

Report to the Standing Committee on Public  
Accounts and Administration and Standing  
Committee on the Integrity Commission and  
Statutory Office Holders

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# **Performance Audit Recommendations Observations (2025) - Summary Report**

November 2025

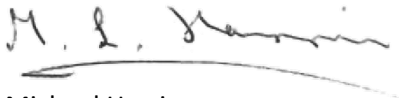
The Chairs  
Public Accounts and Administration Committee  
Integrity Commission and Statutory Office Holders Committee  
ACT Legislative Assembly  
Civic Square, London Circuit  
CANBERRA ACT 2601

Dear Chairs

I am pleased to provide you with a *Performance Audit Recommendations Observations Summary Report* for 2025. The purpose of this document is to report my observations on agencies' reporting of progress in the implementation of recommendations made in performance audit reports.

I would be happy to discuss further as necessary.

Yours sincerely



Michael Harris  
Auditor-General  
4 November 2025

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

### Background

The *Auditor-General Act 1996* (the AG Act) outlines the Auditor-General's responsibilities. Subsection 17(1) of the AG Act allows the Auditor-General to 'at any time prepare a report for the Legislative Assembly on any matter arising in connection with the exercise of the auditor-general's functions'. Paragraph 17(3)(c) allows for such reports to include recommendations.

### Government response

Subsection 21(1) of the AG Act requires the Minister to prepare a written response within four months of a report being presented to the Legislative Assembly under section 17 of the AG Act.

### 2017 CMTEDD Guidelines

In 2017 the ACT Government prepared *Guidelines for responding to performance audit reports by the Auditor-General* (the Guidelines). The Guidelines are 'intended to facilitate timely and thorough consideration of, and response to, recommendations made by the Auditor-General'.

The Guidelines outline the process for preparing a government response to a performance audit report. This requirement replaced the practice of agencies indicating their agreement or otherwise with recommendations at the time of finalisation and tabling of a performance audit report and this information being included in the report itself.

As at October 2025 the Guidelines are no longer available online. CMTEDD advised that draft replacement Guidelines have been developed and are awaiting review and approval, and these are expected to be published before January 2026.

The Guidelines 'are intended to facilitate timely and thorough consideration of, and response to, recommendations made by the Auditor-General'.

The Guidelines state 'the government's response should ... clearly articulate the government's position in relation to each recommendation/finding' and that 'the government position should be clearly articulated and defensible, particularly where it is proposed not to support a particular issue'. The Guidelines note that responses to a given recommendation should fall within one of the following four categories:

- a) **Agreed** – *relevant details of the proposed implementation strategy should be included with the response.*
- b) **Agreed in principle** – *this may be appropriate where the government generally supports a finding or policy approach, but does not necessarily agree with particular specifications in the report.*
- c) **Not agreed** – *a detailed explanation should be included whenever a position of 'not agreed' is proposed. It may be appropriate to offer alternative solutions / approaches.*

- d) **Noted** – *this may be appropriate where the government considers no specific action or response is necessary.*

## Reporting on the implementation of agreed recommendations

Part 2 of the *Annual Reports (Government Agencies) Act 2004* (the Annual Reports Act) outlines requirements for the preparation of annual reports.

Section 8 of the Annual Reports Act requires the Chief Minister to make directions to set the form and content of annual reports.

On 9 May 2025 the Chief Minister issued the *Annual Reports (Government Agencies) Directions 2025 (No 1) (Notifiable Instrument NI2025-240)* (Annual Report Directions).<sup>1</sup> The Annual Report Directions set out the content to be included in an annual report.

The Annual Report Directions require reporting entities to:

... report on progress during the reporting year in relation to undertakings made in reports that are produced by reporting entities charged with responsibility for scrutiny, including the Auditor-General, ACT Ombudsman, Legislative Assembly Committees, and Integrity Commission reports.

The Annual Report Directions further state:

Reporting entities must provide a summary of actions taken in relation to those recommendations relevant to the directorate/public sector body that the Government has agreed to (including agreement in principle and agreement in part) during the reporting year.

The Annual Report Directions require reporting entities to include a table, which shows:

- the recommendation number and summary of the recommendation;
- the action taken during the reporting year; and
- the status at the end of the reporting year – ‘complete’ / ‘no longer required’ / ‘in progress’.

The Annual Report Directions state:

For actions with a status ‘no longer required’, a brief explanation should be provided (e.g. overtaken by events or change in policy). For actions with a status ‘in progress’, provide a brief summary of actions that are outstanding, agreed timeframe for completion (where applicable) and progress to date against the timeframe.

The Annual Report Directions state:

If a government response, in agreeing to a given recommendation, indicates that implementation is already complete, the recommendation does not need to appear in the annual report as the Government has not committed to undertake further action.

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<sup>1</sup> [Annual Reports \(Government Agencies\) Directions 2025 \(No 1\)](#)

## Review methodology

This review considered agencies' reporting on the implementation of recommendations from performance audit reports tabled in the ACT Legislative Assembly since 2021. The review considered how the implementation of recommendations has been reported in agencies' relevant reports.

This review follows similar reviews, published in December 2022, November 2023 and February 2025.

Separate appendices to this Summary Report include detailed observations on recommendations from the performance audit reports.

## Performance audit reports considered

The report includes information on the recommendations of the following performance audit reports tabled since 2021.

Reports tabled in 2021:

- *Land Management Agreements – Report No. 1 / 2021*
- *Total Facilities Management Contract Implementation – Report No. 2 / 2021*
- *Court Transport Vehicle – Romeo 5 – Report No. 3 / 2021*
- *Act Government's Vehicle Emissions Reduction Activities – Report No. 4 / 2021*
- *Management of Closed-Circuit Television Systems – Report No. 5 / 2021*
- *Teaching Quality in ACT Public Schools – Report No. 6 / 2021*
- *Procurement Exemptions and Value for Money – Report No. 7 / 2021*
- *Canberra Ligh Rail Stage 2A: Economic Analysis – Report No. 8 / 2021*
- *Digital Records Management – Report No. 11 / 2021*
- *Campbell Primary School Modernisation Project Procurement – Report No. 13 / 2021*

Reports tabled in 2022:

- *Management of Detainee Mental Health Services in the Alexander Maconochie Centre – Report No. 1 / 2022*
- *Fraud Prevention – Report No. 2 / 2022*
- *ACT Taxi Subsidy Scheme – Report No. 3 / 2022*
- *Governance arrangements for the planning of services for Parkwood, Ginninderry – Report No. 4 / 2022*

- *Procurement and contracting activities for the Acton Waterfront Project – Report No. 5 / 2022*
- *ACT Childhood Healthy Eating and Active Living Programs – Report No. 7 / 2022*

Reports tabled in 2023:

- *Construction Occupations Licensing – Report No. 1 / 2023*
- *Management of Operation Reboot (Outpatients) – Report No. 2 / 2023*
- *Financial Management Services for Protected Persons – Report No. 3 / 2023*
- *Procurement of A Hybrid Electric Fire Truck – Report No. 4 / 2023*
- *Activities of the Government Procurement Board – Report No. 5 / 2023*
- *Implementation of the ACT Aboriginal and Torres Strait Islander Agreement – Report No. 6 / 2023*
- *Supports for Students with Disability in ACT Public Schools – Report No. 8 / 2023*
- *Human Resources Information Management System (HRIMS) Program – Report No. 10 / 2023*

Reports tabled in 2024:

- *Urban Tree Management – Report No. 1 / 2024*
- *Management of Key Contracts Under A Step Up For Our Kids – Report No. 2 / 2024*
- *Management of the Growing and Renewing Public Housing Program – Report No. 3 / 2024*
- *Planning and Delivery of Services for Young People with Moderate to Severe Mental Illness – Report No. 4 / 2024*
- *Management and Oversight of ACT Policing Services – Report No. 5 / 2024*
- *Business Transformation Program: ICT Renewal Activities – Report No. 6 / 2024*
- *Reusable Facility Services Procurement – Report No. 7 / 2024*
- *Safer Families Levy – Report No. 10 / 2024*
- *Governing Boards of Selected ACT Government Entities – Report No. 11 / 2024*
- *Invoicing and Payments for Digital Health Record Hosting Services – Report No. 13 / 2024*
- *Facilities Management and Support Services for ACT Courts – Report No. 14 / 2024*

Reports tabled in 2025 (up to July 2025)

- *Management of the Growing and Renewing Public Housing Program – Report No. 1 / 2025*
- *Energy efficiency standard for rental properties – Report No. 2 / 2025*

## Report Purpose

The purpose of this report is to provide the Standing Committee on Public Accounts and Administration and the Standing Committee on the Integrity Commission and Statutory Office Holders information about:

- agencies' reporting of progress implementing performance audit report recommendations; and
- the transparency with which this information is conveyed.

***Observations made in this document should not be taken as assurance on whether the agency's implementation of the recommendation is effective.***

The report captures the following information for each performance audit report considered:

- a summary of the performance audit; and
- a table showing:
  - each recommendation;
  - the ACT Government response to the recommendation, including reported status, i.e. agreed, agreed in principle, not agreed or noted;
  - the agency's progress reporting on the recommendation's implementation in relevant annual reports, including last reported status, i.e. complete, in-progress or not reported; and
  - observations on the agency's progress reporting on the recommendation's implementation.

The report comments on each performance audit recommendation until it is reported as 'complete'. For example, an agency may have identified a recommendation as 'in-progress' in its *2022-23 Annual Report* and 'complete' in its *2023-24 Annual Report*.

The ACT Government prepared and tabled its response for all audits published up to May 2025.

## Observations on ACT Government responses to recommendations

### Recommendation summary

The Audit Office made 242 recommendations in performance audit reports between March 2021 and June 2025. Table 1-1 shows how auditees responded.

Table 1-1 Auditee responses from March 2021 to July 2025

Response	2021	2022	2023	2024	2025	Total
Agreed	36	27	53	62	7	185

Agreed in principle	9	16	13	6	1	<b>45</b>
Not agreed	1	1	0	0	2	<b>4</b>
Noted	2	2	0	0	0	<b>4</b>
Response unclear	4	0	0	0	0	<b>4</b>
<b>Total</b>	<b>52</b>	<b>46</b>	<b>66</b>	<b>68</b>	<b>10</b>	<b>242</b>

The table shows the ACT Government has:

- agreed to most recommendations (76 percent); and
- agreed in principle to progressively fewer recommendations since 2022.

Between 2021 and 2025, the ACT Government disagreed with or noted four recommendations respectively. The ACT Government did not provide a clear response to four recommendations (but this was confined to one response in 2021).

### Observations on recommendations

A number of issues have emerged from the analysis of agencies' reporting on the implementation of performance audit report recommendations. These are listed below and then discussed in more detail:

- lack of specificity in the ACT Government response to recommendations;
- limited information on timeframes for implementation;
- non-reporting by agencies of progress implementing the recommendations;
- lack of information on action(s) taken in relation to recommendations; and
- inconsistent and unclear reporting on the implementation of recommendations.

#### *Lack of specificity in the ACT Government response to a recommendation*

The Guidelines state:

The Government's response should clearly articulate the government's position in relation to each recommendation / finding.

Some ACT Government responses did not clearly articulate the government's position on all or part of recommendations, e.g. *Procurement Exemptions and Value for Money – Report No. 7 / 2021*.

This contrasts with other audit reports for which a response has been clear and detailed, e.g. *Construction Occupations Licensing – Report No. 1 / 2023* and *Urban Tree Management – Report No. 1 / 2024*.

### *Limited information on timeframes for implementation*

For some reports the ACT Government response identified timeframes for implementation, e.g. *Financial Management for Protected Persons – Report No. 3 / 2023*.

This is a good practice that should be adopted more widely, as it promotes transparency and accountability.

In some instances, agencies have also identified timeframes for completion when reporting on the implementation of the recommendation. This is a practice that similarly promotes transparency and accountability.

### *Non-reporting by agencies of progress implementing the recommendations*

Annual Report Directions require reporting entities to include a table, which shows:

- the recommendation number and summary of the recommendation;
- the action taken during the reporting year; and
- the status at the end of the reporting year – ‘complete’ / ‘no longer required’ / ‘in progress’.

The Audit Office identified several instances where agencies did not report progress on actions in relation to the recommendations.

This is problematic where the ACT Government response ‘agreed’ with a recommendation but there has been no reporting of the recommendation’s implementation in an agency’s annual report(s), e.g. *Governing Boards of Selected ACT Government Entities - Report No. 11 / 2024* and *Planning and Delivery of Services for Young People with Moderate to Severe Mental Illness – Report No. 4 / 2024*.

In some instances, the ACT Government response identified the recommendation as ‘agreed in principle’ or ‘noted’ along with actions that are being taken in relation to either the recommendation or the issues or risks that are intended to be addressed by the recommendation. Notwithstanding the recommendation was not explicitly ‘agreed’, better practice would be to report on the actions being taken in relation to the recommendation or the issues or risks that are intended to be addressed by the recommendation.

### *Lack of information on action(s) taken in relation to recommendations*

In some instances, an ACT Government agency has provided a very brief description of action(s) taken in relation to the recommendation or simply reported it as ‘complete’ with no further information or explanation.

This type of response may be sufficient if the recommendation is simple, or the ACT Government response is clear and direct in how the recommendation is to be actioned. In all other instances this does not promote transparency and accountability.

#### *Inconsistent and unclear reporting on the implementation of recommendations*

The appendices to this Summary Report outline the Audit Office's observations with respect to agencies' reporting on the implementation of the recommendations. There were some examples of clear and easily understandable reporting by agencies, and other examples where the actions taken in response to a recommendation was ambiguous and unclear. These have been highlighted and commented on where appropriate.