

**Submission
No 3**

**EXAMINATION OF THE AUDITOR-GENERAL'S PERFORMANCE
AUDIT REPORTS OCTOBER 2016 – MAY 2017**

Organisation: Department of Premier and Cabinet

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Premier & Cabinet

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Mr Bruce Notley-Smith MP
Chair
Public Accounts Committee
Legislative Assembly
Parliament of NSW
Macquarie Street
SYDNEY NSW 2000

Dear Mr Notley-Smith

Thank you for the opportunity provide an update to the Public Accounts Committee on the Department of Premier and Cabinet's (DPC) response to the Auditor General's Performance Audit on Government Advertising 2015/16 report, tabled 27 October 2016.

As you would be aware, the report acknowledged that the peer review process is well managed by DPC and provides valuable assurance about government advertising. DPC strives to continuously improve its processes and guidance to agencies and accepted all of the audit recommendations either in full or in principle.

DPC has implemented a range of initiatives to communicate agency obligations and advertising requirements and to ensure consistent record management of peer review documents, within the Auditor-General's timeframes. DPC's proposed update to the Advertising Guidelines is aligned to its statutory review of the *Government Advertising Act 2011* and this work is still underway. It is now expected that the Guidelines would be updated by March 2018.

Attached to this letter is DPC's detailed implementation report of the responses to the audit recommendations.

If you have any queries in relation to DPC's implementation report, please contact Isobel Scouler on 02 9228 3820 or isobel.scouler@dpc.nsw.gov.au.

Yours sincerely

Blair Comley PSM
Secretary

6 November 2017

Implementation Report for the FY15/16 Performance Audit Report recommendations

	Recommendation	DPC's response	STATUS of Specific Actions
1a	<p><i>By March 2017, the Department should publish guidance for peer review, which clearly states:</i></p> <ul style="list-style-type: none"> • <i>The purpose of peer review</i> • <i>The roles and responsibilities of peer reviewers</i> • <i>The roles and responsibilities of government agencies in responding to peer review reports</i> • <i>The role of the Department and the peer review process in assessing, and providing assurance on, compliance with the Act, the Advertising Handbook and other government media-related policies.</i> 	<p>Accepted.</p> <p>DPC acknowledges it has a monitoring role in relation to Government advertising. However under the Act DPC is not responsible for providing assurance on other agencies' compliance with the Act.</p> <p>DPC will update relevant documentation for consistency and ensure it is published on the DPC website.</p>	<p><u>Completed On Schedule</u></p> <ul style="list-style-type: none"> • By 31 March 2017 we updated the DPC communications website launched (www.sc.dpc.nsw.gov.au) and revised website content was published for agencies explaining peer review, detailing the process and roles and responsibilities • Peer review workbook and submission templates and attachments continue to be revised as required in consultation with reviewers and agencies. Agencies are advised on the website to obtain current documents directly from DPC.
1b	<p><i>By March 2017, the Department should ensure the published guidance is consistent with other guidance documents and clearly communicated.</i></p>	<p>Accepted in principle.</p> <p>DPC will continue to engage with government agencies and key stakeholders on the purpose of peer review and the role of peer reviewers, as it does presently.</p> <p>Note that the Advertising Guidelines will be reviewed and updated in line with the statutory review of the Act with completion expected by September 2017.</p>	<p><u>Completed On Schedule</u></p> <ul style="list-style-type: none"> • Published guidance was reviewed to ensure consistency and content revised and re-published on a new DPC site (www.sc.dpc.nsw.gov.au) at end of March 2017. • Agencies advised of the new website and materials via email in early April 2017. <p>> Regarding Advertising Guidelines - Refer to recommendation 5.</p>
1c	<p><i>By March 2017, the Department should ensure agency heads are fully aware of their obligations in ensuring campaign compliance.</i></p>	<p>Accepted.</p> <p>DPC will write to agency heads to remind them of their obligations in ensuring compliance with the Act.</p>	<p><u>Completed On Schedule</u></p> <ul style="list-style-type: none"> • In February 2017 the Secretary DPC wrote to all cluster Secretaries and the DPC entities reminding them of their responsibilities and obligations under the Act.

Implementation Report for the FY15/16 Performance Audit Report recommendations

2	<p><i>By March 2017, improve the process for allocating peer reviewers to campaigns by matching peer reviewers to campaigns based on expertise and experience.</i></p>	<p>Accepted in principle. DPC will continue to select peer reviewers based on expertise and experience. DPC will ensure processes are more clearly documented.</p>	<p><u>Completed On Schedule</u></p> <ul style="list-style-type: none"> • Since November 2016, the basis for Reviewer Selection is recorded by DPC for each review • Since February 2017, peer reviewers expertise and experience is provided and recorded by DPC as part of reviewer nomination. DPC's internal processes for DPC are also documented. • Since March 2017 – The principles guiding DPC's allocation of peer reviewers to each review is documented on the DPC website
3	<p><i>By March 2017, implement regular feedback for peer reviewers.</i></p>	<p>Accepted in principle. DPC already provides feedback to reviewers when necessary. DPC will examine options for additional peer review feedback.</p>	<p><u>Completed On Schedule</u></p> <ul style="list-style-type: none"> • Since March 2017, DPC routinely provides the reviewers feedback on what agencies did with the review findings by providing all reviewers a copy of the final peer review response report including final advertising submission.
4	<p><i>By March 2017, maintain peer review papers as part of campaign files to provide an audit trail.</i></p>	<p>Accepted in principle. DPC will continue to undertake thorough record keeping. DPC will review current record management processes to ensure a best practice approach.</p>	<p><u>Completed On Schedule</u></p> <ul style="list-style-type: none"> • Since December 2016 DPC uses a peer review record keeping checklist to ensure standard filing of peer reviews
5	<p><i>By September 2017, ensure all criteria described in the Advertising Guidelines are adequately assessed during peer review.</i></p>	<p>Accepted. DPC will update the Advertising Guidelines in conjunction with the statutory review of the Act. DPC will engage with the Audit Office as part of the statutory review.</p>	<p><u>Planned for completion March 2018</u></p> <ul style="list-style-type: none"> • Consultation is ongoing on the Statutory Review of the Government Advertising Act. DPC proposes to update the Advertising Guidelines in line with this process.