



## ACT AUDITOR-GENERAL'S OFFICE



A09/12

Mr Zed Seselja MLA  
Chair  
Select Committee on Estimates 2009-10  
ACT Legislative Assembly  
GPO Box 1020  
CANBERRA ACT 2602



Dear Mr Seselja

### **PUBLIC HEARINGS ON APPROPRIATION BILL 2009-10 ACTION – TIMELINESS TARGET**

The Audit Office has reviewed the proof transcript of evidence provided on 27 May 2009 by the Department of Territory and Municipal Services to the Committee and wishes to draw your attention to the incorrect information provided in relation to the Audit Office and the setting of ACTION's timeliness target.

The proof of transcript indicates that the Committee was incorrectly advised by the Department's official as follows:

**Page 1036:** Mr Elliott: Well, if you were to do a survey accurately to get an absolute, accurate measure, you would have to put someone else on a bus for every service, every time of day, measuring every single stop as we went down the timetable. The cost of that would be astronomical and ridiculous. So we are not intending to do that. We will be sampling, and because you are sampling and because you are using a people-based process, you cannot guarantee a figure anything other than 83 per cent. In fact, this is an Auditor-General's figure, not ours. This is what they think the timeliness measure should be. [bold emphasis added]

**Page 1037:** Mr Elliott: What they will be measuring is: did we meet our 83 per cent target or did we do better or worse when they did the samples on the routes that we actually check? So that is what they are saying. But because this is a sample, you are never going to be able to do a sample that is going to give you 100 per cent and so the advice is that this is a more realistic target for us this year.

**MS BURCH:** Based on the methodology—

**Mr Elliott:** Based on the methodology that we are—

**MS BURCH:** provided by the Auditor-General. [bold emphasis added]

**Mr Elliott:** Correct. [bold emphasis added]

During the review of ACTION's 2007-08 Statement of Performance, the Audit Office found that ACTION measured the timeliness of its services by recording the time the buses left the depot. Accordingly, the Audit Office advised ACTION that the methodology used was not appropriate to measure the timeliness of its services. ACTION acknowledged this by reporting the measure as 'not measured' in its 2007-08 Statement of Performance. As a result, the Office issued a qualified report of factual findings on ACTION's 2007-08 Statement of Performance, indicating that this performance indicator had not been measured as required by the *Financial Management Act (1996)*.

The Audit Office did not provide the target figure of 83 percent for ACTION timeliness measure nor did it provide a methodology for its measurement. The Office has no role in the setting of ACTION performance targets or its measurement methodology. Indeed, the Audit Office is not involved in any agency's budget process or the setting of performance indicators and targets.

The Audit Office understands that the Department's official intends to correct the record.

If you wish to discuss this matter further, please do not hesitate to contact Mr Bernie Sheville (Director, Financial Audits) or myself on 6207 0833.

Yours sincerely



Tu Pham  
Auditor-General  
3 June 2009

c.c. Mr Tom Elliott, A/g Executive Director, Territory and Municipal Services