

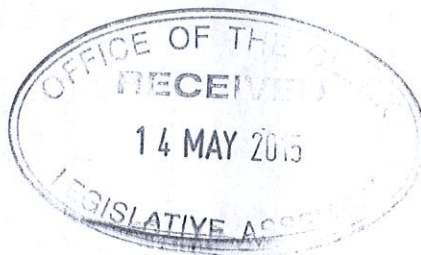


Premier of New South Wales

DIS13797
(LAC 12/107)

Reference: A1034712

Ms Ronda Miller
Clerk of the Legislative Assembly
Parliament House
Macquarie Street
SYDNEY NSW 2000




Dear Ms Miller *Ronda*

Thank you for your letter of 14 November 2014 regarding Report No. 18/55 of the Public Accounts Committee – Follow up of Repeat Recommendations from the Auditor-General's 2013 Financial Audit Reports.

Please find attached the NSW Government response to the Report. I am advised that the Attorney General has provided a response to recommendation two.

Yours sincerely


MIKE BAIRD MP
Premier

NSW Government Response

Follow up of repeat recommendations from The Auditor General's 2013 Financial Audit Reports. Report no. 18/55 of the Public Accounts Committee

The Government's response to the Public Accounts Committee's five recommendations is outlined below

Recommendation	Comment
<p>1 The Committee recommends that the State Records Authority of New South Wales develop a detailed plan with relevant timeframes to clear the current backlog of digital archives over the next four years, to coincide with the funding allocated.</p>	<ul style="list-style-type: none"> • A detailed plan is in place to clear the backlog of digital archives over the next four years. • The State Records Authority of NSW (SRA) has established a digital archiving system capable of receiving and making available the valuable born digital records of government (born digital records are records that were created in an electronic form). High value items in the backlog of digital archives, including the born digital records of former NSW Premiers, were targeted during the Digital State Archive's pilot phase. The SRA has a four year plan in place to clear the remainder of the backlog.
<p>2 The Committee recommends that the Department of Justice conduct a cost-benefit analysis of the integration of policies, operations and systems between its divisions by October 2015.</p>	<p>The Attorney General has provided a response to this recommendation.</p>
<p>3 The Committee recommends that Transport for NSW gather information on the most effective strategies for reducing excess leave balances and ensure that all transport entities properly implement these methods.</p>	<ul style="list-style-type: none"> • Key Performance Indicators have been set for management to achieve the NSW Treasury targets of 30 days or less excess annual leave by 30 June 2015. This will be achieved across the cluster through: <ul style="list-style-type: none"> ○ Monthly reporting and analysis of excess leave ○ Monthly discussions with divisional business managers ○ Requirements for leave management plans ○ A requirement for formal approvals for conservation of leave for 'special needs' - e.g. maternity leave ○ An option to direct leave to be taken

		<ul style="list-style-type: none"> ○ Options to cash out leave where annual accrual includes an additional week under award ○ Options for the Senior Executive Service to cash out annual leave ○ Continued coaching and training for front line managers on managing leave. <ul style="list-style-type: none"> ● All agencies within the Transport cluster have achieved a decrease in the number of employees with excess leave balances. In the period 31 July 2014 to 30 March 2015, the Transport Cluster has seen an overall reduction of 14 per cent in excess leave balances.
4	<p>The Committee recommends that NSW Health conduct a review of 'asset useful lives' across the sector and publically report on the findings by 28 February 2015.</p>	<p>Review of asset useful lives across the sector:</p> <ul style="list-style-type: none"> ● The Ministry of Health conducted a review of asset useful lives in January 2015 which found that, as at 30 June 2014, NSW Health had assessed the useful life of all its land and building assets, comprising 93 per cent of the \$12.6 billion physical asset base. The remaining 7 per cent was comprised solely of plant and equipment. ● From 1 July 2015, in addition to assessing land and building assets, NSW Health entities will also be required to perform an annual useful life assessment on high value plant and equipment assets not currently subject to an assessment. This will result in an estimated total of 97 per cent of the asset base being subject to an annual useful life assessment. ● Conducting useful life assessments on the remaining balance of low value plant and equipment assets would be resource intensive and not cost effective. ● Recent developments in financial systems will enable NSW Health entities to draw upon a new state-wide asset management system for the assessment and review of plant and equipment assets in the 2015/16 year. <p>Publicly report on findings</p> <ul style="list-style-type: none"> ● The findings from this assessment, as well as the new accounting requirements, are being communicated to NSW Health entity Chief Executives during February 2015. These changes will take effect from 1 July 2015 and will be reflected in the 2015/16 financial statements as well as NSW Health's Accounting Manual
5	<p>The Committee recommends that NSW Health review strategies used to reduce</p>	<p>Review strategies used to reduce the number of employees with excessive overtime</p>

the number of employees with excessive overtime and document best practice procedures for use across the Ministry.

- In response to a request from the Ministry of Health in October 2014, all NSW Health entities have indicated that actions are in place for reducing overtime, and that actions are being taken to address high overtime use by individuals who are in the top 50 of overtime earners state wide.

Document best practice procedures for use across NSW Health

- The Ministry of Health has reviewed these actions and strategies and collated best practice information which was shared across Health entities during February 2015 to support the management of overtime.
- Regular monitoring of overtime management has now been established with an additional report being developed and provided to Health entities highlighting current overtime trends/ the report also highlights those employees who, if they continue with the same work practices will be deemed to have worked excessive overtime by June 2015.
- In addition to the above, NSW Health is proactively managing overtime costs and hours worked by:
 - The inclusion of overtime as a Service Measure in the 2015/16 Service Agreements with local Health Districts/Speciality Health Networks/NSW Ambulance
 - Enabling desktop reporting and tracking at local cost centre manager level through a planned dashboard currently under development in the State Management Reporting Service
 - The Ministry of Health provision of quarterly reports on overtime costs and hours worked to support the performance review process for all Local Health Districts and Networks.

Rickee Murray

From: Amelia Bell <amelia.bell@dpc.nsw.gov.au>
Sent: Thursday, 14 May 2015 3:53 PM
To: Ronda Miller
Cc: Michael Bardsley; Martin Gray
Subject: A1034712 - Government Response to Report No. 18.55 of the Public Accounts Committee - [SEN:Cabinet] (A1208126)
Attachments: A1034712 - Government Response to Report No. 18.55 of the Public Accounts Committee.pdf

Dear Ms Miller

Please find attached the Government Response to Report No. 18/55 of the Public Accounts Committee.

A hard copy has also been mailed to you.

Yours sincerely,

Amelia Bell

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Economic Policy Group
NSW Department of Premier and Cabinet
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☎ (02) 9228 3159 | ✉ amelia.bell@dpc.nsw.gov.au

Amelia Bell has sent you a copy of "A1034712 - Government Response to Report No. 18.55 of the Public Accounts Committee - [SEN:Cabinet]" (A1208126) v0.2 from Objective.