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Three audits find mixed results

The Auditor General tabled 3 audit reports in Parliament today showing a combination of good results and areas that need to be improved.

The first audit assessed the accuracy of WA Health's activity based funding data and looked at the processes and controls for recording, collating and submitting activity based funding data.

Good quality data is important for identifying opportunities to improve hospital efficiency and correctly fund medical activities. Over half of WA Health's \$8 billion funding was allocated under these arrangements.

Auditor General Colin Murphy said the audit found an error rate of 5.2% which, given the complexity of activity coding and the nature of the errors, does not appear high.

'A higher error rate was found in associated mental health activity information which is not currently used for mental health funding, but could affect funding from 2018-19.

'We also identified weaknesses in WA Health's processes and controls for collecting and reporting activity based funding information.

'These weaknesses increase the risk that activity data is incomplete or inaccurate,' Mr Murphy said.

The Auditor General also tabled a report on the policies and practices at 8 agencies for tendering and extension of existing contracts.

In 2014-15, government agencies awarded over 6,000 contracts, each with an individual value over \$50,000, and a combined value of more than \$7 billion.

Mr Murphy said we found the tendering practices of most agencies were satisfactory.

'However, many of the contract extensions audited had inadequate or no evidence that contractor performance was reviewed before extending the contracts.

'A few agencies also need to improve their controls over approval of contract extensions,' Mr Murphy said.

In the third report, we assessed the policies and practices for managing purchasing cards at 9 agencies.

In 2015-16, government agencies purchased \$480 million in goods and services with 27,735 purchasing cards.

Mr Murphy said we did not find any instance of inappropriate use of purchasing cards although there are shortcomings that need addressing.

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'Overall, the results were somewhat better than found in our last audit of this area in 2014.

'The potential for improper or unauthorised use of purchasing cards means agencies need to ensure appropriate controls are in place and that they are continually vigilant against misuse,' Mr Murphy said.

All 3 reports include recommendations for the agencies involved to improve the policies and processes audited. For the tendering and purchase card audits, there are lessons for all government agencies.

The 3 reports are available on the Office of the Auditor General website at www.audit.wa.gov.au

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