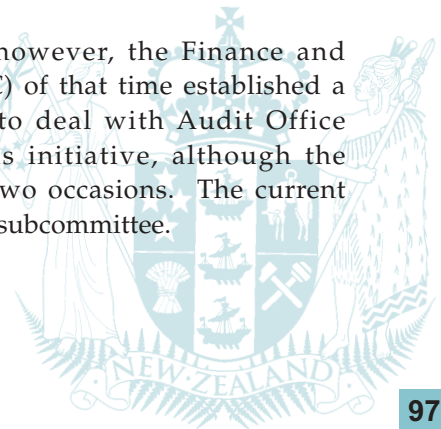


- 8.1 The Audit Office produces reports on a broad range of topics and issues across the public sector. Parliament is our primary audience for these reports. By their nature, however, these reports are usually focused on the Executive. This focus may be on:
- single agencies; or
  - multiple agencies; and/or
  - central agencies (the Treasury, the State Services Commission, and the Department of the Prime Minister and Cabinet).
- 8.2 For formal consideration of our reports by the House, we have been reliant until recently on relevant subject Select Committees taking the opportunity to consider the reports and deciding whether they want to ask for a Government response.
- 8.3 The Officials Policy Committee (comprising the chief executives of the three central agencies) has also considered the need for a government response to our reports.
- 8.4 Both of these mechanisms have been informal. Nevertheless, they formed a basis to complete the “accountability loop” between:
- Audit Office reports;
  - Parliamentary scrutiny of our reports; and
  - Government responses.
- 8.5 Towards the end of 2000, however, the Finance and Expenditure Committee (FEC) of that time established a subcommittee specifically to deal with Audit Office reports. We welcomed this initiative, although the subcommittee met on only two occasions. The current FEC has not established a like subcommittee.



## STATUS OF FOLLOW-UP ACTION ON PREVIOUS REPORTS

- 8.6 Under current committee arrangements, we see the ideal process for dealing with our reports being as follows:
- Audit Office reports are tabled in Parliament;
  - relevant subject Select Committees receive a briefing from us and consider the reports;
  - Select Committees are also briefed by affected agencies;
  - Select Committees may report to the House and may recommend that a Government response be requested;
  - Government responses are developed and actioned; and
  - we provide periodic status reports on where Audit Office reports are in this process.
- 8.7 The following pages give a brief analysis of each of our reports for the last four years. It follows the same format as the article we published on this topic last year<sup>1</sup>, with updated comments where appropriate. We have not included our reports on local government issues, or on one-off inquiries of the moment, except where there is a remaining parliamentary interest.



<sup>1</sup> *Central Government and Other Issues*, parliamentary paper B.29[02b], pages 99-126.

## Title of Report

### ***New Zealand Defence Force: Deployment to East Timor – Performance of the Health Support Services***

#### *Date Presented*

14 February 2003

#### *Brief Description*

In November 2001, we issued our report on the New Zealand Defence Force's deployment to East Timor<sup>2</sup>, which took place in 1999. That report looked at how the NZDF planned for the East Timor operation, prepared a joint force, and subsequently deployed that force to East Timor. This report examines the contribution of the variety of professionals from all three services (Navy, Army and Air Force) who provided health support to the East Timor deployment.

#### *Key Findings*

The health support services played a crucial role in the East Timor operation by:

- assisting in the preparation of personnel for deployment;
- providing health care and support in theatre; and
- providing post-deployment health care and support when personnel returned to New Zealand.

Recommendations made to the NZDF include:

- upgrading the poor medical record system;
- completing the review of health support services' structure and resourcing;
- addressing shortages of health care personnel;
- reviewing the supply system for medical items; and
- improving the focus on preventative and environmental health.

<sup>2</sup> *New Zealand Defence Force: Deployment to East Timor*, ISBN 0-477-02886-1, November 2001.

## STATUS OF FOLLOW-UP ACTION ON PREVIOUS REPORTS

### *Select Committee Scrutiny*

The Foreign Affairs, Defence and Trade Committee considered this report in March 2003.

### *Government Response*

The NZDF has accepted the recommendations in the report. The most significant outstanding recommendations, which relate to a computerised medical records system and resolving the structure and resourcing of the health support services, are included in the Key Priorities of the NZDF 2003-04 Output Plan.

### *Issues Outstanding*

We will maintain an active interest in the issues we have identified for consideration by the NZDF and will consider doing a follow-up audit of these issues in 2004.

## **Title of Report**

### ***Department of Conservation: Administration of the Conservation Services Programme***

### *Date Presented*

23 December 2002

### *Brief Description*

We decided to conduct an inquiry into the administration of the conservation services programme as a result of a complaint from a body that represents the interests of its shareholding fishing companies and associations. The complaint was supported by specific case studies illustrating the body's concerns about the way that the Department of Conservation manages the conservation services programme. Because of the mechanism for funding the cost of the programme and for recovering the cost from commercial fishers, our inquiry extended to the Ministry of Fisheries.

## *Key Findings*

We made a number of findings and recommendations covering:

- research into the black petrel;
- research into the New Zealand sea lion;
- consulting on the conservation services plan;
- information on over- and under-recovery of costs;
- management of the observer programme;
- a strategic plan for the conservation services programme;
- accountability for the conservation services programme; and
- implementing the results of conservation services research.

## *Select Committee Scrutiny*

The Primary Production Committee considered this report in March 2003, and has indicated that it will be raising the report's recommendations with the Ministry of Fisheries and the Department of Conservation.

## *Government Response*

We discussed the report with the Ministry of Fisheries and the Department of Conservation. The Ministry is developing a response to the issues raised.

## *Issues Outstanding*

We will maintain an active interest in the findings and recommendations that we made by reviewing progress made in the annual audits of the Department of Conservation and the Ministry of Fisheries.



### Title of Report

#### ***New Zealand Defence Force: Deployment to East Timor – Performance of the Helicopter Detachment***

#### *Date Presented*

23 December 2002

#### *Brief Description*

In November 2001, we issued our report on the New Zealand Defence Force's deployment to East Timor. That report looked at how the NZDF planned for the East Timor operation, prepared a joint force, and subsequently deployed that force to East Timor. This report examines the contribution of the Royal New Zealand Air Force helicopter detachment for the East Timor operation.

#### *Key Findings*

In our opinion, the detachment performed well in East Timor and has made a valuable contribution to the military effort. The success of the operation owed a lot to the standard of planning and preparation conducted in early- to mid-1999.

We make a number of recommendations covering:

- planning and preparing;
- critical capabilities;
- self-sufficiency;
- performance in theatre;
- learning lessons;
- sustainability;
- reporting preparedness;
- maintaining the Iroquois helicopters; and
- joint training.

## *Select Committee Scrutiny*

The Foreign Affairs, Defence and Trade Committee considered this report in March 2003.

## *Government Response*

The NZDF has indicated that many of our recommendations have already been or soon will be implemented, while others reflect the reality of maintaining outputs with limited resources, and conducting military operations overseas with a minimal civil infrastructure.

## *Issues Outstanding*

We will conduct a follow-up audit of the various recommendations that we made in this report.

## **Title of Report**

### ***Ministry of Agriculture and Forestry: Management of Biosecurity Risks***

## *Date Presented*

27 November 2002

## *Brief Description*

In this report, we assess how MAF manages terrestrial biosecurity risks. We also examined seven case studies as illustrations of MAF's application of biosecurity risk policies and procedures, and identified areas where we think improvements can be made.<sup>3</sup> One case study, on the management of the southern salt-marsh mosquito incursion, examines the role of the Ministry of Health.<sup>4</sup>

## *Key Findings*

- New Zealand's biosecurity arrangements are among the best in the world.
- Roles and responsibilities have been unclear, but departments have been developing a framework to allocate responsibility and improve co-ordination.

3 *Management of Biosecurity Risks: Case Studies*, ISBN 0-477-02899-3, December 2002.

4 *Ibid.*, pages 27-55.

## STATUS OF FOLLOW-UP ACTION ON PREVIOUS REPORTS

- There is currently no clear accountability for the biosecurity programme as a whole.
- There is a lack of clear and agreed goals and outcomes for biosecurity activities.
- There is little systematic analysis of the relative benefits and costs of the different components of the biosecurity programme.
- There is no agreed common framework for deciding the allocation of resources to deal with specific threats.
- Further work is required to improve qualitative assessments of risks and to increase consistency and transparency of assessment methods.
- MAF Biosecurity has groups that work relatively independently of one another, and are therefore unlikely to be making the best use of collective capability.
- Workload pressure in both MAF Biosecurity and other key agencies sometimes results in important work being deferred or slowed.
- There is not a high level of assurance that sufficient expert resources could be made available quickly and comprehensively, for example for a large emergency incursion response.

### *Select Committee Scrutiny*

The Primary Production Committee was briefed on this report in November 2002.

### *Government Response*

- Recommendations were integrated into the Biosecurity Strategy.
- MAF is developing a plan to address the issues raised, and this will be monitored in the annual audit and financial review processes.
- A Biosecurity Strategy working party is developing and implementing a workplan based on our recommendations and those in other biosecurity-related reports.



- An inter-departmental group is doing cross-government work on the issues.

## *Issues Outstanding*

We will maintain an active interest in the findings and recommendations throughout our annual audit process in 2003 and consider the need for a further follow-up report later in 2003.

## **Title of Report**

### ***Central Government and Other Issues 2001-02<sup>5</sup>***

## *Date Presented*

28 June 2002

## *Brief Description*

This report completes the matters that we wished to bring to Parliament's attention – principally relating to the central government portion of our auditing portfolio – arising from our activities in 2000-01.

## *Key Findings*

Our report covered a range of topics:

- public sector progress towards an e-society;
- strategic human resource management;
- accountability for closed or merged schools;
- financial management issues in the Fire Service Act 1975;
- procurement – a statement of good practice; and
- status of follow-up action on previous reports.

## *Select Committee Scrutiny*

The relevant agencies have considered our reports, and are currently working on the issues raised.

<sup>5</sup> Parliamentary paper B.29[02b].

## STATUS OF FOLLOW-UP ACTION ON PREVIOUS REPORTS

### *Government Response*

None.

### *Issues Outstanding*

We will maintain an active interest in all of the issues covered in this report and consider the need to further report progress later in 2003.

### **Title of Report**

#### ***Severance Payments in the Public Sector***

### *Date Presented*

27 May 2002

### *Brief Description*

This report was prompted by a number of agreements between public sector employers and their staff, under which an employee agreed to resign in return for a payment of compensation and an undertaking of confidentiality.

### *Key Findings*

We have identified a number of common themes in the cases we looked at. Some involved failures of process – for example, a failure to seek comprehensive legal advice. Others involved defects in substance – for example, unjustifiably high non-taxed compensatory payments. Such failings can expose a public sector employer to intense criticism if details of the settlement are made public. Many of them result, we believe, from an inadequate appreciation of the risks that employers in general – and those in the public sector in particular – face when deciding to enter into an employment settlement rather than dismissing the employee and defending any personal grievance that the employee may raise.

## *Select Committee Scrutiny*

None.

## *Government Response*

None in particular. However, there is good awareness of this report and its recommendations.

## *Issues Outstanding*

We believe the report provides a useful framework for employers in the public sector to use, particularly taking a principled approach to employment settlements. We will maintain an active interest in employment settlements in the annual audits that we undertake.

## **Title of Report**

### ***Bringing Down the Road Toll: The Speed Camera Programme***

## *Date Presented*

1 May 2002

## *Brief Description*

Our report considered whether speed cameras are being used effectively and efficiently, generating the maximum road safety benefits and contributing to bringing the road toll down. As part of our examination, we were keen to find out how speed camera programmes are operated in jurisdictions similar to New Zealand.

## *Key Findings*

We concluded that, within the current limitations and operating rules, the Police generally have effective management practices and processes in place for the speed camera programme. We found there was scope to improve for the targeting speed camera resources and to enhance existing delivery and administration of the programme. There were further findings and recommendations covering:

## STATUS OF FOLLOW-UP ACTION ON PREVIOUS REPORTS

- allocation of speed camera resources;
- camera deployment;
- processing infringements; and
- asset management.

### *Select Committee Scrutiny*

None.

### *Government Response*

As a result of the report, the National Road Safety Committee formed the Speed Management Working Group in November 2002 to consider our recommendations. The Group includes representatives from the Police, Land Transport Safety Authority, Ministry of Transport, Local Government New Zealand, Transit New Zealand, Transfund New Zealand and Accident Compensation Corporation.

The Group will:

- review the amount of resources allocated to the Police for the speed camera programme;
- consider options for more flexible use of existing camera resources;
- analyse the merits of purchasing additional cameras; and
- consider the benefits of applying demerit points to offences detected by speed cameras.

A final report with recommendations is expected by August 2003.

### *Issues Outstanding*

We will conduct a follow-up of our recommendations later in 2003.

## Title of Report

### ***Purchasing Primary Health Care Provided in General Practice***

#### *Date Presented*

14 March 2002

#### *Brief Description*

As the basis for the report, we examined the historical development of State funding and purchasing of primary health care.

#### *Key Findings*

We had a number of findings covering:

- purchaser capability;
- information;
- funding;
- contracting;
- monitoring;
- evaluation; and
- purchaser accountability.

#### *Select Committee Scrutiny*

The Health Committee considered this report in September 2002.

#### *Government Response*

None.

#### *Issues Outstanding*

The responsibility for purchasing primary health care has now moved from the Ministry of Health to District Health Boards. We will maintain an active interest in how District Health Boards are performing in this regard over the next few years.



## Title of Report

### *New Zealand Defence Force: Deployment to East Timor*

#### *Date Presented*

15 November 2001

#### *Brief Description*

Our report describes and assesses the systems used by the NZDF to:

- plan for a military operation;
- prepare a joint force; and
- deploy that force to East Timor.

We also examined the systems by which the NZDF has reviewed its military practice and processes in the light of the East Timor experience; and we assessed the extent to which the NZDF has identified lessons for future contingencies and implemented necessary changes.

#### *Select Committee Scrutiny*

The Foreign Affairs, Defence and Trade Committee has considered this report.

#### *Government Response*

Not required.

#### *Issues Outstanding*

There are no issues outstanding. We have subsequently presented two further reports about specific components of the joint force:

- *Performance of the Helicopter Detachment* (see pages 102-103); and
- *Performance of the Health Support Services* (see pages 99-100).

## Title of Report

### *The Police: Dealing with Dwelling Burglary*

#### *Date Presented*

13 September 2001

#### *Brief Description*

The purpose of this report is to provide Parliament with information on what the Police are doing about dwelling burglaries, including how the Police measure their performance.

#### *Key Findings*

The process for investigating burglary is broadly similar throughout the Police, but we found variations in practice at a local level. The reasons for these variations are not always clearly stated or argued.

There is potential for the Police to:

- evaluate new and alternative approaches and share good practice in crime prevention between areas;
- make greater and better use of science and information technology; and
- improve their measuring and monitoring of performance in relation to dwelling burglary.

#### *Select Committee Scrutiny*

The Law and Order Committee considered this report as part of its 2000-01 Financial Review of the Police.

#### *Government Response*

The Police welcomed our report. The thrust of the key recommendations has been implemented. In particular, the report included a proposal that the Police consider the use of data envelopment analysis as one tool to help identify better-performing districts (and so learn from them). Such an exercise has been conducted on a pilot basis, in collaboration with the Treasury, and is likely to be repeated.

### *Issues Outstanding*

We will conduct a follow-up of this report in the next 18 months.

### **Title of Report**

#### ***Providing and Caring for School Property***

### *Date Presented*

5 September 2001

### *Brief Description*

This report assesses the Ministry of Education's performance in managing the school property portfolio. We concentrated on:

- the management arrangements in place between the Ministry and School Boards of Trustees; and
- systems and processes for managing (including funding) the provision and maintenance of school property.

### *Key Findings*

#### **Capital Works**

We conclude that the Ministry is:

- taking positive steps with respect to planning and funding capital works which aim to meet the needs of schools and students; and
- ensuring that the provision of property is well planned and appropriate.

These steps represent a substantial improvement on what was found in previous reviews.

#### **Maintenance**

We are less satisfied with the arrangements for maintenance. The Ministry is responsible for ensuring that School Boards of Trustees meet their responsibility to ensure that schools are properly maintained.



In our view, the Ministry needs to significantly improve the information it has about the maintenance that Boards are undertaking and the condition of the school estate. We suggest that better information can be obtained through enhancement to the current property management framework.

### *Select Committee Scrutiny*

The Education and Science Committee considered our report on 13 December 2001, and raised the issues in the report on the same day within its financial review hearing of the Ministry of Education.

### *Government Response*

The Ministry of Education was introducing a revised property funding mechanism.

### *Issues Outstanding*

We will report progress on our recommendations later in 2003.

## **Title of Report**

### ***Ministry of Defence: Acquisition of Light Armoured Vehicles and Light Operating Vehicles***

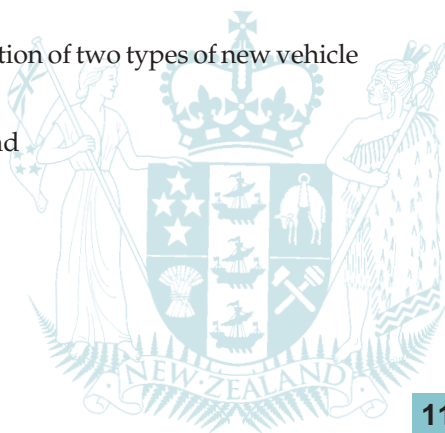
### *Date Presented*

22 August 2001

### *Brief Description*

This report is about the acquisition of two types of new vehicle for the New Zealand Army:

- light armoured vehicles; and
- light operating vehicles.



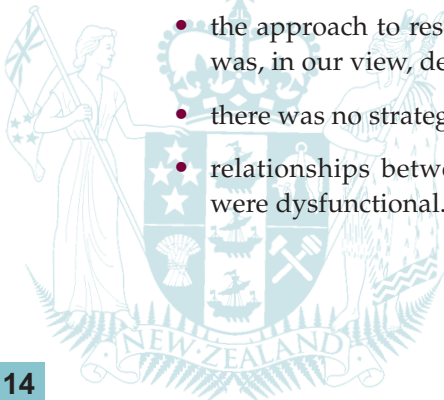
### *Key Findings*

#### **Our views on the light armoured vehicle (LAVIII) acquisition:**

- from the start, the project was poorly defined;
- the changing project definition also led to lack of clarity on the number of vehicles required;
- the approach to research of the market for this purchase was, in our view, deficient;
- use of essential criteria restricted the scope of competition;
- there was no strategic management of the project;
- in at least two instances the Ministry of Defence (MoD) failed to consult appropriately;
- relationships between the MoD, the New Zealand Defence Force (NZDF) and Army were dysfunctional;
- pursuit of the project diverged considerably from Cabinet approvals in a number of respects;
- the longer the acquisition was delayed, the more expensive it became;
- there was insufficient documentation of some key decisions; and
- the significant capability requirements associated with acquisition of 105 LAVIIIs were inadequately assessed before the decision to acquire the vehicles.

#### **Our views on the light operating vehicle acquisition:**

- the use of essential criteria restricted scope for competition;
- the approach to research of the market for this purchase was, in our view, deficient;
- there was no strategic management of the project; and
- relationships between the MoD, the NZDF and Army were dysfunctional.



## *Select Committee Scrutiny*

Both the Foreign Affairs, Defence and Trade Committee and the Finance and Expenditure Committee have received briefings on this report.

## *Government Response*

The Government conducted an inquiry into the management and relationship issues that we drew attention to.

## *Issues Outstanding*

We will conduct a follow-up of some specific issues arising from this report in 2003-04.

## **Title of Report**

### ***Parliamentary Salaries, Allowances and Other Entitlements: Final Report***

## *Date Presented*

24 July 2001

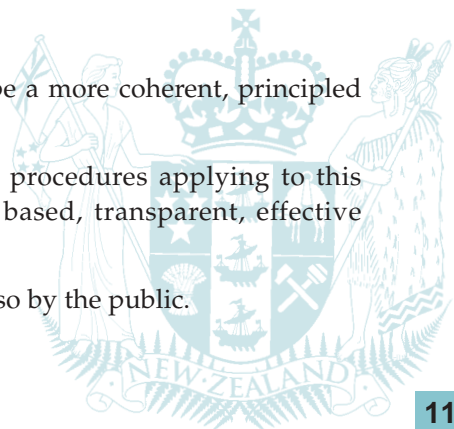
## *Brief Description*

This report sets out our detailed review of the regime for setting and administering salaries, allowances and other entitlements for MPs and Ministers. As a result of our review, we now believe that the current arrangements are inadequate and are in need of change.

## *Key Findings*

In our view, there needs to be a more coherent, principled regime to ensure that:

- the policies, systems and procedures applying to this expenditure are soundly based, transparent, effective and efficient; and
- they are clearly seen to be so by the public.



## STATUS OF FOLLOW-UP ACTION ON PREVIOUS REPORTS

We advocate five guiding principles in order to improve the overall regime, as follows:

- there needs to be a clear distinction between remuneration and expense reimbursement;
- an independent body should determine all remuneration and expenses to be reimbursed;
- designated agencies should be responsible for paying remuneration and reimbursing expenses;
- all remuneration should be taxed on the same basis as that of an ordinary employee; and
- the independent body should have overall ownership of the system for setting and paying remuneration.

### *Select Committee Scrutiny*

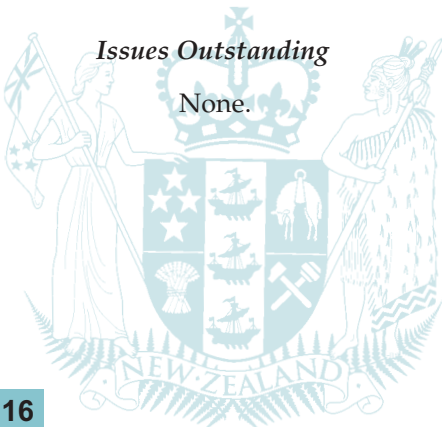
The Parliamentary Service Commission considered our report and established an independent advisory panel to report back to the Commission in early-2002. The panel's recommendations were referred to the parliamentary parties for consideration, and which in turn provided their comments to the Commission. The Commission accepted the findings of the panel, and legislation to give effect to the recommendations was prepared. The final legislation – the Remuneration Authority (Members of Parliament) Amendment Act 2002 – took a different course.

### *Government Response*

Not applicable.

### *Issues Outstanding*

None.



## Title of Report

### *Reporting Public Sector Performance*

#### *Date Presented*

31 July 2001

#### *Brief Description*

This report is about how performance reporting in the public sector can be improved. We believe that stakeholders are not getting the best information they could on how public entities are performing.

#### *Key Findings*

The report builds on our 1999 report: *The Accountability of Executive Government to Parliament*.<sup>6</sup> We suggest that the development of a common measurement and reporting framework is a critical task, and all elements of performance should be taken into consideration.

#### *Select Committee Scrutiny*

None.

#### *Government Response*

See below.

#### *Issues Outstanding*

While there has been no specific Government response, there is currently a range of initiatives across government departments, under the Managing for Outcomes umbrella. These initiatives will take a number of years to fully develop, and present major challenges for our Office.

We published on our web site a Second Edition of this report, incorporating certain case studies, in February 2002.

<sup>6</sup> *Third Report for 1999, parliamentary paper B.29[99c]*.

### Title of Report

#### *Meeting International Environmental Obligations*

#### *Date Presented*

8 May 2001

#### *Brief Description*

This report sets out the results of our examination of New Zealand's approach in respect of four specific multilateral environmental accords.

#### *Key Findings*

Our findings show uneven levels of implementation of New Zealand's obligations under the four multi-lateral environmental agreements (MEAs) that we examined:

- The *Montreal Protocol on Substances that Deplete the Ozone Layer* (the *Montreal Protocol*) has been the most successfully implemented.
- New Zealand's international obligations under the *Convention on Trade in Endangered Species of Fauna and Flora (CITES)* are also being successfully fulfilled.
- New Zealand is generally meeting the specific obligations of the *Convention on Wetlands of International Importance* (the *Ramsar Convention*), but the measures taken have:
  - failed to arrest the continuing degradation of wetlands; and
  - failed to achieve the desired outcome of stemming the progressive encroachment on and loss of wetlands now and in the future.
- New Zealand has met most of its international obligations under the *United Nations Framework Convention on Climate Change (FCCC)* and its *Kyoto Protocol*, except the adoption of effective national greenhouse gas policies to mitigate climate changes.

## *Select Committee Scrutiny*

The report has been considered by the Local Government and Environment Committee.

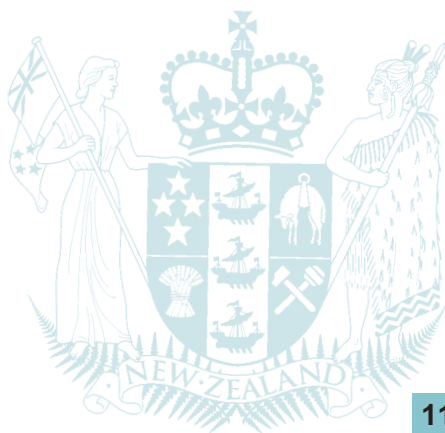
## *Government Response*

We have received a government response that covers our recommendations.

- The response agrees with most of our recommendations, especially for future MEAs to enhance or ensure New Zealand's successful implementation and ongoing compliance.
- Departments believe our report will be a useful guide for the future, but applying our recommendations retrospectively for existing MEAs will sometimes be “not straightforward”.
- Departments feel there are difficulties in implementing several recommendations in regard to:
  - Joint reporting to Parliament where more than one agency is involved in contributing to meeting New Zealand's obligations; and
  - Identifying total Crown expenditure in a joint report.

## *Issues Outstanding*

Some of our recommendations have been implemented by the departments concerned. We will do a formal follow-up within the next 18 months.



**Title of Report**

***Civil Aviation Authority Safety Audits –  
Follow-up Audit***

***Date Presented***

20 December 2000

***Brief Description***

This report sets out the results of our follow-up audit of the Civil Aviation Authority’s conduct of safety audits of operators in the civil aviation industry.

***Key Findings***

While there has been a downward trend in the overall New Zealand aviation accident rate over the last 10 years, New Zealand’s accident rate is higher than rates in the UK, USA and Australia.

The CAA needs to do further work in risk analysis and the application of its audit resources amongst the various types of operators in the civil aviation industry.

***Select Committee Scrutiny***

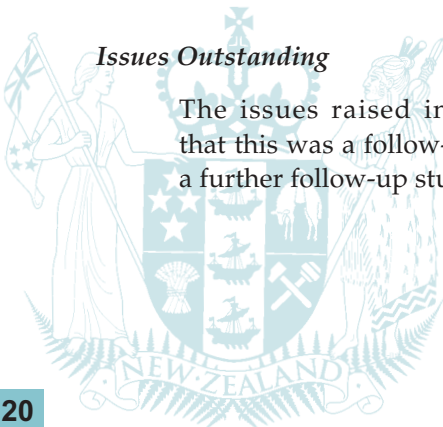
The Transport and Industrial Relations Committee considered our report in early-2001, and followed up aspects of the report at CAA’s financial review.

***Government Response***

None.

***Issues Outstanding***

The issues raised in our report are of concern given that this was a follow-up of a 1997 study. We will conduct a further follow-up study in 2003-04.





## Title of Report

### **Central Government: Results of the 1999-2000 Audits<sup>7</sup>**

#### *Date Presented*

20 December 2000

#### *Brief Description*

This report included articles on:

- the 1999-2000 audited financial statements of the government;
- government departments – results of the 1999-2000 audits;
- compliance with Cabinet expenditure delegations;
- departmental reporting on “closing the gaps”;
- managing employee fraud;
- funding arrangements with non-government organisations;
- disclosing fiscal risks on defence capital projects;
- student loan debt; and
- supplementary estimates for 1999-2000.

#### *Key Findings*

A wide range of issues have been canvassed in this multi-subject report.

#### *Select Committee Scrutiny*

The Finance and Expenditure Subcommittee has considered this report.

#### *Government Response*

The Treasury maintains a register of issues raised in these types of reports, and has taken action where appropriate.

<sup>7</sup> Parliamentary paper B.29[00a].

### *Issues Outstanding*

A range of issues as outlined in the above brief description remain live. We will maintain an active interest in monitoring developments in this regard.

### **Title of Report**

#### ***Student Loan Scheme – Publicly Available Accountability Information***

#### *Date Presented (to Select Committee)*

23 May 2000

#### *Brief Description*

This report is about:

- the student loan scheme;
- those who have a stake in the scheme – either as borrowers or administrators, or those who otherwise expect some accountability for the scheme;
- what the information requirements are; and
- whether, in our view, those requirements are being met.

#### *Key Findings*

In our view, key stakeholders receive adequate information on the current financial position of the scheme at an aggregate level. However, we believe that there are the following shortcomings in public accountability information:

- limited information on the fiscal risks attached to the scheme; and
- lack of information on the impact of the scheme on the intended and unintended socio-economic outcomes.

The adequacy of valuation of student loan debt also needs to be reviewed, especially in the light of the expected move to a net present value model for valuation.

In our opinion, the following related capability and accountability issues need to be addressed to provide better public accountability information:

- fragmented responsibility for the scheme as a whole;
- lack of focus of strategic policy advice and research;
- shortcomings in data collection analysis and exchange;
- shortcomings in forecasting;
- lack of systems responsiveness to change; and
- gaps in service to borrowers.

### *Select Committee Scrutiny*

The Education and Science Committee considered this report in 2000.

### *Government Response*

There was a comprehensive government response in 2001.

### *Issues Outstanding*

We have conducted a follow-up report (see pages 75-94 of this report).

## **Title of Report**

### ***Governance and Oversight of Large Information Technology Projects***

#### *Date Published*

5 May 2000

#### *Brief Description*

This report is about the governance and oversight of large information technology projects in the public sector. The report was in response to a number of highly publicised difficulties with public sector IT projects. The problems have included failure to deliver what was required and major cost over-runs.



## STATUS OF FOLLOW-UP ACTION ON PREVIOUS REPORTS

### *Key Findings*

We discuss:

- basic governance structures for IT projects;
- how IT projects actual happen; and
- reasons for success and failure.

Each part of the report raises issues for consideration, summarised in a set of questions which we believe that chief executives, ministers, and select committee members should ask with respect to any large IT projects they are involved with.

### *Select Committee Scrutiny*

Most select committees have taken an interest in this report, and we gave briefings to a number of them.

### *Government Response*

The Government has released guidelines on managing large IT projects.

### *Issues Outstanding*

There are no issues in particular. However, we will continue to maintain an active interest in the governance and oversight of large IT projects.

## **Title of Report**

### ***First Report for 2000<sup>8</sup>***

#### *Date Presented*

21 March 2000

#### *Brief Description*

### **Health Sector**

This report contains several articles in the health sector, including:

<sup>8</sup> Parliamentary paper B.29[00a].

- a review of the financial condition of hospital and health services;
- capital purchasing by hospital and health services; and
- electronic claiming of pharmaceutical subsidies and dispensing fees.

### **School Boards of Trustees**

We discuss what we see as difficulties – both for School Boards of Trustees and for the Audit Office – with the accountability requirements of the Public Finance Act 1989 and the Education Act 1989, and we suggest some possible changes.

### **Impact Evaluation**

This article demonstrates the value of impact evaluation as a practical tool to enhance the quality of decision-making by the Government and Parliament.

### *Select Committee Scrutiny*

The article on Impact Evaluation was considered by the Finance and Expenditure Committee in 2000.

### *Government Response*

There has been no response to the School Boards of Trustees and Health articles. The article on Impact Evaluation received a Government response.

### *Issues Outstanding*

The issues raised in relation to School Boards of Trustees remain current. Similarly, Impact Evaluation is an on-going issue. We will take an active interest in developments.



### Title of Report

#### *Fifth Report for 1999<sup>9</sup>*

#### *Date Presented*

21 December 1999

#### *Brief Description*

This report includes articles on:

- the 1998-99 audited financial statements of the Government;
- government departments – results of the 1998-99 audits;
- maintaining standards of financial management during organisational change; and
- New Zealand Customs Service collection of excise duty.

#### *Key Findings*

A range of issues arising out of the 1998-99 audits in the Crown sector.

#### *Select Committee Scrutiny*

The Finance and Expenditure Committee considered our report in late-1999.

#### *Government Response*

None required.

#### *Issues Outstanding*

The issues raised in the article on maintaining standards of financial management during organisational change remain current and relevant.

<sup>9</sup> Parliamentary paper B.29[99e].

## Title of Report

### *Information Requirements for the Sustainable Management of Fisheries*<sup>10</sup>

#### *Date Presented*

21 December 1999

#### *Brief Description*

This report is about:

- the information required to achieve stable management of the fisheries resource within a healthy aquatic eco-system; and
- the extent to which relevant and adequate information is actually being used to manage the country's fisheries within a sustainable framework.

#### *Key Findings*

We examined the information available for 44 of the 257 fish stocks. The species within those 44 fish stocks represent 60% of the value of all fish caught in New Zealand's exclusive economic zone.

In our view, the Ministry is unable to be certain if 31 of those fish stocks are being utilised to their potential or, in some cases, being utilised sustainably at all. For those 31 fish stocks, we believe that there are significant gaps in information required by the 1996 Fisheries Act for sustainable utilisation of fisheries.

We conclude, therefore, that the Ministry manages most fish stocks without being sure if this management is sustainable. Because of the lack of information, the Ministry also cannot be sure that the catch levels that are established allow for fisheries to be utilised to their potential. This conclusion is similar to that reached by the Audit Office and the Parliamentary Commissioner for the Environment in 1990.

<sup>10</sup> Part of *Fifth Report for 1999*, Parliamentary paper B.29[99e], pages 49-112.

## STATUS OF FOLLOW-UP ACTION ON PREVIOUS REPORTS

### *Select Committee Scrutiny*

The Primary Production Committee considered our report in 2000.

### *Government Response*

None.

### *Issues Outstanding*

The majority of issues we raised in our report remain current. We are likely to conduct a follow-up audit in the next year.

