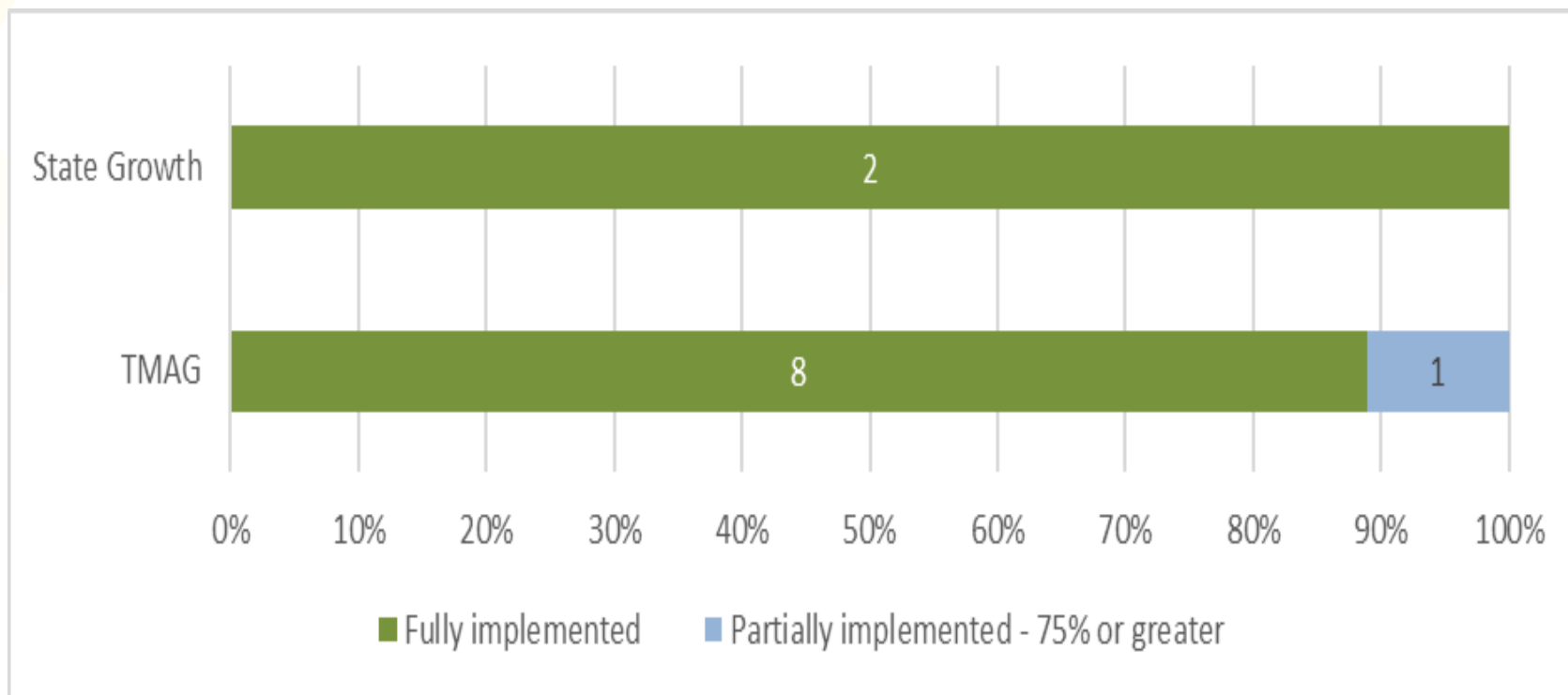
- Expressed an opinion on TMAG's compliance with the National Standards
- Focused on:
 - State Growth
 - TMAG

Original Findings

TMAG:

- had an unclear legal and management framework with roles and responsibilities to be reviewed and clarified
- lacked a forward (strategic) plan
- did not evaluate visitor information to assist with future planning
- did not have an appropriate rationale for presenting its collection
- properly preserved and stored significant collections
- exceptions - Moonah facility, lack of policies and procedures for security measures applied to different exhibits and inconsistencies in security measures

Extent of recommendation implementation



Conclusion and responses received

We are pleased to confirm that:

- State Growth has fully implemented the recommendations
- TMAG has fully implemented eight recommendations and has made significant progress on implementing the remaining recommendation

Responses received

- State Growth:
 - Fully implemented its recommendations
 - TMAG fully implemented eight and significant progress on the remaining recommendation
- TMAG made no formal management comment



Tasmanian Audit Office

Number of public primary schools
May, 2015

Background

The objective of the audit was to form an opinion on the efficiency and effectiveness of the number and location of public primary schools in Tasmania.

Original findings

- Tasmania's average enrolments per school and proportion of small schools was not unreasonable when the State's low urbanisation was considered.
- No evidence small schools were disadvantaged in terms of educational performance
- On the other hand, Tasmania had:
 - a high cost per student compared to the Australian average
 - high levels of unused capacity
 - only a small proportion of schools with enrolments in the 300 to 500 range favoured by experts

Original findings

- Each closed school potentially saves \$433 000 pa, we concluded DoE had too many primary schools, particularly in rural areas
- Six schools with a strong case existed for closure and another 11 with a moderate case for closure
- Despite the lack of a systematic review process, there had been a satisfactory level of review over the past five years.
- The recommendations of the School Viability Report had received a reasonable level of attention.

Implementation of recommendations

Only one recommendation had been fully implemented with the other six not being implemented

Conclusion and response received

In recognition of the current government policy of no forced school closures, we accept the position taken by DoE in relation to not implementing most of the recommendations in our 2015 report

Response from DoE

Government supported a voluntary approach to school mergers and closures and the Schools Transition Fund as the model for maintaining viable, high performing schools



Tasmanian
Audit Office

Road management in local government

May, 2015

Background

Express an opinion on whether councils were managing the construction and maintenance of council-owned roads efficiently and effectively.

The audit involved:

- Devonport City Council (DCC)
- Northern Midlands Council (NMC)
- Waratah-Wynyard Council (WWC)
- Central Highlands Council (CHC)

Original findings

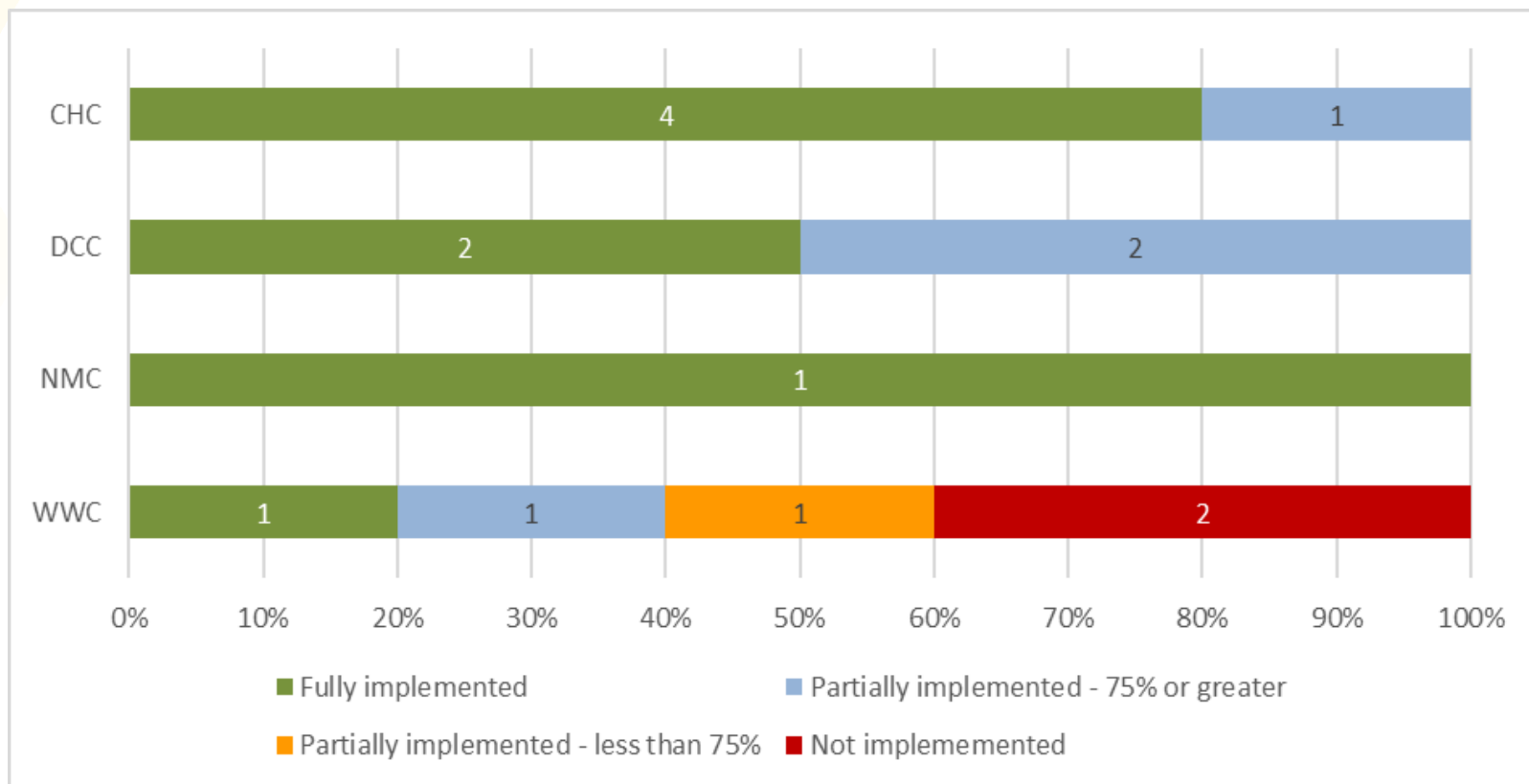
- CHC, DCC and WWC roads were either reasonable or satisfactory, while NMC's roads were in good condition
- CHC, DCC and WWC were reasonably efficient and were performing an appropriate level of maintenance and NMC's road management was less efficient
- None of the four councils adequately reported on road conditions or the sustainability of their road networks
- DCC and WWC needed to review the level of renewal and upgrade to sustain the quality of their road networks
- CHC did not have effective processes for actioning complaints in a timely manner or to ensure the timely renewal and upgrade of ageing assets



Original findings

- DCC had effective processes to identify and fix maintenance issues and identify and program renewals and upgrades but needed to review the level of renewal and upgrade to sustain the quality of the road network in the future
- WWC documentation of the complaints, inspection and renewal programs was deficient

Extent of recommendation implementation



Conclusion and responses received

- CHC, DCC and NMC have either fully implemented or substantially implemented our recommendations
- WWC has fully or partially implemented the recommendations with the exception of two which it has delayed. These do not create a serious risk.

Responses received:

- CHC - Will include explanatory commentary on road condition and sustainability in its 2017-18 financial statements
- DCC - Concurs with our findings and DCC's progress
- WWC - Accepts the findings and is committed to completing the recommendations

Current audits

Performance audits

- Tasmanian Prison Service
- High school attendance and student engagement
- Emergency Departments
- Internal audit and risk management performance across state entities

Other

- Financial audit - Volume 4 – State entities 30 June and 31 December 2017
- Grants administration by State Growth
- Employer audit – Performance management in the State Service



Thank You