



Executive Summary

Report No 1, May 2004

This First Public Sector Performance Report for 2004 brings to notice issues associated with Legislative Compliance, Financial Management and Control, and the results of a Follow-up Examination that assesses agency responses to previously reported matters.

LEGISLATIVE COMPLIANCE

Investigation of Breaches of Industrial Laws

The Building Industry Special Projects Inspectorate (BISPI) of the Department of Consumer and Employment Protection (DOCEP) monitors compliance of industrial laws, awards and agreements primarily in the building and construction industry and investigates and where necessary, prosecutes when breaches occur.

The examination of the operations of the BISPI found:

- ❑ The BISPI investigates all complaints received and reaches conclusions based on sound processes and evidence.
- ❑ The effectiveness of the BISPI is impaired by the frequent refusal of individuals to participate in BISPI investigations and by limited pro-active monitoring and education.
- ❑ Procedural improvements are needed to some aspects of BISPI operations including to security over sensitive records and to the investigative review process.

The Regulation of Human Organ and Tissue Removal

During the 1990s there was significant public concern regarding the unauthorised removal and retention of human organs. Since then considerable change has occurred to parts of the regulatory environment and both the Coroner and the Department of Health have changed their processes to keep the next of kin better informed.

The examination looked at controls over coronial and non-coronial post-mortems, donation of organs and tissue for transplant, scientific, medical or teaching purposes and donation and use of whole bodies by University Schools of Anatomy.

The key findings were:

- ❑ The regulation of human organ and tissue removal is generally well managed. No instances of unauthorised removal of human tissue were found.

- ❑ The Non-Coronial Post-Mortem Examinations Code of Practice, introduced in 2002, combined with the introduction of post-mortem coordinators, gives reasonable assurance that informed consent is provided by the next of kin before any non-coronial post-mortem is authorised.

- ❑ The *Anatomy Act 1930* is not consistent with contemporary medical practice.

FINANCIAL MANAGEMENT AND CONTROL

Computer Anti-Virus Management

Computer viruses are becoming increasingly prevalent and sophisticated in their capacity to exploit system vulnerabilities. We therefore examined the preparedness of a sample of Western Australian government agencies including some key remote divisions to combat two recent viruses. The examined agencies have largely agreed with the findings and are taking corrective action where required.

The key findings were:

- ❑ Seven of nine sites had services that were affected by the viruses. Had the viruses been of a more malicious nature, disruption to agency operations would have resulted in costs running into the millions of dollars.
- ❑ Only one of the nine sites had adequate policies and procedures for prevention and response to virus attacks and critical software updates. The sites most affected were:
 - ❖ lacking processes for the timely identification, assessment and deployment of critical software update including by contractors. The need to apply software updates has been raised previously in reports to Parliament¹.
 - ❖ poorly managing the connection of notebook computers and non-standard devices to their computer networks.

Internal Audit in Government Agencies

The importance of Internal Audit (IA) as an integral part of a good corporate governance framework has been highlighted most recently by national and international corporate collapses and by improper investment practices and large frauds involving the banking industry. In Western Australia, Accountable Officers and Authorities of government agencies are required by the *Financial Administration and Audit Act 1985* to ensure that they maintain an effective IA function.

¹ Report No 8 of October 2000 and Report No 8 of September 2001.



The key findings were:

- ❑ Overall, five of the six agencies reviewed had an effective internal audit function when assessed against criteria including:
 - ❖ an actively functioning audit committee
 - ❖ an adequate level of resourcing
 - ❖ an annual audit plan prepared using a risk based approach
 - ❖ audits of a satisfactory standard that included explicit review and quality assurance processes
 - ❖ reports reviewed by the audit committee and timely responses to findings.
- ❑ The Botanic Gardens and Parks Authority has not had an effective IA function since July 2002.
- ❑ Enhancements should be made across the public sector for the:
 - ❖ retention of the working papers of IA contractors – none of the four examined agencies that wholly contracted out the IA function retained working papers
 - ❖ inclusion of independent members on audit committee – 60 per cent of surveyed medium to large departments did not have an independent member.

Management of Tree Plantations

The establishment of tree plantations is a key strategy to address salinity concerns in the South West of the State and to meet the State's long term timber needs. The Forest Products Commission (FPC) has responsibility for developing and managing tree plantations.

The key findings were:

- ❑ State tree farming targets represent 13 per cent of the estimated three million hectares of revegetation required to address salinity in the State's South West.
- ❑ Annual plantings by FPC have fallen from 11 000 hectares in 2000 to 1 700 hectares in 2003. This situation combined with the relatively small planting targets limits the achievement of environmental and regional development objectives.
- ❑ Incentive payments to farmers to plant trees do not incorporate payments for salinity benefits despite FPC recognition that incentives based on timber values alone are insufficient to encourage wide spread adoption of plantings in low to medium rainfall areas.

- ❑ FPC is generally managing operational aspects of tree farms and plantations well, though some aspects can be improved:

- ❖ Key data is not being collected to monitor and manage tree growth and environmental impacts in the newly established low to medium rainfall plantations.
- ❖ Some significant differences exist between CALM and FPC records of contract tree crop areas for share farms and plantations. These records are the basis for payments to farmers, harvest scheduling, and reporting of plantation resources.

FOLLOW-UP PERFORMANCE EXAMINATION

Surrender Arms? – Firearm Management in Western Australia

This report is a follow-up of the September 2000 performance examination of the implementation of the national gun control strategy introduced after the 1996 murders at Port Arthur. The strategy included:

- ❑ a nationally coordinated approach to regulating firearms
- ❑ the effective ban of self-loading rifles and self-loading and pump-action shotguns
- ❑ nationwide registration of firearms
- ❑ introduction of stringent limitations on firearm ownership.
- ❑ a 'Buy Back' scheme, where compensation would be paid to people voluntarily surrendering certain categories of firearms and ammunition during a 12 month amnesty.

The Western Australian Police Service has largely implemented the recommendations contained in the 2000 report except that:

- ❑ Decisions regarding the issue of licences to persons with a criminal record are not documented.
- ❑ Consistent procedures for inspecting secure storage of firearms have not been implemented.
- ❑ The Firearm Licensing System (FLS) still does not have the capacity to produce summary management information to help WAPS effectively manage and monitor firearm licensing.