



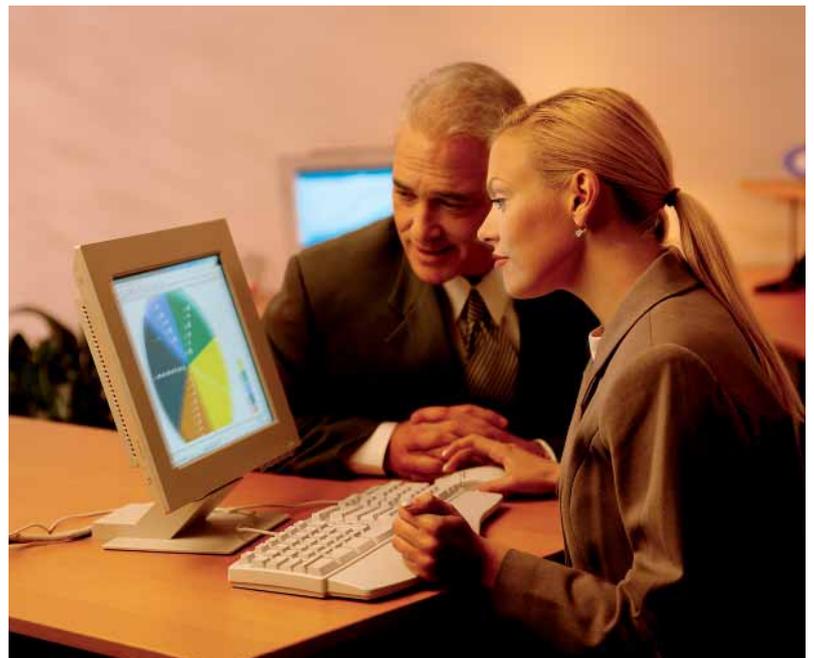
AUDITOR GENERAL  
FOR WESTERN AUSTRALIA

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## AUDITOR GENERAL'S REPORT

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### Public Sector Performance Report 2007





**AUDITOR GENERAL**  
FOR WESTERN AUSTRALIA

**THE PRESIDENT  
LEGISLATIVE COUNCIL**

**THE SPEAKER  
LEGISLATIVE ASSEMBLY**

**PUBLIC SECTOR PERFORMANCE REPORT 2007**

I submit to Parliament my first Public Sector Performance Report for 2007 under the provisions of sections 18(2) and 25 of the *Auditor General Act 2006*.

A handwritten signature in black ink, appearing to read 'C. Murphy'.

COLIN MURPHY  
ACTING AUDITOR GENERAL  
28 March 2007

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# Auditor General's Overview

This report contains the results of three reviews into government operations. While the areas examined are quite different, each contributes significantly to building and maintaining the community's confidence in the public sector.

The first of the reviews assesses the arrangements that exist for managing the performance of Chief Executive Officers (CEO) of government agencies. The CEO makes an important contribution to the efficiency and effectiveness of any organisation. It is therefore in the community's interest that sound arrangements exist for managing CEO performance in the public sector. CEO performance assessment requires commitment from all of the parties involved in order to achieve positive outcomes. The assessment framework and administrative arrangements are also important elements. All the arrangements we examined incorporated the features of a sound performance management system. However, administrative weaknesses compromised effectiveness in some cases.

The second of the reviews assesses whether government agencies are paying their creditors promptly. The Western Australian public sector budgeted \$7.7 billion for the purchase of goods and services in 2006-07. This expenditure has enormous impact on the viability of businesses and creation of jobs. Government regulations recognise the importance of agencies being good corporate citizens by requiring creditor payment within 30 days of receipt of invoice or provision of the good or service (which ever is later). Our review found mixed performance by agencies in complying with the requirement.

The third review assessed how well the Department of Consumer and Employment Protection (DOCEP) manages investigations into possible breaches of consumer protection legislation. DOCEP manages over 3 000 such investigations each year. The investigations are an important element to the confidence the public can have in Western Australia's consumer protection laws. We found that DOCEP is satisfactorily managing the investigations.

# Arrangements for Managing the Performance of Chief Executive Officers

## Overview

Performance management arrangements are the formal systems used for assessing and managing individual staff performance. They may also provide the basis for determining performance bonuses.

Sound arrangements can promote staff efficiency and accountability while also contributing to improved performance of the employing organisation. Such arrangements are particularly important if the employee is the Chief Executive Officer (CEO).

In the Western Australian public sector, one of two types of arrangement apply, depending on the agency involved:

- *Agencies covered by the Public Sector Management Act 1994 (PSMA Sector)* – CEOs of all government departments and most other agencies funded out of the State Budget are subject to the performance management provisions of the *Public Sector Management Act 1994* (the Act). Their employer is the Minister for Public Sector Management though assessments of CEO performance are carried out by the responsible Ministers. The Department of the Premier and Cabinet (DPC) coordinates and monitors the PSMA Sector arrangement.
- *Agencies not covered by the PSMA (Non-PSMA Sector)* – Self-funded, commercialised Government Trading Enterprises (GTEs) and those independent of the Government for historical reasons or by constitutional convention are free to determine and manage their own arrangements though key aspects may need to be approved by their Minister. Most of these agencies are governed by a board which is also the CEO's employer.

This examination reports on the arrangements for managing the performance of CEOs in the Western Australian public sector. For the PSMA Sector, we focused on DPC's management while also examining agency compliance by reviewing DPC's records for a sample group of 10 agencies. Our examination of practices in the Non-PSMA Sector also involved a sample of 10 agencies.

## ARRANGEMENTS FOR MANAGING THE PERFORMANCE OF CHIEF EXECUTIVE OFFICERS (CONTINUED)

### Key Findings

The arrangements in place for managing CEO performance incorporate many good practice elements including requirements for annual performance agreements, performance criteria and annual assessments. However, some parts of the arrangements are poor and compromise the overall effectiveness. These are listed below:

In the PSMA Sector:

- Except in a few cases, the template performance agreements issued by DPC for use by Ministers and their CEOs do not require measurable performance criteria. The performance agreement is the key document for guiding and assessing performance. Measures such as targets enable all parties to know what level of performance is required to satisfy the performance criteria.
- For the past three years, CEOs and Ministers have not received the template agreements until four to five months after the commencement of the year. This significantly reduces their usefulness for managing performance.
- Performance management arrangements are not applied to acting CEOs. In September 2006, 16 agencies had acting CEOs, seven of which had been acting for more than 12 months.
- DPC's oversight of the PSMA arrangement is limited and will not identify inappropriate practices such as a lack of targets or quantitative data to support assessments.

In the Non-PSMA Sector:

- Assessments were not in writing in 50 per cent of the sampled agencies. Undocumented assessments limit independent review and reduce the transparency of the process.

The examination also noted that five arrangements in the Non-PSMA Sector provided for performance bonuses. The average payment in 2005-06 was about \$34 000. We found that the required processes were followed and the amounts paid were in accordance with assessments.

## Recommendations

In managing CEO performance, DPC and/or boards should strengthen the arrangements with a focus on:

- requiring measurable performance criteria in performance agreements particularly where CEOs have an entitlement to receive performance bonuses
- requiring written assessments that enable rigorous independent review
- ensuring timely distribution of template performance agreements to CEOs
- ensuring that the performance of acting CEOs is managed.

## Agency Responses

### Department of the Premier and Cabinet's Response

DPC accepts the report's principal finding that the current arrangements include many good practices and welcomes its recommendations for improvement. As acknowledged, DPC has commenced action on the matters that have been identified and has a review underway considering the CEO performance management arrangements for those agencies subject to the provisions of the *Public Sector Management Act 1994*.

### Responses of Non-PSMA Agencies

These agencies accepted the report without comment.

## What Did We Do?

We assessed CEO performance management arrangements for:

- appropriate legislative or other authority for managing CEO performance
- adequate requirements including a written statement of expected performance, meaningful measures against which actual performance can be assessed and a written assessment at the end of the performance cycle.

We also assessed compliance with arrangements and, where there was an entitlement to performance bonuses, that the amount paid was correct.

The examination focused mainly on two samples, one of 10 PSMA Sector agencies and the other of 10 Non-PSMA Sector agencies. However, where necessary the PSMA Sector sample was increased to obtain a higher level of assurance. Our audit period was 2005-06, though some information from the 2004-05 year was also obtained.

## ARRANGEMENTS FOR MANAGING THE PERFORMANCE OF CHIEF EXECUTIVE OFFICERS (CONTINUED)

With one exception, agencies are not named in this report. This was because of the risk that individuals and confidential aspects of their employment could be identified. The exception is the Bunbury Water Board whose arrangements illustrate good practice. This was done with the consent of the Board and its CEO.

### What Did We Find?

#### Legislative Authority

We found that adequate legislative authority exists for managing CEO performance in all public sector agencies and that the management arrangements in place largely reflect that authority.

The *Public Sector Management Act 1994* (the Act) is the legal basis for managing the performance of CEOs of almost all government departments and most other agencies funded out of the State budget (the 'PSMA Sector'). Under the Act, the Minister for Public Sector Management is the employing authority of these CEOs. DPC on behalf of the Minister (the Premier) has policy and coordination responsibilities for these CEOs.

The Act does not link the performance management process to any defined rewards. However, if a Minister does not wish to reappoint a CEO at the end of their contract period but the CEO wishes to be reappointed, then the CEO's performance becomes a factor in the final decision. This decision is made by the Minister for Public Sector Management after obtaining advice from the Commissioner for Public Sector Standards who must consider the CEO's performance.

All other government agencies including GTEs and those that are independent of the Government for historical or constitutional reasons (the 'Non-PSMA Sector') operate according to their own enabling legislation. These agencies are largely free to determine and manage their own arrangements although their legislation may require them to obtain Ministerial approval.

### *Arrangements are based on a strong foundation*

The Act established four cornerstones for CEO performance management arrangements. These ‘cornerstones’ reflect good practice and were also evident in the Non-PSMA Sector arrangements we reviewed.

- **A Contract** which must include a commitment to CEO performance management.
- **A Performance Agreement.** CEOs must, on appointment and annually thereafter enter into a performance agreement. Annual agreements must be entered into ‘as soon as practicable after the commencement of each financial year’. In the PSMA Sector the agreements must be signed by the CEO and the responsible Minister and endorsed by the Minister for Public Sector Management before they can take effect. In the Non-PSMA Sector they usually only need to be signed by the CEO and the chairman of the board or committee administering the agency.
- **Performance Criteria.** The performance agreement must set out the performance expectations to be met by the CEO. These are called performance criteria in the Act but are also referred to in the Non-PSMA Sector, as performance goals, performance objectives and key result areas.
- **An Assessment.** The Minister or the agency’s board or committee as the case may be is responsible for annually assessing the extent to which the CEO meets the performance criteria as set out in their agreement.

Table 1 summarises these fundamental features for managing CEO performance in the Western Australian public sector.

## ARRANGEMENTS FOR MANAGING THE PERFORMANCE OF CHIEF EXECUTIVE OFFICERS (CONTINUED)

Fundamental Features	PSMA Sector <sup>(1)</sup>	Non-PSMA Sector <sup>(2)</sup>
Governing legislation	The Act	Enabling legislation of relevant agency
Application	Most budget sector agencies	Mainly self-funded agencies and those constitutionally independent of government
Who develops and monitors these arrangements?	DPC	The agencies themselves
Contract of employment	Yes	Yes
Annual performance agreement	Yes	Yes
Performance criteria	Yes	Yes
Annual assessments	Yes	Yes
Who conducts the assessment?	Minister	Agency board or committee
Is there central management?	Yes, by DPC	No
Performance bonus	No	Yes

(1) As required by the Act or DPC policy

(2) As indicated by our sample

**Table 1: Fundamental features of CEO performance management arrangements**

Source: Office of Auditor General

Appendix 1 shows how these features operate in a typical performance management cycle.

### Administrative Requirements

A number of weaknesses exist in the administrative requirements in both sectors. The most significant of these was the lack of a requirement for meaningful measures to assess performance. Mostly, this related to the arrangement for PSMA Sector agencies. Meaningful measures are a key principle of performance management. In contrast, only one of the 10 Non-PSMA Sector arrangements we reviewed shared this weakness.

Our findings are set out in Table 2 and discussed in the sections below.

Administrative Requirements	PSMA Sector – 1 arrangement	Non-PSMA Sector – 10 arrangements
Performance agreement linked to organisational goals	Yes	10/10
Performance agreement requires measurable performance criteria	No <sup>(1)</sup>	9/10
Performance agreement promotes professional development goals	No	6/10
Timely performance agreement	Yes <sup>(2)</sup>	9/10
Written assessments	Yes	9/10
Timely assessments	Yes	10/10

(1) Except for three whole-of-government initiatives. However, these are a very small proportion of the total number of performance criteria in the agreements.

(2) Based on the PSMA requirement for agreements to be entered into 'as soon as practicable after the commencement of each financial year' and our interpretation of this as meaning no more than two months after (see page 7).

**Table 2: Administrative Requirements**

*The PSMA agreement did not require measurable criteria or promote professional development.*

Source: Office of Auditor General

***The PSMA Sector arrangement does not require measurable performance criteria.***

Performance criteria should include meaningful measures such as targets, so that all parties know what level of performance will be required to satisfy the criteria. This was not the case with the PSMA Sector arrangements except in relation to a limited number of whole-of-government initiatives.

DPC provides guidelines and template documents each year setting out the approved arrangements. These are public documents: the latest ones are available at <http://www.dpc.wa.gov.au/psmd/pubs>. They set three main standards for acceptable criteria in performance agreements. The first focuses broadly on subject-matter, the second on the number of performance criteria and the third on deadlines for satisfying the criteria.

In relation to subject matter, the guidelines and templates indicate there must be at least some performance criteria that:

- link to 'Government Goals' as defined in the Government's State Strategic Planning Framework, *Better Planning – Better Services*<sup>1</sup>

<sup>1</sup> During the audit the State Strategic Planning Framework was reviewed and updated. The current one is entitled *Better Planning-Better Futures*.

## ARRANGEMENTS FOR MANAGING THE PERFORMANCE OF CHIEF EXECUTIVE OFFICERS (CONTINUED)

- identify 'Agency Goals', defined as 'areas of interest specific to your agency's operations'
- link to whole-of-government initiatives. In 2005-06 these covered procurement reform, shared corporate services and e-government.

This approach meets the good practice standard of ensuring that performance criteria include links to organisational goals.

The DPC guidelines recommend some limitations on the number of performance criteria. Whole-of-government initiatives in the template agreement are limited to three and it suggests no more than five criteria per 'Agency Goal'. This reflects DPC's objective to maintain a focus on criteria critical to successful outcomes.

DPC's template agreement also provides an opportunity for CEOs to include a date by which each criteria will be achieved. The inclusion of such dates is also good practice.

DPC's guidelines and agreement template do not require criteria to be measurable except for whole-of-government initiatives. For these initiatives the agreement template specifies the performance required to meet the criteria and refers to targets. The guidelines also stipulate that CEOs '...will need to demonstrate how (they) have satisfied these requirements at the time of (their) performance assessment'. However, there is no reference to this higher standard in the template assessment form.

In light of this finding, we reviewed a small sample of individual performance criteria. As mentioned above, this highlighted a lack of meaningful measures against which actual performance could be assessed.

By comparison, nine of the 10 Non-PSMA Sector arrangements we reviewed included requirements for measurable criteria. The exception was an agency that had adopted the DPC guidelines.

We also reviewed a small sample of Non-PSMA Sector performance criteria where we found more appropriate use of measurable criteria including agency Key Performance Indicators (KPIs). The use of agency KPIs is good practice as KPIs have, in most cases, been independently approved using a number of well-defined high-level benchmarks (relevance, appropriateness and adequate documentation), and independently checked as quantifiable, free from bias and verifiable.

*Most arrangements do not promote CEO professional development.*

Performance arrangements should promote CEO professional development particularly where the CEO is new to the job or there has been a structural change affecting their functions. This was also the view of the Commissioner for Public Sector Standards in her 2006 report titled *The CEO Recruitment and Selection Process in the WA Public Sector*.

The PSMA Sector template agreement and four of the sampled arrangements in the Non-PSMA Sector did not require professional development criteria. In respect of the PSMA Sector DPC advised that actual agreements can refer to the Leadership Development Strategy (LDS), which was released in September 2006. The strategy aims to develop the public sector's leadership base by identifying skills and abilities required to meet the sector's future challenges. DPC accepted our recommendation that its guidelines and template documentation draw attention to LDS as a possible source of performance criteria.

*DPC takes too long to issue the draft Performance Agreements to CEOs*

Arrangements should require that agreements be completed before the commencement of the new performance cycle. This would ensure that the CEO knows from the first day of the performance cycle the required direction and performance needed to meet expectations. For the purpose of this examination we considered that a requirement to complete agreements within two months of the commencement of the new cycle was acceptable.

The Act requires CEOs to enter into annual performance agreements 'as soon as practicable after the commencement of each financial year'. However, in the last three years, PSMA Sector agencies have effectively been given between four and six months after the cycle has commenced to complete the agreement. This was due to delays in the distribution of the template agreements. DPC has acknowledged that the timelines for distributing the template agreements are late and that they will be revised.

Nine of the Non-PSMA Sector arrangements required the timely completion of performance agreements. The most common requirement was for completion prior to the start of the new performance cycle. The one Non-PSMA Sector agency without a requirement completed both its 2005-06 and 2006-07 performance agreements in August 2005 and August 2006 respectively.

## ARRANGEMENTS FOR MANAGING THE PERFORMANCE OF CHIEF EXECUTIVE OFFICERS (CONTINUED)

### *Most assessments are required to be in writing but timing is an issue for the PSMA Sector*

Performance assessments of PSMA Sector CEOs and nine of the 10 Non-PSMA Sector agencies are required to be in writing.

DPC guidelines and the template assessment require CEO performance to be rated on a scale from one to five. Of concern is that providing reasons for the rating is optional. However, CEOs are encouraged to provide their Ministers with written self assessments. The provision of adequate information by the CEO will help to ensure that there is a transparent basis for the rating.

One Non-PSMA Sector agency did not require assessments to be in writing. This agency accepted our recommendation to require future assessments to be in writing.

We found that DPC's deadlines for completing assessments is inconsistent with that required under the Act. The Act requires assessments be completed on or before the end of the performance cycle. However, for the last two years DPC has given agencies until 30 September and 31 August respectively to complete the assessments. DPC has acknowledged the need to revise its deadlines.

In comparison, all Non-PSMA Sector arrangements required assessments be completed within three months of the end of the performance cycle and seven required that the assessments be completed either prior to or within one month.

### *Performance management arrangements are not applied to acting CEOs*

The performance of people who fill vacant CEO positions in an acting capacity for long periods of time should be managed. However, there is no legal or other requirement for this in the PSMA Sector even though acting CEOs are a relatively common occurrence.

We found 16 CEOs (or 23 per cent of all PSMA Sector CEO positions) were acting at the time we conducted our examination. Six held both an acting and a substantive CEO position. Although performance management arrangements were applied to each substantive position, they were not applied to the acting positions.

Seven acting CEOs, or 10 per cent of all CEO positions managed by DPC, had been acting for more than 12 months at the time of our examination. The recruitment and selection process in the PSMA Sector is lengthy, taking on average almost eight months from the time when a Minister asks DPC for a position to be filled to when an appointment is finalised by the Governor in Executive Council. DPC has acknowledged the lack of

performance management of acting CEOs and advised it will recommend acting CEOs enter into performance agreements where the acting arrangement is likely to continue for more than six months.

None of the 10 Non-PSMA Sector arrangements we reviewed required acting CEOs to have performance agreements. However, none of the CEOs in our Non-PSMA Sector sample was acting during 2005-06.

### *Oversight of the PSMA sector arrangements is limited*

DPC is responsible for developing and maintaining the framework for the PSMA Sector arrangement. However, its oversight of the arrangement is limited and adds little value. It checks only that agreements and assessments are signed by the CEO, the agency's Minister and the Minister for Public Sector Management. Such a review will not identify inappropriate practices such as a lack of targets or quantitative data to support assessments.

DPC advised that its focus is to open up the lines of communication between CEOs and Ministers and it operates on the assumption that CEOs and Ministers can be relied on to use appropriate criteria and conduct appropriate assessments. However, it has never tested this assumption. Our testing of a smaller sample of PSMA Sector performance agreements found criteria that lacked targets or other means for determining if actual performance would meet the stated expectations.

DPC also advised that the monitoring of CEO performance is not limited to the PSMA Sector arrangement. Mechanisms such as the budget and annual reporting process, the outcomes-based management assessment by the Department of Treasury and Finance and examinations by accountability agencies all contribute to an integrated assessment of CEO performance.

However, the main purpose of these mechanisms is to report on aspects of agency performance. They make no distinction between agency performance and that of the CEO.

## ARRANGEMENTS FOR MANAGING THE PERFORMANCE OF CHIEF EXECUTIVE OFFICERS (CONTINUED)

Notwithstanding its view, DPC advised us during our examination that it will now undertake a review of the PSMA Sector arrangement. The review will seek to determine whether the arrangement is consistent with the Act, whether it is meaningful for those involved and whether it provides relevant information. It will involve key stakeholders, such as CEOs and ministerial officers currently involved in the agreement and assessment process and consider some or all of the findings highlighted in this report as well as the roles and responsibilities of other relevant parties under the framework.

We endorse this action taken by DPC. We would also recommend, however, that the review take into account comments made recently by the Commissioner for Public Sector Standards in her report on *The CEO Recruitment and Selection Process in the WA Public Sector*. The report recommended that strategies be identified to improve the meaningfulness and relevance of CEO performance management to the reappointment process and the relationship between Ministers and CEOs.

### Agency Compliance with Arrangements

#### *Fair to good compliance*

There was good compliance with the four cornerstone features mentioned above. However, compliance with other features was variable.

In both sectors we found:

- all CEO's in our samples had current contracts which required their performance to be managed
- all except two Non-PSMA Sector CEO had performance agreements. Both instances of non-compliance arose because of confusion about the requirements applying to the particular CEO. This was clarified during the examination and the agencies agreed to introduce agreements in the future
- all performance agreements included performance criteria
- all CEOs had their performance assessed.

However, compliance was more variable for other requirements (see Table 3).

Compliance with Arrangements	PSMA Sector - Ten agencies unless otherwise indicated	Non-PSMA Sector - Ten agencies unless otherwise indicated
Written performance agreements	10/10	8/10
Performance criteria linked to organisational goals	10/10	10/10
Performance criteria include professional development goals	N/A	0/6 <sup>(1)</sup>
Timely performance agreement (within two months of commencement of performance cycle)	0/10	8/10
Measurable criteria to assess performance	N/A	5/6 <sup>(2)</sup>
Written assessments	10/10	5/10
Timely assessments (before or within two months of the end of the performance cycle)	3/10	8/10

(1) Denominator reflects previous finding that only six agencies in our sample had arrangements that required performance agreements to promote CEO professional development goals.

(2) Denominator reflects finding that two of the agencies in our sample did not have written performance agreements for the audit period. Two other agencies had agreements but the criteria were not considered representative because the agencies' arrangements were under review.

**Table 3: Compliance with arrangements**

Source: Office of the Auditor General

An area of particular concern was the lack of key documentation in the Non-PSMA sector. Lack of documentation limits independent review and reduces the transparency of the process:

- two agencies in the Non-PSMA Sector did not have written performance agreements. Both agreed to rectify this deficiency in the future
- written assessments could not be provided for five CEOs in the Non-PSMA Sector. However, secondary evidence including board minutes showed that the assessments were done in all these cases.

## ARRANGEMENTS FOR MANAGING THE PERFORMANCE OF CHIEF EXECUTIVE OFFICERS (CONTINUED)

### *Performance bonuses*

The Non-PSMA Sector agencies frequently commented that the entitlement to performance bonuses was important for recruitment and retention of CEOs. Six of the Non-PSMA arrangements included entitlements to performance bonuses in certain circumstances. Five payments were made in respect of 2005-06 performance. These ranged from about \$10 000 to approximately \$55 000 with the average being \$34 000, and the total was almost \$170 000. One CEO was not considered for a payment by agreement with the board because he had been in the position for only a few months.

Where payments were made, we found that the required process was followed and the amount was in accordance with the final assessment rating. However, one agency in this group was unable to provide adequate documentation to support the rating. In our view, arrangements with bonus payments require high standards of record-keeping that ensure they are capable of sustaining rigorous review.

This area will be examined in more detail in any future review.

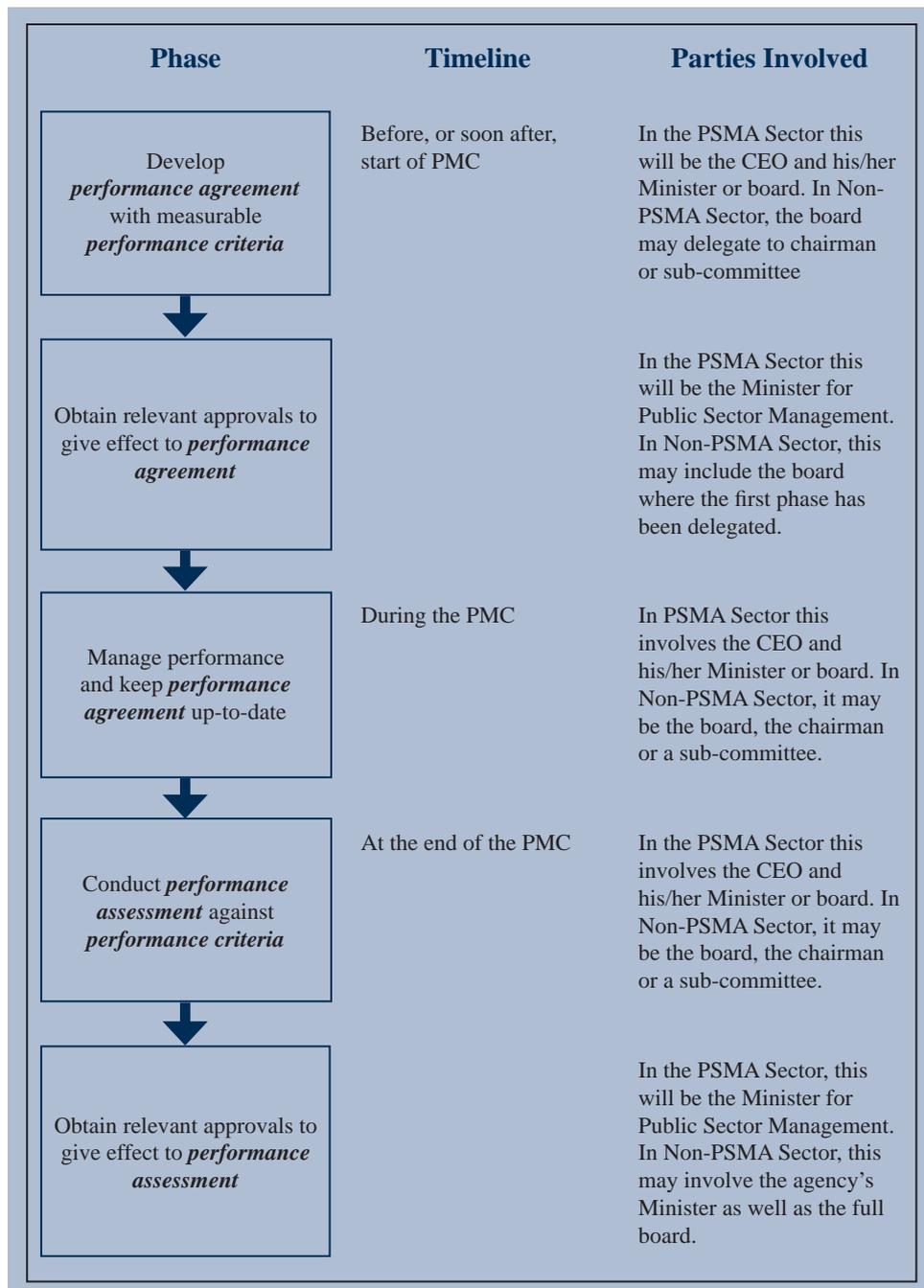
### *An Example of Better Practice*

In the Non-PSMA Sector, we found the Bunbury Water Board's arrangement stood out for the following reasons

- it was set up following an independent expert review
- the review was done well in advance of the scheduled re-negotiation of the CEO's contract
- the arrangement gives the CEO a right of appeal to the board if he/she disagrees with the performance assessment by the assessor
- the arrangement is well documented in comprehensive, clearly written policy. We also found decisions and actions were well documented
- the arrangement is integrated into the annual business planning process
- the performance agreement is entered into prior to the commencement of the performance cycle and the assessment is done prior to the end of the cycle
- the performance criteria covered:
  - individual as well as agency performance
  - both financial and non-financial performance
- the performance criteria were clearly measurable and included the agency's audited KPIs
- the assessment included reference to prior years enabling comparisons to be made and trends to be identified.

# Appendix 1

## Performance Management Cycle (PMC)



# Prompt Payment by Government

## Overview

Western Australian Government agencies spend large amounts of money and therefore play an important role in the State economy. For example, the WA public sector budgeted \$7.7 billion in 2006-07 for the purchase of goods and services. This represents 37 per cent of all government expenditure in the year. This expenditure contributes to the viability of businesses and helps create new jobs and opportunities for Western Australians.

This expenditure can have great impact on all business, both large and small. Government agencies have a responsibility to behave as good corporate citizens and pay their way in a timely manner. To this end there is a specific Treasurer's Instruction (TI 323) which deals with timely payment of accounts by government agencies.

Under the *Financial Management Act 2006*, the Treasurer may issue instructions with respect to matters of financial administration. The 'Treasurer's Instructions' have the force of law and must be observed by all agencies to which they apply.

TI 323 applies to all government organisations subject to the *Financial Management Act 2006*. It requires that:

*All commercial payments shall be paid within 30 days of the receipt of the creditor's claim, or within 30 days of provision of the goods or services (whichever is the later), except where the terms or conditions of a contract relating to a claim for payment provide for alternate payment arrangements or where a discount is available for early payment.*

## Key Findings

- Fourteen per cent of invoices we sampled failed to meet TI 323 by taking more than 30 days to pay. While we would expect a small number of exceptions to the Treasurer's Instruction, this figure is unreasonably high.
  - The lateness of these payments ranged from one to 90 days over the 30 day limit.
  - The value of delayed invoices ranged from \$10 to \$406 000.
- Seventy-six per cent of late payments were caused by delays before invoices reached the financial sections of agencies. Good practice would require that officers approve payments as soon as practical after receiving goods/services and promptly forward invoices to their financial section.

- Only three of 21 agencies sampled were consistently recording the date invoices were received and so were able to accurately monitor the timeliness of their payments to creditors and their compliance with TI 323. Four agencies recorded this date less than 50 per cent of the time.
- Five agencies could not provide requested data from their financial systems. This was caused by combinations of outsourced service provision, technical limitations of data kept, and costs.

### What Should Be Done?

Agencies subject to the *Financial Management Act 2006* should work to improve their compliance with TI 323. To monitor their own compliance, agencies need to ensure that they record the date invoices, and, goods and services are received.

### Future Audit Activity

The adoption across much of government of Shared Corporate Service functions will affect the way government creditors are paid. Under these new arrangements, payments will be managed centrally. The results from this examination will provide a benchmark for monitoring promptness of payments to government creditors after the transition to Shared Services.

### Response by the Agencies

Seven agencies accepted all the audit findings and recommendations while 12 agencies generally accepted the audit findings and recommendations. Two agencies accepted the findings but had minor disagreements with the recommendations. These chiefly concerned the potential cost of altering financial systems to accommodate the dates specified in the TI. Six agencies informed us that improvements had either been implemented after the audit sample period but prior to commencement of the audit, or in direct response to our audit findings. These agencies were:

- Department of Environment and Conservation
- Department of Sport and Recreation
- East Perth Redevelopment Authority
- Rottnest Island Authority
- Western Australian Police
- WorkCover

## What Did We Do?

Our objective was to determine how promptly a sample of government agencies pay their bills and specifically whether they were paying within 30 days as required by TI 323.

We sampled payments at 21 agencies using statistically valid techniques. The selected agencies represented a range of government activity and type. They included 18 agencies subject to the *Financial Management Act 2006*<sup>1</sup> and three agencies not subject to the Act and therefore not subject to TI 323. Agencies not subject to TI 323 were nevertheless included in the examination so as to provide a more complete picture of the timeliness of creditor payments by government. The sampled agencies are shown at Table 1. The period examined was 1 July 2005 to 30 June 2006.

We sought explanations from agencies for all payments that took more than 30 days. Payments were not treated as late where agencies provided valid explanations.

## What Did We Find?

### Recording the Key Date

For agencies to monitor the timeliness of their payments, they must know the date invoices are received. Of the 21 agencies examined, only three were consistently recording the date invoices were received. A further nine agencies were recording this date sufficiently often in our sample to provide statistically valid data. Therefore, only results from 12 agencies are included in this report.

The three agencies that were consistently recording the date were the State Supply Commission (SSC), Synergy and the Water Corporation of Western Australia. Five agencies recorded this date on invoices only half the time or less. LandCorp (50 per cent), Department for Planning and Infrastructure (44 per cent), Department of Sport and Recreation (37 per cent), Department of the Legislative Assembly (10 per cent) and WA Police (four per cent). Table 1 shows the level at which agencies recorded the date invoices were received.

<sup>1</sup> Prior to the Proclamation of the *Financial Management Act 2006* on 1 February 2007, agencies subject to the *Financial Administration and Audit Act 1985* were required to comply with Treasurer's Instructions.

Agency – percentage date of invoice receipt recorded			
* State Supply Commission	100%	Department of the Premier and Cabinet	59%
*# Synergy	100%	Department of Housing and Works	57%
*# Water Corporation	100%	Office of Energy	57%
* Disability Services Commission	98%	Central TAFE	55%
* Economic Regulation Authority	90%	Department of Environment and Conservation	53%
* East Perth Redevelopment Authority	84%	# Land Corp	50%
* Department of Agriculture and Food	81%	Department for Planning and Infrastructure	44%
* Main Roads	80%	Department of Sport and Recreation	37%
* WorkCover WA	70%	Department of the Legislative Assembly	10%
* Rottnest Island Authority	68%	* ^ WA Police	4%
* Department of Treasury and Finance	67%		

\* payment time results from these agencies are included in this report

# not required to comply with TI 323

^ WA Police provided further information which allowed their results to be included in this report.

**Table 1: Recording of date invoices are received**

*The practice of recording the invoice receipt date varied widely amongst agencies.*

Source: agencies, analysis OAG.

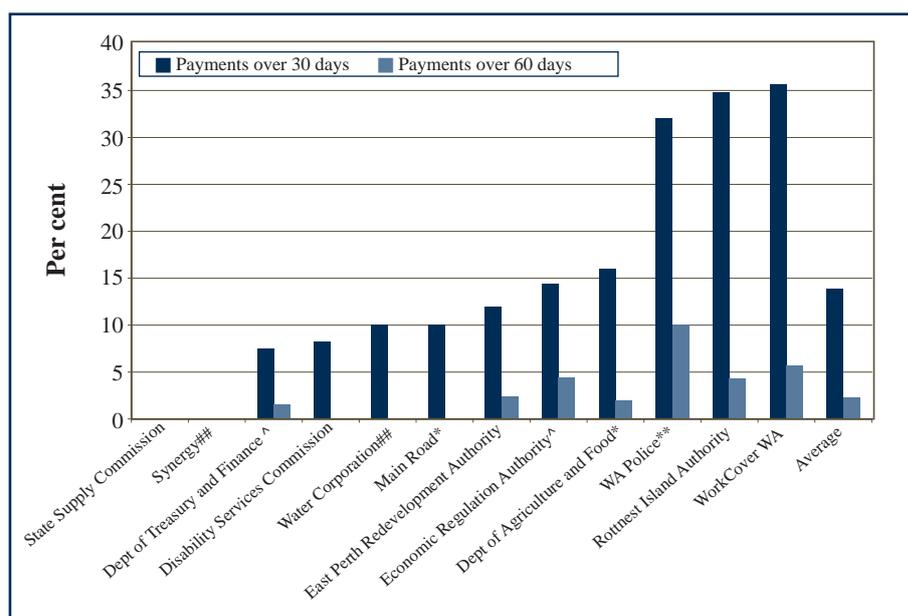
## Timeliness

We found that 14 per cent of payments took more than 30 days for the 12 agencies we examined. For two agencies, SSC and Synergy, none of the sampled payments took more than 30 days. For four agencies, Department of Treasury and Finance (DTF), Disability Services Commission (DSC), Main Roads, and the Water Corporation, 10 per cent or fewer payments exceeded 30 days. For the remaining agencies, the percentage of payments made after 30 days ranged from 12 to 36 per cent. We noted that the Water Corporation, which

## PROMPT PAYMENT BY GOVERNMENT (CONTINUED)

is not required to comply with TI 323, was 100 per cent compliant with its own payment policy (which calls for payment by the twenty-eighth day of the month after the invoice is received).

On average, two per cent of payments took more than 60 days. Five agencies had no payments which took longer than 60 days. These were: SSC; Synergy; the DSC, the Water Corporation, and Main Roads. WA Police had the highest level of payments (10 per cent) that took more than 60 days. Seventy-six per cent of late payments were caused by delays in invoices being forwarded by the recipient of the invoice to the financial section of the agency. Good practice would require that officers approve payments as soon as practical after receiving goods/services and promptly forward invoices to their financial section. Figure 1 shows the percentage of payments not made within 30 and within 60 days.



\* information from these agencies was not gathered from their non-metropolitan offices

\*\* WA Police provided us with more information after our initial sampling which enabled further analysis

^ the DTF process payments for the Economic Regulation Authority (ERA). The ERA is responsible for all parts of the process until it is transferred to DTF for payment

### Synergy and the Water Corporation are not required to comply with the Treasurer's Instructions. The Water Corporation sample was 100 per cent compliant with its own timeliness policy.

**Figure 1: Non-compliance rates by agency**

*There was a wide range of compliance with TI 323 across agencies and organisations.*

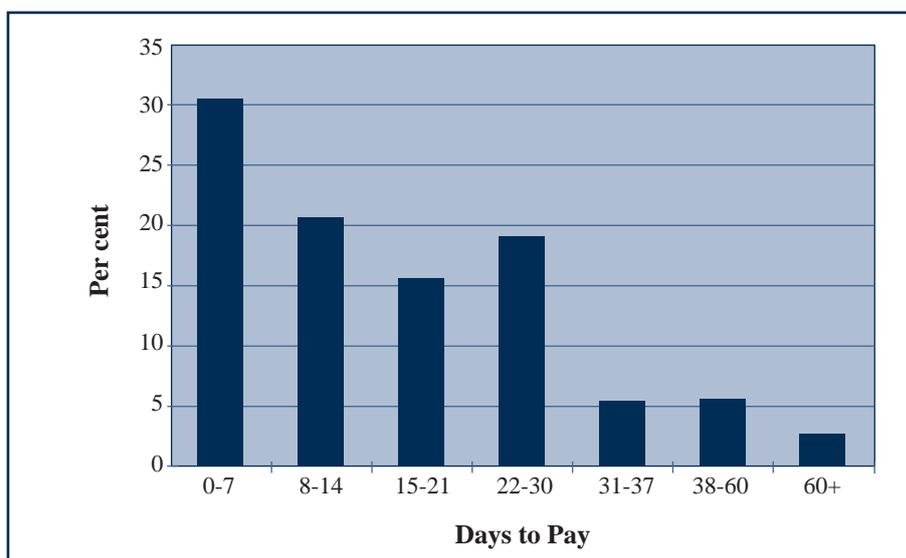
*Source: agencies, compiled by OAG*

## Cash Flow Management

We found that 51 per cent of payments made by the 12 agencies sampled were made within 14 days. Thirty-six per cent of payments took between 15 days and 30 days. Table 2 shows the breakdown of payments by time.

The key intention of TI 323 is that agencies pay creditors within 30 days. However, it also reminds agencies that 'Due regard must be given to appropriate cash management practices when deciding on the timing of payments'. This relates to decisions on how fast payment should be made. We did not review the payment arrangements agencies have with individual creditors, some of which we understand involve discounts for short payment terms. Nevertheless, our examination suggests that some agencies should consider the cash flow implications of their current practices. For example, two agencies paid more than 85 per cent of their invoices within 14 days.

Audit also found that 63 per cent of payments sampled at the 12 agencies were for amounts less than one thousand dollars. Many of these payments could be made by government credit card; DTF intends that 80 per cent of transactions under \$5 000 will be paid by credit card by 2010.



**Figure 2: Total payments by time**

*Fifty-one per cent of payments were made in 14 days or less.*

*Source: agencies, compiled by OAG*

## PROMPT PAYMENT BY GOVERNMENT (CONTINUED)

### Value of Late Payments

We found no evidence in our sample to suggest that agencies were strategically delaying payment on large invoices. Table 3 shows that the largest delayed payments at each of the agencies were generally paid relatively soon after the 30 day limit. The exception is the Rottneest Island Authority (RIA) which had a delay of 25 days after the 30 day limit on a \$42 000 invoice. Similarly the table shows that the longest delays generally involved relatively small amounts.

Agency	Largest overdue invoice (and days over 30)		Most days over 30 (and \$ amount)	
Synergy	\$0	0d	0d	\$0
State Supply Commission	\$0	0d	0d	\$0
Department Agriculture and Food WA	\$15 000	1d	20d	\$165
Disability Services Commission	\$1 353	12d	19d	\$240
Department of Treasury and Finance	\$30 858	5d	55d	\$5 582
East Perth Redevelopment Authority	\$25 300	4d	77d	\$2 785
Economic Regulation Authority	\$22 936	4d	78d	\$576
Main Roads	\$20 914	4d	15d	\$10
Rottneest Island Authority	\$42 447	25d	81d	\$715
WA Police	\$406 308	12d	90d	\$1 114
Water Corporation	\$3 850	2d	22d	\$77
WorkCover WA	\$2 676	32d	52d	\$440

**Table 3: Latest payments and largest late payments**

*The largest late payments were generally paid relatively soon after the 30 day period, and the latest payments are generally for relatively small amounts.*

Source: Agencies, compiled by OAG

## Information and Data

For agencies to monitor and manage financial processes they need access to information and data from these processes.

We found that some agencies are only able to report on their financial data in standard reporting formats. Relatively basic but non standard financial information can take considerable time and cost to provide.

Financial data is managed in numerous ways by different agencies: complete in-house control and expertise; basic in-house with external assistance; through to complete outsourcing of data management and interrogation. There is no government requirement for agencies to manage their data in-house. However, the outsourcing of services has apparently resulted in some agencies losing capacity to easily analyse their information. When asked for data from their own financial systems, four agencies informed us that they could not provide it. These agencies informed us that they would have to outsource the extraction of data from their own systems, and the costs involved were prohibitive. The figure of \$3 000 was quoted in two cases.

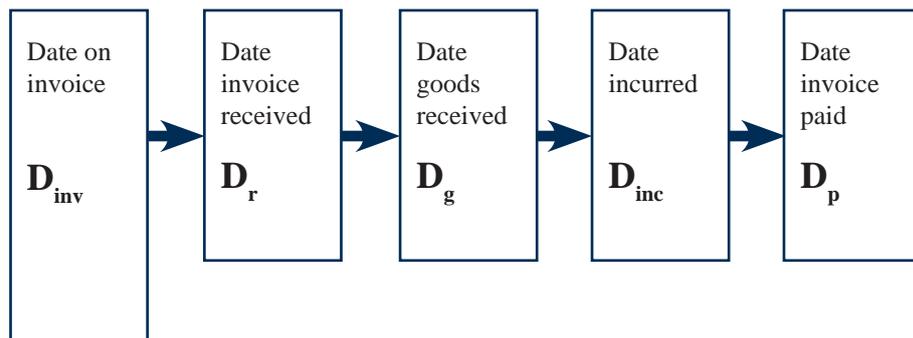
Monitoring and analysing the payment process is not as simple as might be expected, with several important dates involved (see Figure 3) in managing, recording, and tracking payment. If these dates are not routinely recorded, it is very difficult to ascertain where any particular invoice is in the process. We found that agencies are often not recording these dates. The key dates in the process are:

- The date on the invoice –  $D_{inv}$  in Figure 3. This is the date the provider creates the invoice and is almost universally the date which triggers calculations of time in agency financial systems. However, this date rarely reflects the real date that goods or services are actually received. All agencies recorded this date in their financial systems.
- The date the agency receives the invoice –  $D_r$  in Figure 3. This is the first key date according to TI 323. Agencies must record this date to enable monitoring of compliance with TI 323. Agencies are not consistently recording this date on the invoice (eg by date stamp), and rarely record it in their financial systems. However this is the earliest possible date at which payment timing should commence.
- The date the goods or services are received –  $D_g$  in Figure 3. Agencies must record this date to enable monitoring of compliance with TI 323. This is when the physical goods are delivered to the agency, or the services are provided. It can differ considerably from the invoicing date and the invoice receipt. This is especially the case for services – an

## PROMPT PAYMENT BY GOVERNMENT (CONTINUED)

invoice might be provided at the beginning of or before services begin. Conversely, it might be provided after the service is completed. Only two agencies from our sample, Synergy and the Water Corporation, routinely recorded this date.

- The date an expense is approved by the agency –  $D_{inc}$  in Figure 3. This is when an officer formally accepts the goods or services. This is universally recorded, in accordance with another Treasurer’s Instruction. Although this date is always recorded, it does not necessarily record when the goods came into the organisation – it could include time spent ‘on a desk’ waiting to be recorded.
- The date payment is made –  $D_p$  in Figure 3. This date is self-explanatory, and is universally recorded.



**Figure 3: Payment procedure**

*There are five important dates in the payment process. Generally, agencies do not record the date goods and services are received, a key part of calculating payment against TI 323, and only three consistently recorded the date invoices are received.*

Source: OAG

# Management of Consumer Protection Investigations

## Overview

In 2005-06, the Department of Consumer and Employment Protection (DOCEP) completed over 3 000 investigations into possible breaches of the 60 pieces of consumer protection legislation that it administers. Most of these arose from public complaints or from DOCEP's own monitoring. Allegations commonly involved:

- real estate agents
- landlords
- service stations
- finance brokers
- retailers
- service providers
- motor vehicle dealers
- plumbers

The investigations, which are conducted by DOCEP's Consumer Protection Division, can last from just a few weeks to many months.

In half the investigations, DOCEP finds that no offence has been committed or that the breach is so minor that no further action is warranted. Action taken in the remainder includes educating traders, requiring traders to take remedial action, issuing infringement notices and formal warnings and referring cases to regulatory boards, tribunals or courts. Investigations can also result in media campaigns, educational programs and new directions for monitoring activities.

DOCEP also receives complaints from the public about unfair or unreasonable trading practices that clearly do not involve potential breaches of legislation or codes of practice. DOCEP deals with these matters by conciliation with the relevant trader. Over 5 000 conciliations were conducted in 2005-06. The process of conciliation is not the subject of this report.

This examination reports on DOCEP's arrangements for managing its consumer protection investigations.

## MANAGEMENT OF CONSUMER PROTECTION INVESTIGATIONS (CONTINUED)

### Key Findings

- DOCEP has a comprehensive system for conducting consumer protection investigations. The system also meets the Western Australia (WA) Ombudsman's requirements for fair and proper administrative investigations.
- Some opportunities for improvement were identified but these did not amount to fundamental system flaws:
  - DOCEP often did not keep complainants informed about investigations. Testing showed that eight per cent of complainants were not informed that an investigation would be undertaken, six per cent were not informed of the investigation outcome and 47 per cent were not kept informed of progress. This diminished transparency and was contrary to principles of natural justice
  - DOCEP does not periodically conduct independent reviews of consumer protection investigations and so cannot be assured of their quality
  - DOCEP's single timeliness target of completing 80 per cent of all types of investigations within six months is of questionable value. While this target is met by consumer protection investigations overall, there is considerable variation between industry groups with the average length of investigations ranging from one to 11 months.

### What Should Be Done?

DOCEP should:

- ensure that it meets its own targets for contacting complainants, and that it informs complainants of the outcomes of investigations
- implement routine quality review practices. These might include regular independent audits and/or cold case reviews of investigations across the Consumer Protection Division
- develop and document specific targets for different types of investigations to take into account both the characteristics of the investigations and management expectations.

## Response by the Department of Employment and Consumer Protection

DOCEP notes the overall finding that its system for conducting consumer protection investigations is comprehensive. It also notes the areas for improvement and the need for reinforcement of some existing standards, particularly those relating to regular complainant contact. DOCEP is committed to further improving investigation quality and will also instigate a program of internal ‘cold case’ sampling reviews to further refine processes and ensure that departmental standards are applied. This process will impose resource demands.

## Background

Each year, DOCEP investigates thousands of alleged breaches of consumer protection legislation and codes of practice. Two pieces of legislation have generic application. These are the *Consumer Affairs Act 1971* and the *Fair Trading Act 1987*. Other legislation covers specific industry groups. Examples are:

- *Finance Brokers Control Act 1975*
- *Real Estate and Business Agents Act 1978*
- *Settlement Agents Act 1981*
- *Land Valuers Licensing Act 1978*
- *Motor Vehicle Dealers Act 1973*
- *Petroleum Products Pricing Act 1983*
- *Water Services Coordination Act 1999 and Water Services Coordination (Plumbers Licensing) Regulations 2000*
- *Weights and Measures Act 1915*
- *Retail Hours Trading Act 1987*
- *Employment Agents Act 1976*
- *Travel Agents Act 1985*
- *Credit Act 1984*
- *Associations Incorporations Act 1987*

## MANAGEMENT OF CONSUMER PROTECTION INVESTIGATIONS (CONTINUED)

Administration of this legislation includes licensing businesses and people, monitoring, resolving disputes, investigating non-compliance allegations, and proactive compliance and education programs. This examination looked at DOCEP's investigations of alleged non-compliance.

Specific responsibility within DOCEP for Consumer Protection rests with the Commissioner for Fair Trading. Other legislation is administered by industry boards such as the Land Valuers Licensing Board, the Motor Vehicle Industry Board, the Plumbers Licensing Board, the Real Estate and Business Agents' Supervisory Board (REBA) and the Settlement Agents' Board (SASB). DOCEP carries out investigations on behalf of these boards or, in the case of REBA and SASB according to a service delivery agreement.

### What Did We Do?

This examination assessed the adequacy of DOCEP's consumer protection investigations, including whether procedures and practices meet principles of procedural fairness. The examination involved interviewing agency personnel and reviewing documents and records covering the period July 2005 to September 2006.

We assessed seven of the eight industry branches of the Consumer Protection Division (Consumer Protection). These were:

- Real Estate (including Settlement Agents)
- Finance and Valuation Industries
- Motor Vehicles
- Retail and Service Industries
- Trading Standards (including the Petroleum Products Pricing Unit)
- Building and Tenancy Industries
- Plumbers

We did not examine the Registration Services Branch as its activities include the regulation of charities and incorporated associations which we audited in 2005.

## What Did We Find?

### Procedures

#### *Procedures are clear and comprehensive*

Documented procedures control all aspects of DOCEP's investigations into potential breaches of consumer protection laws, regulations and codes of practice. Effective investigations are critical to DOCEP creating a 'trading environment that protects consumers'<sup>1</sup>. DOCEP's procedures for investigations are clear, and comprehensive.

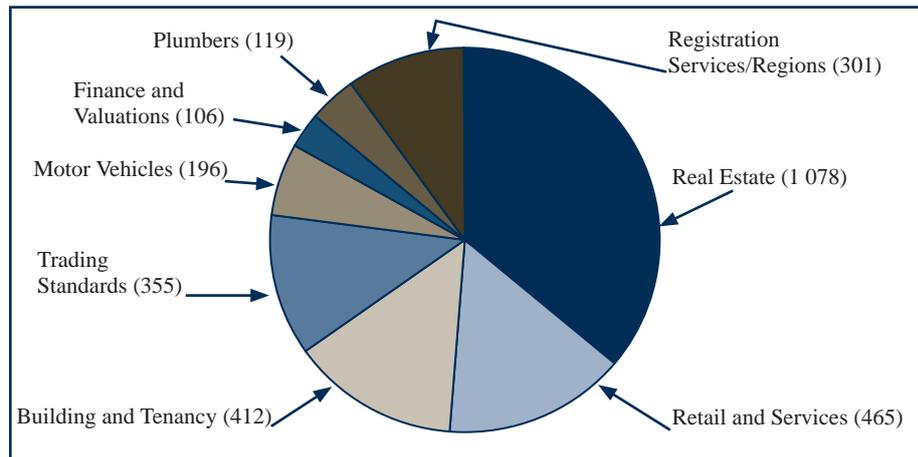
Procedures and guidelines cover the full range of investigation activities, from initial assessment of information received, through the gathering of evidence, to final reporting. They also cover other important elements including: the proper use of regulatory powers, procedural fairness, training, ethical conduct, supervision, and review. DOCEP identifies trends and issues of public interest arising from investigations and uses them as a basis for strategic activities such as monitoring and educating traders, raising awareness among consumers, and providing advice to legislators.

DOCEP's procedures are also tailored, where required, to the different industry and occupational groups. This ensures that the conduct of investigations is appropriate to the circumstances. For instance, investigations of false and misleading advertising by the Retail and Service Industries Branch are of a different nature to the investigation of unfair practices by landlords conducted by the Building and Tenancy Industries Branch.

Figure 1 shows the number of different types of investigations carried out in 2005-06. The Real Estate Branch was responsible for the largest proportion (36 per cent), followed by Retail and Service Industries (15 per cent), Building and Tenancy Industries (14 per cent) and Trading Standards (12 per cent).

<sup>1</sup> Department of Consumer and Employment Protection, Consumer Justice Strategy, Consumer Protection Division: Business Plan, 2006-2007, July 2006, page 1

## MANAGEMENT OF CONSUMER PROTECTION INVESTIGATIONS (CONTINUED)



**Figure 1: Proportion of completed investigations, 2005-06, by branch**

*Four branches – Real Estate, Retail and Service Industries, Building and Tenancy Industries, and Trading Standards – conducted over three quarters (77 per cent) of completed investigations in 2005-06*

Source: DOCEP; analysis OAG

### *Procedures and standards match the WA Ombudsman's guidelines for administrative investigations*

Complaints and allegations are referred to the responsible DOCEP branch for assessment. DOCEP's procedures require investigations to be conducted into all potential breaches of legislation and codes of practice. Of almost 10 000 complaints and allegations received in 2005-06, approximately 40 per cent resulted in investigations. The majority of the other complaints resulted in conciliation, where DOCEP acts in an intermediary capacity to settle disputes between complainants and manufacturers or sellers of goods or services.

We found that DOCEP's procedures for consumer protection investigations are aligned with guidelines issued by the WA Ombudsman to help make sure that decision making in administrative investigations is fair and reasonable. DOCEP's procedures and standards support good practice in areas such as evidence gathering, timeliness, communication with complainants and respondents, impartiality, confidentiality and conflict of interest. In general, consumer protection investigations follow these procedures.

### *There are opportunities for improvement in communicating with complainants*

Although DOCEP's procedures for properly communicating with complainants are aligned with the WA Ombudsman's guidelines, there is room for improvement in their implementation. Eight per cent of complainants sampled did not receive acknowledgement of their complaint and six per cent were not notified of the investigation outcome.

DOCEP was also not complying with its own high target for keeping complainants informed of progress. Our sample showed that 47 per cent of complainants were not contacted at least every eight weeks. DOCEP's target requires contact after four weeks.

The WA Ombudsman's guidelines state that complainants should be provided with support, information and regular feedback including information about the outcome of investigations.

### *Segregated duties support the process*

The integrity of DOCEP's investigations is supported by the segregation of duties within the branches and across Consumer Protection.

This includes:

- segregating the investigation function from others such as monitoring and conciliation. DOCEP's investigators only conduct investigations. This helps ensure that the investigators remain impartial and uncompromised by the activities and relationships required in the other functions
- having different staff to conduct investigations and to review the findings and recommendations. This provides additional assurance that conclusions and recommendations are soundly based and that both complainants and respondents are treated fairly.

However, in eight per cent of investigations we could not find evidence of a review of the findings and recommendations by either the supervisor or the branch manager. This reduces the investigators' and managers' accountability, and the assurance that can be given regarding procedural fairness.

## MANAGEMENT OF CONSUMER PROTECTION INVESTIGATIONS (CONTINUED)

### *Independent oversight is needed*

DOCEP does not undertake periodic independent reviews of consumer protection investigations. Such reviews would provide assurance about the reliability of policies and procedures and, if problems were found, ensure that quality improvement programs are well directed. Instead, DOCEP has relied for assurance on internal identification of procedural flaws and the very low rate of public complaints about investigations.

An independent review should cover both the adequacy of the investigation and the appropriateness of the decision if a breach has occurred. When a breach occurs, decisions about the action to be taken are made within broad guidelines and involve management review and endorsement (Table 1 shows the variety of outcomes that can occur). A key consideration in the decisions is what action would best suit the public interest. Five important elements are:

- seriousness of the breach
- prospect of a successful conviction
- prior history
- prevalence of the type of offence and the need for a deterrent
- need to restore or maintain public confidence.

Individual case files do not make clear which of these elements were paramount in the decisions taken by managers though some aspects are evident or can be inferred from the file documentation. Independent reviews would give assurance that these decisions are correct. Such reviews could be performed by DOCEP's Internal Audit or by expert consultants.

Result	Number of results in 2005-06	Proportion of total results
No offence evident or able to be substantiated	1 719	57%
Breach resulting in advice or warning (no hearing involved)	1 052	35%
Breach resulting in remedial action (eg recall product, modify design, rectify work)	61	2%
Breach identified and matter taken to board, tribunal or court (eg licensing decisions, fines, injunctions, prosecution in the State Administrative Tribunal)	197	6%
<b>Total</b>	<b>3 029</b>	<b>100%</b>

**Table 1: Investigation outcomes, 2005-06**

*In over half (57 per cent) the matters referred, investigators concluded that no breach occurred or that there was insufficient evidence to establish a breach.*

Source: DOCEP; analysis OAG

The reliance that DOCEP places on public complaints to identify problems with its investigations is not a substitute for periodic independent reviews. In any event, DOCEP's procedures do not ensure that all complaints expressed to investigations staff are registered and investigated. DOCEP registered just 15 complaints from over 10 000 consumer protection investigations in the last three years. However, our testing found several instances where customer dissatisfaction had been dealt with at branch level without a complaint being registered on DOCEP's customer satisfaction database. This indicates that actual complaints are higher than the official record.

DOCEP plans to conduct an independent survey of customer satisfaction with investigations in 2006-07. This will provide another measure of the quality of investigations. Such surveys are carried out on a rotational basis. Since 2004, DOCEP has commissioned independent customer satisfaction surveys of its operations including the conciliation process and its Consumer Protection Call Centre.

## MANAGEMENT OF CONSUMER PROTECTION INVESTIGATIONS (CONTINUED)

### Capability

#### *Staff have the delegated authority to conduct investigations*

DOCEP has approximately 75 investigation staff. All require authority to 'investigate, inquire and obtain information'. This authority is mostly provided by the *Consumer Affairs* and *Fair Trading Acts*, although it is also provided by the specific industry Acts that DOCEP administers.

Testing of the delegated authority of a sample of investigators showed that all had the requisite authority.

#### *Training supports procedures and practice*

We found that DOCEP investigators are well trained and supported.

DOCEP has developed a training program that allows investigators to attain a Certificate IV qualification in Government Statutory Investigations. Participation in the training was high, with priority given to officers who had not received equivalent training elsewhere, for example in police investigations.

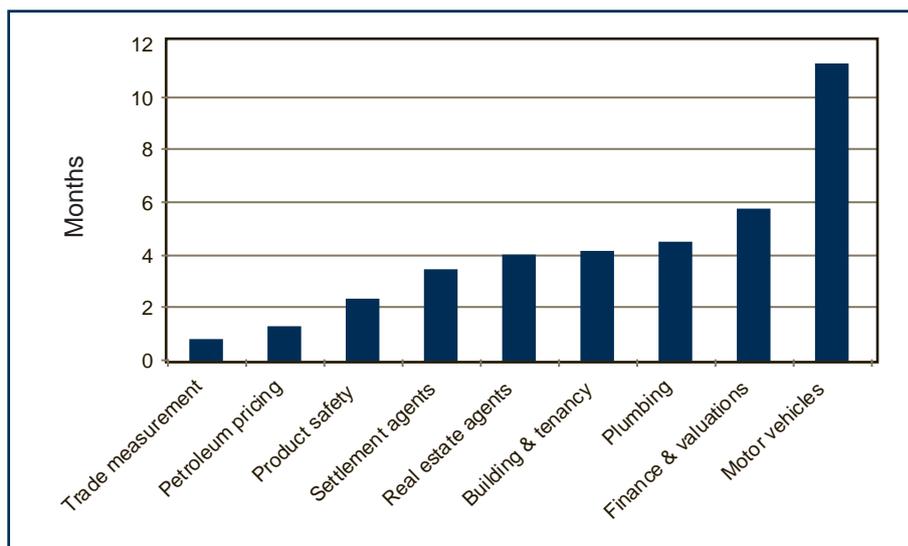
The training program is based on the comprehensive procedures manual that DOCEP developed specifically for consumer protection investigations. We found evidence that DOCEP uses lessons learned from the conduct of investigations to improve investigation procedures, manuals and training.

### Timeliness

#### *The single timeliness target has limited value*

The vast majority of the investigations we tested were completed without undue delay and all Branches use timeliness reports to monitor and manage investigations. However, DOCEP does not have individual timeliness targets for each type of investigation. Rather, it has a single target that 80 per cent of all consumer protection investigations should be completed within six months. There is no documented reason for this target and it is irrelevant for many types of investigations, as the nature of the investigations varies considerably across the branches.

Figure 2 shows the large variability in the time taken for different types of investigations. DOCEP advised that it has sought, as a priority, to consolidate and gain division wide consistency in its investigation processes. However, it has also said that it may soon be ready to introduce variable targets.



**Figure 2: Average time taken to complete investigations, 2005-06, by branch**

*The average time taken to complete different types of consumer protection investigation ranges from less than a month (for trade measurement investigations) to almost a year (investigations into motor vehicle dealers).*

Source: DOCEP; analysis OAG

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