

# MEDIA STATEMENT



4th Floor Dumas House  
2 Havelock Street  
WEST PERTH WA 6005

3 December 2008

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## AUDITOR GENERAL FINDS COMPLAINTS MANAGEMENT PROCESS LACKING

Complaints are a barometer of how effectively a service organisation is performing. Good business practice requires service organisations to have appropriate systems in place to effectively measure and manage complaints so that they can continually strive for improved performance.

In a report tabled in Parliament today the Auditor General Mr Colin Murphy focused on how Western Australia's three major shared service centres (SSCs) were dealing with complaints and to what extent they were improving their services by learning from the process.

The study found all three SSCs to be lacking in this area. None of the three SSCs were able to provide basic information including the volume, nature and time taken to resolve complaints. Mr Murphy found a number of reasons for this including the fact that:

- none of the SSCs could adequately define, identify and capture complaints
- none of the parent agencies had developed clear processes and policies for handling complaints specific to their SSCs. While all three agencies have a formal complaints process, in each case this focused on dealing with complaints about their core business and not with their SSC's role as providers of corporate services
- only one SSC had a complaints management system that was accessible to all their clients
- review of processes and analysis of complaints data by SSCs is either non-existent or inadequate, largely due to insufficient data collection and poor recordkeeping.

Mr Murphy was concerned about these shortcomings stating, "Because of these weaknesses agencies may not be identifying potential business improvement opportunities or meeting client needs as effectively and efficiently as they could." He further stated that whilst the report focused on selected agencies and specific issues, the matters had broad relevance across government and he encouraged all agencies to consider the issues and lessons contained in this report.

**ENDS**

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## **AUDITOR GENERAL FINDS SOME IMPROVEMENTS IN HEALTH DEPARTMENT'S PURCHASING OF SERVICES BUT MORE ARE NEEDED**

The Department of Health (DoH) is a major purchaser of services from non-government and not-for-profit organisations spending over \$526 million in 2006-07 alone. In spending this money they must comply with the Government's 2002 policy on Funding and Purchasing Community Services which aims at promoting flexibility and innovation to better meet community needs whilst still maintaining appropriate levels of transparency, accountability and value for money.

The Auditor General Mr Colin Murphy today released the results of his examination into how well DoH is contracting and managing its arrangements with not-for-profit organisations and whether it is complying with the general requirements of the 2002 government policy.

In his report tabled in parliament today Mr Murphy found that whilst DoH had made a number of important improvements since his last audit in 2003 they still needed to go further given that:

- whilst 75 per cent of funding arrangements examined were historical funding arrangements and renewed following a prior agreement, eighty-six per cent of these renewals occurred without an evaluation of the provider against pre-determined preferred service provider criteria
- contract managers are not supported in their day-to-day functions by DoH's current electronic contract management system resulting in inconsistent and inefficient practices
- there was a consistent lack of evidence of due diligence assessments being undertaken prior to entering into agreements
- procedures are in place to manage large, complex and high risk funding arrangements but no definition of which funding arrangements fall into these categories exists
- 24 per cent of financial and service acquittal reports were not lodged by providers or were lodged more than two months late
- only 17 per cent of files examined contained structured performance reviews at the completion of the agreement.

As a result of this examination Mr Murphy has made a number of recommendations to DoH which it has agreed to implement.

ENDS

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## AUDITOR GENERAL ADDRESSES GAPS IN TRAFFIC INFRINGEMENT PROCESS

Under the *Road Traffic Act 1974* corporate vehicle owners including government agencies are required to nominate who was driving their vehicle at the time a traffic infringement is incurred so that the responsible driver can be issued the infringement notice. Failing to supply this information incurs a penalty.

A media report in March 2008 indicated that government agencies often failed to nominate the drivers of their vehicles caught by speed or by red light cameras and were paying the penalty for failing to do so. Subsequently, several agencies raised the more serious possibility that agency staff might have been acting improperly to avoid appropriate penalties.

In a report tabled in Parliament today, the Auditor General Mr Colin Murphy presented his findings of an investigation into the matter.

Mr Murphy examined ten agencies in total and found that they failed to identify the driver in 12 per cent of reported infringements. He identified two reasons for this:

1. A complex form used by the WA Police to request information about the identity of the driver of an infringing vehicle was creating the potential for misunderstanding about the action required and increasing the risk of individuals escaping punishment for driving infringements.
2. A lack of central control by agencies meant that agencies were often unaware that the Police were not being notified of the driver's identity.

He found that agencies were only rarely paying penalties for failing to nominate drivers and in the majority of cases individuals were paying the fines. Mr Murphy noted that the form is specified under the *Road Traffic (Infringements) Regulations 1975*, and that WA Police are taking steps to simplify the form. He asked that they ensure any simplified form is implemented as a priority.

He has also asked all agencies to ensure that they comply with the recently issued Premier's Circular by ensuring that they nominate a particular individual as the person in charge of a vehicle when they receive a request from the WA Police. He suggested that this is likely to involve a degree of centralisation in the fleet management process.

With regard to the possible improper behaviour, Mr Murphy stated that 'We consulted with the CCC to determine what would constitute improper behaviour and then conducted detailed testing and found no evidence that it had occurred. The CCC agreed with our conclusions. Because of the layout of the form and weaknesses in agency processes, people were not always paying the correct penalty. It is a positive that several agencies picked up the potential misconduct and that it was referred to us'.

The Police and agencies have agreed to the Auditor General's recommendations. When implemented these will ensure that the appropriate penalties are being paid.

**ENDS**