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ACT AUDITOR–GENERAL'S

PERFORMANCE AUDIT REPORT

Facilities management and support services for ACT Courts

Report No. 14 / 2024

The ACT Audit Office acknowledges the Ngunnawal people as the traditional custodians of the ACT and recognises any other people or families with connection to the lands of the ACT and region.

The ACT Audit Office acknowledges and respects their continuing culture and the contribution they make to the life of this city and this region.

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AUDITOR-GENERAL AN OFFICER OF THE ACT LEGISLATIVE ASSEMBLY

PA 23/09

The Speaker
ACT Legislative Assembly
Civic Square, London Circuit
CANBERRA ACT 2601

Dear Speaker

I am pleased to forward to you a Performance Audit Report titled ‘Facilities management and support services for ACT Courts’ for tabling in the Legislative Assembly pursuant to Subsection 17(5) of the *Auditor-General Act 1996*.

The audit has been conducted in accordance with the requirements of the *Auditor-General Act 1996* and relevant professional standards including *ASAE 3500 – Performance Engagements*.

Yours sincerely

Michael Harris
Auditor-General
20 December 2024

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Summary

On 14 December 2015, the ACT Government entered into the ACT Law Courts Public Private Partnership (PPP) - Project Agreement (the Agreement) with Juris Partnership (Juris) for the:

- design, construction and financing of a major redevelopment to the Territory's courts precinct; and
- facilities management and support services over a 25 year period through to August 2043.

The Design and Construction Phase of the project was completed in January 2020. Following its completion the Services Phase commenced, which provides for the management and maintenance of the Courts Facility (but not the operation of the core public service of judicial administration).

Under the Agreement, Juris is responsible for the delivery of a range of facility management and support services in accordance with agreed services specifications. As facilities manager (Services Subcontractor), Programmed Facility Management (Programmed):

- supplies the actual services; or
- subcontracts the delivery of services to other parties.

The audit assessed the effectiveness of the Justice and Community Safety Directorate's (JACS) management of the facilities management and support services component of the ACT Courts Public Private Partnership Agreement.

Conclusions

Governance

ACTCT has developed a range of governance arrangements for the management of the Agreement with Juris, and the oversight of services to be delivered by Programmed. A key feature of these arrangements are two governance groups: the Senior Representatives Group and the Project Control Group. These groups have not provided effective oversight of the delivery of facilities management and maintenance services during the Services Phase of the Partnership.

The Senior Representatives Group has not met regularly and although the Project Control Group has operated effectively in its day-to-day oversight of the Agreement, there is a lack of clarity with respect to how its intended support of the Senior Representative Group should occur.

Performance management

The delivery of facilities management, and maintenance services, occurs through the development of annual Services Phase Plans, that outline the:

- activities to be performed in the delivery of the services;
- daily, monthly and annual reporting by Programmed; and
- quality assurance and review processes undertaken by ACTCT.

ACTCT's management and oversight of the delivery of Programmed's services can be improved by more robust quality assurance processes. There is a lack of ACTCT documentation and guidance on these processes and poor documentation on the outcomes of quality assurance activities. When conducting quality assurance processes ACTCT does not refer to, or otherwise reference, the Services Phase Plans and their requirements.

Payment for services

ACTCT has generally robust arrangements for payments to Juris for its services. Payment of the Monthly Service Fee is supported by monthly reviews of performance and the calculation of penalties for underperformance in the form of abatements.

However, processes for Variable Service Fees payments could be improved by strengthening quality assurance procedures.

Key findings

Governance

Paragraph

Planned governance arrangements

In October 2020, ACTCT developed a *Services Phase Governance Plan* (the Governance Plan), which identified planned governance arrangements to support the implementation of the Agreement. The Governance Plan was marked as draft, however ACTCT asserted that it had been validly approved and that the failure to acknowledge the Plan as final and approved was an oversight. The Governance Plan identifies ACTCT as having primary responsibility for the management of the Agreement with Juris and that ACT Treasury will be 'responsible for undertaking the technical analysis in relation to significant whole-of-life transactions with Juris' (i.e. significant changes to the terms and conditions of the Agreement. 2.13

Governance committees and groups

A Senior Representatives Group has been established in accordance with the requirements of the Agreement. However, the Group has only met twice during the Services Phase; in October 2023 and May 2024. The October 2023 meeting was more than three years after the completion of the Design and Construction Phase. Neither the Agreement nor the Terms of Reference define the required frequency of meetings or provide a schedule of expected meetings. The delay in meeting during the Services Phase, and the infrequency of meetings, means that the Group is not effectively fulfilling its role and ensuring adequate oversight of matters related to the delivery of services under the Agreement for the Courts Facility's operations. 2.34

Although it is apparent that the Senior Representatives Group has reviewed the progress of services under the Agreement and the Services Phase Annual Report, a review of meeting minutes does not provide assurance that the Group adequately discussed the performance of the services. 2.35

A Project Control Group has been established in accordance with the requirement of the Agreement. The Group met monthly between January 2021 and September 2023. Attendance at the meetings was in accordance with the Terms of Reference and included the Territory Contract Manager (in lieu of the Territory Representative), a representative for the Juris Partnership, a representative from Programmed and other members of ACTCT. A review of meeting minutes of the Project Control Group from July 2022 to June 2023 shows that: meetings were attended by the appropriate parties; the standing agenda, and topics discussed, adhered to the Terms of Reference; and an action tracker was maintained and updated monthly. 2.51

The Governance Plan states that the Project Control Group supports the Senior Representatives Group. However, there is no information in the Plan, or the Terms of Reference for either group, that describes how this should occur. To make the relationship between the two groups clear, consideration should be given to establishing a formal communication process between the two governance bodies. The meeting minutes of the Senior Representative Group's meeting in October 2023 did not include: 2.52

- any reporting from the Project Control Group; or
- information provided to it by the Project Control Group.

Territory roles and responsibilities

Territory roles and responsibilities for the management of the Agreement with Juris are well documented and understood. This includes the role of the Territory Representative, explicitly required by the Agreement, which is fulfilled by the CEO of ACTCT, and the Territory Contract Manager, which is fulfilled by the Senior Director, Property and Contracts). The ACTCT Property and Contracts Team assists with the ongoing management of the Agreement through a team of Senior Property and Contracts Officers. 2.72

Risk management

Current ACTCT risk management arrangements can be improved to ensure that operational risks have been appropriately identified, assessed, allocated and mitigated. Specific consideration should be given to the risk of default by the supplier and the maintenance of sufficient PPP management expertise within ACTCT. 2.85

Performance management

Service delivery requirements

Juris' delivery of services during the Services Phase is supported by a series of Services Phase Plans that are prepared by Programmed. The Plans provide information on the: objectives of the Plan and associated services; service delivery process (how the services will be delivered and by whom); performance criteria (setting out what must be done and to what minimum standard it should be done to); and schedule of services (detailing frequency of works). The Plans are not discussed at Project Control Group meetings as part of the review and acceptance process, nor is there a recording of the Territory's approval in the Plans. 3.30

Service and maintenance requests

Clause 6.1 of *Schedule 7 – Services Specification* of the Agreement requires Juris to provide 'comprehensive Help Desk Services to facilitate the carrying out of the Functions'. The maintenance management system Maximo supports Programmed's Help Desk services. Maximo facilitates the receipt and actioning of service requests across all aspects of Courts operations, including cleaning, security and maintenance. All staff within ACTCT can either call or email the Help Desk to request a service. Courts staff are not required to request permission from, or notify, the Property and Contracts Team before submitting a service request. 3.37

Maintenance requests may be made by all ACTCT staff through the submission of a service request to Programmed. This may be done via email or phone. Maintenance issues are recorded and tracked by Programmed through Maximo. Once processed by Programmed, ACTCT is notified of the service request details including job type, priority level and estimated timeframe for completion. ACTCT has read-only access to Maximo that allows it to monitor whether service requests have been logged into the system. However, ACTCT does not cross-check completed service requests against orders that have been submitted into the system. 3.45

Managing the Agreement

To guide the management of the Agreement, ACTCT developed the draft *Standard Operating Procedures Manual – Services Phase* (the draft Standard Operating Procedures). The draft Standard Operating Procedures describe how to complete regular and ad hoc processes related to the management of the Agreement. The 3.56

draft Standard Operating Procedures were only finalised on 30 July 2024, approximately four years after the commencement of the Services Phase.

Programmed performance reporting

Schedule 24 – Service Phase Plans and Reports Schedule of the Agreement requires Programmed to provide a Daily Report that provides information on: all Security and Safety Incidents; any Service Failures that Programmed has not rectified or remedied; and an automated self-test report to confirm that all AV/VC systems and recording and transcription systems are fully functioning and operating without fault. ACTCT's draft Standard Operating Procedures require each Daily Report to be reviewed once it's available in the portal. Daily Reports are not reviewed by the Property and Contracts Team on a daily basis; the Team advised it reviews and monitors any issues raised through Daily Reports by monitoring service request notifications via email and by conducting daily building walk-throughs. 3.65

Schedule 24 – Service Phase Plans and Reports Schedule of the Agreement requires Programmed to provide a Monthly Report that is 'automatically produced from the Help Desk as a summary level Report'. Between October 2022 and September 2023 all Monthly Reports were provided to ACTCT as required. On average, each Monthly Report was approximately 145 pages and comprised various types of report that provided the detailed information. A review of a selection of Monthly Reports shows that the reports met the requirements specified in *Schedule 24 – Service Phase Plans and Reports Schedule* of the Agreement. The reports provided a sound basis for the oversight of service delivered under the Agreement. 3.74

Schedule 24 – Service Phase Plans and Reports Schedule of the Agreement requires Programmed to provide a Services Phase Annual Report. The Annual Report is expected to provide information on Programmed's activities and performance for each service for the previous operating year, as well as information on any proposed changes to the Services or the manner in which the Services are delivered. For the Annual Reports for 2022 and 2023 there was a lack of detail associated with proposed changes to the Services that were flagged in the report. The *2022 Service Phase Annual Report* was included in the Project Control Group's October 2023 meeting agenda for discussion. The Report was 242 pages long. A review of the meeting minutes did not provide evidence that a detailed review of this report had occurred during the hour-long meeting. 3.82

ACTCT quality assurance processes

The draft Standard Operating Procedures require ACTCT staff to conduct a daily 'positive walk' of the Courts Facility 'to ensure there are no major issues from a safety and security perspective'. The condition of areas within the Courts Facility that are rarely used are not covered by these daily checks. There is no documentation to guide the conduct of these daily quality assurance checks. ACTCT does not maintain a record of the daily checks that are conducted or the condition of the Courts Facility. 3.87

Senior Property and Contract Officers are required to undertake monthly checks of the Courts Facility's cleanliness. The guidance provided in the *Instruction Sheet for* 3.92

Quality Assurance Work is very brief and does not provide any instruction with respect to: the areas that should be checked; or what evidence should be obtained if an area is found to be unclean. A review of monthly cleanliness checks conducted in 2022 and 2023 shows that only instances where unclean areas had been identified had been recorded.

The draft Standard Operating Procedures refer to the conduct of quality assurance check-ins. The *Instruction Sheet for Quality Assurance Work* provides guidance on the conduct of monthly service request reviews and a spreadsheet has been developed to record the results of the monthly service request reviews. A review of monthly service request reviews completed in 2022 and 2023 shows that the reviews were undertaken as required. When conducting the reviews, however, ACTCT did not refer to the Services Phase Plans. By not referring to the Plans, or otherwise assessing performance against the services agreed to or outlined in the Plans, there is no assurance that Programmed is delivering services to agreed standards. 3.102

ACTCT conducts an annual check on equipment that uses radiation, i.e. x-ray machines used for security purposes. A review of ACTCT's annual compliance checks conducted in 2022 and 2023 showed that ACTCT satisfactorily checked that Programmed had maintained records on the regular testing of x-ray machines in accordance with the requirements of the *Instruction Sheet for Quality Assurance Work*. There was no evidence that ACTCT verified whether the x-ray machines were labelled appropriately or that staff using the machines were offered required health checks. 3.107

ACTCT is required to conduct an annual check to verify if substances considered hazardous were labelled appropriately and that appropriate training was provided to staff handling these equipment or substances. A review of ACTCT's annual compliance checks conducted in 2022 and 2023 shows that there was no activity recorded on this requirement. ACTCT advised that this is because there are no reportable hazardous materials on site. If this is the case, then the *Instruction Sheet for Quality Assurance Work* should be reviewed to allow for the documentation and recording of positive verification that there are no hazardous materials on site. 3.111

Programmed is required to ensure that its staff and subcontractors (e.g. security guards, cleaners, maintenance staff) have a National Police Certificate (Certificate) prior to working at the facility. ACTCT has established a procedure to conduct an annual check on subcontractor compliance with the requirement, which involves selecting a random sample of 10 percent of subcontractors and reviewing that they have the requisite Certificate. A review of ACTCT's annual compliance checks conducted in 2022 and 2023 shows that ACTCT conducted its review based on a listing of individuals provided by Programmed. There is no evidence to show that ACTCT checked the validity of the listing or acquired a list of all contractors and subcontractors working at the Courts Facility to enable the information to be cross checked. There is a risk that ACTCT did not conduct its review on the full population of Certificate holders and that there are staff working at the Facility that do not have the required Certificates. 3.115

Payment for services

Payments to Juris

The draft Standard Operating Procedures provide guidance on processes for the review and approval of monthly payments to Juris. A review of monthly payments to Juris between July 2022 and June 2023 showed that ACTCT followed the established processes. All invoices were subjected to several reviews before the CEO ACTCT provided approval to pay them. 4.14

Monthly Service Fee

Abatements are a common feature of service contracts, where abatement refers to a reduction in a service payment due to underperformance. Underperformance can relate to issues with the quality and/or timeliness of service delivery. *Schedule 3 – Payment Schedule* of the Agreement sets out processes for the calculation of abatements and the Monthly Service Fee. In 2022-23, Juris accrued $80,011.32 in abatements; this was less than one percent of the total Monthly Service Fees for 2022-23 ($20.642 million). Abatements are recorded in spreadsheets, which include details of the Quality Failure or Failure Event to which they relate. These spreadsheets are discussed and reviewed as part of the review of the Monthly Report process and are discussed at monthly PCG meetings and agreed to by both parties. A review of six abatement calculations, between July 2022 and June 2023, identified that abatement calculations were correct and the abatement amount was reflected correctly in the relevant payment claim. 4.35

Other payments

The Territory can request Juris (or any other provider) to undertake minor works services in the Courts Facility. To facilitate the provision of minor works services from Juris the Agreement established a Minor Works Fund into which an agreed amount is paid monthly. The Minor Works Fund is rolled over if the funding is not used. Monies in the Minor Works Fund are held by Juris (but cannot be drawn down without the Territory's approval) and cannot be accessed by the Territory unless the Territory obtains the unexpended balance from Juris at the end of the year. 4.44

Under the Agreement, Variable Service Fees can be paid to Juris for services such as transcription fees, recording fees, video data storage fees and out of hours services fees. In 2022-23, ACTCT paid $0.921 million for variable service fees, the vast majority of which ($0.920 million) related to transcription services. A review of 22 transcription samples that were completed in 2022-23 showed that, despite there being checks in place for the invoice payment process: three of the transcription services were delivered late to ACTCT, with no evidence of approval of an extension; and two of the payments tested showed a material variance between the calculated transcription costs compared to what ACTCT had paid. 4.51

The Territory pays a monthly Lifecycle Replacement Cost for the Courts Facility. A Lifecycle Replacement Cost is 'the total cost of a building system or material over its lifetime. It includes the cost of acquiring, maintaining, replacing, and disposing of the system or material'. According to the Agreement, the Territory will pay Juris approximately $121 million for Lifecycle Replacement Costs over the course of the services. In 2022-23, the Territory paid Juris $2.88 million for Lifecycle Replacement Costs for upgrades to the Magistrate Court chambers bathrooms, blinds in the Magistrates Court and chairs in the Magistrates Court Courtrooms. This aligns with the amounts set out in the Agreement. 4.56

The Agreement defines a modification as 'a change to the Facility or the ACAT Facility, including any addition, increase, decrease, omission, deletion, demolition or removal to or from the Facility or the ACAT Facility'. Modification works can be requested by either the Territory or Juris. A total of 21 modification works were completed in 2022-23 at a cost of $1.19 million. Processes for modification work requests have been established and a review of four modification works undertaken in 2022-23 demonstrated that the process had been followed appropriately. 4.63

Recommendations

Recommendation 1 — Senior Representatives Group Terms of Reference

ACTCT, in conjunction with ACT Treasury and Juris, should:

a) review and confirm the role and responsibilities of the Senior Representatives Group; and

b) update its Terms of Reference to establish a regular meeting frequency that enables it to fulfill its role and responsibilities.

Recommendation 2 — Project Control Group Terms of Reference

ACTCT should review and update the Terms of Reference of the Project Control Group to clarify its communication and reporting responsibilities, including with respect to the Senior Representatives Group.

Recommendation 3 — Risk management arrangements

ACTCT should improve its risk management framework by ensuring that all operational risks associated with the management of the Agreement have been appropriately identified, assessed, allocated and mitigated.

Recommendation 4	Services Phase Plans

ACTCT should develop a process for the formal review and acceptance of annual Services Phase Plans from Programmed. The process should clearly document, in the Plans themselves, ACTCT's review and acceptance.

Recommendation 5	Management of maintenance service requests

ACTCT, in cooperation with Programmed, should develop processes that allows ACTCT to:

a) record and track all service requests that are submitted to Programmed; and

b) record and track Extension Request Time submissions (including those that are rejected).

Recommendation 6	Review of Daily Reports

ACTCT should:

a) review Daily Reports as required under its draft Standard Operating Procedures; and

b) formally document the outcomes of the review.

Recommendation 7	Annual Reports

ACTCT should ensure that Annual Performance Reports provided by Programmed meet the reporting requirements of the Agreement and include sufficient information on proposed changes to the Services and the manner in which the Services are to be delivered.

Recommendation 8	Daily quality assurance check records and documentation

ACTCT should develop and maintain:

a) guidance for the conduct of the daily quality assurance checks of the Courts Facility; and

b) a process for recording the daily quality assurance checks that are conducted.

Recommendation 9	Procedures for monthly cleanliness checks

ACTCT should develop and maintain guidance for the conduct of monthly cleanliness checks, which clearly identify:

a) the areas of the Courts Facility that are to be checked;

b) the evidence that should be obtained to document an area's uncleanliness; and

c) requirements for the recording of monthly cleanliness checks.

Recommendation 10	Monthly quality assurance checks

ACTCT should review and revise the scope of monthly service request reviews to:

a) incorporate an assessment of performance against the criteria outlined in Services Phase Plans; and

b) include a review of selected pending and in progress service requests to verify the accuracy of the status that is reported.

Recommendation 11	Annual quality assurance checks

ACTCT should:

a) ensure that it undertakes, and documents, all required annual quality assurance activities with respect to equipment using radiation; and

b) review its quality assurance processes and procedures to allow for the documentation and recording of positive verification that there are no hazardous materials on site.

Recommendation 12	Invoice processing

ACTCT should strengthen its quality assurance procedures over the processing of invoice payments to ensure Variable Service Fees are accurately calculated and paid for.

Agency responses

In accordance with subsection 18(2) of the *Auditor-General Act 1996*, the Justice and Community Safety Directorate was provided with:

- a draft proposed report for comment. All comments were considered and required changes were reflected in the final proposed report; and
- a final proposed report for further comment. All comments were considered and required changes were reflected in the final report.

In accordance with subsection 18(3) of the *Auditor-General ACT 1996*, Juris was also provided with extracts of the draft proposed report and final proposed report for comment.

All comments were considered and required changes were reflected in the final report. No comments were provided for inclusion in this Summary chapter.

1 Introduction

ACT Law Courts Public Private Partnership

1.1 On 14 December 2015, the ACT Government entered into the *ACT Law Courts Public Private Partnership (PPP) - Project Agreement* (the Agreement) with Juris Partnership (Juris) for the:

- design, construction and financing of a major redevelopment to the Territory's courts precinct; and
- facilities management and support services over a 25-year period through to August 2043.

ACT Law Courts Project

1.2 The ACT Law Courts Project is a $160 million (capital expenditure) investment that seeks to:

> … provide the Territory with a contemporary and fit-for-purpose facility that can meet the needs of the judicial community for the foreseeable future. In addition, enhanced justice support, custodial and remote witness facilities will ensure that judicial processes are able to comply with changing legislation and maintain the safety and dignity of all participants.[1]

1.3 The ACT Law Courts Project is the Territory's first social infrastructure Public Private Partnership (PPP). The ACT Law Courts Project followed the development and subsequent approval of a 2012 Business Case.

2012 Business Case

1.4 In 2012 a Business Case (the 2012 Business Case) was submitted to Cabinet for the 'New Supreme Court Facilities Project'. The Business Case identified the ACT Law Courts Project as a:

> … redevelopment of the Supreme Court and integration with the existing Magistrates Court to provide an integrated Courts Facility.

1.5 The 2012 Business Case identified key functional outcomes expected to be achieved through the Project as follows:

> • The new facilities will accommodate the anticipated future demand for courtrooms
>
> • The combined Courts facilities will eliminate the duplication of Custodial Facilities by providing an expanded and updated custodial management facility

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[1] *Law Courts of the Australian Capital Territory – Contract Summary* (June 2016), page 1. https://www.treasury.act.gov.au/__data/assets/pdf_file/0008/873602/Law_Courts_Contract_Summary-June-2016.pdf (accessed 29 November 2024).

- The combined Courts Facilities will have a single point of entry and security screening facility for the public and legal counsel accessing both jurisdictions

- The secure environment of the combined Courts Facilities will allow visitors to move freely within the publicly accessible areas

- Publicly accessible shared facilities and information services to support the efficiency of administrative functions.

1.6 The 2012 Business Case identified key benefits of the Project as follows:

- Improved functional efficiencies across both the Magistrates and Supreme Courts

- A more modern, safe and accessible building, reducing security risks to court users

- Facilities that meet the needs of the ACT Government and the citizens of the ACT over the next fifty years

- Reinforces the Court's place in a democratic ACT by conveying a sense of strength and independence

- An architecturally significant design that takes advantage of its central location on City Hill.

Public Private Partnership

1.7 The ACT Government's *Guidelines for Public Private Partnerships* defines a PPP as a:

> … contract of up to 30 years between the public and private sector to deliver public infrastructure projects and related services. PPPs can be effective for projects where opportunities for significant risk transfer between the public and private sector exist and when this can be clearly defined and measured.[2]

1.8 The *Guidelines for Public Private Partnerships* also note:

> A PPP model tends to be suitable for infrastructure projects where there are opportunities for innovation and to transfer risk to the party best able to manage them. PPP projects also need to have a clearly articulated and measurable project scope to be able to hold all parties accountable to the contracted arrangements.[3]

1.9 A defining feature of a PPP is the allocation and sharing of risk with the private sector.

1.10 The terms of a PPP are set out in a Project Agreement that identifies the services to be delivered, roles for the delivery of services and payment arrangements. Through the agreement, responsibility and risk is allocated between the parties.

[2] *Guidelines for Public Private Partnerships; Third Edition* (March 2024), page 4.

[3] *Guidelines for Public Private Partnerships; Third Edition* (March 2024), page 6.

1.11 According to the *Guidelines for Public Private Partnerships*:

> The aim of a PPP is to deliver improved services and better value for money, primarily through:
>
> - appropriate allocation of project risk to the private sector;
> - encouraging innovation;
> - greater asset utilisation; and
> - integrated whole-of-life asset management.[4]

1.12 The *Guidelines for Public Private Partnerships* identifies the importance of having robust and rigorous contract management and performance monitoring arrangements in place:

> Significant public sector resources will be required to manage the implementation and commissioning of a PPP contract. In other words, contract management processes require the public sector to ensure that payments made to the private sector operator are matched by specific service delivery standards over time. This will be subject to performance-based abatement.
>
> To ensure that Government retains a sensible amount of control when managing a contract, effective monitoring and reporting performance metrics and incentive frameworks will be required. As PPP contracts are inherently complex and long-term in nature, issues arising over the operations period can be better managed if there is a strong relationship between the public and private sector.
>
> Furthermore, a PPP project will require dedicated and appropriately qualified resources, preferably those who were closely involved in identifying its need and managing the procurement. This will ensure appropriate knowledge transfer into the operations period.[5]

Design, Construct, Finance, Maintain (DCFM) model

1.13 The ACT Law Courts Project is being delivered under a Design, Construct, Finance, Maintain (DCFM) Model. A DCFM Model is a form of Availability Payment PPP. Under a DCFM Model the private sector supplier, typically known as Project Co, designs and constructs the public infrastructure asset and then maintains it over a long period of time. According to the *Guidelines for Public Private Partnerships* the private sector supplier:

> … arranges the finance for the upfront cost of the infrastructure in return for a series of payments from the public sector over the length of the operating period … These payments effectively fund the upfront and operating costs of the project.[6]

[4] *Guidelines for Public Private Partnerships; Third Edition* (March 2024), page 16.

[5] *Guidelines for Public Private Partnerships; Third Edition* (March 2024), page 7.

[6] *Guidelines for Public Private Partnerships; Third Edition* (March 2024), page 14.

1.14 Under a DCFM Model 'reductions to the payments are made if Project Co does not meet its service and performance obligations over the operating period'.[7]

1.15 According to the *Guidelines for Public Private Partnerships*, a key feature of the DCFM Model is:

> … the private sector bearing substantial risk in relation to the fitness for purpose of the public infrastructure asset and to their long-term durability. One way of this happening is by making payments to Project Co being dependent on the performance of the asset.[8]

Juris Partnership

1.16 Juris Partnership (Juris) is the main contracting entity with the Territory and is 'ultimately responsible for the delivery of the Project and will, among other things, provide overarching management for the duration of the Project'. Juris Partnership is a consortium of companies that included, for example:

- Laing O'Rourke Australia Construction Pty Ltd (builder and equity investor);
- Macquarie Corporate Holdings Pty Limited (equity investor and financial adviser); and
- Programmed Facility Management Pty Ltd (facilities manager/Services Subcontractor).[9]

1.17 Juris Partnership has 'entered into a range of contractual relationships with its consortium partners to deliver elements of the Project'.

Delivery of services

1.18 Under the Agreement Juris is responsible for all aspects of the services to be delivered.

Design and Construction Phase

1.19 The Design and Construction Phase of the project was completed in January 2020. This was nearly 18 months after the planned completion date of August 2018.

Services Phase

1.20 Following the completion of the Design and Construction Phase the Services Phase commenced. The Services Phase provides for the management and maintenance of the

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[7] *Guidelines for Public Private Partnerships; Third Edition* (March 2024), page 14.

[8] *Guidelines for Public Private Partnerships; Third Edition* (March 2024), page 16.

[9] *Law Courts of the Australian Capital Territory – Contract Summary* (June 2016). https://www.treasury.act.gov.au/__data/assets/pdf_file/0008/873602/Law_Courts_Contract_Summary-June-2016.pdf (accessed 29 November 2024).

Courts Facility (but not the operation of the core public service of judicial administration). The Services Phase runs for a period of 25 years.

1.21 Under the Agreement, Juris is responsible for the delivery of a range of facility management and support services in accordance with agreed services specifications. As facilities manager, Programmed Facility Management:

- supplies the actual services; or
- subcontracts the delivery of services to other parties.

1.22 Services to be delivered include:

- building management (reactive/planned as well as lifecycle replacement);
- help desk support;
- utilities management;
- recording and transcription services;
- cleaning;
- security (excluding custodial);
- waste management and disposal; and
- grounds maintenance.

1.23 How the services will be delivered is set out in Services Phase Plans that are expected to be updated annually.

1.24 Further information on the ACT Law Courts Project and the Agreement with Juris is outlined in the *Law Courts of the Australian Capital Territory – Contract Summary* (June 2016).[10]

Risk allocation

1.25 The allocation of risk through the PPP seeks to achieve best value for money by allocating risks to the party best able to manage them. This process results in various risks being:

- retained by the Territory;
- transferred to the private sector; and/or
- shared between the parties.

[10] https://www.treasury.act.gov.au/__data/assets/pdf_file/0008/873602/Law_Courts_Contract_Summary-June-2016.pdf (accessed 29 November 2024).

1.26 The Project Agreement and associated documents establish the obligations of each party in managing these risks. Table 1-1 provides a high-level outline of the operational risk allocation for the PPP.

Table 1-1 Operational risk allocation

Risk Category	Description	Territory	Juris
Fit for purpose (operating)	Risk that the New Facility is not able to deliver the Services and/or is not fit for purpose at the required levels		X
Operational costs (non-reviewable services and facilities management)	Risk that operational costs exceed Juris Partnership's budgeted cost over the operating phase of the Project		X
Operational costs (reviewable services)	Risk that operational costs exceed budgeted cost over the operating phase of the Project	X	X
Lifecycle costs	Risks associated with the replacement and refurbishment of the Courts Facility over the operating phase of the Project		X
Utility price risk	Risk of change in the price of the utilities	X	
Utility volume risk	The volume of energy demand	X	X

Source: *Law Courts of the Australian Capital Territory – Contract Summary* (June 2016).

Territory roles and responsibilities

ACT Courts and Tribunal

1.27 ACT Courts and Tribunal (ACTCT), within the Justice and Community Safety Directorate (JACS), is responsible for supporting:

> … the proper administration of justice by providing high quality support to judicial officers and tribunal members, and high quality services to those using the courts and tribunal. ACTCT contributes to the Justice and Community Safety Directorate's vision of a safe, just, and resilient community through providing equity of access to justice to the ACT community.[11]

1.28 ACTCT is responsible for the administration of the Agreement with Juris.

[11] *ACT Courts and Tribunal 2023-24 Business Plan*.

Audit objective and scope

Audit objective

1.29 The objective of this audit was to assess the effectiveness of the Justice and Community Safety Directorate's (JACS) management of the facilities management and support services component of the ACT Courts Public Private Partnership.

Audit scope

1.30 The audit focused on the activities of JACS to manage the facilities management and support services component of the Agreement with Juris Partnership. The activities of the Juris Partnership were considered to the extent that they relate to services provided to the Territory under the Agreement.

1.31 The audit considered the governance arrangements to manage the Agreement and ensure the effective delivery of services and outcomes. In doing so, the audit considered whether:

- the facilities management and support services had been clearly articulated in the Agreement;
- roles and responsibilities for the management of the Agreement were adequately documented; and
- policies and procedures had been established to guide the management of the Agreement.

1.32 The audit also considered the arrangements put in place by JACS to ensure the quality, timeliness, and effectiveness of the services to be delivered, namely:

- assurance arrangements; and
- the performance management system.

1.33 In considering the assurance arrangements that had been implemented to ensure quality, timely and effective services are provided by Juris, the audit considered whether JACS:

- had implemented arrangements to enable the monitoring of services as planned;
- had implemented a system to enable the assessment of the quality and timeliness of the services delivered; and
- effectively monitored the costs of the delivered services.

1.34 In considering the performance management system that had been implemented to ensure quality, timely and effective services are provided by Juris, the audit considered whether:

- Key Performance Indicators had been developed to track the performance of the contractor in delivering services and support; and
- JACS effectively reports on, and manages, performance.

Out of scope

1.35 The audit did not consider:

- the components of the PPP Agreement that did not relate to the provision of maintenance services and supports;
- any contracts with other providers that related to the:
  - maintenance or upgrades of Courts Facilities; or
  - services provided to the Courts.

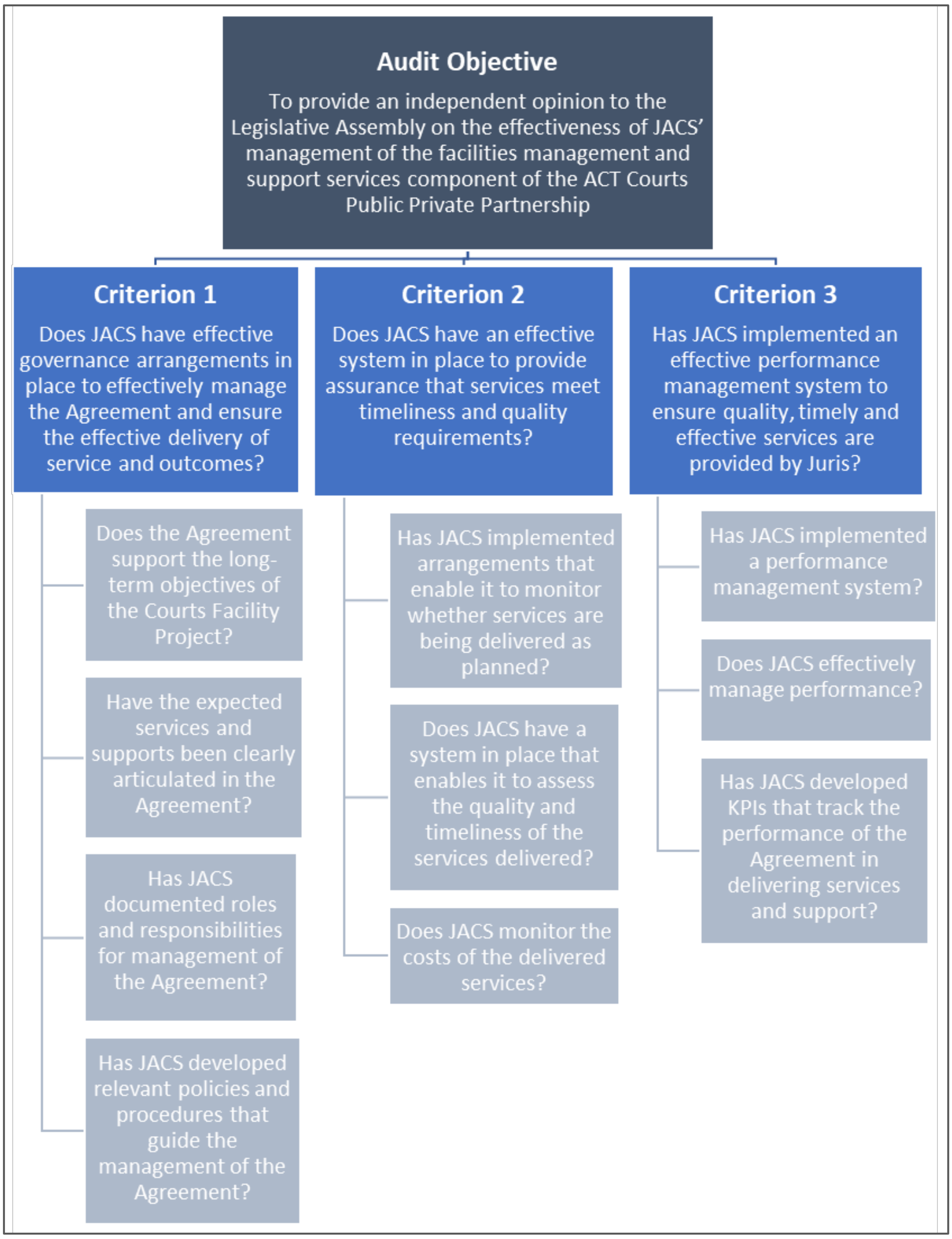
1.36 Also out of scope was consideration of the development of the Agreement.

Audit criteria, approach and method

Audit criteria

1.37 To form a conclusion against the objective, three criteria were used. These are shown in Figure 1-1.

Figure 1-1 Audit objective and criteria



Source: ACT Audit Office.

Audit approach and method

1.38 The audit approach and method consisted of:

- interviews and discussions with key ACTCT staff and representatives from Juris;
- identifying and reviewing relevant information and documentation, including the governance and accountability framework and related policies and procedures;
- identifying and documenting controls and procedures used to give effect to the policies and guidelines to ensure compliance;
- examination and analysis of cost and performance data held by ACTCT;

- sample testing of a range of documentation provided by PFM to ACTCT that supported service delivery;
- reviewing governance records relating to management of the Agreement; and
- reviewing other audit reports and reviews undertaken relevant to the audit topic .

1.39 The audit was performed in accordance with *ASAE 3500 – Performance Engagements.* The audit adopted the policy and practice statements outlined in the Audit Office's *Performance Audit Methods and Practices* (PAMPr) which is designed to comply with the requirements of the *Auditor-General Act 1996* and *ASAE 3500 – Performance Engagements*

1.40 In the conduct of this performance audit the ACT Audit Office complied with the independence and other relevant ethical requirements related to assurance engagements.

2 Governance

2.1 This chapter discusses governance arrangements for the management and oversight of the Services Phase of the Agreement.

Summary

Conclusions

ACTCT has developed a range of governance arrangements for the management of the Agreement with Juris, and the oversight of services to be delivered by Programmed. A key feature of these arrangements are two governance groups: the Senior Representatives Group and the Project Control Group. These groups have not provided effective oversight of the delivery of facilities management and maintenance services during the Services Phase of the Partnership.

The Senior Representatives Group has not met regularly and although the Project Control Group has operated effectively in its day-to-day oversight of the Agreement, there is a lack of clarity with respect to how its intended support of the Senior Representative Group should occur.

Key findings

Planned governance arrangements	Paragraph
In October 2020, ACTCT developed a *Services Phase Governance Plan* (the Governance Plan), which identified planned governance arrangements to support the implementation of the Agreement. The Governance Plan was marked as draft, however ACTCT asserted that it had been validly approved and that the failure to acknowledge the Plan as final and approved was an oversight. The Governance Plan identifies ACTCT as having primary responsibility for the management of the Agreement with Juris and that ACT Treasury will be 'responsible for undertaking the technical analysis in relation to significant whole-of-life transactions with Juris' (i.e. significant changes to the terms and conditions of the Agreement.	2.13
Governance committees and groups	
A Senior Representatives Group has been established in accordance with the requirements of the Agreement. However, the Group has only met twice during the Services Phase; in October 2023 and May 2024. The October 2023 meeting was more than three years after the completion of the Design and Construction Phase. Neither the Agreement nor the Terms of Reference define the required frequency of meetings or provide a schedule of expected meetings. The delay in meeting during the Services Phase, and the infrequency of meetings, means that the Group is not	2.34

effectively fulfilling its role and ensuring adequate oversight of matters related to the delivery of services under the Agreement for the Courts Facility's operations.

Although it is apparent that the Senior Representatives Group has reviewed the progress of services under the Agreement and the Services Phase Annual Report, a review of meeting minutes does not provide assurance that the Group adequately discussed the performance of the services. 2.35

A Project Control Group has been established in accordance with the requirement of the Agreement. The Group met monthly between January 2021 and September 2023. Attendance at the meetings was in accordance with the Terms of Reference and included the Territory Contract Manager (in lieu of the Territory Representative), a representative for the Juris Partnership, a representative from Programmed and other members of ACTCT. A review of meeting minutes of the Project Control Group from July 2022 to June 2023 shows that: meetings were attended by the appropriate parties; the standing agenda, and topics discussed, adhered to the Terms of Reference; and an action tracker was maintained and updated monthly. 2.51

The Governance Plan states that the Project Control Group supports the Senior Representatives Group. However, there is no information in the Plan, or the Terms of Reference for either group, that describes how this should occur. To make the relationship between the two groups clear, consideration should be given to establishing a formal communication process between the two governance bodies. The meeting minutes of the Senior Representative Group's meeting in October 2023 did not include: 2.52

- any reporting from the Project Control Group; or
- information provided to it by the Project Control Group.

Territory roles and responsibilities

Territory roles and responsibilities for the management of the Agreement with Juris are well documented and understood. This includes the role of the Territory Representative, explicitly required by the Agreement, which is fulfilled by the CEO of ACTCT, and the Territory Contract Manager, which is fulfilled by the Senior Director, Property and Contracts). The ACTCT Property and Contracts Team assists with the ongoing management of the Agreement through a team of Senior Property and Contracts Officers. 2.72

Risk management

Current ACTCT risk management arrangements can be improved to ensure that operational risks have been appropriately identified, assessed, allocated and mitigated. Specific consideration should be given to the risk of default by the supplier and the maintenance of sufficient PPP management expertise within ACTCT. 2.85

Planned governance arrangements

Governance Plan

2.2 In October 2020, ACTCT developed a *Services Phase Governance Plan* (Governance Plan) that identified planned governance arrangements to support the implementation of the Agreement.

2.3 The purpose of the Governance Plan is to establish a framework to ensure that the Territory:

- efficiently monitors Juris' delivery of its contracted scope of services during the Services Phase (i.e. provision of the contracted Service and Quality requirements);
- efficiently utilises the Agreement to ensure the continued delivery of the Courts' operational requirements;
- fulfils its various responsibilities to Juris under the Agreement; and
- fulfils its accountability requirements to the ACT government and the public.

2.4 The Governance Plan provides guidance on:

- governance and administrative arrangements for the Services Phase of the Agreement;
- roles and responsibilities for the Services Phase of the Agreement, with a focus on Territory roles and responsibilities;
- governance committees and groups;
- contract management arrangements, including monitoring of service delivery and quality assurance processes; and
- payment management arrangements, including abatement arrangements.

Timeliness of the Governance Plan

2.5 A June 2023 review of the governance arrangements associated with the Courts PPP by McGrath Nicol (*ACT Law Courts Public Private Partnership Arrangement – Review of existing governance arrangements – Final report*) identified shortcomings with the Governance Plan, including that it:

> … has not been revised and updated since it was initially developed in October 2020. McGrathNicol observed that it still refers to the Design and Construct (D&C) Phase of the PPP, and arrangements that do not occur in practice. Furthermore, there are processes and requirements detailed within the Plan that conflict with processes as documented within the Property and Contract's PPP Standard Operating Procedures (SOP) Manual.

2.6 The version of the Governance Plan that was reviewed by the Audit Office had been updated to reflect that it relates to the Services Phase. However, the Governance Plan was marked as draft. ACTCT asserted that the Governance Plan had been validly approved and that the failure to acknowledge the Plan as final and approved was an oversight.

Management functions during the Services Phase of the Agreement

2.7 The Governance Plan identifies the Territory's key management responsibilities associated with the Services Phase:

- general administration of the Agreement;
- review and approval of Services Phase Plans;
- monitoring the delivery of the Services and ensuring that the required performance standards are met;
- ensuring that abatements are calculated in accordance with the Agreement and reflected accordingly in the Monthly Service Payment (MSP) invoices;
- ensuring that Variable Service Fees are correctly calculated in accordance with the Agreement and reflected accordingly in the MSP invoices;
- processing the MSP claims and ensuring that valid invoices are paid on time;
- processing claims and variations in accordance with the provisions of the Agreement; and
- ensuring the Territory's interests are protected during key transaction events such as Refinancing, Change in Control, repricing Reviewable Services, etc.

Territory PPP responsibilities

2.8 The Governance Plan states:

> During the Services Phase, the Territory's key PPP responsibilities fall under two broad categories:
>
> - Overarching PPP Contract Management; and
> - Whole-of-Life Transactions.

Overarching PPP Contract management

2.9 The Governance Plan states 'the relevant Directorate, and its relevant business area, will be responsible for overseeing the day-to-day contractual responsibilities with PPP Co'. The Governance Plan goes on to acknowledge ACTCT:

> … will fulfil this contract management role on behalf of the Territory. Such an arrangement is also consistent with the Courts' responsibility for maintaining jurisdictional control of the buildings and the Courts' overall operations.

2.10 Section 6 of the Governance Plan provides further detail on the contract management responsibilities of ACTCT in relation to:

- service and quality monitoring;
- the management of minor works commissioning and approval;
- processing of Monthly Service Payments to Juris;
- representation on various 'user groups' associated with the Courts facility;
- the management of modifications to the Agreement, classified as major and minor (but separate to minor works);
- the management of disputes, classified as major and minor; and
- Ministerial and corporate reporting.

Whole-of-Life Transactions

2.11 The Governance Plan states:

> … during the Services Phase the ACT Treasury (specifically, Infrastructure Finance and Capital Works - IFCW) will be responsible for undertaking the technical analysis in relation to significant whole-of-life transactions with Juris.

2.12 The Governance Plan notes that this technical role 'will be used to support the Courts and JACS in considering various whole-of-life transactions' such as:

- Juris re-financing;
- debt/equity assignment and change of control;
- major contract augmentations and modifications;
- change of major sub-contractors;
- Major Default; and
- Territory termination of the Agreement and/or step-in.

2.13 In October 2020, ACTCT developed a *Services Phase Governance Plan* (the Governance Plan), which identified planned governance arrangements to support the implementation of the Agreement. The Governance Plan was marked as draft, however ACTCT asserted that it had been validly approved and that the failure to acknowledge the Plan as final and approved was an oversight. The Governance Plan identifies ACTCT as having primary responsibility for the management of the Agreement with Juris and that ACT Treasury will be 'responsible for undertaking the technical analysis in relation to significant whole-of-life transactions with Juris' (i.e. significant changes to the terms and conditions of the Agreement.

Governance committees and groups

2.14 The Agreement requires the establishment of a series of governance committees and groups, including:

- Senior Representatives Group (SRG); and
- Project Control Group (PCG).

Senior Representatives Group

PPP Agreement

2.15 Clause 7.5 of the Agreement requires the establishment of a Senior Representatives Group. Clause 7.5(a) outlines requirements for the composition of the Group. Clause 7.5(b) provides for the functions of the Group:

> The functions of the Senior Representatives Group will be to:
>
> (i) review the progress of the Project and the performance of the Services and the Interim Services;
>
> (ii) consider and suggest possible innovations that can be introduced to the Project;
>
> (iii) review the Monthly Works Reports, and Monthly Performance Reports (as applicable);
>
> (iv) at the end of the D&C Phase and during the Services Phase, consider and strategically plan for the operation of the Courts Facility in the following year; and
>
> (v) discuss and address such other matters as the members of the Senior Representatives Group may agree from time to time in connection with the Project.

2.16 The Governance Plan describes the Senior Representatives Group (SRG) as being responsible for reviewing 'the performance of Juris' delivery of the relevant Service and Quality requirements'.

2.17 Terms of Reference (ToR) for the Senior Representatives Group were included as an attachment to the Governance Plan. The development of Terms of Reference for the governance groups was a key recommendation arising from the *ACT Law Courts Public Private Partnership Arrangement – Review of existing governance arrangements – Final report* from McGrathNicol.

Planned arrangements for the Senior Representatives Group

2.18 The Terms of Reference identify the authority of the Senior Representatives Group as follows:

> The Service Phase SRG will oversee matters related to the delivery of the Services and provide a first point of mediation for any disputes or other like matters that cannot be resolved through normal contract management procedures.

Roles and responsibilities

2.19 Under the Terms of Reference, the broad roles and responsibilities of the Senior Representatives Group include but are not limited to the following:

- review the progress/performance of the Project and the performance of the Services;
- consider and suggest possible innovations that can be introduced to the Project;
- consider and strategically plan for the operation of the Courts Facility in the following year;
- receive and review the Service Phase Annual Report;
- assist in the resolution of any matters referred to the Senior Representatives Group by a party including Disputes in accordance with clause 40;
- discuss and address such other matters as the members of the Senior Representatives Group may agree from time to time in connection with the Project.

Composition

2.20 The Terms of Reference state that the Senior Representatives Group should consist of the following members:

- a director of Project Co;
- a senior representative of the Financiers;
- a senior representative of the Services Subcontractor;
- a senior representative of the Equity Investors;
- the Territory Representative;
- the Project Co Representative;
- senior representatives from the Territory;
- any other person the Territory nominates from time to time; and
- any other person the parties agree is appropriate.

2.21 The composition of the members of the Senior Representatives Group is identical to that outlined in Clause 7.5(a) of the Agreement, except the Agreement requirement for 'a senior representative of the D&C Subcontractor during the D&C Phase (who must be a director of the D&C Subcontractor)' has been removed. Such a requirement is no longer relevant during the Services Phase.

Frequency of meetings

2.22 No specific schedule of meetings has been included in either the Agreement or the Terms of Reference for the Senior Representatives Group during the Services Phase. During the Design and Construction Phase the Group was to meet at least quarterly. The Terms of Reference state:

> The Service Phase SRG will meet as called to meet by no less than 10 Business Days' notice by the Territory Representative or the Project Co Representative.
>
> The Services Phase SRG must conduct its meetings in the manner agreed from time to time between the Territory Representative and the Project Co Representative.

Decision making

2.23 The Terms of Reference state:

> The SRG is advisory only and decisions or recommendations are not binding on the parties. The SRG does not have any legal responsibilities, liability, or power to require any of the parties to act or refrain from acting in any way beyond the inherent powers of the individual group members to agree.

Effectiveness of the Senior Representatives Group

2.24 The Senior Representatives Group held its first meeting in October 2023. This was more than three years after the completion of the Design and Construction Phase. A second meeting was held in May 2024. The Senior Director, Property and Contracts advised:

> In the Services Phase, the Territory and Project Co agreed to hold the SRG meetings on a "when called by either party" basis instead of quarterly to reduce the confusion that may have been caused by remaining Governance activities that were still occurring around the D&C phase activities still underway at the time under the Defects and Commercial Acceptance Carry Over Items List…
>
> When the Territory felt that the risk of any further confusion no longer existed, we wrote to Juris requesting the meetings to be commenced as a priority.
>
> The first meeting was then scheduled for 18 October 2023.

2.25 In response to the draft proposed report JACS and Juris advised that the Senior Representatives Group did not meet until October 2023 because the Design and Construction Phase ran longer than originally planned (to February 2020) and the Executive Steering Committee, which was the relevant governance group at the time, continued to meet to resolve issues arising from the Design and Construction Phase. The Executive Steering Committee continued to meet through to February 2022 to resolve these issues. JACS advised 'to avoid confusion between the two governing bodies which had similar membership, it was agreed by the Territory Representative to delay forming the [Senior Representatives Group] whilst the [Executive Steering Committee] continued to meet'.

2.26 While there was a deliberate decision, made by both parties, to delay Senior Representatives Group meetings until defects arising from the Design and Construction Phase were rectified, a review of the minutes of Executive Steering Committee between February 2022 and November 2021 shows that no service delivery issues were discussed. It is also noted that the last Executive Steering Committee meeting was held in February 2022 and it was 18 months later, in October 2023, that the Senior Representatives Group met for the first time.

Conduct of meetings

2.27 Attendance at the two Senior Representatives Group meetings was in accordance with the arrangements set out in the Terms of Reference and included (amongst others):

- the CEO ACTCT (as the Territory Representative);
- the Project Co representative;
- the Contract Manager for Programmed; and
- several senior officers from ACTCT and other Territory agencies.

2.28 The meeting minutes show that the following topics were discussed during the hour-long meeting:

- the *2022 Services Phase Annual Report*. It was noted that in the future, the Senior Representatives Group would discuss this report closer to its delivery in January each year;
- a proposed change in ownership that could potentially see a change in the management of the Juris Partnership;
- outstanding design and construction issues; and
- Services Phase issues.

2.29 Service Phase issues that were discussed included:

- timeliness of transcription services;
- delivery of the asset management and emergency management and disaster recovery plans; and
- access to the security systems.

Fulfillment of responsibilities

2.30 According to its Terms of Reference, a responsibility of the Senior Representatives Group is to 'review the progress/performance of the Project and the performance of the Services'.

2.31 The *2022 Service Phase Annual Report* was included in the October 2023 meeting agenda for discussion. The Report was 242 pages long. A review of the meeting minutes did not provide evidence that a detailed review of this report had occurred during the hour-long meeting.

2.32 Another responsibility of the Senior Representatives Group is to 'consider and strategically plan for the operation of the Courts Facility in the following year'. A review of the minutes of the two meetings of the Senior Representatives Group shows there were discussions around issues such as:

- asset management planning;
- audio visual upgrades; and
- the future use of artificial intelligence in recording and transcription.

2.33 In response to the draft proposed report JACS advised:

> Membership of the [Senior Representatives Group] includes financiers, equity partners and ACT Treasury. The ability for the [Senior Representatives Group] to discuss strategic planning at deeper levels than captured in the minutes is limited and would not provide improved oversight. The key [Senior Representatives Group] members of the Territory representative, Juris representative and PFM representative frequently engage at a deeper level on strategic issues that have significant risk or impact on court operations.

2.34 A Senior Representatives Group has been established in accordance with the requirements of the Agreement. However, the Group has only met twice during the Services Phase; in October 2023 and May 2024. The October 2023 meeting was more than three years after the completion of the Design and Construction Phase. Neither the Agreement nor the Terms of Reference define the required frequency of meetings or provide a schedule of expected meetings. The delay in meeting during the Services Phase, and the infrequency of meetings, means that the Group is not effectively fulfilling its role and ensuring adequate oversight of matters related to the delivery of services under the Agreement for the Courts Facility's operations.

2.35 Although it is apparent that the Senior Representatives Group has reviewed the progress of services under the Agreement and the Services Phase Annual Report, a review of meeting minutes does not provide assurance that the Group adequately discussed the performance of the services.

Recommendation 1 **Senior Representatives Group Terms of Reference**

ACTCT, in conjunction with ACT Treasury and Juris, should:

a) review and confirm the role and responsibilities of the Senior Representatives Group; and

b) update its Terms of Reference to establish a regular meeting frequency that enables it to fulfill its role and responsibilities.

Project Control Group

2.36 The Senior Representatives Group is supported by the Project Control Group (PCG).

PPP Agreement

2.37 Clause 7.6 of the Agreement requires the establishment of a Project Control Group. Clause 7.6(a) outlines requirements for the composition of the Group. Clause 7.6(b) provides for the functions of the Group:

> The functions of the Project Control Group will be to:
>
> (i) monitor the overall progress of the Project Activities and compliance with this Agreement;
>
> (ii) (ii) assist in the resolution of any matters referred to the Project Control Group by a party including Disputes in accordance with clause 40;
>
> (iii) (iii) review all reports and plans provided by Project Co, its Subcontractors and the Independent Reviewer during the Term; and
>
> (iv) (iv) discuss and address such other matters as the members of the Project Control Group may agree from time to time in connection with the Project

2.38 Terms of Reference (ToR) for the Project Control Group were included as an attachment to the Governance Plan.

Planned arrangements for the Project Control Group

2.39 The Terms of Reference identify the authority of the Project Control Group as follows:

> The Service Phase Project Control Group (the PCG) will monitor over all matters related to the delivery of the Services.

Roles and responsibilities

2.40 Under the Terms of Reference, the broad roles and responsibilities of the Project Control Group include but are not limited to the following:

- monitor the overall progress of the Project Activities and compliance with this Agreement;
- assist in the resolution of any matters referred to the PCG by a party including Disputes;
- review all reports and plans provided by Project Co, its Subcontractors, and the Independent Reviewer during the Term; and
- discuss and address such other matters as the members of the PCG may agree from time to time in connection with the Project.

Composition

2.41 The Terms of Reference state that the Project Control Group should consist of the following members:

- the Territory Representative or Territory Contract Manager (or both);
- the Project Co Representative;
- a senior representative of the Services Subcontractor;
- any other person the Territory nominates from time to time; and
- any other person the parties agree is appropriate.

2.42 The composition of the members of the Project Control Group generally meets the requirement of Clause 7.6(a) of the Agreement but allows for the attendance of the Territory Contract Manager in lieu of the Territory Representatives (as specifically required by the Agreement).

Frequency of meetings

2.43 According to the Terms of Reference:

> The Service Phase PCG will meet with sufficient frequency to address relevant matters in a timely manner.
>
> The Services Phase PCG must meet Quarterly (or as otherwise agreed by the Territory Representative and the Project Co Representative); or when otherwise called to meet on 10 Business Days' notice by the Territory Representative or the Project Co Representative (or on such other notice as otherwise agreed by them).
>
> The Services Phase PCG must conduct its meetings in the manner agreed from time to time between the Territory Representative and the Project Co Representative.

Decision making

2.44 The Terms of Reference state:

> The Project Control Group is advisory only and decisions or recommendations are not binding on the parties. The PCG does not have any legal responsibilities, liability or power to require any of the parties to act or refrain from acting in any way.
>
> The parties' involvement in the Project Control Group and Senior Representative Group does not affect their respective rights and obligations under this Agreement.

Effectiveness of the Project Control Group

2.45 The Project Control Group met monthly between January 2021 and September 2023. Attendance at the meetings was in accordance with the Terms of Reference and included the Territory Contract Manager (in lieu of the Territory Representative), a representative for the Juris Partnership, a representative from Programmed and other members of ACTCT.

Matters considered by the PCG

2.46 The standing agenda for meetings included:

- Monthly Performance Report;
- abatements;
- Monthly Service Payment;
- reportable completion of works;
- outstanding projects and works;
- modifications;
- workplace health and safety;
- planned maintenance tasks or works; and
- emerging risks.

2.47 A review of meeting minutes of the Project Control Group from July 2022 to June 2023 shows that:

- meetings were attended by the appropriate parties;
- the standing agenda, and topics discussed, adhered to the Terms of Reference;
- an action tracker was maintained and updated monthly; and
- a modifications progress list was updated monthly.

2.48 Meeting minutes also provided evidence that issues such as excessive costs and lifecycle replacement were raised and discussed. However, the outcomes of these discussions were not recorded. While the meeting minutes included basic necessary information, they lacked detail including sufficient description of the issues that were discussed and the outcomes of the discussion.

Support for the Senior Representatives Group

2.49 The Governance Plan states that the Project Control Group is expected to support the Senior Representatives Group. However, there is no information in the Plan, or either group's Terms of Reference, that describe how this should occur. To make the relationship between the two groups clear, consideration should be given to establishing a formal communication process between the two governance bodies that would allow for effective communication of information.

2.50 The minutes of the Senior Representative Group's meeting in October 2023 did not include:

- any reporting from the Project Control Group; or
- information provided to it by the Project Control Group.

2.51 A Project Control Group has been established in accordance with the requirement of the Agreement. The Group met monthly between January 2021 and September 2023. Attendance at the meetings was in accordance with the Terms of Reference and included the Territory Contract Manager (in lieu of the Territory Representative), a representative for the Juris Partnership, a representative from Programmed and other members of ACTCT. A review of meeting minutes of the Project Control Group from July 2022 to June 2023 shows that: meetings were attended by the appropriate parties; the standing agenda, and topics discussed, adhered to the Terms of Reference; and an action tracker was maintained and updated monthly.

2.52 The Governance Plan states that the Project Control Group supports the Senior Representatives Group. However, there is no information in the Plan, or the Terms of Reference for either group, that describes how this should occur. To make the relationship between the two groups clear, consideration should be given to establishing a formal communication process between the two governance bodies. The meeting minutes of the Senior Representative Group's meeting in October 2023 did not include:

- any reporting from the Project Control Group; or
- information provided to it by the Project Control Group.

Recommendation 2 — Project Control Group Terms of Reference

ACTCT should review and update the Terms of Reference of the Project Control Group to clarify its communication and reporting responsibilities, including with respect to the Senior Representatives Group.

Territory roles and responsibilities

Territory Representative

2.53 Clause 7.2(a) of the Agreement states:

> The Territory will ensure that at all times throughout the Term there is a natural person appointed by it as the Territory Representative for the Project.

2.54 Clause 7.2(c) of the Agreement further states:

> The Territory Representative will administer this Agreement on behalf of the Territory and:
>
> (i) will exercise all rights and powers, authority and functions of the Territory Representative under this Agreement; and
>
> (ii) may exercise all rights and powers, authority and functions of the Territory under this Agreement.

2.55 The CEO of ACTCT fulfills this role. The Territory Representative is supported by:

- the Territory Contract Manager; and
- the Property and Contracts Team within ACTCT.

Property and Contracts Team

2.56 The Property and Contracts Team (the Team) supports the Territory Representative, in their administration of the Agreement, through the provision of facility management, contract management and procurement support.

2.57 The Property and Contracts Team is primarily responsible for:

- managing the Agreement;
- providing strategic infrastructure, procurement, and contract management support to the Executive for all services across ACTCT;
- managing specialised capital works requirements of the organisation; and
- ICT asset management and fleet services.

2.58 The following roles carry out the primary responsibilities of the Team:

- the Territory Contract Manager;
- various property and contracts officers including:
  - the Director, Property and Contracts; and
  - two Senior Property and Contracts Officers.

Territory Contract Manager

2.59 The Territory Contract Manager plays a critical role in the relationship with Programmed and the daily operations of the Courts Facility. The Territory Contract Manager role is performed by the Senior Director, Property and Contracts.

2.60 The Territory Contract Manager is directly responsible for liaising with Programmed to enforce the provision of the Project Agreement and minimum service delivery and quality requirements. The role is also the Territory's primary source of subject matter expertise in relation to the Agreement.

2.61 The Territory Contract Manager has the following delegation and authorisation:

- delegation to commit to the works manage the Territory's Minor Works budget on an annual basis Minor Works include items such as the installation of white boards into existing rooms within the Courts building, etc.
- granting Extended Rectification Requests or raising these to the attention of the Territory Representative when required;
- authorisation to liaise with PFM on all operational matters within the contract, and either seek agreement or raise these issues to the awareness of the Territory Representative as appropriate. On a monthly basis, as part of validating the Monthly Service Report and then eventually seeking delegate approval to pay the Juris Monthly Service Payments, the Territory Contract Manager will brief the delegate on any issues relevant to the payment claim.

2.62 The Territory Contract Manager is also responsible for:

> … providing budgetary and accrual information to the Courts and JACS finance teams, in regard to the Monthly Service Payments. For example:
>
> - an accurate forecast of the fixed costs should be provided on an annual basis (e.g. capital repayment, insurance, Minor Works, Lifecycle Replacement Costs); and
> - an indicative forecast of the variable costs should be provided on an annual basis (e.g. cost of Transcription & Recording services), with accruals provided on a monthly basis - based on the content in Juris' Monthly Services Report.

2.63 The Territory Contract Manager attends both the Senior Representatives Group and Project Control Group meetings as required by their respective TOR.

2.64 In addition, the Territory Contract Manager:

- manages the Territory's Minor Works budget;
- grants Extended Rectification Requests or raised these to the attention of the Territory Representative when required;
- briefs the delegate on any issues relevant to the payment claim; and

- provides budgetary and accrual information to the Courts and JACS finance teams, in regards to the Monthly Service Payments.

Property and Contracts Officers

2.65 Property and Contracts Officers provide support to the Territory Contract Manager and Territory Representative in the management of the Agreement.

Director, Property and Contracts

2.66 The Director, Property and Contracts works to the Senior Director, Property and Contracts to lead the Property and Contracts Team and support the delivery of facilities and support services to ACTCT.

2.67 The position oversees the day-to-day administration of the contractual arrangements. Through these activities, the Director, Property and Contracts provides direction and expertise in a range of operational aspects including courtroom technologies, security, asset management, specialist equipment maintenance and soft services.

Senior Property and Contract Officers

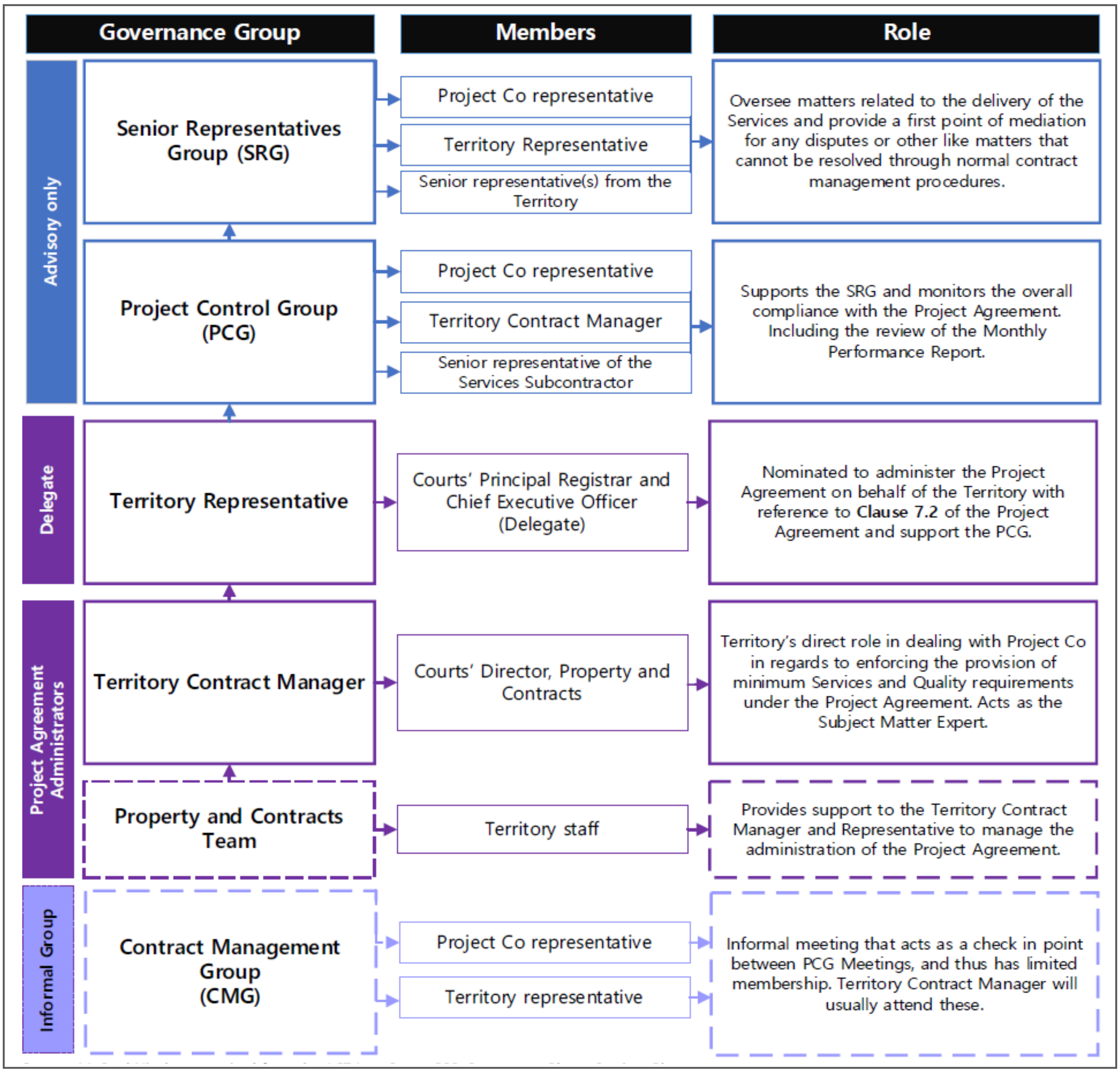
2.68 Senior Property and Contracts Officers support the administration of the Agreement and delivery of property services, contract management and service delivery for ACTCT. These roles are also responsible for providing procurement and contract management expertise to the rest of the organisation and supporting the management of ACAT's facilities and premises.

2.69 Property and Contracts Officers support administration of the day-to-day governance and service arrangements for ACTCT sites. The positions also support other operational needs such as ICT Asset coordination for the organisation and supporting delivery of capital works and Courtroom Technology improvement projects.

2.70 The June 2023 report (*ACT Law Courts Public Private Partnership Arrangement – Review of existing governance arrangements – Final report*) McGrathNicol recognised feedback from ACTCT that 'resources were limited prior to the Property and Contracts team being increased to a team of four staff … with support from the ACTCT Financial team'.

2.71 Figure 2-1 shows a summary of the role and responsibilities of the Territory's representatives and the governance committees.

Figure 2-1 Detailed summary of Governance structures for the PPP



Source: McGrathNicol, *ACT Law Courts Public Private Partnership Arrangement – Review of existing governance arrangements – Final* report.

2.72 Territory roles and responsibilities for the management of the Agreement with Juris are well documented and understood. This includes the role of the Territory Representative, explicitly required by the Agreement, which is fulfilled by the CEO of ACTCT, and the Territory Contract Manager, which is fulfilled by the Senior Director, Property and Contracts). The ACTCT Property and Contracts Team assists with the ongoing management of the Agreement through a team of Senior Property and Contracts Officers.

Risk management

2.73 ACTCT, on behalf of the Territory, is responsible for identifying and managing risks related to the management of the Agreement.

2.74 In 2023, ACTCT engaged McGrathNicol to conduct a review of the existing governance arrangements related to the contract administration and provide recommendations for continuous improvement.

2.75 In its June 2023 report (*ACT Law Courts Public Private Partnership Arrangement – Review of existing governance arrangements – Final report*) McGrathNicol observed that 'the existing risk management arrangements require strengthening':

> Given the significance of the arrangement being central to the operation of the courts, the ACTCT have incorporated the risks associated with the PPP from the Territory's perspective to the broader strategic risks as documented within the Final ACTCT - Risk Register 2022 …
>
> … not all risks associated with the PPP have been effectively considered. For example, there is no mention of the financial or fraud risks associated with the arrangement. Furthermore, there was no evidence of the risks being effectively monitored and evaluated on a periodic basis.
>
> … ACTCT's risk management approach in respect of the Services Phase of the PPP is not documented clearly within existing governance material.

2.76 The June 2023 McGrathNicol report also observed that:

> … the ACTCT has not formally documented its own risks associated with the PPP arrangement at the operational level. Further, potential fraud risks associated with the arrangement have not been effectively considered. As a result, risk mitigation strategies and controls have not been established or documented.

2.77 In addition, the June 2023 McGrathNicol report found that:

> The ACTCT does not document how identified risks or issues have been resolved to effectively capture its lessons learnt.
>
> … there is no formal process or documentation to capture how identified issues have been resolved during the Services Phase of the PPP. As a result, the respective lessons learnt are not being captured.

2.78 The June 2023 McGrathNicol report noted that, in response to the findings about the risk management arrangements:

> McGrathNicol was advised that the ACTCT People and Governance team are currently working on revising the broader ACTCT's risk management approach. This involves engaging an additional resource to assist in strengthening and developing the risk and compliance function within the ACTCT.
>
> This will include consideration of the Territory's risks that are associated with the PPP arrangement at the strategic enterprise level. The Territory advised that they are still in the planning stages for this and do not have a clear view on what this will look like at this stage.

2.79 In relation to current risk management arrangements, ACTCT advised that 'the risk of fraud is minimised by teams following the change process outlined in the PPP project agreement and schedule 24' and that 'the risk assessment is currently in draft and will be included in the governance plan that's due to be finalised by [the end of June 2024]'.

2.80 In response to the draft proposed report ACTCT advised:

> The PPP contract risk is managed under the JACS Risk Framework which includes:
>
> - JACS Policy and procedures
> - ACTCT Enterprise Risk Register
> - ACTCT Fraud and Corruption Risk Assessment
> - WHS Risk Register
>
> … This was an intentional decision as the contract related risks impact the entirety of the sites and operations of ACTCT and so it was determined they would be most effectively managed at the enterprise level through existing frameworks already designed for contracting. Unique risks to PPP are called out in the risk register.
>
> From an operational risk perspective, the PPP contract approach allocates operational risk to Juris. Juris identifies, assesses and manages risks and provides us with their plans and reporting. For example, the WHS Management Plan is a key item within the Service Phase Management Plans we receive annually…
>
> ACTCT acknowledge the PPP Governance Plan could better articulate our risk management approach for the PPP.

2.81 A review of the ACTCT Enterprise Risk Register of May 2024 identified that some risks relating to the management of the PPP contract had been identified with directive, corrective and preventative risk mitigation strategies allocated to various senior officers. These included:

- failure of critical IT systems;
- unavailability of crucial physical infrastructure;
- overdependence on contractors;
- failure to maintain a safe working environment; and
- inadequate management of resources and/or assets.

2.82 Two key risks that have not been identified and addressed in the ACTCT Enterprise Risk Register are:

- the risk of default (i.e. that Juris is no longer able to provide the services); and
- the maintenance of sufficient PPP management expertise by the Territory (i.e. the Territory needs to be able to understand the PPP arrangements, to carry out its own obligations under the PPP agreement and to monitor the performance of Juris and enforce its obligations).

2.83 There is merit in ensuring these risks are explicitly considered and reflected in the Risk Register going forward.

2.84 The ACTCT Fraud and Corruption Risk Assessment makes no specific mention of the Agreement but identifies contract management risks such as:

- collusion between staff and contractors;
- bribery; and
- asset misappropriation (i.e. suppliers submitting fictious invoices).

2.85 Current ACTCT risk management arrangements can be improved to ensure that operational risks have been appropriately identified, assessed, allocated and mitigated. Specific consideration should be given to the risk of default by the supplier and the maintenance of sufficient PPP management expertise within ACTCT.

Recommendation 3	Risk management arrangements
ACTCT should improve its risk management framework by ensuring that all operational risks associated with the management of the Agreement have been appropriately identified, assessed, allocated and mitigated.	

3 Performance management

3.1 This chapter discusses ACTCT's activities to manage the performance of Programmed in accordance with the Agreement. The chapter discusses performance monitoring and reporting arrangements and quality assurance processes over the delivery of services.

Summary

Conclusions

The delivery of facilities management, and maintenance services, occurs through the development of annual Services Phase Plans, that outline the:

- activities to be performed in the delivery of the services;
- daily, monthly and annual reporting by Programmed; and
- quality assurance and review processes undertaken by ACTCT.

ACTCT's management and oversight of the delivery of Programmed's services can be improved by more robust quality assurance processes. There is a lack of ACTCT documentation and guidance on these processes and poor documentation on the outcomes of quality assurance activities. When conducting quality assurance processes ACTCT does not refer to, or otherwise reference, the Services Phase Plans and their requirements.

Key findings

Service delivery requirements	Paragraph
Juris' delivery of services during the Services Phase is supported by a series of Services Phase Plans that are prepared by Programmed. The Plans provide information on the: objectives of the Plan and associated services; service delivery process (how the services will be delivered and by whom); performance criteria (setting out what must be done and to what minimum standard it should be done to); and schedule of services (detailing frequency of works). The Plans are not discussed at Project Control Group meetings as part of the review and acceptance process, nor is there a recording of the Territory's approval in the Plans.	3.30
Service and maintenance requests	
Clause 6.1 of *Schedule 7 – Services Specification* of the Agreement requires Juris to provide 'comprehensive Help Desk Services to facilitate the carrying out of the Functions'. The maintenance management system Maximo supports Programmed's Help Desk services. Maximo facilitates the receipt and actioning of service requests	3.37

across all aspects of Courts operations, including cleaning, security and maintenance. All staff within ACTCT can either call or email the Help Desk to request a service. Courts staff are not required to request permission from, or notify, the Property and Contracts Team before submitting a service request.

Maintenance requests may be made by all ACTCT staff through the submission of a service request to Programmed. This may be done via email or phone. Maintenance issues are recorded and tracked by Programmed through Maximo. Once processed by Programmed, ACTCT is notified of the service request details including job type, priority level and estimated timeframe for completion. ACTCT has read-only access to Maximo that allows it to monitor whether service requests have been logged into the system. However, ACTCT does not cross-check completed service requests against orders that have been submitted into the system. 3.45

Managing the Agreement

To guide the management of the Agreement, ACTCT developed the draft *Standard Operating Procedures Manual – Services Phase* (the draft Standard Operating Procedures). The draft Standard Operating Procedures describe how to complete regular and ad hoc processes related to the management of the Agreement. The draft Standard Operating Procedures were only finalised on 30 July 2024, approximately four years after the commencement of the Services Phase. 3.56

Programmed performance reporting

Schedule 24 – Service Phase Plans and Reports Schedule of the Agreement requires Programmed to provide a Daily Report that provides information on: all Security and Safety Incidents; any Service Failures that Programmed has not rectified or remedied; and an automated self-test report to confirm that all AV/VC systems and recording and transcription systems are fully functioning and operating without fault. ACTCT's draft Standard Operating Procedures require each Daily Report to be reviewed once it's available in the portal. Daily Reports are not reviewed by the Property and Contracts Team on a daily basis; the Team advised it reviews and monitors any issues raised through Daily Reports by monitoring service request notifications via email and by conducting daily building walk-throughs. 3.65

Schedule 24 – Service Phase Plans and Reports Schedule of the Agreement requires Programmed to provide a Monthly Report that is 'automatically produced from the Help Desk as a summary level Report'. Between October 2022 and September 2023 all Monthly Reports were provided to ACTCT as required. On average, each Monthly Report was approximately 145 pages and comprised various types of report that provided the detailed information. A review of a selection of Monthly Reports shows that the reports met the requirements specified in *Schedule 24 – Service Phase Plans and Reports Schedule* of the Agreement. The reports provided a sound basis for the oversight of service delivered under the Agreement. 3.74

Schedule 24 – Service Phase Plans and Reports Schedule of the Agreement requires Programmed to provide a Services Phase Annual Report. The Annual Report is expected to provide information on Programmed's activities and performance for 3.82

each service for the previous operating year, as well as information on any proposed changes to the Services or the manner in which the Services are delivered. For the Annual Reports for 2022 and 2023 there was a lack of detail associated with proposed changes to the Services that were flagged in the report. The *2022 Service Phase Annual Report* was included in the Project Control Group's October 2023 meeting agenda for discussion. The Report was 242 pages long. A review of the meeting minutes did not provide evidence that a detailed review of this report had occurred during the hour-long meeting.

ACTCT quality assurance processes

The draft Standard Operating Procedures require ACTCT staff to conduct a daily 'positive walk' of the Courts Facility 'to ensure there are no major issues from a safety and security perspective'. The condition of areas within the Courts Facility that are rarely used are not covered by these daily checks. There is no documentation to guide the conduct of these daily quality assurance checks. ACTCT does not maintain a record of the daily checks that are conducted or the condition of the Courts Facility. 3.87

Senior Property and Contract Officers are required to undertake monthly checks of the Courts Facility's cleanliness. The guidance provided in the *Instruction Sheet for Quality Assurance Work* is very brief and does not provide any instruction with respect to: the areas that should be checked; or what evidence should be obtained if an area is found to be unclean. A review of monthly cleanliness checks conducted in 2022 and 2023 shows that only instances where unclean areas had been identified had been recorded. 3.92

The draft Standard Operating Procedures refer to the conduct of quality assurance check-ins. The *Instruction Sheet for Quality Assurance Work* provides guidance on the conduct of monthly service request reviews and a spreadsheet has been developed to record the results of the monthly service request reviews. A review of monthly service request reviews completed in 2022 and 2023 shows that the reviews were undertaken as required. When conducting the reviews, however, ACTCT did not refer to the Services Phase Plans. By not referring to the Plans, or otherwise assessing performance against the services agreed to or outlined in the Plans, there is no assurance that Programmed is delivering services to agreed standards. 3.102

ACTCT conducts an annual check on equipment that uses radiation, i.e. x-ray machines used for security purposes. A review of ACTCT's annual compliance checks conducted in 2022 and 2023 showed that ACTCT satisfactorily checked that Programmed had maintained records on the regular testing of x-ray machines in accordance with the requirements of the *Instruction Sheet for Quality Assurance Work*. There was no evidence that ACTCT verified whether the x-ray machines were labelled appropriately or that staff using the machines were offered required health checks. 3.107

ACTCT is required to conduct an annual check to verify if substances considered hazardous were labelled appropriately and that appropriate training was provided to staff handling these equipment or substances. A review of ACTCT's annual compliance checks conducted in 2022 and 2023 shows that there was no activity 3.111

recorded on this requirement. ACTCT advised that this is because there are no reportable hazardous materials on site. If this is the case, then the *Instruction Sheet for Quality Assurance Work* should be reviewed to allow for the documentation and recording of positive verification that there are no hazardous materials on site.

Programmed is required to ensure that its staff and subcontractors (e.g. security guards, cleaners, maintenance staff) have a National Police Certificate (Certificate) prior to working at the facility. ACTCT has established a procedure to conduct an annual check on subcontractor compliance with the requirement, which involves selecting a random sample of 10 percent of subcontractors and reviewing that they have the requisite Certificate. A review of ACTCT's annual compliance checks conducted in 2022 and 2023 shows that ACTCT conducted its review based on a listing of individuals provided by Programmed. There is no evidence to show that ACTCT checked the validity of the listing or acquired a list of all contractors and subcontractors working at the Courts Facility to enable the information to be cross checked. There is a risk that ACTCT did not conduct its review on the full population of Certificate holders and that there are staff working at the Facility that do not have the required Certificates. 3.115

Service delivery requirements

Agreement requirements

3.2 *Schedule 7 – Services Specification* of the Agreement sets out requirements for the delivery of services 'for the duration of the Services Phase'. *Schedule 7 – Services Specification* sets out expectations for:

- *General Services*; and
- *Specific Services*.

General Services Specifications

3.3 *Schedule 7 – Services Specification* of the Agreement sets out *General Services Specifications* with reference to requirements associated with:

- performance monitoring and reporting;
- management;
- standards and strategy; and
- 'Project Co staffing and development'.

Specific Services Specifications

3.4 *Schedule 7 – Services Specification* of the Agreement also sets out *Specific Services Specifications* with reference to requirements associated with reference to a range of services to be delivered during the Services Phase including for example:

- Help Desk Services;
- Asset Management Services; and
- Security Services.

3.5 Key objectives and scope are identified for each *Specific Services Specification* as well as 'Minimum Services Requirements'.

Minimum Services Requirements

3.6 The Minimum Services Requirements allow for the assessment of performance. For each *General Services Specification* and *Specific Services Specification*, the following is identified:

- a Reference Number;
- a description of the Service Requirement;
- categorisation as a Quality Failure or Failure Event;
- identification of Quality Failure Points or Failure Event Level;
- identification of a Performance Assessment Period; and
- identification of a Quality Failure Remedy Period.

3.7 *Schedule 3 – Payments Schedule* identifies a Quality Failure as:

> … a Service Failure, other than a Failure Event, which occurs as a consequence of a failure to satisfy the Services Requirements of a Service in accordance with the relevant Minimum Services Requirement Table.

3.8 Quality Failure Points are assigned to each Quality Failure and are reflective of the relative importance of the service requirement. Quality Failure Points are to be applied for the purpose of calculating fee abatements.

3.9 *Schedule 3 – Payments Schedule* identifies a Failure Event as:

> (a) a Service Failure that affects (or is deemed to potentially affect) one or more Functional Areas in the Courts Facility;
>
> (b) an Availability Failure; or
>
> (c) an Incident Failure.

3.10 A Failure Event Level is assigned to each Failure Event through a four point-scale (A to D). Some failure events may be classified anywhere along the scale depending on the severity of the failure.

3.11 *Schedule 3 – Payments Schedule* identifies the Performance Assessment Period as 'the period over which a Minimum Services Requirement may be assessed'. For Failure Events the Performance Assessment Period is continuous. For Quality Failures, the Performance Assessment Period may be identified on a 'per request/per event' basis or for periods ranging from two hours through to annually.

3.12 For each Minimum Services Requirement, *Schedule 3 – Payments Schedule* identifies a Quality Failure Remedy Period, which is an opportunity for Juris to address and remedy a Service Failure before fee abatements are contemplated and calculated.

Service requirements

3.13 In support of *Schedule 7 – Services Specification* of the Agreement, *Schedule 7A – Services Specification* outlines the specific services required to be provided in relation to ACT Civil and Administrative Tribunal (ACAT) facilities.

3.14 The ACT Law Courts Facility is located in Knowles Place, Canberra City and the ACT Civil and Administrative Tribunal is located on Constitution Avenue, Canberra City. Due to the separate locations, services delivered by Juris to the ACT Law Courts and ACAT vary slightly. The services to be provided are shown in Table 3-1.

Table 3-1 Service delivery requirements

Services to the ACT Law Courts Facility	Services to ACAT
Help Desk Services	Help Desk Services
Asset Management Services	Asset Management Services
Soft Services including: - Cleaning Services; - Grounds and Garden Maintenance Services; - Waste Management and Disposal Services; - Pest Control Services; and - Mail Room Services.	Soft Services including: - Cleaning Services; - Waste Management Services; and - Mail Room Services.
Security Services	Security Services
Recording and Transcriptions Services	Recording and Transcriptions Services
AV/VC Services	AV/VC Services
Utilities Management Services	

Source: *Schedule 7 – Services Specification* and *Schedule 7A – Services Specification* of the Agreement.

Services Phase Plans

3.15 Juris' delivery of services during the Services Phase is supported by a series of Services Phase Plans. The Services Phase Plans are a requirement of the Agreement.

Agreement requirements

3.16 Clause 20(a) of the Agreement states that Juris must:

> (i) prepare the Services Phase Plans in accordance with the relevant requirements of the Services Phase Plans and Reports Schedule;
>
> (ii) update all Services Phase Plans in accordance with the relevant requirements of the Services Phase Plans and Reports Schedule; and
>
> (iii) submit to the Territory all Services Phase Plans when prepared and updated for review in accordance with the Review Procedures.

3.17 Clause 20(b) of the Agreement states that Juris must 'perform the Services in accordance with the Services Phase Plans'. Clause 22 of the Agreement states that:

> Without limiting Project Co's obligations under clauses 5.1(a) and 25, Project Co:
>
> (i) must perform the Services in accordance with:
>
> (a) the Services Requirements;
>
> (b) the Services Phase Plans; and
>
> (c) any Modification directed by the Territory, through the issue of a Modification Order …

Services Phase Plans

3.18 The Services Plan (refer to paragraphs 3.24 to 3.30) identifies the purpose of the Services Phase Plans:

> The Services Phase Plans sets out the detailed processes and procedures to meet the requirements of the Services Specification.
>
> …
>
> The Services Phase Plans have been developed and reviewed and maintained by Programmed FM during the Term to ensure compliance with the Services Specification and promote continuous improvement.

3.19 Each Services Phase Plan provides information on the:

- objectives of the Plan, and associated services;
- service delivery process (how the services will be delivered and by whom);

- performance criteria (setting out what must be done and to what minimum standard it should be done to); and
- schedule of services (detailing frequency of works).

3.20 *Schedule 24 – Service Phase Plans and Reports Schedule* sets out the Services Phase Plans required under the Agreement is shown in Table 3-2.

Table 3-2 Services Phase Plans

No	Plan or Report name
1	Services Plan
2	Business Continuity Plan
3	Asset Management Plan
4	Managed AV/VC Management Plan
5	Condition Survey
6	Cleaning Plan
7	Grounds & Gardens Maintenance Program
8	Pest Control Plan
9	Waste Management Plan
10	Mail Room Plan
11	Security Services Plan
12	Recording and Transcription Workflow Management System
13	Performance Monitoring Program
14	Services Phase Quality Assurance Plan
15	Project Work Health Safety Management Plan
16	Environmental Management Plan
17	Utility Conservation Policy
18	Services Training Program

Source: ACT Audit Office, based on the Agreement.

3.21 Various iterations of Services Phase Plans were to be provided 'on or prior to Contract Close', 'before the Operational Commencement Date' and 'before the Date for Commercial Acceptance of Stage 2'. During the Services Phase the Plans are required to be provided '20 Business Days prior to the end of each Financial Year during the Services Phase'.

Review and acceptance of Services Phase Plans

3.22 To guide its management of the Agreement, ACTCT has developed a draft *Standard Operating Procedures Manual – Services Phase* (the draft Standard Operating Procedures). The draft Standard Operating Procedures require a member of the Property and Contracts Team to review the Services Phase Plans against the requirements of *Schedule 24 – Service Phase Plans and Reports Schedule* and advise the Territory Contract Manager if there are issues to be discussed with Juris or whether the Services Plan can be accepted.

3.23 Services Phase Plans have been provided by Programmed. There is evidence that the Senior Director, Infrastructure, Property and Contracts has reviewed the Plans and provided feedback to Programmed. However, they are not discussed at Project Control Group meetings as part of the review and acceptance process, nor is there a recording of the Territory's approval in the Plans.

Services Plan

3.24 A Services Plan is one of the Services Phase Plans required to be provided by virtue of the Agreement. The Services Plan states:

> The scope of the Services Plan is to provide a framework of the service methodology that Programmed Facility Management (Programmed FM) will undertake to achieve the effective and successful delivery of the Services during the Term.

3.25 The Services Plan is a key document that summarises the service delivery offering of Programmed as part of the Services Phase of the PPP.

3.26 The Services Plan provides information on:

- the organisational structure of Programmed, and its key subcontractors (refer to Figure 4-2);
- reporting requirements, including the frequency of reports and methods of distribution;
- meeting requirements, including frequency and attendees;
- the Services Phase Plans required to be provided (refer to Table 3-1);
- Programmed policies and procedures that relate to the Agreement; and
- a list of approved subcontractors.

3.27 The Services Plan also provides detailed guidance on the use of Maximo. Maximo is the key management information system for the management of services and service requests during the Services Phase.

Communications Plan

3.28 The Services Plan also includes a Communications Plan as an appendix to the Services Plan. The Communications Plan:

> … defines the formal and informal lines of communication within Programmed FM and includes external lines of communication to Project Co, the Territory, key Stakeholders, Judicial Officers and Courts Users.

3.29 The Communications Plan outlines the types of communication envisaged, their frequency and method.

3.30 Juris' delivery of services during the Services Phase is supported by a series of Services Phase Plans that are prepared by Programmed. The Plans provide information on the: objectives of the Plan and associated services; service delivery process (how the services will be delivered and by whom); performance criteria (setting out what must be done and to what minimum standard it should be done to); and schedule of services (detailing frequency of works). The Plans are not discussed at Project Control Group meetings as part of the review and acceptance process, nor is there a recording of the Territory's approval in the Plans.

Recommendation 4 Services Phase Plans

ACTCT should develop a process for the formal review and acceptance of annual Services Phase Plans from Programmed. The process should clearly document, in the Plans themselves, ACTCT's review and acceptance.

Service and maintenance requests

Service requests

3.31 Clause 6.1 of *Schedule 7 – Services Specification* of the Agreement requires Juris to provide 'comprehensive Help Desk Services to facilitate the carrying out of the Functions'. The Help Desk Services must also be 'fully integrated with all Services and act as a communication hub for all matters relating to the Services'.

3.32 Clause 6.2 of *Schedule 7 – Services Specification* requires Juris to provide Help Desk Services 24/7 every day of the year. In addition, Juris must provide 'a day-to-day notification interface' between the Territory, Juris and Programmed that includes *inter alia*:

- 'the reporting and recording of performance data of all queries and requests relating to the Services including requests made for Minor Works';

- 'the notification of faults, complaints or Service Failures from the Territory or it's Associates; Project Co or it's Associates, the Services Subcontractor or it's Associates or any Court User relating to the Services'; and
- 'update of progress regarding any fault notified to the Help Desk'.

3.33 The maintenance management system Maximo supports Programmed's Help Desk services. The use of Maximo seeks to achieve:

- streamlined work order management;
- improved asset performance;
- reduced downtime;
- enhanced data visibility; and
- better resource allocation.

3.34 Maximo facilitates the receipt and actioning of service requests across all aspects of Courts operations, including cleaning, security and maintenance. Examples of service requests include:

- fixing a malfunctioning lift;
- installing a whiteboard in a particular room;
- replacing a broken door;
- and adding microphones in a court room.

3.35 All staff within ACTCT, including Courts staff, can either call or email the Help Desk to request a service. These are called service requests. Courts staff are not required to request permission from, or notify, the Property and Contracts Team before submitting a service request. Following the receipt of a service request, Maximo facilitates its assignment to the relevant subcontractor.

3.36 The Property and Contracts Team has read-only access to Maximo. This allows the Team to view and download job request data. Staff within the Property and Contracts Team can view a service request's status on Maximo at any time, including the job's urgency and estimated completion time.

3.37 Clause 6.1 of *Schedule 7 – Services Specification* of the Agreement requires Juris to provide 'comprehensive Help Desk Services to facilitate the carrying out of the Functions'. The maintenance management system Maximo supports Programmed's Help Desk services. Maximo facilitates the receipt and actioning of service requests across all aspects of Courts operations, including cleaning, security and maintenance. All staff within ACTCT can either call or email the Help Desk to request a service. Courts staff are not required to request permission from, or notify, the Property and Contracts Team before submitting a service request.

Maintenance requests

3.38 Maintenance requests can be made by all ACTCT staff through the submission of a service request to Programmed. This may be done via email or phone.

3.39 Maintenance requests are triaged into four different levels. These are shown in Table 3-3.

Table 3-3 Maintenance request levels

Level	When Juris is expected to attend to the job (within normal operational hours)	When Juris is expected to complete fixing the job (within normal operational hours)	When Juris is expected to complete fixing the job (outside normal operational hours)
Level A	Immediately and no later than 5 minutes	30 minutes	60 minutes
Level B	N/A	2 hours	3 hours
Level C	N/A	48 hours	N/A
Level D	N/A	7 days	N/A

Source: *Schedule 3 – Payment Schedule* of the Agreement.

3.40 Where a service request is submitted by phone, ACTCT is reliant on the staff member to remember the details to ensure that they have been recorded correctly by Programmed. This increases the risk that service requests may be recorded incorrectly and not be addressed in a timely manner.

3.41 Maintenance issues are recorded and tracked by Programmed through Maximo. Once processed by Programmed, ACTCT is notified of the service request details including job type, priority level and estimated timeframe for completion. In instances where an order will not be completed within the prescribed timeline, Programmed may submit an Extension Request Time (ERT) form to ACTCT. ACTCT considers the request before granting, or declining, the extension.

3.42 A review of ERT submissions did not identify any that had been rejected by ACTCT. ACTCT advised that ERTs had been rejected, but there was no record to demonstrate this.

ACTCT monitoring of Maximo

3.43 ACTCT relies on end users (Courts staff) to monitor the progress of service requests that have been submitted to Programmed. If service requests are not completed by the prescribed timeframes, ACTCT staff are expected to raise this as an issue with the Property and Contracts Team. The Team is expected to then follow-up with Programmed. There are no formal procedures that guide this process. This increases the risk that pending, or in progress, maintenance requests are not actioned and completed in a timely fashion.

3.44 ACTCT has read-only access to Maximo that allows it to monitor whether service requests have been logged into the system. However, ACTCT does not cross-check completed service requests against orders that have been submitted into the system. Nine service request notifications received by ACTCT from Maximo between July 2022 and June 2023 were cross-checked against Monthly Reports and Abatement Reports (discussed in Chapter 4). There is no evidence that service requests had been deleted before completion.

3.45 Maintenance requests may be made by all ACTCT staff through the submission of a service request to Programmed. This may be done via email or phone. Maintenance issues are recorded and tracked by Programmed through Maximo. Once processed by Programmed, ACTCT is notified of the service request details including job type, priority level and estimated timeframe for completion. ACTCT has read-only access to Maximo that allows it to monitor whether service requests have been logged into the system. However, ACTCT does not cross-check completed service requests against orders that have been submitted into the system.

Recommendation 5	**Management of maintenance service requests**

ACTCT, in cooperation with Programmed, should develop processes that allows ACTCT to:

a) record and track all service requests that are submitted to Programmed; and

b) record and track Extension Request Time submissions (including those that are rejected).

Managing the Agreement

Key Performance Indicators

3.46 The Justice and Community Safety Directorate has not developed performance indicators for the management of the Agreement, nor has ACTCT included any key performance indicators for the management of the Agreement in its Annual Corporate Plan.

3.47 The monitoring of Juris' performance is achieved through:

- daily, monthly and annual performance reports submitted by Juris; and
- daily, monthly and annual quality assurance checks conducted by ACTCT staff.

ACTCT Standard Operating Procedures

3.48 To guide the management of the Agreement, ACTCT has developed a draft *Standard Operating Procedures Manual – Services Phase* (the draft Standard Operating Procedures). The draft Standard Operating Procedures states:

> This Standard Operating Procedures (SOP) Manual will describe how to complete regular and ad hoc processes related to the management of the ACT Law Courts PPP Project Agreement (Project Agreement). This SOP manual serves as the step between the information in the Project Agreement and how it is applied by the Territory Contract Manager and relevant team members.
>
> A SOP Manual is a key tool in training personnel. New personnel can read the procedure ahead of time, so that they are ready for in person instruction on operation. For trained personnel, it becomes a detailed reference document.

3.49 The draft Standard Operating Procedures described how to complete regular and ad hoc processes related to the management of the Agreement. The Procedures are organised with reference to the frequency of management actions and not the nature of the management action. In this respect, the headings within the Manual are:

- Daily;
- Monthly;
- Quarterly;
- Annually; and
- Ad hoc.

3.50 Within the Monthly section of the draft Standard Operating Procedures, there was guidance on a mix of administrative tasks (e.g. monthly invoice processing) and governance arrangements (e.g. meetings of the Project Control Group and Contract Management Group).

3.51 The draft *Standard Operating Procedures Manual – Services Phase* had not been finalised by the time fieldwork concluded for this audit. The document included several review comments and parts of the document were unfinished and unresolved. The draft Standard Operating Procedures were only finalised on 30 July 2024, approximately four years after the commencement of the Services Phase.

Performance Monitoring Program Services Plan

3.52 Programmed has developed a *Performance Monitoring Program Services Plan* (the PMP Services Plan) for the purpose of:

> … [demonstrating] all the performance monitoring activities (including frequencies, systems, methods and audit tools) that Programmed FM undertake to monitor the quality of Services.

3.53 The PMP Services Plan is one of the Services Phase Plans required to be produced by virtue of Clause 20(a) of the Agreement. The PMP Services Plan:

> … applies to all Services provided by Programmed FM throughout the ACT Law Courts Facility as defined in the Minimum Service Requirements Table section 9.
>
> The scope of the Performance Monitoring Program is to provide a framework to demonstrate the monitoring activities that are in place to ensure the quality of the Services.

3.54 The PMP Services Plan summarises:

- key objectives for each service;
- performance monitoring activities;
- audit procedures;
- remediation processes; and
- how abatements are calculated.

3.55 For each service element of the Agreement the PMP Services Plan identifies:

- the relevant service requirements, including a description of the service requirement and outcomes being sought;
- the relevant system(s) that support the service requirement;
- forms / methods by which the service requirement is to be managed;
- the frequency of management action; and
- reporting processes associated with each service requirement.

3.56 To guide the management of the Agreement, ACTCT developed the draft *Standard Operating Procedures Manual – Services Phase* (the draft Standard Operating Procedures). The draft Standard Operating Procedures describe how to complete regular and ad hoc processes related to the management of the Agreement. The draft Standard Operating Procedures were only finalised on 30 July 2024, approximately four years after the commencement of the Services Phase.

Programmed performance reporting

Performance reporting

3.57 *Schedule 24 – Service Phase Plans and Reports Schedule* sets out the requirements for Juris' performance reporting, including daily, monthly and annual performance reports. These reports assist ACTCT in monitoring Programmed's performance against agreed planned activities and are reviewed monthly by the PCG.

3.58 Figure 3-1 sets out a summary of these reports.

Figure 3-1 Services Phase reporting requirements

Project Co Reporting Requirements		
Daily Report Automatically produced from the Help Desk to provide the status of: Security & Safety incidents; Service Failures; & confirmation that all systems are functioning. **(Schedule 24, Table 1)**	**Monthly Performance Report** Provides a review of the overall performance of Project Co during the reporting period. **(Schedule 24, Table 2)**	**Annual Report** Reports on all activities and performance for each Service for the previous Operating Year and a look ahead to the next Operating Year. **(Schedule 24, Table 3)**

Source: McGrathNicol, summarised from the Review of Existing Governance Arrangements Report

3.59 *Schedule 24 – Service Phase Plans and Reports Schedule* of the Agreement provides details on the specific requirements for the contents of each report. The full requirements for the monthly and annual performance reports are provided at Appendix A and Appendix B respectively.

Daily Reports

3.60 *Schedule 24 – Service Phase Plans and Reports Schedule* of the Agreement requires 'the Daily Report … to be automatically produced and available on an online portal each day for the selected Territory and Project Co representatives to view' and provide information on:

- all Security and Safety Incidents;
- any Service Failures that Programmed has not rectified or remedied; and
- an automated self-test report to confirm that all AV/VC systems and recording and transcription systems are fully functioning and operating without fault.

3.61 If a Security or Safety Incident is reported in a Daily Report, that Daily Report must be accompanied by a Security Incident Report form from Programmed. If an AV/VC system or recording and transcription system fails automated testing the Daily Report should provide details of the activities being undertaken to rectify the problem.

3.62 Daily reports are provided by Programmed via the Maximo system.

Review of the Daily Report

3.63 ACTCT's draft Standard Operating Procedures require each Daily Report to be reviewed once it's available in the portal. Actions to be taken include:

- '[flagging] any particular concerning incidents for discussion with the Sheriff/Security Manager';
- '[following-up] on any outstanding issues with [Programmed] manager as necessary, seeking feedback on when rectification will occur and whether appropriate messaging has been provided from helpdesk to affected parties'; and

- '[flagging] issues from all reports for the fortnightly catch-up meetings with [Programmed] and Juris'.

3.64 In practice, Daily Reports are not reviewed on a daily basis. Advice from ACTCT was that this did not happen because:

> … we receive the job notifications in our mailbox which we monitor, do multiple walk through of the building daily and usually if there are issues or delays the ERT's are raised with the P&C team.

3.65 *Schedule 24 – Service Phase Plans and Reports Schedule* of the Agreement requires Programmed to provide a Daily Report that provides information on: all Security and Safety Incidents; any Service Failures that Programmed has not rectified or remedied; and an automated self-test report to confirm that all AV/VC systems and recording and transcription systems are fully functioning and operating without fault. ACTCT's draft Standard Operating Procedures require each Daily Report to be reviewed once it's available in the portal. Daily Reports are not reviewed by the Property and Contracts Team on a daily basis; the Team advised it reviews and monitors any issues raised through Daily Reports by monitoring service request notifications via email and by conducting daily building walk-throughs.

Recommendation 6 Review of Daily Reports

ACTCT should:

a) review Daily Reports as required under its draft Standard Operating Procedures; and

b) formally document the outcomes of the review.

Monthly Reports

3.66 *Schedule 24 – Service Phase Plans and Reports Schedule* of the Agreement requires Programmed to provide a Monthly Report that is 'automatically produced from the Help Desk as a summary level Report'.

3.67 According to *Schedule 24 – Service Phase Plans and Reports Schedule* of the Agreement, the Monthly Report is to include:

- a performance report that includes a summary of all Service Failures and Services Requests and events reported to the Help Desk for the month;
- a monthly service payment deductions report;
- a management report that includes a summary of activities undertaken by Programmed in the previous month and activities planned to be undertaken in the following month;

- an AV/VC System Report;
- a utility Consumption Report;
- a soft services update;
- a security services update;
- a records and transcription services update; and
- a financial reconciliation that provides a financial reconciliation for the relevant period and cumulative to date of the expenditure.

3.68 The Monthly Report is submitted prior to the relevant Payment Claim. This is to ensure that parties have time to agree on the contents of the report, before it is used to inform the payment claim.

3.69 Between October 2022 and September 2023 all Monthly Reports were provided to ACTCT as required. On average, each Monthly Report was approximately 145 pages and comprised various types of report that provided the detailed information.

3.70 The Audit Office reviewed three Monthly Reports to assess whether the reports met the requirements specified in *Schedule 24 – Service Phase Plans and Reports Schedule* of the Agreement. Although there were some minor discrepancies with the reporting requirements, the reports met the requirements of the Agreement. Discrepancies in the reporting that were observed were:

- the Monthly Service Payment Deductions Report did not include details of the estimate of the Monthly Service Fee. The report did make reference to an Abatement Report provided to Juris, that was subsequently considered by the Territory;
- the AV/VC System Report did not provide information on:
  - the number of system requests that took more than 5 seconds to respond; or
  - the quantity of video lip synchronisation tests undertaken.
- the Records and Transcription Services Update Report did not include information on:
  - transcripts broken down by matter number, date of proceeding or person requesting transcript; or
  - audio cd’s broken down by judicial officer, matter number or date of proceeding.
- the Financial Reconciliation did not demonstrate evidence of security checks as required, although the details of what security checks had been undertaken were provided.

Review of the Monthly Report

3.71 According to the *draft Standard Operating Procedures*, following the receipt of the Monthly Report ACTCT is to:

- 'review Abatement and volume calculations. This should be relatively straight forward as a weekly discussion on performance is held in the previous month, where agreed adjustments are made'; and
- 'log any changes for discussion in Abatement/Monthly Report Meetings … you should use this first period to capture all data you believe is incorrect and the subsequent weekly meetings to discuss and agree on what changes should be made (if any)'.

3.72 Each Monthly Report between October 2022 and September 2023 was supported by an Abatement Report that showed the types of service failures and the abatement applied.

3.73 ACTCT's processes for the review of Monthly Reports are discussed in Chapter 4.

3.74 *Schedule 24 – Service Phase Plans and Reports Schedule* of the Agreement requires Programmed to provide a Monthly Report that is 'automatically produced from the Help Desk as a summary level Report'. Between October 2022 and September 2023 all Monthly Reports were provided to ACTCT as required. On average, each Monthly Report was approximately 145 pages and comprised various types of report that provided the detailed information. A review of a selection of Monthly Reports shows that the reports met the requirements specified in *Schedule 24 – Service Phase Plans and Reports Schedule* of the Agreement. The reports provided a sound basis for the oversight of service delivered under the Agreement.

Annual Reports

3.75 *Schedule 24 – Service Phase Plans and Reports Schedule* of the Agreement requires Programmed to provide a Services Phase Annual Report. The Annual Report is expected to provide information on Programmed's activities and performance for each service for the previous operating year, as well as a look ahead to the next operating year.

3.76 According to *Schedule 24 – Service Phase Plans and Reports Schedule* of the Agreement, the Annual Performance Reports must include:

- any proposed changes to the Services or the manner in which the Services are delivered;
- confirmation that all applicable Approvals have been obtained and maintained;
- an overall Management Report;
- a Work Health and Safety Report covering the reporting period;

- a report that reviews the performance of the Services against the Services Phase Quality Assurance Plan and Performance Monitoring Plan;
- a Contract management Report;
- a Help Desk Services Report;
- a report that reviews the performance of the Services against the Asset Management Plan;
- a Utilities Management Services Report;
- a Soft Services Report;
- a Security Services Report;
- a Recording and Transcription Services Report; and
- an AV/VC Managed Services Report.

3.77 Annual Performance Reports were provided to ACTCT for 2022 and 2023 as required. On average, each Annual Performance Report contained 200 pages and consisted of various report types that each contain detailed information. As discussed from paragraph 2.27, they were provided to the Senior Representatives Group for consideration.

3.78 The Audit Office reviewed the Annual Reports to assess whether the reports met the requirements specified in *Schedule 24 – Service Phase Plans and Reports Schedule* of the Agreement. Although there were some minor discrepancies with the reporting requirements, the reports met the requirements of the Agreement. There was, however, a lack of detail associated with proposed changes to the Services that were flagged in the report. Discrepancies in the reporting were:

- proposed changes in the 2022 report referred to a spreadsheet containing details of proposed changes, but this was not attached to the report;
- proposed changes in the 2023 report contained a program for implementing the proposed changes, but did not detail the impact on the functions, or the financial implications of the proposed changes beyond their initial cost;
- the Utilities Management Services Report did not include information relating to water usage, water harvesting or water quality. In addition, the report did not provide a detailed statement about Utilities consumption and usage patterns measured against forecast and benchmarking data and targets. However, this was recognised as being due to a lack of available data to use for comparison, due to environmental factors outside of Programmed’s control; and
- the Security Services Report did not include information on the manning levels implemented for the Operating year.

Review of the Annual Report

3.79 According to the draft Standard Operating Procedures, following the receipt of the Annual Report ACTCT is to review the report for compliance with reporting requirements outlined in *Schedule 24 – Service Phase Plans and Reports Schedule* and, if necessary provide the report to Programmed for review and updating. The draft Standard Operating Procedures then outlines a process for further review and acceptance of the Annual Report.

3.80 According to the draft Standard Operating Procedures:

> If the Annual Report outcomes around individual services requires further discussion with P&C and Project Co, an agenda item may be raised for the next monthly PCG meeting.

3.81 As discussed in Chapter 2 of this report, the *2022 Service Phase Annual Report* was included in the Project Control Group's October 2023 meeting agenda for discussion. The Report was 242 pages long. A review of the meeting minutes did not provide evidence that a detailed review of this report had occurred during the hour-long meeting. Regardless, the report was accepted by the PCG.

3.82 *Schedule 24 – Service Phase Plans and Reports Schedule* of the Agreement requires Programmed to provide a Services Phase Annual Report. The Annual Report is expected to provide information on Programmed's activities and performance for each service for the previous operating year, as well as information on any proposed changes to the Services or the manner in which the Services are delivered. For the Annual Reports for 2022 and 2023 there was a lack of detail associated with proposed changes to the Services that were flagged in the report. The *2022 Service Phase Annual Report* was included in the Project Control Group's October 2023 meeting agenda for discussion. The Report was 242 pages long. A review of the meeting minutes did not provide evidence that a detailed review of this report had occurred during the hour-long meeting.

Recommendation 7 Annual Reports

ACTCT should ensure that Annual Performance Reports provided by Programmed meet the reporting requirements of the Agreement and include sufficient information on proposed changes to the Services and the manner in which the Services are to be delivered.

ACTCT quality assurance processes

3.83 Staff from the Infrastructure, Property and Contracts Team are responsible for conducting daily, monthly, and annual Quality Assurance checks on various services provided by Juris. To guide its quality assurance activities, ACTCT has developed an *Instruction Sheet for Quality Assurance Work* that provides guidance on:

- monthly cleanliness checks;
- monthly service request reviews;
- annual radiation checks;
- annual security clearance and vetting checks; and
- workplace hazardous substance checks.

Daily checks

3.84 The draft Standard Operating Procedures require ACTCT staff to conduct a 'positive walk' of the Courts Facility:

> This task is a general walk through most areas of the building, particularly public spaces, to ensure there are no major issues from a safety and security perspective. Issues which are found should immediately be reported to the PFM helpdesk…

3.85 The condition of areas within the Courts Facility that are rarely used are not covered by these daily checks. ACTCT relies on formal monthly cleanliness checks (discussed from paragraph 3.88 onwards) to observe the condition of these areas. This increases the risk of issues with maintenance going undetected for long periods.

3.86 There is no documentation to guide the conduct of these daily quality assurance checks. ACTCT does not maintain a record of the daily checks that are conducted or the condition of the Courts Facility.

3.87 The draft Standard Operating Procedures require ACTCT staff to conduct a daily 'positive walk' of the Courts Facility 'to ensure there are no major issues from a safety and security perspective'. The condition of areas within the Courts Facility that are rarely used are not covered by these daily checks. There is no documentation to guide the conduct of these daily quality assurance checks. ACTCT does not maintain a record of the daily checks that are conducted or the condition of the Courts Facility.

Recommendation 8	**Daily quality assurance check records and documentation**

ACTCT should develop and maintain:

a) guidance for the conduct of the daily quality assurance checks of the Courts Facility; and

b) a process for recording the daily quality assurance checks that are conducted.

Monthly checks

Monthly cleanliness checks

3.88 Senior Property and Contract Officers are required to undertake monthly checks of the Courts Facility's cleanliness.

3.89 The *Instruction Sheet for Quality Assurance Work* provides the following guidance for monthly cleanliness checks:

- Go into various rooms throughout the courts and check if cleaned.

- Record date.

- Obtain evidence if not cleaned.

3.90 The draft Standard Operating Procedures do not acknowledge monthly cleanliness checks or provide any guidance. The guidance provided in the *Instruction Sheet for Quality Assurance Work* is very brief and does not provide any instruction with respect to:

- the areas that should be checked; or
- what evidence should be obtained if an area is found to be unclean.

3.91 A review of four monthly cleanliness checks conducted in 2022 and 2023 shows that only instances where unclean areas had been identified had been recorded.

3.92 Senior Property and Contract Officers are required to undertake monthly checks of the Courts Facility's cleanliness. The guidance provided in the *Instruction Sheet for Quality Assurance Work* is very brief and does not provide any instruction with respect to: the areas that should be checked; or what evidence should be obtained if an area is found to be unclean. A review of monthly cleanliness checks conducted in 2022 and 2023 shows that only instances where unclean areas had been identified had been recorded.

Recommendation 9	**Procedures for monthly cleanliness checks**

ACTCT should develop and maintain guidance for the conduct of monthly cleanliness checks, which clearly identify:

a) the areas of the Courts Facility that are to be checked;

b) the evidence that should be obtained to document an area's uncleanliness; and

c) requirements for the recording of monthly cleanliness checks.

Monthly service request reviews

Guidance for conducting monthly service request reviews

3.93 The draft Standard Operating Procedures refer to the conduct of quality assurance check-ins. The Procedures state:

> Every month, an ASO6 from P&C will perform a quality assurance check-in of services provided in the previous month by Project Co according to the conditions set out in the Condition and Performance Standards tables of Appendix A in Schedule 7 of the Project Agreement. This review should be conducted at an in-depth level, covering all aspects of the quality standards set out in the Project Agreement.
>
> Steps
>
> 1. An ASO6 from P&C will log onto the PFM portal and download a copy of the Service Request Report (Time Completion Breakdown Repairs).
>
> 2. Based on the monthly, quarterly, and date-based schedule in the P&C internal Quality Assurance Spreadsheet, items for further review should be selected.
>
> 3. Details of the items selected should be inserted into the internal working spreadsheet.
>
> 4. Each of the selected items should be assessed against the relevant Condition and Performance Standards table in Schedule 7. Uncompleted items should be logged for Project Co to address. If an item was reported incorrectly or has not been performed at standard, this assessment should also consider if abatements apply.
>
> 5. After concluding on all items selected for the month, the ASO6 should inform the Territory Contract Manager of the outcomes reached.

3.94 The *Instruction Sheet for Quality Assurance Work* provides the following guidance for monthly service request reviews:

> On the first working day of each month, 5% of all faults fixed within the month prior, to be selected from the FM providers data warehouse on a random selection criteria…
>
> … faults to be visually inspected and where possible photographic evidence taken.
>
> Details of fault to be recorded on the QA record:

- Date fault was registered
- Nature of fault and narrative provided when registered
- Method fault was registered and by who
- Contractual timeframe for the fault type
- Due date for fault remedy
- Date fault fixed
- Details of any first fixes or alternative remedies put in place before the complete fix
- details of any extensions granted
- Details of abatements imposed if applicable.

3.95 ACTCT has developed a spreadsheet for the Senior Property and Contract Officers to record the results of the monthly service request reviews. The spreadsheet records each of the criteria listed at paragraph 3.94.

3.96 While the draft Standard Operating Procedures make reference to Condition and Performance Standards (contained in the Services Phase Plans) neither the *Instruction Sheet for Quality Assurance Work* nor the spreadsheet used to record the results of the monthly reviews instruct the user to consider the Services Phase Plans in their review.

Conduct of monthly service request reviews

3.97 At the beginning of each month, the Senior Property and Contract Officers download the previous month's completed service requests from Maximo and select a sample of completed service requests to ensure that the:

- service request was categorised correctly;
- service request was completed within the agreed timeline; and
- completed service requests met quality standards.

3.98 ACTCT records the results of this testing in the spreadsheet.

3.99 The Audit Office reviewed four monthly service request reviews completed in 2022 and 2023. The review showed that:

- the Senior Property and Contract Officers had selected five percent of monthly faults as required; and
- the categorisation, completion time and quality standard checks were undertaken as required.

3.100 When conducting the reviews, however, ACTCT did not refer to the Services Phase Plans. By not referring to the Plans, or otherwise assessing performance against the services agreed to or outlined in the Plans, there is no assurance that Programmed is delivering services to agreed standards.

3.101 ACTCT does not verify whether 'in progress' or 'pending' service requests are accurately reported by Programmed, but there is evidence that these are monitored by the Project Control Group through its monthly meetings.

3.102 The draft Standard Operating Procedures refer to the conduct of quality assurance check-ins. The *Instruction Sheet for Quality Assurance Work* provides guidance on the conduct of monthly service request reviews and a spreadsheet has been developed to record the results of the monthly service request reviews. A review of monthly service request reviews completed in 2022 and 2023 shows that the reviews were undertaken as required. When conducting the reviews, however, ACTCT did not refer to the Services Phase Plans. By not referring to the Plans, or otherwise assessing performance against the services agreed to or outlined in the Plans, there is no assurance that Programmed is delivering services to agreed standards.

Recommendation 10 Monthly quality assurance checks

ACTCT should review and revise the scope of monthly service request reviews to:

a) incorporate an assessment of performance against the criteria outlined in Services Phase Plans; and

b) include a review of selected pending and in progress service requests to verify the accuracy of the status that is reported.

Annual checks

3.103 ACTCT examine the following on an annual basis:

- equipment using radiation;
- Control of Workplace Hazardous Substances (COWHS); and
- subcontractor security clearances.

Equipment using radiation

3.104 X-ray machines are used to ensure that weapons or other dangerous goods do not enter the Facility.

3.105 The *Instruction Sheet for Quality Assurance Work* states that ACTCT should conduct an annual check to verify if:

- Any equipment that uses radiation is labelled appropriately (photographic evidence).
- Records are maintained and completed for regular testing of equipment.
- Records are held demonstrating that Staff using the equipment are offered the required health checks.

3.106 A review of ACTCT's annual compliance checks conducted in 2022 and 2023 showed that ACTCT satisfactorily checked that Programmed had maintained records on the regular testing of x-ray machines. There was no evidence that ACTCT verified whether the x-ray machines were labelled appropriately or that staff using the machines were offered required health checks. ACTCT advised that:

> PFM hold the XRay licence for the Courts but only of recent - November of last year. Prior to this it was in ACT Law Courts name. We tried to put PFM on the license as the name but we couldn't. Finally they allowed PFMs to pay the transfer fee but the argument went on about licensing. This is now resolved. [Officer] from PFM is the licensed person for radiation certifications etc. for ACTCT. Wilsons have undertaken the required training that they require to operate the XRay machines including the requirement to wear radiation tags for their own safety which is tested monthly. Evidence of this was provided to the auditors when it was requested earlier in the year. We were unable to supply the auditors with evidence for Xray during Y2022-23 as it was missed in the QA. Wilsons advised that they don't keep records past one year.

3.107 ACTCT conducts an annual check on equipment that uses radiation, i.e. x-ray machines used for security purposes. A review of ACTCT's annual compliance checks conducted in 2022 and 2023 showed that ACTCT satisfactorily checked that Programmed had maintained records on the regular testing of x-ray machines in accordance with the requirements of the *Instruction Sheet for Quality Assurance Work*. There was no evidence that ACTCT verified whether the x-ray machines were labelled appropriately or that staff using the machines were offered required health checks.

Control of Workplace Hazardous Substances (COWHS)

3.108 The *Instruction Sheet for Quality Assurance Work* states that ACTCT should conduct an annual check to verify if:

- Any equipment is labelled appropriately (photographic evidence) and in date.
- Appropriate training is provided and obtain records that training is performed.

3.109 A review of ACTCT's annual compliance checks conducted in 2022 and 2023 did not provide evidence that ACTCT checked that substances considered hazardous were labelled appropriately or that appropriate training was provided to staff handling these equipment or substances. ACTCT advised that:

> Our report includes a hazardous materials/substances section however we have never filled this out as we don't store any materials above the legal reportable limit on site. PFM keep flammable liquids in a cabinet at the back of their workshop which is under the legal reportable limit and have a sign outside of the workshop advising what is being stored. In the PFM annual report it states that all compliance checks have been completed. All PFM staff undergo induction and chemical training (toolbox talks/ safety meetings). ACT WHS Act does not require us to do checks on equipment/substances we do not hold. PFM also undergo Annual and 6 Monthly audits and passed the last one – by an external party.

3.110 In its response to the draft proposed report, ACTCT also noted that because there are no reportable hazardous materials on site, it was not relevant to confirm that their labels were correct. If this is the case, then the *Instruction Sheet for Quality Assurance Work* should be reviewed to allow for the documentation and recording of positive verification that there are no hazardous material on site.

3.111 ACTCT is required to conduct an annual check to verify if substances considered hazardous were labelled appropriately and that appropriate training was provided to staff handling these equipment or substances. A review of ACTCT's annual compliance checks conducted in 2022 and 2023 shows that there was no activity recorded on this requirement. ACTCT advised that this is because there are no reportable hazardous materials on site. If this is the case, then the *Instruction Sheet for Quality Assurance Work* should be reviewed to allow for the documentation and recording of positive verification that there are no hazardous materials on site.

Subcontractor Security Clearances

3.112 Due to the sensitive nature of work performed, and data held, at the Courts Facility, Programmed is required to ensure that its staff and subcontractors (e.g. security guards, cleaners, maintenance staff) have a National Police Certificate (NPC) prior to working at the facility. Clause 55.2 of the Agreement requires staff and subcontractors to update their Certificate every 5 years.

3.113 ACTCT has established a procedure to conduct an annual check on subcontractor compliance with the requirement to have a National Police Certificate. ACTCT set out the requirements for this check in its *Instruction Sheet for Quality Assurance Work*. The procedure involves:

- requesting a full list of subcontractors from Programmed; and
- selecting a random sample of 10 percent of the listed subcontractors and obtaining appropriate documentation from Programmed to demonstrate Certificates are in place.

3.114 A review of ACTCT's annual compliance checks conducted in 2022 and 2023 shows that ACTCT obtained a list of contractors and subcontractors that were reported to have held a National Police Certificate in 2022 and 2023 and sought confirmation that Certificates were in place for 10 percent of the individuals. In doing so, however, there is no evidence to show that ACTCT checked the validity of the listing or acquired a list of all contractors and subcontractors working at the Courts Facility to enable the information to be cross checked. There is a risk that ACTCT did not conduct its review on the full population of Certificate holders and that there are staff working at the Facility that do not have the required Certificate.

3.115 Programmed is required to ensure that its staff and subcontractors (e.g. security guards, cleaners, maintenance staff) have a National Police Certificate (Certificate) prior to working at the facility. ACTCT has established a procedure to conduct an annual check on subcontractor compliance with the requirement, which involves selecting a random sample of 10 percent of subcontractors and reviewing that they have the requisite Certificate. A review of ACTCT's annual compliance checks conducted in 2022 and 2023 shows that ACTCT conducted its review based on a listing of individuals provided by Programmed. There is no evidence to show that ACTCT checked the validity of the listing or acquired a list of all contractors and subcontractors working at the Courts Facility to enable the information to be cross checked. There is a risk that ACTCT did not conduct its review on the full population of Certificate holders and that there are staff working at the Facility that do not have the required Certificates.

Recommendation 11 Annual quality assurance checks

ACTCT should:

a) ensure that it undertakes, and documents, all required annual quality assurance activities with respect to equipment using radiation; and

b) review its quality assurance processes and procedures to allow for the documentation and recording of positive verification that there are no hazardous materials on site.

4 Payment for services

4.1 This chapter discusses the effectiveness of ACT Courts and Tribunals (ACTCT) arrangements for the payment of services delivered under the Agreement.

Summary

Conclusions

ACTCT has generally robust arrangements for payments to Juris for its services. Payment of the Monthly Service Fee is supported by monthly reviews of performance and the calculation of penalties for underperformance in the form of abatements.

However, processes for Variable Service Fees payments could be improved by strengthening quality assurance procedures.

Key findings

Payments to Juris	Paragraph
The draft Standard Operating Procedures provide guidance on processes for the review and approval of monthly payments to Juris. A review of monthly payments to Juris between July 2022 and June 2023 showed that ACTCT followed the established processes. All invoices were subjected to several reviews before the CEO ACTCT provided approval to pay them.	4.14
Monthly Service Fee	
Abatements are a common feature of service contracts, where abatement refers to a reduction in a service payment due to underperformance. Underperformance can relate to issues with the quality and/or timeliness of service delivery. *Schedule 3 – Payment Schedule* of the Agreement sets out processes for the calculation of abatements and the Monthly Service Fee. In 2022-23, Juris accrued $80,011.32 in abatements; this was less than one percent of the total Monthly Service Fees for 2022-23 ($20.642 million). Abatements are recorded in spreadsheets, which include details of the Quality Failure or Failure Event to which they relate. These spreadsheets are discussed and reviewed as part of the review of the Monthly Report process and are discussed at monthly PCG meetings and agreed to by both parties. A review of six abatement calculations, between July 2022 and June 2023, identified that abatement calculations were correct and the abatement amount was reflected correctly in the relevant payment claim.	4.35

Other payments

The Territory can request Juris (or any other provider) to undertake minor works services in the Courts Facility. To facilitate the provision of minor works services from Juris the Agreement established a Minor Works Fund into which an agreed amount is paid monthly. The Minor Works Fund is rolled over if the funding is not used. Monies in the Minor Works Fund are held by Juris (but cannot be drawn down without the Territory's approval) and cannot be accessed by the Territory unless the Territory obtains the unexpended balance from Juris at the end of the year. 4.44

Under the Agreement, Variable Service Fees can be paid to Juris for services such as transcription fees, recording fees, video data storage fees and out of hours services fees. In 2022-23, ACTCT paid $0.921 million for variable service fees, the vast majority of which ($0.920 million) related to transcription services. A review of 22 transcription samples that were completed in 2022-23 showed that, despite there being checks in place for the invoice payment process: three of the transcription services were delivered late to ACTCT, with no evidence of approval of an extension; and two of the payments tested showed a material variance between the calculated transcription costs compared to what ACTCT had paid. 4.51

The Territory pays a monthly Lifecycle Replacement Cost for the Courts Facility. A Lifecycle Replacement Cost is 'the total cost of a building system or material over its lifetime. It includes the cost of acquiring, maintaining, replacing, and disposing of the system or material'. According to the Agreement, the Territory will pay Juris approximately $121 million for Lifecycle Replacement Costs over the course of the services. In 2022-23, the Territory paid Juris $2.88 million for Lifecycle Replacement Costs for upgrades to the Magistrate Court chambers bathrooms, blinds in the Magistrates Court and chairs in the Magistrates Court Courtrooms. This aligns with the amounts set out in the Agreement. 4.56

The Agreement defines a modification as 'a change to the Facility or the ACAT Facility, including any addition, increase, decrease, omission, deletion, demolition or removal to or from the Facility or the ACAT Facility'. Modification works can be requested by either the Territory or Juris. A total of 21 modification works were completed in 2022-23 at a cost of $1.19 million. Processes for modification work requests have been established and a review of four modification works undertaken in 2022-23 demonstrated that the process had been followed appropriately. 4.63

Payments to Juris

Monthly Service Payment

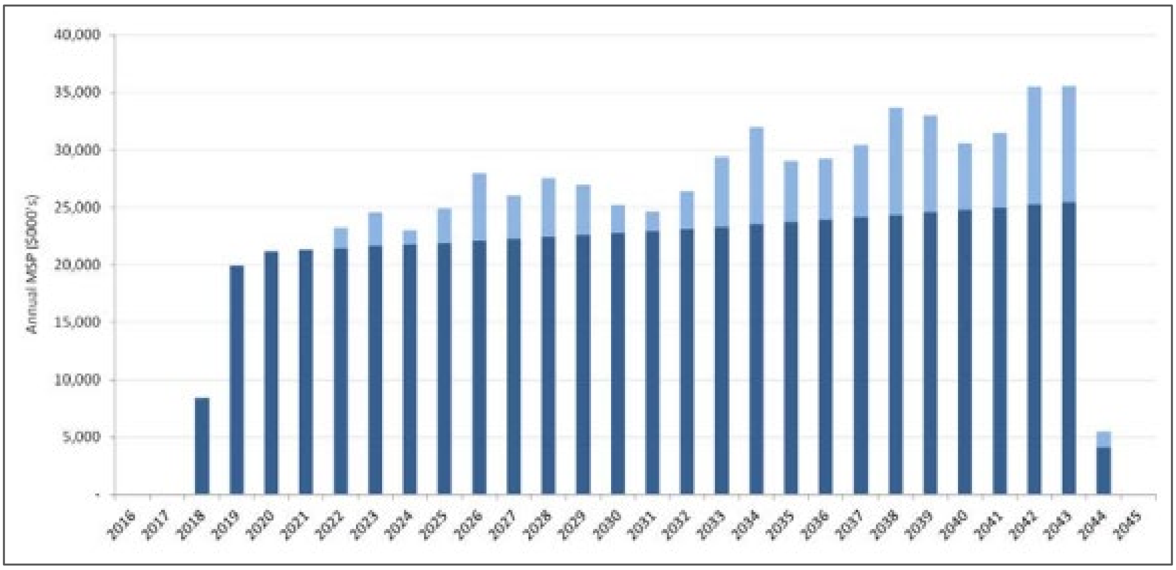
4.2 By virtue of Clause 31 of the Agreement and *Schedule 3 – Payment Schedule* the Territory is required to pay Juris a Monthly Service Payment. The Monthly Service Payment provides for the:

- provision and availability of the Courts Facilities (i.e. servicing the debt and equity investments made during the Design and Construction Phase); and
- the provision of services during the Services Phase and other ongoing costs of Juris (e.g. management, insurances).

4.3 The payment of the Monthly Service Payment commenced on a partial basis (approximately 65 percent of the full payment) on completion of Stage 1 and stepped up to the full payment on completion of Stage 2.

4.4 Figure 4-1 shows estimated Monthly Service Payments through to 2043-44. The light blue bars indicate the amount of the Payment that's attributable to periodic lifecycle maintenance and refurbishment expenditure, which varies from year to year.

Figure 4-1 Estimated Monthly Service Payments



Source: Law Courts of the Australian Capital Territory – Contract Summary (June 2016).

4.5 The base Annual Service Fee, by which the Monthly Service Payment is calculated, was set in 2016 when the Agreement was first signed. Since then, the Annual Service Fee has increased in line with the Consumer Price Index.

Monthly Service Payment components

4.6 By virtue of Clause 1 of *Schedule 3 – Payment Schedule* the Monthly Service Payment comprises:

- a Monthly Service Fee;
- Variable Service Fees;
- Insurance Component;
- Minor Works Funding; and
- Lifecycle Replacement Costs.

4.7 These components are discussed throughout this chapter of the report.

Other payments

4.8 Part E of the Agreement allows for change in circumstances, including modifications to services. These may be initiated by either the Territory or Juris.

Modification services payments

4.9 Modification services payments relate to modifications to existing facilities, that were not anticipated in the original agreement, such as the relocation of ACAT to new premises.

2022-23 total payments

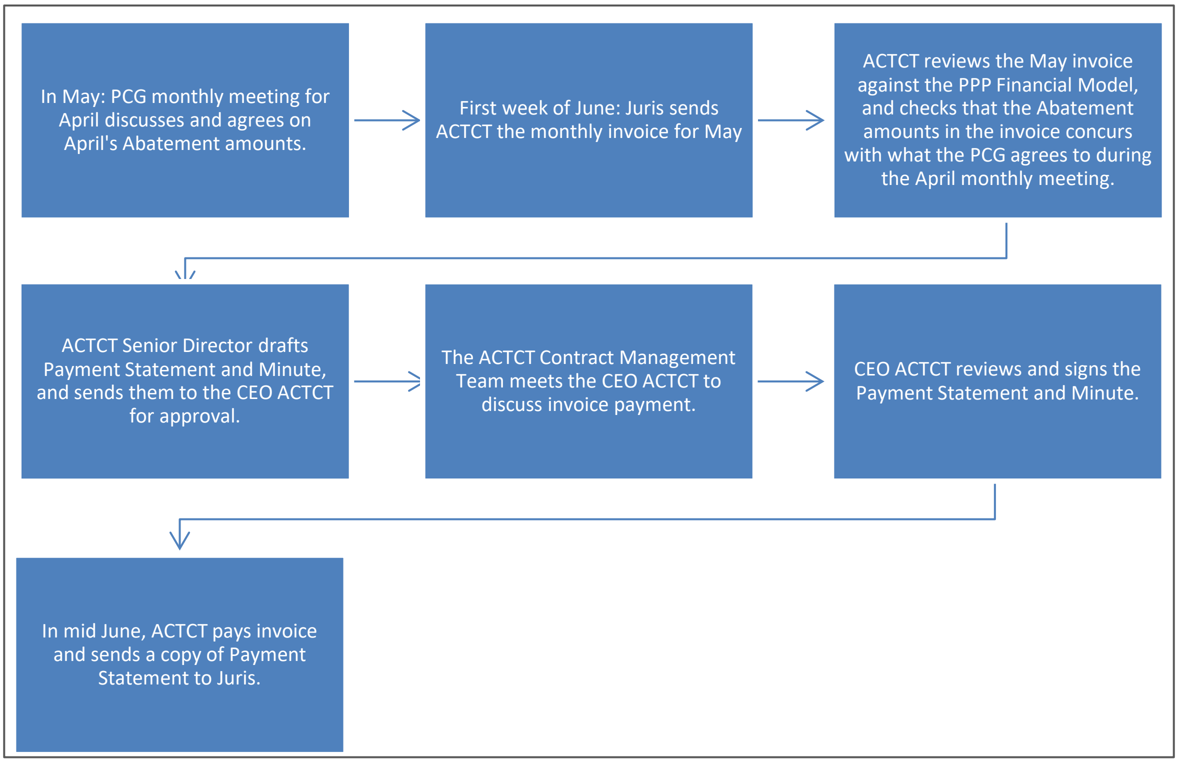
4.10 In 2022-23 the Territory paid Juris a total of $25.84 million for contracted services. Most of this payment $20.56 million (79.56 percent) was for Monthly Service Fees. The remaining payments comprised of:

- Variable Services Fees of $920,591 (3.56 percent);
- Insurance Component of $286,992 (1.11 percent);
- Lifecycle Replacement Costs of $2.88 million (11.16 percent); and
- modification services payments of $1.19 million (4.61 percent).

Monthly invoice payment process

4.11 The draft Standard Operating Procedures provided guidance on processes for the review and approval of monthly payments to Juris. The process described in the draft Standard Operating Procedures is shown in Figure 4-2.

Figure 4-2 Monthly invoice payment process



Source: ACT Audit Office, based on ACTCT documentation and discussion with relevant staff.

4.12 A review of monthly payments to Juris between July 2022 and June 2023 showed that ACTCT followed the established processes. For each payment there was:

- an invoice from Juris detailing amounts charged for the Monthly Service Fee, Variable Service Fee and Lifecycle Replacement Cost components;
- a rolling Minor Works Fund list with updated amounts for the month;
- information on abatement calculations;
- a Brief sent to the CEO ACTCT for their review; and
- a payment statement signed by the CEO ACTCT.

4.13 All invoices were subjected to several reviews before the CEO ACTCT provided approval to pay them.

4.14 The draft Standard Operating Procedures provide guidance on processes for the review and approval of monthly payments to Juris. A review of monthly payments to Juris between July 2022 and June 2023 showed that ACTCT followed the established processes. All invoices were subjected to several reviews before the CEO ACTCT provided approval to pay them.

Monthly Service Fee

4.15 The Monthly Service Fee represents the bulk of the monthly payment to Juris. It comprises apportioning the Annual Service Fee, which was agreed to by the parties during the contract process, over the twelve months of the year and subtracting any abatements to be applied for poor service.

Reviewable services

4.16 The Monthly Service Fee includes a reviewable element, where certain services provided may incur additional costs, depending on ACTCT's needs. For example, the frequency of cleaning services during the COVID-19 pandemic increased, which in turn increased the costs for cleaning services during this period. Table 4-1 shows the reviewable services.

Table 4-1 Reviewable service components list

Number	Reviewable Service Components
1	Cleaning Services
2	Grounds Maintenance Services
3	Waste Management and Disposal Services
4	Pest Control Services
5	Security Services
6	Mail Room Services
7	Recording and Transcription Services

Source: *Schedule 3 – Payments Schedule* of the Agreement

Calculation of the Monthly Service Fee

4.17 A review of the Monthly Service Fee for 2022-23 shows that the fee had been calculated and applied accurately for each month.

Abatements

4.18 Abatements are a common feature of service contracts, where abatement refers to a reduction in a service payment due to underperformance. Underperformance can relate to quality and/or timeliness.

4.19 *Schedule 3 – Payment Schedule* of the Agreement sets out processes for the calculation of abatements and the Monthly Service Fee. Schedule 3 provides for abatements to be applied for:

- Quality Failures; and

- Failure Events.

Quality Failures

4.20 *Schedule 3 – Payments Schedule* identifies a Quality Failure as:

> … a Service Failure, other than a Failure Event, which occurs as a consequence of a failure to satisfy the Services Requirements of a Service in accordance with the relevant Minimum Services Requirement Table.

4.21 Quality Failure Points are assigned to each Quality Failure and are reflective of the relative importance of the service requirement. Quality Failure Points are to be applied for the purpose of calculating fee abatements.

Failure Events

4.22 *Schedule 3 – Payments Schedule* identifies a Failure Event as:

> (a) a Service Failure that affects (or is deemed to potentially affect) one or more Functional Areas in the Courts Facility;
>
> (b) an Availability Failure; or
>
> (c) an Incident Failure.

4.23 A Failure Event Level is assigned to each Failure Event through a four point-scale (A to D). Failure events may be classified anywhere along the scale depending on the severity of the failure.

Penalties for quality failure and failure events

4.24 *Schedule 3 – Payments Schedule* identifies the Performance Assessment Period as ‘the period over which a Minimum Services Requirement may be assessed’. For Failure Events the Performance Assessment Period is continuous. For Quality Failures, the Performance Assessment Period may be identified on a ‘per request/per event’ basis or for periods ranging from two hours through to annually.

4.25 For each Minimum Services Requirement, *Schedule 3 – Payments Schedule* identifies a Quality Failure Remedy Period, which is an opportunity for Juris to address and remedy a Service Failure before fee abatements are contemplated and calculated.

4.26 When there is a service failure in the form of either quality, timeliness, or a failure to deliver the service entirely, penalty points are incurred. Penalty points are grouped in bands, and each band has a monetary value. Further details of the dollar values of penalty points are shown in Table 4-2 and Table 4-3.

Table 4-2 Dollar value of penalty points for Quality Failures

Quality Failure Point Band	Quality Failure Abatement Value
0 to 20	$0
21 to 40	$125 per point
41 to 70	$275 per point
71 to 100	$425 per point
>101	$550 per point

Source: *Schedule 3 – Payment Schedule* of the Agreement.

Table 4-3 Dollar value of penalty points for Failure Events

Functional Area Amounts ($ per 30 minutes)				
Functional Area Weighting	**Failure Event Level A**	**Failure Event Level B**	**Failure Event Level C**	**Failure Event Level D**
Critical	$100	$50	$25	$20
High	$40	$20	$10	$8
Medium	$20	$10	$5	$4
Low	$10	$5	$3	$2

Source: *Schedule 3 – Payment Schedule* of the Agreement.

Major Default Service Failure

4.27 Under the Agreement, a Major Default Service Failure means there are Service Failures and Juris has accumulated abatements:

- of greater than five percent of the Monthly Service Payment (prior to any abatement) in any two months in any rolling three month period; or
- over any rolling six month period, averaging greater than 10 percent of the average Monthly Service Payment (prior to any abatement) in that six month period;
- 250 Quality Failure Points or more in aggregate for any rolling two month period; or
- 500 Quality Failure Points or more in aggregate over any rolling six month period.

4.28 No Major Default Service Failures have occurred since commencement of the Services Phase period.

Application of abatements

4.29 In 2022-23, Juris accrued $80,011.32 in abatements. This total was less than one percent of the total Monthly Service Fees for 2022-23 ($20.642 million).

4.30 Abatements are recorded in spreadsheets, which include details of the:

- type of failure (quality or system);
- location of the failure;
- type of service affected;
- target vs actual date for expected service delivery; and
- penalty points to be applied for the Quality Failure or Failure Event.

4.31 These spreadsheets are discussed and reviewed as part of the review of the Monthly Report process and are discussed at monthly PCG meetings and agreed to by both parties.

4.32 Penalty points for Quality Failures and Failure Events are then totalled by the ACTCT Finance Team, the cumulative CPI is applied to reflect the current penalty amount and a final abatement amount is determined.

4.33 This final abatement amount is then reflected in the relevant monthly payment claim.

4.34 A review of six abatement calculations, between July 2022 and June 2023, identified that:

- no system failures occurred;
- abatements were discussed at the relevant PCG meetings;
- abatement calculations were correct; and
- the abatement amount was reflected correctly in the relevant payment claim.

4.35 Abatements are a common feature of service contracts, where abatement refers to a reduction in a service payment due to underperformance. Underperformance can relate to issues with the quality and/or timeliness of service delivery. *Schedule 3 – Payment Schedule* of the Agreement sets out processes for the calculation of abatements and the Monthly Service Fee. In 2022-23, Juris accrued $80,011.32 in abatements; this was less than one percent of the total Monthly Service Fees for 2022-23 ($20.642 million). Abatements are recorded in spreadsheets, which include details of the Quality Failure or Failure Event to which they relate. These spreadsheets are discussed and reviewed as part of the review of the Monthly Report process and are discussed at monthly PCG meetings and agreed to by both parties. A review of six abatement calculations, between July 2022 and June 2023, identified that abatement calculations were correct and the abatement amount was reflected correctly in the relevant payment claim.

Other payments

Minor Works Funding

Minor works services

4.36 Clause 24 of the Agreement allows for the Territory to request Juris undertake Minor Works services.

4.37 The draft Standard Operating Procedures state:

> Under the Project Agreement (s24) the Territory can request Juris undertake Minor Works in the facility. Minor Works are for things such as the installation of white boards, some joinery to a new office or the installation of a new access control/card reader to an office (items that would not generally require a lifecycle attached). Minor Works funding is capped at $48,000 in the first year and $24,000 thereafter..

4.38 Minor works need not only be performed by Juris. ACTCT may also engage a third party to undertake these works.

Minor Works Fund

4.39 ACTCT established a Minor Works Fund payment arrangement where each month, an agreed amount is paid into the fund to be used for any minor works. ACTCT advised:

> It is intended to allow for very minor items to be completed without having to go through the administrative burden on the Territory side of completing either a modification process or even any invoicing and remittance.

4.40 Works undertaken by a third party cannot be paid from the Minor Works Fund. The draft Standard Operating Procedures further state:

> Works above $10,000 cannot be paid from the Minor Works Fund.

4.41 The Minor Works Fund is rolled over if the funding is not used in any given month. In the first year of the Facility's operations a monthly payment of $4,000 was paid to the Minor Works Fund. In subsequent years the monthly payment has reduced to $2,000 plus an indexation based on the annual CPI multiplier. Under the Agreement, the Territory may seek to obtain the balance of unexpended Minor Works Fund at the end of the year. ACTCT can use this to pay third parties for minor works undertaken.

4.42 Monies in the Minor Works Fund are held by Juris (but cannot be drawn down without Territory approval) and cannot be accessed by the Territory unless the Territory obtains the unexpended balance from Juris at the end of the year. This has not happened to date.

4.43 No funds were drawn down from the Minor Works Fund between August 2020 and April 2024. However, after the end of fieldwork for this audit, a total of $104,427 was drawn down by Juris for various projects between May and August 2024. The balance of the Minor Works Fund as at 30 September 2024 was $86,888.

4.44 The Territory can request Juris (or any other provider) to undertake minor works services in the Courts Facility. To facilitate the provision of minor works services from Juris the Agreement established a Minor Works Fund into which an agreed amount is paid monthly. The Minor Works Fund is rolled over if the funding is not used. Monies in the Minor Works Fund are held by Juris (but cannot be drawn down without the Territory's approval) and cannot be accessed by the Territory unless the Territory obtains the unexpended balance from Juris at the end of the year.

Variable Service Fees

4.45 Variable Service Fees are for services whose quantity may differ from day to day, depending on the Courts' needs. These services include transcription fees, recording fees, video data storage fees and out of hours services fees.

4.46 Variable Service Fees are an area of higher risk for ACTCT and care needs to be taken to ensure that:

- the service has been requested by ACTCT; and
- quality and timeliness meet agreed standards.

4.47 In 2022-23, ACTCT paid $0.921 million for variable services. The largest portion of Variable Service Fees in 2022-23 was for court transcription services worth $0.920 (99 percent). Fees for recording services made up the remaining 1 percent.

Transcription services

4.48 Occasionally ACTCT require transcripts of court matters. When required, ACTCT staff complete a transcription request form detailing the matter and when the transcription is required by. Staff then email the request to the relevant subcontractor, which is required to provide the completed transcript by the due date. Costs for transcription services are charged on a per word basis. Unapproved delays in the provision of transcripts, or the provision of poor-quality transcripts, attracts penalties in the form of abatements (discussed further from paragraph 4.18).

4.49 A review of 22 transcription payments that were made in 2022-23 sought to verify that the transcription documentation and costs were applied correctly prior to payment. Issues were identified with five of the 22 samples tested including:

- three of the transcription services were delivered late to ACTCT. ACTCT advised these most likely had extension approvals, but evidence of this could not be provided.
- two of the payments tested showed a material variance between the calculated transcription costs compared to what ACTCT had paid. Calculation variances of greater than 10 percent are considered material. Two instances of material variances were identified where a transcription cost:
  a) should have been $391.58, but ACTCT paid $3,915.78 instead. ACTCT advised that this was due to a transposition error and it was recovering the overpayment.
  b) was calculated as $3,866.32 instead of $981.30. ACTCT was unable to provide an explanation for this variance.

4.50 As part of the invoice payment process, the ACTCT Finance Team checks transcription service payment amounts. This is then reviewed by the Senior Director of ACTCT Infrastructure, Property and Contracts before being reviewed and approved as part of the monthly invoice payment process.

4.51 Under the Agreement, Variable Service Fees can be paid to Juris for services such as transcription fees, recording fees, video data storage fees and out of hours services fees. In 2022-23, ACTCT paid $0.921 million for variable service fees, the vast majority of which ($0.920 million) related to transcription services. A review of 22 transcription samples that were completed in 2022-23 showed that, despite there being checks in place for the invoice payment process: three of the transcription services were delivered late to ACTCT, with no evidence of approval of an extension; and two of the payments tested showed a material variance between the calculated transcription costs compared to what ACTCT had paid.

Recommendation 12	**Invoice processing**
ACTCT should strengthen its quality assurance procedures over the processing of invoice payments to ensure Variable Service Fees are accurately calculated and paid for.	

Lifecycle Replacement Costs

4.52 The Territory pays a monthly Lifecycle Replacement Cost for the Courts Facility. A Lifecycle Replacement Cost is, according to Neumann Monson Architects, 'the total cost of a building system or material over its lifetime. It includes the cost of acquiring, maintaining, replacing, and disposing of the system or material'.[12]

4.53 The Lifecycle Replacement Cost calculation was submitted as part of Juris' tender response. A CPI annual multiplier is also applied. According to the Agreement, the Territory will pay Juris approximately $121 million for Lifecycle Replacement Costs over the course of the services. This amount will increase if there are additional modification works required for the Facility.

4.54 In 2022-23, ACTCT paid $2.88 million for Lifecycle Replacement Costs. This aligns with the amounts set out in the Agreement. Up to 30 November 2023, six Lifecycle Replacement Cost works have been completed including upgrades to the:

- Magistrate Court chambers bathrooms;
- blinds in the Magistrates Court; and
- chairs in the Magistrates Court Courtrooms.

4.55 ACTCT advised that there are multiple Lifecycle Replacement Cost works that are planned for 2024 including core switch replacements, lifts and audio-visual upgrades. These are not yet recorded in an approved Lifecycle Replacement schedule. ACTCT advised that it has developed a schedule for these works but has not finalised or approved the schedule.

4.56 The Territory pays a monthly Lifecycle Replacement Cost for the Courts Facility. A Lifecycle Replacement Cost is 'the total cost of a building system or material over its lifetime. It includes the cost of acquiring, maintaining, replacing, and disposing of the system or material'. According to the Agreement, the Territory will pay Juris approximately $121 million for Lifecycle Replacement Costs over the course of the services. In 2022-23, the Territory paid Juris $2.88 million for Lifecycle Replacement Costs for upgrades to the Magistrate Court chambers bathrooms, blinds in the Magistrates Court and chairs in the Magistrates Court Courtrooms. This aligns with the amounts set out in the Agreement.

Modification Works

4.57 The Agreement defines a modification as 'a change to the Facility or the ACAT Facility, including any addition, increase, decrease, omission, deletion, demolition or removal to or from the Facility or the ACAT Facility'.

4.58 Modification works can be requested by either the Territory or Juris. Both processes are similar, with the main difference being the length of time it takes to approve the works.

[12] Life-Cycle Costs of Interior Materials | Neumann Monson Architects

Modification work requested by Juris is typically processed more quickly as the request submitted by Juris is accompanied by a cost quotation.

4.59 A total of 21 modification works were completed in 2022-23 at a cost of $1.19 million. These were all initiated by ACTCT.

4.60 Four sample modification works that were completed in 2022 and 2023 were reviewed by the Audit Office. As all modification works up to the date of June 2023 were initiated by ACTCT, the modification samples that were tested were expected to have:

- a modification request from ACTCT to Juris, signed by an ACTCT delegate (usually the CEO ACTCT);
- a modification proposal that contained a quote from Juris;
- a modification order from ACTCT that confirmed it had agreed to the quote. This would also be signed by an ACTCT delegate (usually the CEO ACTCT); and
- an invoice from Juris with pricing that was agreed in the modification order.

4.61 The sample testing process demonstrated that ACTCT followed the modification processes for all four modification works samples. The CEO ACTCT signed all modification requests and modification orders and the invoiced costs aligned with the agreed prices documented in the modification orders.

4.62 The costs associated with the modification works are shown in Table 4-4.

Table 4-4 Modification works sample tests

Sample tested	Capital Expenditure	First year service cost	Lifecycle Replacement Cost	Total costs
Modification 25	$174,532.60	$2,433.60	$192,305.79	$ 369,271.99
Modification 34	$141,064.37	$3,062.80	$31,439.98	$ 175,567.15
Modification 41	$14,300.12	-	-	$14,300.12
Modification 47	$ 65,388.38	$1,297.92	$65,743.67	$132,429.97
Totals	**$395,285.47**	**$6,794.32**	**$289,489.44**	**$691,569.23**

Source: ACT Audit Office analysis.

4.63 The Agreement defines a modification as 'a change to the Facility or the ACAT Facility, including any addition, increase, decrease, omission, deletion, demolition or removal to or from the Facility or the ACAT Facility'. Modification works can be requested by either the Territory or Juris. A total of 21 modification works were completed in 2022-23 at a cost of $1.19 million. Processes for modification work requests have been established and a review of four modification works undertaken in 2022-23 demonstrated that the process had been followed appropriately.

Appendix A: Monthly Performance Report requirements

Type of report	Detail required
Performance reporting A summary of all Service Failures and Services Requests and events reported to the Help Desk within the reporting Month consistent with the requirements of HD05 of the Services Specification.	- Number of Service Failures (broken down by Quality Failures and Failure Events); - Number of Failure Events for each Failure Event Level; - Number of Quality Failure Points accrued; - Number of communications received by the Help Desk, broken down by Service or other agreed categorisation; - Complaints received by the Help Desk relating to any of the Services; and - A summary of activities undertaken in accordance with the Performance Monitoring Program (PMP), results of any Services Satisfaction Survey or audit and detail where performance standards have not been achieved and how the Services Subcontractor intends to address the shortfall in performance.
Monthly service payment deductions	- Provide the Services Subcontractor's estimate of the deduction(s) to be made from the Monthly Service Fee including details of the calculation.
Management reporting Summary of the Services Subcontractor Activities undertaken during the previous month and activities planned to be undertaken during the subsequent Month.	- Planned maintenance, Minor Works or other building works that may impact or disrupt the Functions of the Courts Facility; - Quality assurance activities undertaken or planned to be undertaken; - Training undertaken or planned to be undertaken; - Changes in personnel, procedures or processes; - Environmental hazards, issues or incidents; - Safety incidents (actual or potential), accidents, medical treatment injuries or property damage; and - Vandalism or wilful damage.

AV/VC System Report	- Videoconferencing sessions including:
	    o the total number of video conferencing sessions within the reporting period;
	    o details of any issues/incidents with videoconferencing sessions; and
	    o number of Help Desk requests reported by users;
	- Quality of Service (QoS) tests undertaken and details of any instances where the test identified a failure of any AV/VC system to meet the AV/VC Condition and Performance Standards including:
	    o number of system requests that take 10 seconds or more to respond;

Type of report	Detail required
	○ number of system requests that take more than 5 seconds to respond; and ○ number of dropped calls; - Quantity and type of IT-114 network performance tests undertaken and details of any instance where the test identified a network performance issue; and - Quantity of video lip synchronisation tests undertaken and details of any instance where video lip synchronisation failed to meet AV/VC Condition and Performance Standards.
Records and Transcription Services Update	○ Number of sitting days for Recording and Transcription Services for the relevant period broken down by: ○ jurisdiction; ○ presiding Judicial Officer (sitting hours to be allocated to each Judicial Officer where more than one Judicial Officer hears a proceeding); ○ on site and off site; ○ total sitting hours; and ○ total sitting days; ○ Number of (for both relevant period and cumulative to date for each financial year): ○ Supreme Court criminal trials and Magistrates Court and Supreme Court sentencing remarks; ○ Magistrates Court criminal hearings, Supreme Court criminal appeals from the Magistrates Court, all bail applications and all interlocutory criminal matters excluding Court of Appeal; and ○ non-criminal transcript for all courts and tribunal and the criminal Court of Appeal broken down by: ▪ category; ▪ jurisdiction; ▪ Judicial Officer; ▪ matter number; ▪ date of proceeding; ▪ person (e.g. associate by name) party or entity requesting transcript; ▪ time taken to deliver transcripts against the timeframes in Appendix B of the Services Specification; ▪ total number of folios; and ▪ charges for transcripts including any additional copies of transcripts. - Audio CDs supplied for the relevant period and cumulative to date for each financial year broken down by:

Type of report	Detail required
	o service; o jurisdiction; o Judicial Officer; o matter number; and o date of proceeding.
Financial Reconciliation Provide a financial reconciliation for the relevant period and cumulative to date of the expenditure	- The Minor Works account; and - (Employees): details of each person engaged in delivering the Services, including: o names; o area/type of work activity; o the date on which employment began; o evidence of security checks (including National Police Certificates) undertaken; and o status of employment.

Source: Schedule 24 of the PPP Agreement.

Appendix B: Annual Performance Report requirements

Type of report	Detail required
Proposed changes	Any proposed changes to the Services or the manner in which the Services are delivered, including: - a programme for implementing the proposed changes; - any impact on the Functions; and - financial implications of the proposed changes.
Approvals	Confirmation that all applicable Approvals have been obtained and maintained including: - confirmation the Courts Facility complies with the minimum requirements of all relevant building and emergency services Laws and Standards relating to fire and safety; - the current status of the fire certification issued by the fire brigade in respect of the Courts Facility; and - confirmation that all statutory declarations required to be provided have been provided.
Management	An overall management report that includes: - trending data and analysis of surveys, complaints, performance, incidents and outcomes of initiatives; - a summary of Project Co Staff statistics including staff turnover, staff security clearances issued and training provided (reported by Service); - summary of complaints received in respect of the Services and the action taken and resolution status in accordance with the Services Specification; - a summary of the results of any Services Satisfaction Surveys undertaken by Project Co in accordance with the Services Specification; - details of any innovations in, and ways to improve the value for money obtained by the Territory from, the way in which the Services are planned and performed; and - a list of Project Control Group and Senior Representatives Group meetings undertaken in the relevant Operating Year, including the date of each meeting and a summary of the major issues discussed and resolved at each meeting.
Work Health and Safety	A Work Health and Safety Report covering the reporting period including: - description of safety programmes and initiatives implemented; - summary of safety performance reported against a range of safety indices and key performance indicators; - summary of any occupational health and rehabilitation issues;

Type of report	Detail required
	- summary of all safety incidents, accidents (including lost time and medical treatment injuries) or property damage (including vandalism and wilful damage); and - trend analysis of all security and safety incidents.
Quality Assurance	A report that reviews the performance of the Services against the Services Phase Quality Assurance Plan and Performance Monitoring Plan including: - details on the extent to which the Services Phase Quality Assurance Plan and quality assurance systems have been successfully implemented together with (where there has been a failure to successfully implement any aspect of the plan or system) Project Co's recommendations for rectifying the failures in the following Operating Year; - details of all other areas in which the Services Phase Quality Assurance Plan and quality assurance systems can be improved and the steps to be taken to do so; - details of any proposed changes to the Services Phase Plans; and - an assessment of the environmental management performance against the Environmental Management Plan including details of any environmental hazards, issues or incidents occurring during the Operating Year.
Contract Management	Contract management report including as a minimum: - details of changes to key Project Co’s contracts and Subcontractors from the preceding year; - confirmation that all insurances remain in place; - a summary of Modifications (ongoing and resolved) for the relevant Operating Year; and - a summary of Disputes (ongoing and resolved) for the relevant Operating Year.
Help Desk Services	A Help Desk report detailing as a minimum: - a summary of Attendance and Rectification of Service Requests and Failure Events; and - the number of communications received by the Help Desk, broken down into each Service or other agreed categorisation.
Asset Management Services	A report that reviews the performance of the Services against the Asset Management Plan including: - a summary of the proposed consolidated programmed maintenance schedule, Deferred Refurbishment Works schedule and inspection schedule for the following Operating Year; - a summary of the planned expenditure (which should reflect the cost of undertaking the activities for the relevant Operating Year) against the actual expenditure for the Refurbishment Works nominated in the whole-of-life

Type of report	Detail required
	refurbishment and replacement schedule included in the Asset Management Plan; - details of major disposal, upgrades and Refurbishment Works undertaken in that Operating Year; - summary information on the procurement and replacement of Project Co Equipment; and - a summary of any maintenance works included in the Asset Management Plan for the coming Operating Year that may impact on Functions.
Utilities Management Services	A Utilities Management Services report detailing as a minimum: - a statement about energy management, greenhouse gases and pollution prevention, and identifying the level of compliance with the following targets in the relevant Operating Year: o utility targets; o greenhouse targets; o water consumption target; o water harvesting target; o water quality target; o renewable energy target; and o ESD targets. - a detailed statement about Utilities consumption and usage patterns measured against forecast and benchmarking data and targets including: o using the Utilities consumption data collected and retained, an accurate record of the monthly readings from each Utilities meter installed at the Courts Facility together with a monthly aggregation of total of the readings by category of Utility; o the conversion of all of the data referred to into consumption units; o a calculation of the achieved energy efficiency; and o an analysis (if applicable) demonstrating the extent to which any difference between the achieved energy efficiency and the relevant Utility Target may have arisen.
Soft Services	A Soft Services report detailing as a minimum: - results of internal cleaning standards audits undertaken and the methodologies and procedures implemented in response to the audits to ensure compliance with the Services Specification and generally improve performance; - a summary of volume and costs for waste disposal for the Operating Year; - a summary of contracts and their commercial conditions entered into for waste management and disposal Services;

Type of report	Detail required

	- details on waste usage and strategies to reduce waste including:
	  o waste avoidance;
	  o reuse strategy;
	  o waste minimisation;
	  o recycling initiatives introduced for the previous year; and
	  o energy recovery;
	- a summary of the Grounds and Gardens Maintenance Program for the following Operating Year;
	- a summary of incidents of pest infestation for the Operating Year including remedial action taken to prevent re-occurrence;
	- a summary of the Works to be undertaken in accordance with the Pest Control Plan for the following Operating Year; and
	- a summary of the volume of mail distributed within the Courts Facility.

Security Services	A Security Services Report detailing as a minimum: - a summary of Security Services manning levels implemented for the relevant Operating Year; - a report containing a summary of all Security and Safety Incidents including an analysis of trends so as to support the security risk assessment; and - a summary of any outstanding issues relating to Security and Safety Incidents from the previous Operating Year.

Recording and Transcription Services	A Recording and Transcription Services report detailing as a minimum:
	- number of sitting days for Recording and Transcription Services for the Operating Year broken down by:
	  o jurisdiction;
	  o presiding Judicial Officer (sitting hours to be allocated to each Judicial Officer where more than one Judicial Officer hears a proceeding);
	  o on site and off site;
	  o total sitting hours; and
	  o total sitting days.
	- number of court proceedings for the Operating Year for:
	  o Supreme Court criminal trials and Magistrates and Supreme Court sentencing remarks;
	  o Magistrates Court criminal hearings, Supreme Court criminal appeals from the Magistrates Court, all bail applications and all interlocutory criminal matters excluding Court of Appeal; and

Type of report	Detail required
	○ non-criminal transcript for all courts and tribunal and the criminal Court of Appeal, broken down by: ▪ category ▪ jurisdiction; ▪ Judicial Officer; ▪ matter number; ▪ date of proceeding; ▪ person (e.g. associate by name) party or entity requesting transcript ▪ time taken to deliver transcripts against the timeframes in Appendix B of the Services Specification; ▪ total number of folios; and ▪ charges for transcripts including any additional copies of transcripts ○ audio CDs supplied for the relevant period and cumulative to date for each financial year broken down by: ▪ service; ▪ jurisdiction; ▪ Judicial Officer; ▪ matter number; ▪ date of proceeding; and ▪ charges.
AV/VC Managed Services	An AV/VC Managed Services report detailing as a minimum AV/VC Systems performance based on testing undertaken in accordance with ANSI/InfoComm International Standard 10:2013 and the Audiovisual Systems Performance Verification Guide.

Source: Schedule 24 of the PPP Agreement.

Audit reports

Reports Published in 2024-25	
Report No. 13 - 2024	Invoicing and Payments for Digital Health Record Hosting Services
Report No. 12 - 2024	2023-24 Financial Audits – Financial Results and Audit Findings
Report No. 11 - 2024	Governing boards of selected ACT Government entities
Report No. 10 - 2024	Safer Families Levy
Report No. 09 - 2024	2023-24 Financial Audits – Overview
Report No. 08 - 2024	Annual Report 2023-24
Report No. 07 - 2024	Reusable Facility Services Procurement
Report No. 06 - 2024	Business Transformation Program: ICT renewal activities
Reports Published in 2023-24	
Report No. 05 - 2024	Management and oversight of ACT Policing services
Report No. 04 - 2024	Planning and delivery of services for young people with moderate to severe mental health illness
Report No. 03 - 2024	Management of the Growing and Renewing Public Housing Program
Report No. 02 - 2024	Management of key contracts under A Step Up For Our Kids
Report No. 01 - 2024	Urban Tree Management
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Report No. 07 - 2022	ACT Childhood Healthy Eating and Active Living Programs
Report No. 06 - 2022	Annual Report 2021-22
Report No. 05 - 2022	Procurement and contracting activities for the Acton Waterfront Project

These and earlier reports can be obtained from the ACT Audit Office's website at http://www.audit.act.gov.au.