

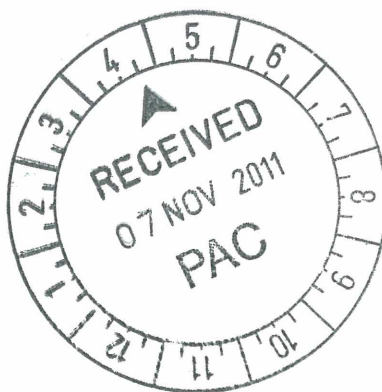
**INQUIRY INTO FOLLOW UP OF AUDITOR-GENERAL'S
PERFORMANCE AUDIT REPORTS OCTOBER 2009 TO
SEPTEMBER 2010**

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Date Received: 4/11/2011

Theme:

Summary

Mr Jonathan O'Dea MP
Chair
Public Accounts Committee
Parliament House
Macquarie Street
SYDNEY NSW 2000



4 November 2011

Dear Mr O'Dea

**Examination of Auditor-General's Performance Audit Report
*Injury Management in the NSW Public Sector***

We have reviewed the submission provided by NSW Treasury concerning the recommendations in the above performance audit report.

Following tabling of the report, we were pleased that NSW Treasury accepted our recommendations - with one recommendation being accepted in part.

The submission indicates that NSW Treasury is making progress in implementing the recommendations, but the time target for one recommendation has not been achieved.

Please find attached our comments on the progress reported in relation to the relevant recommendations in our original report. We have not substantiated the submission.

In some instances, more information would be helpful to better understand what has been done to address our recommendations and the reasons for the delay.

I am happy to provide any further assistance the Committee may need in completing its examination.

Yours sincerely



Peter Achterstraat
Auditor-General

Attachments

Performance Audit – Injury Management in the NSW Public Sector - NSW Treasury

Recommendation	Accepted or rejected	Reported actions	Due date	Reported status and comment	Our comments
1. The Department of Premier and Cabinet, NSW Treasury and WorkCover NSW release the proposed new <i>Working Together Strategy 2009-2012</i> by April 2010.	Accepted	The <i>Working Together: Public Sector Workplace Health and Safety Management Strategy 2010-2012</i> was issued on 30 March 2010.	April 2010	Completed	Completed
2. Individual agencies set specific targets to reduce the: <ul style="list-style-type: none"> - Average cost of claims and incidence rate of claims in line with relevant industry benchmarks - Number of psychological injuries where appropriate - Cost of premiums. 	Accepted	Continue to implement the <i>Working Together Strategy 2010-2012</i> .		Completed <i>Working Together Strategy 2010-2012</i> sets targets for average cost of claims and incidence rate. In relation to the recommendation to set targets for psychological injuries where appropriate, the <i>Working Together Strategy 2010-2012</i> broadens this approach by requiring agencies to identify and target two priority areas.	Response is satisfactory
3. The Department of Premier and Cabinet require <i>Working Together</i> targets be included in chief executive performance agreements.	Accepted	Nil		Completed	Completed
4 Commencing in 2009-10, NSW Treasury require public sector agencies to: <ul style="list-style-type: none"> a) refer all alleged frauds to WorkCover NSW 	Accepted	Direction under Section 9 of the <i>Public Finance and Audit Act</i> .	2009-10	Final quarter 2011 To be drafted	Action delayed. The PAC should expect the direction to be issued by December 2011. It would be helpful to know what the direction will include and the reason for the delay.

Recommendation	Accepted or rejected	Reported actions	Due date	Reported status and comment	Our comments
<p>b) report performance against the <i>Working Together</i> targets in their Annual Reports.</p>	<p>Rejected</p>	<p>Nil</p>	<p>2009-10</p>	<p>This recommendation is contrary to Cabinet's 2009 decision to reduce the number of disclosures required by the annual report regulations. This Cabinet decision was made in response to the Red Tape Review.</p>	<p>No action reported</p> <p>The recommendation was rejected by NSW Treasury although it may be helpful to know whether:</p> <ul style="list-style-type: none"> ▪ The review of annual reporting requirements in respect of OH&S and worker's compensation flagged in the previous <i>Working Together Strategy 2005-08</i> has occurred. It would be interesting to know what the findings and recommendations were. ▪ NSW Treasury will be reporting the interim/final results of the <i>Working Together Strategy 2010-12</i> in its Annual Report. If so, will the report enable historical comparisons across agencies and/or by sector and target?