

Implementation of Parliamentary Committee and Auditor-General Recommendations — Indigenous Affairs Portfolio

Indigenous Business Australia

National Indigenous Australians Agency

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Canberra ACT
20 November 2024

Dear President
Dear Mr Speaker

In accordance with the authority contained in the *Auditor-General Act 1997*, the acting Auditor-General undertook an independent performance audit in Indigenous Business Australia and the National Indigenous Australians Agency. The report is titled *Implementation of Parliamentary Committee and Auditor-General Recommendations — Indigenous Affairs Portfolio*. I present the report of this audit to the Parliament.

Following its presentation and receipt, the report will be placed on the Australian National Audit Office's website — <http://www.anao.gov.au>.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Caralee'.

Dr Caralee McLiesh PSM
Auditor-General

The Honourable the President of the Senate
The Honourable the Speaker of the House of Representatives
Parliament House
Canberra ACT

AUDITING FOR AUSTRALIA

The Auditor-General is head of the Australian National Audit Office (ANAO). The ANAO assists the Auditor-General to carry out their duties under the *Auditor-General Act 1997* to undertake performance audits, financial statement audits and assurance reviews of Commonwealth public sector bodies and to provide independent reports and advice for the Parliament, the Australian Government and the community. The aim is to improve Commonwealth public sector administration and accountability.

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Audit snapshot

Auditor-General Report No.14 2024–25

Implementation of Parliamentary Committee and Auditor-General Recommendations — Indigenous Affairs Portfolio



Why did we do this audit?

- ▶ Parliamentary committee and Auditor-General reports identify risks to the successful delivery of government outcomes and provide recommendations to address them.
- ▶ The ANAO undertakes audits examining entities' implementation of recommendations in line with commitments to the Parliament.
- ▶ This audit examined 25 agreed recommendations made to Indigenous Business Australia (IBA) and the National Indigenous Australians Agency (NIAA) between January 2020 and December 2022.



What did we find?

- ▶ IBA fully implemented three agreed recommendations and largely implemented the remaining one. Its arrangements for responding to recommendations, while largely fit for purpose, were not settled until April 2024.
- ▶ NIAA fully or largely implemented seven recommendations, while fourteen were partly implemented or ongoing. Arrangements for responding to recommendations are partly fit for purpose. New arrangements were documented in August 2024.



Key facts

- ▶ Six per cent of responses to parliamentary committee reports tabled in the Senate and 23 per cent of responses tabled in the House of Representatives were on time in 2022–23 and 2023–24. For Indigenous affairs reports, 5 per cent of responses were on time (February 2019 to August 2024).
- ▶ In an annual ANAO survey of entities that received Auditor-General performance audit recommendations, over 75 per cent of recommendations are reported implemented within 24 months. The ANAO has found that approximately one-quarter of performance audit recommendations described by entities as implemented are partly implemented or not implemented.



What did we recommend?

- ▶ Two opportunities for improvement were identified for IBA, relating to internal guidance and clarifying the role of the accountable authority.
- ▶ Five opportunities for improvement were identified for NIAA, relating to: monitoring parliamentary activity; assisting government to respond; and closing Auditor-General recommendations.
- ▶ One opportunity for improvement was identified for the Department of the Prime Minister and Cabinet to improve guidance on responding to parliamentary committee recommendations.

4 out of 4

Auditor-General recommendations were fully or largely implemented by IBA.

2 out of 10

parliamentary committee recommendations were fully or largely implemented by NIAA.

5 out of 11

Auditor-General recommendations were fully or largely implemented by NIAA.

Summary

Background

1. Indigenous Business Australia (IBA) is a corporate Commonwealth entity established under the *Aboriginal and Torres Strait Islander Act 2005*. IBA's purpose includes to enhance Aboriginal and Torres Strait Islander self-management and economic self-sufficiency.¹ The National Indigenous Australians Agency (NIAA) is a non-corporate Commonwealth entity established as an executive agency in 2019. It is the lead Australian Government agency for Aboriginal and Torres Strait Islander policies and programs. NIAA's purpose includes advancing a whole-of-government approach to improving the lives of Aboriginal and Torres Strait Islander people.²
2. Parliamentary committee and Auditor-General reports identify risks to the successful delivery of government outcomes and provide recommendations to address them. Where a parliamentary committee has made policy recommendations, the responsible minister is required to prepare and table a government response in the Parliament. The Auditor-General provides independent assurance as to whether the Executive government is operating and accounting for its performance in accordance with the Parliament's intent. Auditor-General reports, which include audited entities' responses to recommendations, are tabled in the Parliament. The tabling in the Parliament of an agreed response to parliamentary committee or Auditor-General recommendations is a formal commitment by the government or an entity to implement the recommended actions.
3. Successful implementation of agreed³ recommendations by Australian government entities requires effective governance arrangements to respond to, monitor and implement recommendations, with fit-for-purpose and proportionate implementation planning that sets clear responsibilities and timeframes for delivering the agreed actions.
4. The ANAO undertakes audits of implementation of recommendations made by parliamentary committees and the Auditor-General.⁴

Rationale for undertaking the audit

5. Parliamentary committee and Auditor-General reports have identified risks to and shortcomings in the successful delivery of outcomes in the Indigenous affairs portfolio. Recommendations have specified actions aimed at addressing those risks and identified opportunities for improving public administration. Implementation of agreed recommendations delivers on a formal commitment to the Parliament and is an important part of realising the full benefit of a parliamentary inquiry or audit. Appropriate and timely implementation of agreed

1 *Aboriginal and Torres Strait Islander Act 2005*, section 146.

2 Commonwealth of Australia, *Order to Establish the National Indigenous Australians Agency as an Executive Agency*, 29 May 2019.

3 As discussed in paragraph 1.23, for the purposes of this audit an 'agreed' recommendation means: agreed in full or in part; or agreed in principle, with a commitment to undertake a specific action.

4 Details of the previous audits can be found in Appendix 3 of this report. The ANAO has also published insights from these audits, for the benefit of all Australian Government entities, available from <https://www.anao.gov.au/work/audit-insights/implementation-recommendations-0> [accessed 8 March 2024].

recommendations demonstrates accountability to the Parliament and a commitment to improving public administration.

6. This audit provides assurance to the Parliament about whether recommendations directed to IBA and NIAA are being implemented as agreed.

Audit objective and criteria

7. The audit objective was to examine whether the selected entities have implemented a selection of agreed parliamentary committee and Auditor-General recommendations.

8. To form a conclusion against the objective, the following high-level criteria were adopted.

- Do IBA and NIAA have fit-for-purpose arrangements to respond to, monitor and implement agreed recommendations?
- Did IBA and NIAA respond to and implement agreed recommendations effectively?

9. To allow sufficient time for implementation, the ANAO examined implementation of agreed recommendations made between January 2020 and December 2022. The 25 recommendations examined comprised 10 recommendations from three parliamentary committee reports, and 15 recommendations from four Auditor-General reports.

Conclusion

10. As at August 2024, IBA had largely implemented the agreed recommendations examined in this audit, and NIAA had partly implemented the agreed recommendations. Implementation was not supported by robust governance arrangements in either entity, although arrangements matured during the course of the audit.

11. IBA's arrangements to respond to, implement and monitor agreed parliamentary committee and Auditor-General recommendations are largely fit for purpose. IBA documented practices for managing recommendations in 2024. As at August 2024, these practices were not fully implemented as IBA was not subject to any parliamentary committee recommendations. NIAA's arrangements to respond to parliamentary committee and Auditor-General recommendations are partly fit for purpose. NIAA documented practices for managing recommendations in 2024. These included new practices for managing parliamentary committee recommendations. As at August 2024, these practices were not fully implemented. The practices have the potential to be fit for purpose.

12. NIAA's advice to government on how to respond to parliamentary committee recommendations was partly effective. IBA fully implemented three of the four agreed Auditor-General recommendations and largely implemented the remaining one. NIAA fully implemented six of 21 agreed parliamentary committee and Auditor-General recommendations and largely implemented one. Implementation of the remaining 14 NIAA recommendations was either partial (seven) or ongoing as at August 2024 (seven).

Supporting findings

Arrangements for managing agreed recommendations

13. IBA documented practices to respond to, implement, monitor and close agreed parliamentary committee recommendations in April 2024. These practices include implementation planning that covers roles and responsibilities, timeframes and risk. As at August 2024, these practices had not been implemented as IBA had no active parliamentary recommendations. NIAA documented practices to identify and respond to parliamentary committee recommendations in September 2023. NIAA does not monitor compliance with required timeframes for responding to parliamentary committee recommendations, and practices could be improved to promote better timeliness. NIAA documented practices to implement, monitor and close agreed parliamentary committee recommendations in August 2024. This followed commitments made to the Executive Board, Audit and Risk Committee and the Parliament to clarify and improve practices. As at August 2024, NIAA's practices documented in August 2024 have not been implemented. (See paragraphs 2.4 to 2.39)

14. IBA and NIAA have established practices to respond to, implement, monitor and close agreed Auditor-General recommendations, including reporting to audit and risk committees and providing implementation updates to accountable authorities. IBA's management practices for Auditor-General recommendations were documented and strengthened to include implementation planning in April 2024. IBA's practices could be improved to clarify the role of the IBA Board in approving responses to recommendations. NIAA's practices were documented in August 2024. This included formalising practices for implementation planning established in October 2023, requiring reporting to the Executive Board on implementation and closure, and improving closure practices to support the Audit and Risk Committee to fulfil its assurance function. (See paragraphs 2.40 to 2.63)

Implementation of agreed recommendations

15. IBA was not the subject of parliamentary committee recommendations in the timeframe examined in this audit. NIAA was responsible for coordinating the government response to two parliamentary committee reports examined in this audit. NIAA did not provide draft responses and associated advice in sufficient time to enable government to table responses in the timeframes set by the Parliament. Draft responses prepared by NIAA were consistent with relevant Australian Government guidelines, except that responses to disagreed recommendations did not always clearly state why the recommendation was not accepted. Advice to the Minister for Indigenous Australians (the minister) for recommendations that were accepted did not always include implementation details; risks or sensitivities; or a timeframe. In October 2022, the minister requested more information on outstanding responses to parliamentary committee reports, which was not provided. In April 2024, NIAA recommended to the minister that a 'standard response' be made to 39 recommendations in 10 outstanding parliamentary reports dating back to 2010. The response 'noted' the recommendations and stated that, given the passage of time, a substantive response was no longer appropriate. This was in line with correspondence from the government, except that NIAA did not advise the minister on whether or why a different response might be warranted. (See paragraphs 3.5 to 3.21)

16. Implementation planning for the examined recommendations was limited in both entities.

- IBA assigned responsibility and identified implementation actions for all four recommendations. It did not establish timeframes or assign risk ratings.
- NIAA's implementation planning for 10 parliamentary committee recommendations was partial or not undertaken. NIAA assigned responsibility for all 11 Auditor-General recommendations examined. Other elements of implementation planning were not consistently undertaken. (See paragraphs 3.22 to 3.26)

17. IBA's monitoring, assurance and closure of the four recommendations improved over the time period examined by the audit. IBA monitored implementation progress for all Auditor-General recommendations. Reporting on some recommendations to the Audit, Risk and Performance Committee was not timely nor complete until the committee requested evidence of implementation in September 2022. After September 2022, IBA prepared closure reports and effectively closed all recommendations.

18. NIAA did not consistently monitor implementation progress for the parliamentary committee recommendations examined in this audit, or report on progress to an oversight or assurance body. NIAA did not formally close the three (of 10) recommendations it considered implemented. NIAA monitored implementation progress for all 11 Auditor-General recommendations examined in this audit, and reported progress to the Audit and Risk Committee. Reporting on some recommendations was not timely. While closure reports were prepared for all 11 recommendations (which NIAA considered implemented), one closure report had no supporting evidence, senior official approval was inconsistently recorded and evidenced, and 10 closure reports were not shared with the Audit and Risk Committee. The committee noted closure of all 11 recommendations. (See paragraphs 3.27 to 3.42)

19. IBA and NIAA's implementation of the 25 agreed recommendations examined in this audit, as at August 2024, was as follows.

- Of four Auditor-General recommendations to IBA, IBA considered all four to have been implemented. The ANAO assessed that three recommendations were fully implemented and one was largely implemented.
- Of 10 parliamentary committee recommendations relevant to NIAA, NIAA considered two were fully implemented and one was partly implemented. The ANAO assessment agreed with NIAA's.
- Of 11 Auditor-General recommendations to NIAA, NIAA considered all 11 to be fully implemented. The ANAO assessed that four recommendations were fully implemented, one was largely implemented, and six were partly implemented.
- Of the 21 recommendations relevant to NIAA, responses to 11 included commitments that were additional to the recommendation. The ANAO assessed that additional commitments were fully implemented for three; partly implemented for five; and that implementation was still ongoing for three. (See paragraphs 3.43 to 3.54)

Recommendations

20. The Auditor-General did not make any recommendations. Eight opportunities for improvement were identified, relating to:

- IBA’s practices for responding to parliamentary committee and Auditor-General recommendations;
- NIAA’s practices for monitoring parliamentary activity, assisting government to responding to parliamentary committee recommendations, and closing Auditor-General recommendations; and
- the Department of the Prime Minister and Cabinet’s guidance to Australian Government entities on responding to parliamentary committee recommendations.

Summary of entity responses

21. The proposed audit report was provided to IBA and NIAA. An extract of the proposed audit report was provided to the Department of the Prime Minister and Cabinet. Entities’ summary responses are provided below. Entities’ full responses are provided at Appendix 1.

Indigenous Business Australia

Indigenous Business Australia (IBA) wishes to thank the ANAO for their professional and collaborative engagement with IBA throughout this audit.

The performance audit process has been useful for IBA in driving further improvements in internal processes relating to the implementation and management of ANAO and parliamentary committee recommendations and IBA will consider the further opportunities for improvement as part of its continual improvement processes.

National Indigenous Australians Agency

The National Indigenous Australians Agency (NIAA) welcomes the findings of the audit, including that it has established practices to respond to, implement, monitor and close parliamentary committee and Auditor-General recommendations. The NIAA acknowledges the opportunities for improvement identified in the report and has already made significant progress to strengthen processes for managing and implementing parliamentary committee and Auditor-General recommendations.

Department of the Prime Minister and Cabinet

The Department of the Prime Minister and Cabinet (the department) regularly reviews processes to ensure the robust provision of support to parliamentary committees and guidance to entities. This includes providing advice to entities on parliamentary committee reports with substantive recommendations that require responses from the Government. As part of this process, the department ensures entities are aware of the timeframes under Senate resolution 44 for responding to committee reports.

The department’s Tabling Guidelines provide advice on the preparation of government responses, including that all recommendations must be addressed and reasons provided for not accepting a recommendation, and timeframes for responses as set by Parliament.

Key messages from this audit for all Australian Government entities

22. The ANAO undertakes audits of implementation of recommendations made by parliamentary committees and the Auditor-General. In June 2021, the ANAO published *Audit Insights: Implementation of Audit Recommendations*, which includes observations from these audits for the benefit of all Australian Government entities.

23. Below are further key messages identified in this audit and which may be relevant for the operations of other Australian Government entities.

Governance and risk management

- Supporting government to meet its responsibilities to the Parliament is an important element of public sector integrity.
- For parliamentary committee recommendations, Australian Government entities can support government by: advising ministers on requirements and better practice for the form and timing of responses to parliamentary committee reports; and monitoring compliance with required timeframes.
- For parliamentary committee and Auditor-General recommendations, Australian Government entities can support accountability and integrity by: establishing fit-for-purpose and proportionate implementation planning for agreed recommendations; monitoring implementation; and closing recommendations on the basis of robust evidence that the intent of the recommendation has been met.
- Parliamentary committee and Auditor-General recommendations seek to address risks identified through inquiries and audits. Audit committees are required to provide independent advice and assurance on entities' systems of risk oversight and management and internal controls. Complete and regular reporting to audit and risk committees, including by providing evidence-based closure packs for completed parliamentary committee and Auditor-General recommendations, gives audit and risk committees visibility over how risks are being managed. This assists audit and risk committees to meet their advice and assurance functions.

Audit findings

1. Background

Introduction

1.1 Parliamentary committee and Auditor-General reports identify risks to the successful delivery of government outcomes and provide recommendations to address them.

- Parliamentary committees consist of members from one or both Houses of the Parliament. Parliamentary committee inquiries are used to ‘investigate specific matters of policy or government administration or performance’.⁵ Where a parliamentary committee has made policy recommendations, the responsible minister is required to prepare and table a government response in the Parliament.⁶
- The Auditor-General provides independent assurance as to whether the Executive government is operating and accounting for its performance in accordance with the Parliament’s intent. Auditor-General reports, which include audited entities’ responses to recommendations, are tabled in the Parliament.⁷

1.2 The tabling in the Parliament of an agreed response to a parliamentary committee or Auditor-General recommendation is a formal commitment by the government or an entity to implement the recommended action.

1.3 This is the seventh performance audit since 2019 that has examined the effectiveness of Australian Government entities’ implementation of agreed parliamentary committee and Auditor-General recommendations. Details of the previous audits can be found in Appendix 3 of this report. The ANAO has also published insights from these audits, for the benefit of all Australian Government entities.⁸

Parliamentary committee recommendations

1.4 The Australian Public Service (APS) operates largely under principles-based frameworks, including that established by the *Public Service Act 1999* (PS Act).⁹ The PS Act requires ‘an apolitical public service that is efficient and effective in serving the Government, the Parliament and the

5 Parliament of Australia, *Committees* [Internet], available from https://www.aph.gov.au/Parliamentary_Business/Committees [accessed 8 March 2024].

6 There are some parliamentary committee recommendations that do not require a government response to be tabled in the Parliament. These include recommendations that could only be addressed during consideration of a bill, recommendations relating to approvals of public works and recommendations relating to ratification of treaty actions. Where the Joint Committee of Public Accounts and Audit (JCPAA) has made administrative recommendations, the responsible entity’s accountable authority is required to provide a response in the form of an ‘Executive Minute’ directly to the JCPAA.

7 ANAO, *The Auditor-General* [Internet], 16 February 2024, available from <https://www.anao.gov.au/about/the-auditor-general> [accessed 26 June 2024].

8 ANAO, *Audit Insights: Implementation of Recommendations* [Internet], 30 June 2021, available from <https://www.anao.gov.au/work/audit-insights/implementation-recommendations-0> [accessed 8 March 2024].

9 Indigenous Business Australia (IBA) staff are not employed under the *Public Service Act 1999*. As a corporate Commonwealth entity, IBA is subject to the *Public Governance, Performance and Accountability Act 2013*, which establishes the governance, performance and accountability framework for resource use and management in the Australian public sector.

Australian public'.¹⁰ Members of the APS are subject to integrity obligations specified in the PS Act, including the APS Values.¹¹ The explanatory memorandum for the Public Service Bill 1999 stated that the APS Values 'reflect public expectations of the relationship between public servants and the Government, the Parliament and the Australian community'.¹²

1.5 The Parliament has established expectations for the provision of government responses to parliamentary committee reports. The Senate has resolved that government responses to Senate and joint committee reports are required to be tabled in the Parliament within three months of the report being presented to the Senate.¹³ The House of Representatives (House) has resolved that government responses to House and joint committee reports are required to be tabled in the Parliament within six months of the report being presented to the House.¹⁴

1.6 Australian Government entities are responsible for preparing responses to parliamentary committee reports for government to consider. Provision of advice to support government in meeting its responsibilities to the Parliament is an important element of public-sector integrity and should be consistent with the expectations established by the Parliament, including through the PS Act.¹⁵

1.7 In previous audits of implementation of recommendations, the Auditor-General has reported on instances where entities have not effectively demonstrated implementation of all agreed recommendations examined by the ANAO (see Appendix 3). In response to these findings, the Secretary of the Department of the Prime Minister and Cabinet wrote to departmental secretaries in August 2019, stating that:

The presentation of documents to the Parliament is an important component of the Government's accountability to the Parliament and the broader community. It is critical for responsible agencies to monitor and implement the parliamentary committee's recommendations agreed to by the Government. Accordingly, I strongly encourage departments and agencies to finalise Government responses to parliamentary committee reports in a timely manner so that the Government can table its response to a committee report within the timeframes established through the respective resolutions of the House of Representatives and the Senate ... In addition to providing timely responses to Committee reports, it is important that departments and agencies have processes in

10 *Public Service Act 1999*, section 3.

11 *Public Service Act 1999*, section 10. Further discussion of APS integrity obligations is contained in Auditor-General Report No.43 2023–24 *Australian Public Service Commission's Administration of Integrity Functions*, ANAO, Canberra, 2024, paragraphs 1.4–1.32, available from <https://www.anao.gov.au/work/performance-audit/australian-public-service-commissions-administration-integrity-functions> [accessed 22 July 2024].

12 House of Representatives, *Public Service Bill 1999: Explanatory Memorandum*, p. 23, available from https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bld=r793 [accessed 1 July 2024].

13 Australian Senate, *Journals*, 1973, S8: 51.

14 Australian House of Representatives, *Votes and Proceedings*, 2010, 2: 44.

15 The Australian Public Service Commission (APSC) defines integrity in a public service context as 'the pursuit of high standards of APS professionalism, which in turn means doing the right thing at the right time to deliver the best outcomes for Australia sought by the government of the day'. APSC, *Fact sheet: Defining Integrity*, 9 December 2021, available from <https://www.apsc.gov.au/working-aps/integrity/integrity-resources/fact-sheet-defining-integrity> [accessed 1 July 2024].

place to monitor the implementation of the recommendations accepted by the Government. This includes Secretaries providing regular updates to their Minister(s) on implementation progress.¹⁶

1.8 The President of the Senate (President) and the Speaker of the House (Speaker) present reports biannually to the Senate and House, respectively, on the status of government responses to parliamentary committee reports.¹⁷ For each reporting period, the President’s and Speaker’s status reports include: all parliamentary committee reports with an outstanding response, including those carried over from previous reporting periods, unless the relevant parliamentary committee agrees a response is no longer required; and all parliamentary committee reports that received a response in the current reporting period.

1.9 Status reports in 2022–23 and 2023–24 show the number of responses to parliamentary committee reports that were received in the required timeframes (Table 1.1 and Table 1.2). For the four reporting periods to June/July 2024:

- of the 231 parliamentary committee reports in the President’s status report that had received a full response in the preceding six-month period, 15 (six per cent) were on time; and
- of the 96 parliamentary committee reports in the Speaker’s status report that had received a full response in the preceding six-month period, 22 (23 per cent) were on time.

Table 1.1: Senate — status of government responses to parliamentary committee reports^a

Reporting period ending	31 December 2022	30 June 2023	31 December 2023	30 June 2024
	Number	Number	Number	Number
Reports with outstanding response	318	333	357	270
<i>Response overdue</i>	301	310	331	215
Reports that received partial response ^b	14	14	15	14
Reports that received full response ^c	18	26	31	156 ^d
<i>Received late</i>	13	23	26	154 ^d
Total included in status report	350	373	403	440
	Months	Months	Months	Months
Shortest timeframe taken to respond	3	1	2	1

16 The Secretary asked that recipients ‘distribute my letter to agencies within your portfolio’. IBA and the National Indigenous Australians Agency (NIAA) advised the ANAO in June 2024 that the letter was not provided to them by the Department of the Prime Minister and Cabinet (PM&C). In August 2019, NIAA’s parliamentary support function was provided by PM&C (see paragraph 2.4). PM&C advised the ANAO in August 2024 that it could not confirm the letter was sent to IBA and NIAA.

17 Parliament of Australia, *Government responses outstanding to committee reports* [Internet], available from https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Government_responses [accessed 16 January 2024]; Parliament of Australia, *Speaker’s Schedule of the outstanding Government Responses to Committee reports* [Internet], available from <https://www.aph.gov.au/SpeakersSchedule> [accessed 16 January 2024].

Reporting period ending	31 December 2022	30 June 2023	31 December 2023	30 June 2024
Longest timeframe taken to respond	19	147	71	248
Longest timeframe without a response	242	248	254	260

Note a: The ANAO identified discrepancies and could not obtain assurance over the completeness and accuracy of this data.

Note b: Partial responses occur where responses have been received for some but not all recommendations.

Note c: Includes responses denoted 'Final*' in the President's report. This indicates the final response was provided during debate on a bill.

Note d: Includes 'standard responses' to 122 reports that noted all recommendations (see paragraph 1.11).

Source: ANAO analysis of the President's Report to the Senate on the Status of Government Responses to Parliamentary Committee Reports.

Table 1.2: House of Representatives — status of government responses to parliamentary committee reports^a

Reporting period ending	30 November 2022	20 June 2023	24 November 2023 ^b	2 July 2024
	Number	Number	Number	Number
Reports with outstanding response	132	122	84	69
<i>Response overdue</i>	102	108	67	55
Reports that received partial response ^c	15	12	11	10
Reports that received full response	23	18	16	39 ^d
<i>Received late</i>	12	16	9	37 ^d
Total included in status report	170	152	111	118
	Months	Months	Months	Months
Shortest timeframe taken to respond	1	<1	3	2
Longest timeframe taken to respond	39	27	90	77
Longest timeframe without a response	113	119	98	105

Note a: The ANAO identified discrepancies and could not obtain assurance over the completeness and accuracy of this data.

Note b: In June 2023 the Liaison Committee of Chairs and Deputy Chairs agreed to recommend that House and joint committee reports presented prior to the commencement of the 46th Parliament (2 July 2019) be removed from the Speaker's status report, unless the relevant committee resolved to retain those reports. Between the reporting periods ending in June 2023 and November 2023, 23 reports from the 45th Parliament were removed.

Note c: Partial responses occur where responses have been received for some but not all recommendations.

Note d: Includes 'standard responses' to 24 reports that noted all recommendations (see paragraph 1.11).

Source: ANAO analysis of the Speaker's Schedule of the Status of Government Responses to Committee Reports.

1.10 In previous audits of implementation of recommendations, the Auditor-General has reported that compliance with the required timeframes was low for the parliamentary committee recommendations examined by the ANAO.¹⁸

1.11 In March 2024, the Assistant Minister to the Prime Minister (the assistant minister) wrote to all ministers stating that there were more than 340 parliamentary committee reports from previous Parliaments with outstanding responses, and that to address the backlog, the assistant minister proposed that, where a committee's report predated the current Parliament, the default position would be to issue a 'standard response' (unless the minister considered that a different response was required). The 'standard response' would note each recommendation and state that 'given the passage of time, a substantive Government response is no longer appropriate'. Between 1 April 2024 and 31 August 2024, 223 government responses were tabled in the Parliament. Of these, 188 (84 per cent) made the 'standard response'.¹⁹ Of reports that received the 'standard response', 95 (51 per cent) were to parliamentary committee reports tabled in the 46th Parliament (that is, between 2 July 2019 and 11 April 2022). 'Standard responses' were made to a combined total of 2,464 parliamentary committee recommendations.

1.12 The President's and Speaker's status reports list a large number of parliamentary committee reports with outstanding responses. For the three reporting periods to November/December 2023, nearly twice as many reports were tabled as received responses. In the reporting period ending June/July 2024, due to the large number of 'standard responses' tabled following the assistant minister's correspondence, the number of reports with outstanding responses decreased. Excluding these 'standard responses', 28 more parliamentary committee reports were added to the President's status report than received a response, and one more parliamentary committee report was added to the Speaker's status report than received a response. As at June/July 2024, 270 and 69 parliamentary committee reports with outstanding responses are listed in the President's and Speaker's status reports, respectively.

Auditor-General recommendations

1.13 The ANAO undertakes an annual survey of entities that had been subject to a performance audit on their progress in implementing Auditor-General recommendations within 24 months of the recommendation being made. Table 1.3 shows implementation status based on entity self-reporting for recommendations made in 2017–18 to 2021–22.

18 Four per cent received a response within the required timeframe (Auditor-General Report No.22 2022–23 *Implementation of Parliamentary Committee and Auditor-General Recommendations — Attorney-General's Portfolio*). Twenty per cent received a response within the required timeframe (Auditor-General Report No.17 2023–24 *Implementation of Parliamentary Committee and Auditor-General Recommendations — Department of Finance*).

19 The responses were to parliamentary committee reports that had been tabled between October 2003 and March 2022.

Table 1.3: Entity self-reporting of Auditor-General performance audit recommendations implemented within 24 months

Year in which recommendations made	Recommendations (number)	Recommendations		No response provided (%)
		Self-reported as implemented (%)	Self-reported as not implemented (%)	
2017–18	126	81	19	0
2018–19	146	79	19	2
2019–20 ^a	141	84	7	8
2020–21	165	77	21	2
2021–22	161	80	20	0

Note a: The percentages for 2019–20 do not total to 100 per cent due to rounding.

Source: ANAO, *Annual Report 2023–24*, available from <https://www.anao.gov.au/work/annual-report/anao-annual-report-2023-24> [accessed 29 August 2024].

1.14 Previous audits of implementation of recommendations have examined 72 performance audit recommendations which entities have reported as implemented. Of these recommendations, the Auditor-General found that 42 (58 per cent) were fully implemented, 11 (15 per cent) were largely implemented, 14 (19 per cent) were partly implemented, and five (seven per cent) were not implemented.²⁰

Indigenous affairs portfolio

1.15 Responsibility for Indigenous affairs is within the Prime Minister and Cabinet portfolio.²¹ This responsibility comprises:

- ‘Australian Government Aboriginal and Torres Strait Islander policy, programs, and service delivery’; and
- ‘improving results for Aboriginal and Torres Strait Islander people through enhanced Indigenous economic rights to support economic independence, the provision of improved access to education, employment, health, wellbeing and other services, as well as the maintenance of cultural identity’.²²

20 Percentages do not total to 100 per cent due to rounding. Based on six audits since 2019 (see Appendix 3). The audits do not cover all entities and the results may not be representative of the whole population of Auditor-General recommendations.

21 Commonwealth of Australia, *Administrative Arrangements Order* [Internet], 13 October 2022 (as amended on 3 August 2023), available from <https://www.pmc.gov.au/resources/administrative-arrangements-order-13-october-2022> [accessed 26 June 2024].

22 Australian Government, *Portfolio Budget Statements 2024–25 Budget Related Paper No. 1.13 Prime Minister and Cabinet Portfolio*, 2024.

1.16 For the purposes of this audit, the Indigenous affairs portfolio is taken to comprise the 13 non-corporate and corporate Commonwealth entities and companies within the Prime Minister and Cabinet portfolio that relate primarily to Indigenous affairs.²³

1.17 This audit focuses on two entities in the Indigenous affairs portfolio.

- Indigenous Business Australia (IBA) — IBA is a corporate Commonwealth entity established under the *Aboriginal and Torres Strait Islander Act 2005*. IBA’s purpose is to ‘assist and enhance Aboriginal and Torres Strait Islander self-management and economic self-sufficiency’; and ‘advance the commercial and economic interests of Aboriginal persons and Torres Strait Islanders by accumulating and using a substantial capital asset for the benefit of the Aboriginal and Torres Strait Islander peoples’.²⁴ The IBA Board is the accountable authority for the entity under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).
- National Indigenous Australians Agency (NIAA) — NIAA is an executive agency and non-corporate Commonwealth entity established on 1 July 2019. NIAA’s functions include leading and coordinating the Australian Government’s policy development, program design and implementation and service delivery for Aboriginal and Torres Strait Islander peoples; and coordinating Indigenous portfolio agencies and advancing a whole-of-government approach to improving the lives of Aboriginal and Torres Strait Islander people.²⁵ The NIAA Chief Executive Officer is the entity’s accountable authority under the PGPA Act.

1.18 Table 1.4 shows IBA and NIAA’s budget and staffing levels for 2024–25.

Table 1.4: Budget and staffing levels, 2024–25

Entity	Average staffing level ^a	Total resourcing (\$ m)
Indigenous Business Australia	234	390.2 ^b
National Indigenous Australians Agency	1,486	4,358.2 ^c

Note a: Average staffing level is a method of counting that adjusts for casual and part-time staff to show the average number of full-time equivalent employees.

Note b: Comprises opening balance/cash reserves, total funds from government and total funds from other sources.

Note c: Comprises departmental and administered resourcing.

Source: Australian Government, *Portfolio Budget Statements 2024–25 Budget Related Paper No. 1.13: Prime Minister and Cabinet Portfolio*, 2024, pp. 142, 189.

Rationale for undertaking the audit

1.19 Parliamentary committee and Auditor-General reports have identified risks to and shortcomings in the successful delivery of outcomes in the Indigenous affairs portfolio. Recommendations have specified actions aimed at addressing those risks and identified

23 As at August 2024, these were: Aboriginal Hostels Limited; Australian Institute of Aboriginal and Torres Strait Islander Studies; Indigenous Business Australia; Indigenous Land and Sea Corporation; National Indigenous Australians Agency; Northern Territory Aboriginal Investment Corporation; the four Northern Territory Land Councils (Anindilyakwa Land Council, Central Land Council, Northern Land Council, Tiwi Land Council); Outback Stores Pty Ltd; Torres Strait Regional Authority; Wreck Bay Aboriginal Community Council.

24 *Aboriginal and Torres Strait Islander Act 2005*, section 146.

25 Commonwealth of Australia, *Order to Establish the National Indigenous Australians Agency as an Executive Agency*, 29 May 2019.

opportunities for improving public administration. Implementation of agreed recommendations delivers on a formal commitment to the Parliament and is an important part of realising the full benefit of a parliamentary inquiry or audit. Appropriate and timely implementation of agreed recommendations demonstrates accountability to the Parliament and a commitment to improving public administration.

1.20 This audit provides assurance to the Parliament about whether recommendations directed to IBA and NIAA are being implemented as agreed.

Audit approach

Audit objective, criteria and scope

1.21 The audit objective was to examine whether the selected entities have implemented a selection of agreed parliamentary committee and Auditor-General recommendations.

1.22 To form a conclusion against the objective, the following high-level criteria were adopted.

- Do IBA and NIAA have fit-for-purpose arrangements to respond to, monitor and implement agreed recommendations?
- Did IBA and NIAA respond to and implement agreed recommendations effectively?

1.23 For the purposes of this audit, an ‘agreed’ recommendation means:

- agreed in full or in part; or
- agreed in principle, with a commitment to undertake a specific action.

1.24 To allow sufficient time for implementation, the agreed recommendations examined in this audit were limited to recommendations contained in:

- parliamentary committee reports tabled between January 2020 and December 2022, where a government response was received prior to 31 December 2022; and
- Auditor-General reports tabled between January 2020 and December 2022.

1.25 The scope of this audit did not include:

- parliamentary committee reports where the subject of the report was either a review of annual reports, or an inquiry or review into proposed bills or delegated legislation; and
- recommendations that substantially overlapped with another recommendation in the scope of this audit or were examined in another ANAO performance audit.

1.26 For details of the methodology used to select recommendations for inclusion in the audit scope, see Appendix 4.

1.27 This audit is the first of two in 2024–25 examining implementation of recommendations in the Indigenous affairs portfolio. This audit focuses on IBA and NIAA’s arrangements for managing and implementation of a selection of 25 agreed recommendations, comprising 10 parliamentary committee recommendations and 15 Auditor-General recommendations. For details of the recommendations examined in this audit, see Appendix 5. Entities’ implementation of six

Auditor-General recommendations from Auditor-General Report No.25 2019–20 *Aboriginal and Torres Strait Islander Participation Targets in Major Procurements* is the focus of the second audit.²⁶

Audit methodology

1.28 The audit involved:

- reviewing entity documentation; and
- meeting with relevant entity staff.

1.29 The audit was conducted in accordance with ANAO Auditing Standards at a cost to the ANAO of approximately \$450,000.

1.30 The team members for the audit were Ashley Stephens, Rebecca Storen, Lily Engelbrethsen, Benjamin Foreman, Jillian Hutchinson, Eliza Glascott, Bezza Wolba, Jennifer Eddie and Christine Chalmers.

26 Auditor-General Report No.25 2019–20, *Aboriginal and Torres Strait Islander Participation Targets in Major Procurements*, ANAO, Canberra, 2020, available from <https://www.anao.gov.au/work/performance-audit/aboriginal-and-torres-strait-islander-participation-targets-major-procurements> [accessed 3 May 2024]. Relevant entities for the second audit are: Department of Defence; Department of Education; Department of Employment and Workplace Relations; Department of Home Affairs; Department of Infrastructure, Transport, Regional Development, Communications and the Arts; and NIAA.

2. Arrangements for managing agreed recommendations

Areas examined

This chapter examines whether Indigenous Business Australia (IBA) and National Indigenous Australians Agency (NIAA) have fit-for-purpose arrangements to respond to, implement and monitor agreed parliamentary committee and Auditor-General recommendations.

Conclusion

IBA's arrangements to respond to, implement and monitor agreed parliamentary committee and Auditor-General recommendations are largely fit for purpose. IBA documented practices for managing recommendations in 2024. As at August 2024, these practices were not fully implemented as IBA was not subject to any parliamentary committee recommendations. NIAA's arrangements to respond to parliamentary committee and Auditor-General recommendations are partly fit for purpose. NIAA documented practices for managing recommendations in 2024. These included new practices for managing parliamentary committee recommendations. As at August 2024, these practices were not fully implemented. The practices have the potential to be fit for purpose.

Areas for improvement

The ANAO identified two opportunities for improvement for IBA to improve its guidance on responding to parliamentary committee recommendations; and clarify the role of the accountable authority in approving responses to Auditor-General recommendations. The ANAO identified two opportunities for improvement for NIAA to monitor parliamentary committee activity and recommendations; and improve its advice to government on responding to parliamentary committee recommendations.

2.1 The tabling in Parliament of an agreed response to a parliamentary committee or Auditor-General recommendation is a formal commitment by the government or an entity to implement the recommended action.

2.2 Key observations from previous ANAO audits include the importance of governance arrangements to respond to, monitor and implement agreed parliamentary committee and Auditor-General recommendations. These arrangements include:

- establishing practices for identifying, responding to, implementing and closing recommendations;
- clearly assigning responsibility for the progression of individual recommendations;
- having systems in place to monitor and track the implementation of recommendations; and
- monitoring, oversight and assurance of implementation.²⁷

2.3 Entities that do not have fit-for-purpose governance arrangements for the implementation of recommendations increase the risk of inconsistency in administration and decision-making and

²⁷ ANAO, *Insights: Implementation of Recommendations*, ANAO, Canberra, June 2021, available from <https://www.anao.gov.au/work/insights/implementation-recommendations> [accessed 12 July 2024].

are less likely to implement recommendations in accordance with commitments made to the Parliament.

Are arrangements to manage parliamentary committee recommendations fit for purpose?

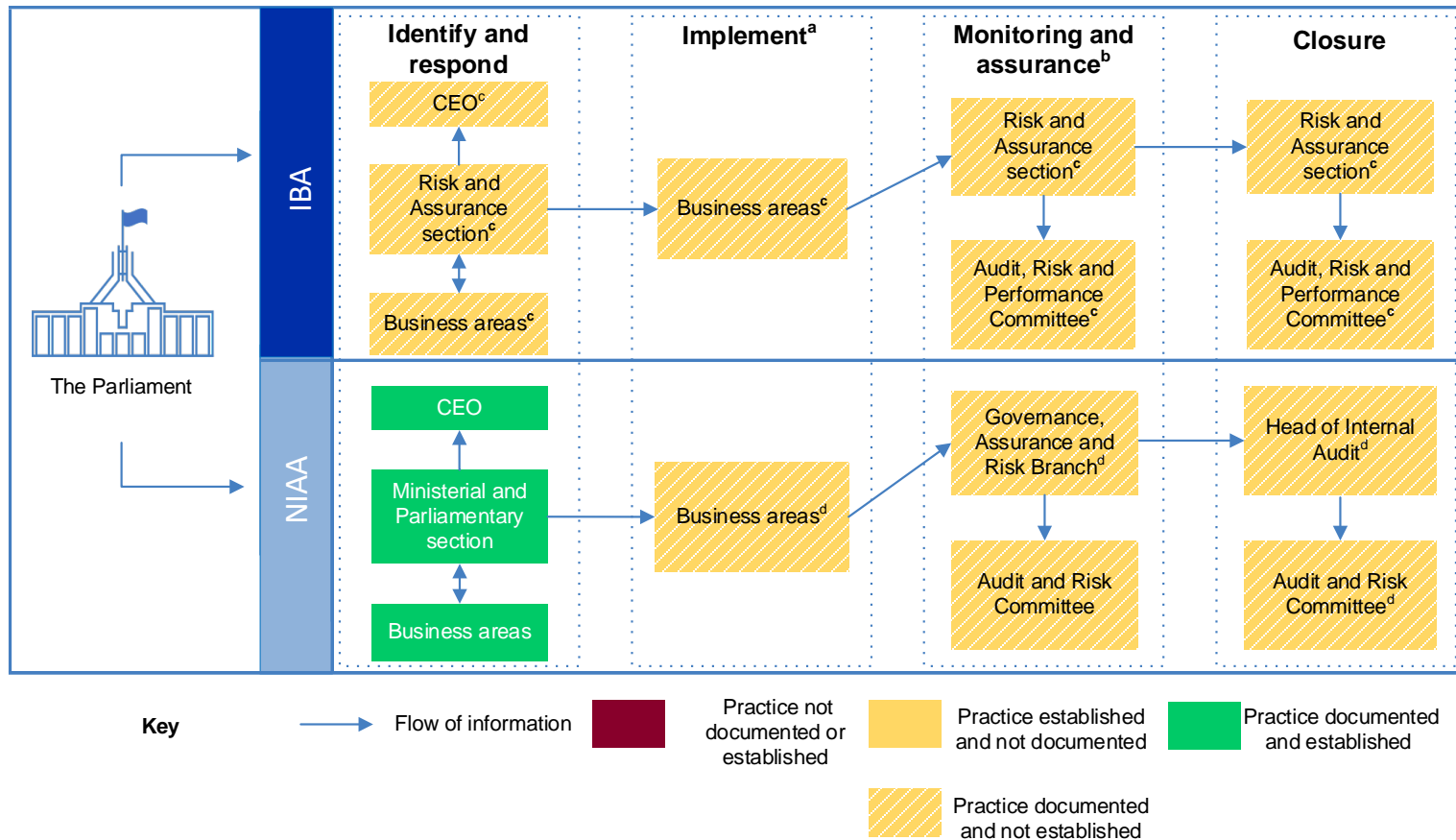
IBA documented practices to respond to, implement, monitor and close agreed parliamentary committee recommendations in April 2024. These practices include implementation planning that covers roles and responsibilities, timeframes and risk. As at August 2024, these practices had not been implemented as IBA had no active parliamentary recommendations. NIAA documented practices to identify and respond to parliamentary committee recommendations in September 2023. NIAA does not monitor compliance with required timeframes for responding to parliamentary committee recommendations, and practices could be improved to promote better timeliness. NIAA documented practices to implement, monitor and close agreed parliamentary committee recommendations in August 2024. This followed commitments made to the Executive Board, Audit and Risk Committee and the Parliament to clarify and improve practices. As at August 2024, NIAA's practices documented in August 2024 have not been implemented.

2.4 Following NIAA's establishment in July 2019, a number of NIAA's corporate services were provided by the Department of the Prime Minister and Cabinet (PM&C) through a Memorandum of Understanding established in December 2019. Functions administered for NIAA under the arrangement included ministerial and parliamentary support, and governance, audit, risk and assurance activities.²⁸ NIAA administered these functions from November 2022.

2.5 Figure 2.1 illustrates IBA's and NIAA's practices to identify and respond to; implement; monitor and assure; and close agreed parliamentary committee recommendations as at August 2024. 'Documented' practices refer to practices that are clearly set out in documented procedures or guidance. 'Established' practices refer to actions that are consistently followed to achieve an outcome.

28 Other services provided by PM&C included: financial operations, systems, and governance; procurements and contracts; client services; fleet services; security; payroll and HR systems, change and conditions; recruitment and HR help; learning and development; HR reporting and analysis; senior executive service unit services; professional standards and wellbeing; information and communication technology services; and information management, communication and media.

Figure 2.1: Practices to respond to, implement and monitor agreed parliamentary committee recommendations, as at August 2024



Note a: Refers to implementation planning activities.

Note b: 'Monitoring' refers to the administrative process of compiling updates on the implementation of recommendations and preparing reporting for oversight and assurance bodies.

Note c: IBA documented its practices in April 2024 during the course of the audit. As IBA did not have any active parliamentary committee recommendations as at August 2024, it had not established the documented practices.

Note d: NIAA documented its practices to implement, monitor and close agreed parliamentary committee recommendations in August 2024 during the course of the audit.

Source: ANAO analysis of IBA and NIAA documentation.

2.6 IBA did not have parliamentary committee recommendations within the scope of this audit and is not frequently subject to parliamentary committee recommendations.

Identifying parliamentary committee recommendations

2.7 Established processes to identify relevant parliamentary committee recommendations support the entity to be efficient and effective in serving the government, the Parliament and the Australian public (see paragraph 1.4).

2.8 Government responses to parliamentary committee reports are prepared by a portfolio 'lead entity', which consults with other entities as required. The PM&C tabling guidelines specify that the PM&C Tabling Office identifies and notifies an entity that it will be the lead entity for coordinating the government response to a particular parliamentary committee report.²⁹ It is the responsibility of the lead entity to consider whether input is required from other entities and to request input from those entities.

Indigenous Business Australia

2.9 IBA advised the ANAO in April 2024 that it had relied on other entities, particularly NIAA, to inform it of parliamentary recommendations relevant to IBA. In April 2024, IBA documented a process for identifying parliamentary recommendations that requires IBA's Risk and Assurance section to monitor the Parliament's website to identify recommendations relevant to IBA.

2.10 While NIAA is responsible for coordinating Indigenous portfolio agencies (see paragraph 1.17), NIAA does not have an established or documented practice for informing portfolio entities, such as IBA, of relevant recommendations.

National Indigenous Australians Agency

2.11 From 2020 to 2022, NIAA had some undocumented practices for identifying parliamentary recommendations. These practices were inconsistently implemented and did not capture all relevant parliamentary activity.

- 2020 — In April 2020, NIAA established a 'Register of External Reviews' for the purpose of capturing current and anticipated parliamentary committee reviews (and ANAO audits) relevant to NIAA, and identifying associated recommendations. The Register of External Reviews was provided to NIAA's Audit and Risk Committee (ARC) at the June 2020 and September 2020 ARC meetings, and was not subsequently provided or maintained. The Register did not include all parliamentary committee reports relevant to NIAA.
- March 2021 to March 2022 — In this period the ARC had a standing agenda item for NIAA to report on Joint Committee of Public Accounts and Audit (JCPAA) recommendations related to or being implemented by NIAA. There were no relevant JCPAA recommendations in the period. The updates did not include recommendations from other parliamentary committees.
- 2022 — In June 2022, NIAA reported to the ARC that its established practice for identifying parliamentary committee recommendations was to rely on PM&C's Tabling Office and Parliamentary and Ministerial Services section to notify the responsible business area, in

29 Department of the Prime Minister and Cabinet, *Tabling guidelines* [Internet], available from <https://www.pmc.gov.au/publications/tabling-guidelines> [accessed 16 January 2024].

line with PM&C's tabling guidelines. In September 2022, NIAA's Chief Operating Officer advised the ARC that NIAA's Ministerial and Parliamentary section would be responsible for identifying and monitoring external reviews and parliamentary committee recommendations following the end of the shared service arrangement with PM&C (see paragraph 2.4) in November 2022. NIAA did not implement this practice.

2.12 In September 2023, NIAA documented its practices to identify relevant parliamentary recommendations. Where it is the lead entity, NIAA relies on PM&C's Tabling Office to notify it, in line with PM&C's tabling guidelines. Where it is not the lead entity, business areas rely on requests from lead entities to provide input to government responses and are required to notify NIAA's Ministerial and Parliamentary section within the Office of the Chief Executive Officer of the request. The Ministerial and Parliamentary section is required to record the requests in a spreadsheet (see paragraph 2.22). NIAA advised the ANAO in June 2024 that the Ministerial and Parliamentary section does not monitor parliamentary activity, however individual line areas monitor inquiries relevant to their policy responsibilities.

Opportunity for improvement

2.13 National Indigenous Australians Agency could establish a centralised process to actively monitor:

- parliamentary committee activity to identify relevant recommendations for NIAA and to assist entities within the Indigenous affairs portfolio; and
- NIAA business area responses to parliamentary committee recommendations.

Assisting government to respond to parliamentary committee recommendations

2.14 The government is responsible for responding to parliamentary committee recommendations, and entities are responsible for providing advice to government on possible responses (see paragraph 1.6).

Indigenous Business Australia

2.15 In April 2024, IBA documented responsibilities and practices for coordinating, drafting and clearing responses to 'external audit' recommendations which, in the context of IBA's April 2024 Internal and External Audit Charter, refers to Auditor-General and JCPAA recommendations. IBA updated the charter in August 2024 to clarify that 'external audit' includes parliamentary committees other than the JCPAA. IBA's documented guidance does not include information on the requirements for government responses to parliamentary committee reports or the process for providing proposed responses to government.

Opportunity for improvement

2.16 Indigenous Business Australia could provide guidance to staff on preparation of responses to parliamentary committee reports and required timeframes, consistent with the PM&C tabling guidelines.

National Indigenous Australians Agency

2.17 In March 2022, NIAA reported to the ARC, in response to the ARC’s request for an update on arrangements for parliamentary committee recommendations, that business areas responded directly to ‘parliamentary enquiries’, and this communication was not coordinated centrally. This practice was undocumented.

2.18 In September 2023, NIAA documented practices for responding to parliamentary committee recommendations. After recommendations are identified (see paragraph 2.12), business areas are responsible for preparing the proposed government response for approval by the Chief Executive Officer and the minister and arranging for the approved government response to be tabled in Parliament or provided to the lead entity, where this is not NIAA. In August 2024, responsibility for arranging for responses to be approved and tabled was assigned to the Ministerial and Parliamentary section.

Timeliness of responses

2.19 As noted in paragraph 1.5, responses to parliamentary committee reports are required to be tabled within three or six months, depending on the type of committee. Entities are responsible for providing advice to government in sufficient time to meet these timeframes.³⁰

2.20 Between February 2019 and August 2024, five per cent of parliamentary committee reports and nine per cent of parliamentary committee recommendations related to Indigenous affairs were responded to within the timeframes set by the Parliament (see Table 2.1). This is lower than the Australian Government average for 2022–23 and 2023–24 of between six and 23 per cent (see paragraph 1.9, Table 1.1 and Table 1.2).

Table 2.1: Timeliness of responses to parliamentary committee reports and recommendations relevant to Indigenous affairs, February 2019 to August 2024

Description	Number (%)
Parliamentary committee reports relevant to Indigenous affairs ^a	57 (100%)
<i>Reports responded to, as at 31 August 2024</i>	26 (46%)
<i>Reports for which a response was tabled within required timeframes^b</i>	3 (5%)
Parliamentary recommendations relevant to Indigenous affairs ^a	124 (100%)
<i>Recommendations responded to, as at 31 August 2024</i>	77 (62%)
<i>Recommendations for which a response was tabled within required timeframes^b</i>	11 (9%)

Note a: Includes parliamentary committee reports and recommendations that reference Indigenous affairs (based on a keyword search) or entities in the Indigenous affairs portfolio (see paragraph 1.16). Parliamentary committee reports where the subject of the report was a review of annual reports or estimates of government expenditure were excluded. Recommendations include those where an entity outside the Indigenous affairs portfolio is responsible for preparing the government response. There may be additional recommendations relevant to entities in the Indigenous affairs portfolio that were not captured.

Note b: Responses to House of Representatives committee recommendations are required within six months; responses to Senate and joint committee recommendations are required within three months (Department of the Prime Minister and Cabinet, *Tabling Guidelines*, PM&C, Canberra, 2022, p. 11).

30 Department of the Prime Minister and Cabinet, *Tabling guidelines* [Internet], available from <https://www.pmc.gov.au/publications/tabling-guidelines> [accessed 16 January 2024].

Source: ANAO analysis of parliamentary reporting.

2.21 NIAA advised the ANAO in June 2024 that it is the responsibility of the relevant business area to comply with required timeframes for preparing government responses to parliamentary committee reports.

2.22 From December 2022, NIAA monitored government responses to parliamentary committee reports in a spreadsheet. The spreadsheet lists reports for which NIAA is the lead entity for coordinating the government response or is required to provide input. As at June 2024, the spreadsheet listed 12 reports (three for which NIAA was the lead entity for some or all recommendations) and omitted some reports relevant to NIAA. For example, in April 2024, NIAA provided advice to the minister on 10 parliamentary committee reports with outstanding government responses (see paragraph 3.21). None of the 10 reports were included in the spreadsheet. The spreadsheet includes dates that requests were received and responses are due, and does not clearly indicate whether and when responses were completed, which would allow for monitoring of compliance with required timeframes.

2.23 In August 2024, NIAA documented a requirement for the Ministerial and Parliamentary section to maintain a register of relevant recommendations from parliamentary committee reports, responsible business areas, details of responses and agreed implementation dates. Following the tabling of the government response, the Ministerial and Parliamentary section is required to provide this information to the Governance, Assurance and Risk Branch, which is responsible for monitoring implementation of agreed recommendations (see paragraph 2.35).

2.24 NIAA provides input to a whole-of-government document on the status of government responses to parliamentary committee reports, which is co-ordinated by PM&C (see paragraph 3.19).

Opportunity for improvement

2.25 National Indigenous Australians Agency could improve its advice to government on responding to parliamentary committee recommendations by:

- ensuring monitoring tools are complete; and
- recording achieved timeframes in order to identify and determine root causes for untimeliness, to inform continuous improvement.

Implementing parliamentary committee recommendations

2.26 Timely and successful implementation of parliamentary committee recommendations is facilitated by fit-for-purpose and proportionate implementation planning that sets clear responsibilities and timeframes for delivering the action that was agreed to in the government response. The nature of an implementation plan may vary depending on the complexity of a recommendation. Where implementation plans are not prepared, previous ANAO audits have shown that actions are not always implemented in a timely way or at all.³¹

31 Australian National Audit Office, *Insights: Implementation of Recommendations*, ANAO, Canberra, June 2021, available from <https://www.anao.gov.au/work/insights/implementation-recommendations> [accessed 12 July 2024].

2.27 Table 2.2 shows the ANAO’s assessment of IBA’s and NIAA’s implementation planning practices for agreed parliamentary committee recommendations as at August 2024.

Table 2.2: Assessment of implementation planning practices for agreed parliamentary committee recommendations, as at August 2024

	IBA ^a	NIAA ^b
Does the entity assign responsibility for recommendation implementation?		
Does the entity set timeframes for recommendation implementation?		
Does the entity assign risk ratings for recommendation implementation?		

Key: Practice not documented or established Practice established and not documented Practice documented and established
 Practice documented and not established

Note a: IBA documented new requirements for assigning responsibility, timeframes and risk ratings in April 2024. As at August 2024, these were not established as IBA had not received new parliamentary committee recommendations.

Note b: NIAA documented new requirements for assigning responsibility, timeframes and risk ratings in August 2024.

Source: ANAO analysis of IBA and NIAA documentation.

Indigenous Business Australia

2.28 In April 2024, IBA documented requirements to develop an implementation plan and assign a risk rating for agreed JCPAA and Auditor-General recommendations. IBA established an implementation plan template that includes fields for the responsible business area, actions to be taken, key deliverables, due dates and status of each action. These requirements were extended to recommendations from other parliamentary committees in August 2024 (see paragraph 2.15).

National Indigenous Australians Agency

2.29 In August 2024, NIAA documented requirements to develop an implementation plan for agreed parliamentary committee and Auditor-General recommendations, to be approved by relevant Senior Executive Service (SES) Band 2 officials within one month of the date the recommendation is agreed.³² An implementation plan template includes fields for responsible officers, activities and milestones, an implementation timeframe and a risk rating and mitigations.

Monitoring and assurance of implementation of parliamentary committee recommendations

2.30 Effective monitoring requires fit-for-purpose tracking of implementation progress. What constitutes fit for purpose will depend on the size of the entity, the nature of its business, its governance structure and the number and frequency of recommendations requiring attention.

³² For parliamentary committee recommendations, this is one month after the government agrees with the recommendation.

2.31 Entities are required to establish an audit committee to provide independent advice and assurance to the entity's accountability authority, including on the entity's system of internal control.³³

- IBA's Audit, Risk and Performance Committee (ARPC) charter states that the role of the ARPC to provide 'advice, assurance and support' to the IBA Board. The charter states that the ARPC should satisfy itself that IBA has appropriate mechanisms for reviewing relevant external reports, including parliamentary committee reports, and implementing recommendations.
- NIAA's ARC charter states that the role of the ARC is to provide 'independence advice and assistance' to the Chief Executive Officer including on the appropriateness of NIAA's system of internal control. The charter states that the ARC's consideration of NIAA's control framework includes 'relevant parliamentary committee reports and external reviews, internal and ANAO audit reports, providing advice to the Chief Executive Officer about significant issues identified and the implementation of agreed actions'.

Indigenous Business Australia

2.32 In April 2024, IBA documented responsibilities and practices for monitoring and assurance of the implementation of parliamentary committee recommendations. IBA's Risk and Assurance section is responsible for tracking the implementation of recommendations in a register and reporting to the ARPC.

National Indigenous Australians Agency

2.33 In November 2021, NIAA's ARC requested a paper describing NIAA's processes to identify and monitor agreed recommendations from external reviews and parliamentary committee inquiries, and that NIAA develop a register of open recommendations. The paper was provided to the ARC in June 2022, which stated that no centralised register was used to monitor responses to recommendations. The paper did not describe arrangements to monitor implementation of agreed recommendations. In June 2022, the ARC requested updates on implementation of parliamentary recommendations. Updates were first provided in March 2024 (see paragraph 2.35). As at August 2024, a register of open recommendations had not been implemented.

2.34 Auditor-General Report No.29 2023–24 *Remote employment programs* examined NIAA's response to four agreed parliamentary committee recommendations relating to the Community

33 *Public Governance, Performance and Accountability Act 2013*, section 45 and *Public Governance, Performance and Accountability Rule 2014*, section 17.

The Department of Finance publishes a model charter for audit committees, which includes a suggested requirement that 'the audit committee should satisfy itself that the entity has appropriate mechanisms for reviewing relevant parliamentary committee reports, external reviews and evaluations of the entity and implementing, where appropriate, any resultant recommendations.' (Department of Finance, *Audit committees (RMG 202)*, available from <https://www.finance.gov.au/publications/resource-management-guides/audit-committees-rmg-202> [accessed 10 July 2024].)

The 'Guide to this section' of the relevant part of the *Public Governance, Performance and Accountability Rule 2014* states 'The purpose of this section is to set out minimum requirements relating to the audit committee for a Commonwealth entity to help ensure that the committee provides independent advice and assurance to the entity's accountable authority.' (*Public Governance, Performance and Accountability Rule 2014*, section 17, available from <https://www.legislation.gov.au/F2014L00911/latest/text> [accessed 3 September 2024].)

Development Program.³⁴ The audit report, presented for tabling in May 2024, included a recommendation that NIAA ensure that its ARC is providing assurance to the accountable authority that agreed parliamentary committee recommendations are implemented.³⁵ NIAA agreed to the recommendation and stated that, ‘An updated approach was implemented in December 2023 which addresses this recommendation.’³⁶

2.35 NIAA’s practices for monitoring and assurance of the implementation of parliamentary committee recommendations developed between November 2023 and August 2024.

- In November 2023, NIAA advised the ARC that it would align its process for monitoring and closing parliamentary recommendations with its process for monitoring Auditor-General recommendations. The process for monitoring Auditor-General recommendations included tracking recommendations in a register, which listed the responsible officer, implementation status and implementation date for each recommendation. NIAA also advised the ARC it would complete a ‘stocktake’ of parliamentary committee recommendations, which would involve confirming ‘appropriate lead areas’ and considering ‘the potential impact of agreed recommendations on other portfolio agencies’. In December 2023, the NIAA Chief Operating Officer provided the same advice to the Executive Board. As at August 2024, as noted at paragraph 2.33, there was no register.
- In March 2024 and June 2024, NIAA provided updates on implementation of parliamentary committee recommendations to the ARC. The updates included a list of nine parliamentary committee reports and, for each report the total number of agreed recommendations ‘with direct NIAA responsibility’. Recommendations were classified into five implementation status categories. Of the 37 recommendations summarised in the table, four were ‘completed’, 13 were ‘ongoing’, one was ‘largely implemented’, two were ‘partially implemented’, and 17 were ‘not implemented’. Information was provided at the aggregate level for each report, no information was provided on the implementation status of individual recommendations, responsible officers or implementation dates.
- In August 2024, NIAA documented responsibilities and practices for monitoring agreed parliamentary committee and Auditor-General recommendations. NIAA’s Governance, Assurance and Risk Branch is responsible for requesting quarterly implementation updates from business areas, including actions taken, status relative to the established timeframe, and an update on the risk rating if required. The Governance, Assurance and Risk Branch is responsible for reporting to the ARC and Executive Board on all outstanding recommendations and changes to timeframes and risk ratings.

Closure of parliamentary committee recommendations

2.36 When recommendations have been implemented, it is important they are formally closed and that prior to closure, evidence of implementation is subject to an appropriate level of scrutiny

34 The Community Development Program was established in July 2015 to support job seekers in remote Australia to build skills, address barriers to employment and contribute to their communities through activities and training.

35 Auditor-General Report No.29 2023–24 *Remote employment programs*, ANAO, Canberra, 2024, paragraph 2.18, available from <https://www.anao.gov.au/work/performance-audit/remote-employment-programs>.

36 *ibid.*, paragraph 2.19.

to ensure recommendations have been implemented in full in accordance with the intent of the recommendation.

Indigenous Business Australia

2.37 In April 2024, IBA documented a closure practice for agreed JCPAA recommendations. The practice requires preparation of a closure report that includes supporting evidence, which must be reviewed and approved by the Risk and Assurance section and relevant senior executive; and endorsed by the ARPC. This practice was extended to recommendations from other parliamentary committees in August 2024 (see paragraph 2.15).

National Indigenous Australians Agency

2.38 As noted in paragraph 2.35, NIAA advised the ARC and Executive Board in November 2023 and December 2023 respectively that it would implement a practice for closing agreed parliamentary committee recommendations that aligned with its established practice for closing Auditor-General recommendations (see paragraph 2.60).

2.39 In August 2024, NIAA documented a closure practice for agreed parliamentary committee and Auditor-General recommendations. This practice requires preparation of a closure report with supporting evidence of implementation, which requires approval by the relevant SES Band 2 official and the Head of Internal Audit. A closure report template sets out relevant considerations for closing recommendations, which are that actions taken in response to the recommendation: have addressed the whole scope of the recommendation and response; have been finalised and embedded; and are supported by sufficient evidence.³⁷ Closure reports are required to be provided to the ARC for noting, and a report on closed recommendations must be provided to the Executive Board. The Governance, Assurance and Risk Branch is responsible for recording documentation and approvals.

Are arrangements to manage Auditor-General recommendations fit for purpose?

IBA and NIAA have established practices to respond to, implement, monitor and close agreed Auditor-General recommendations, including reporting to audit and risk committees and providing implementation updates to accountable authorities. IBA's management practices for Auditor-General recommendations were documented and strengthened to include implementation planning in April 2024. IBA's practices could be improved to clarify the role of the IBA Board in approving responses to recommendations. NIAA's practices were documented in August 2024. This included formalising practices for implementation planning established in October 2023, requiring reporting to the Executive Board on implementation and closure, and improving closure practices to support the Audit and Risk Committee to fulfil its assurance function.

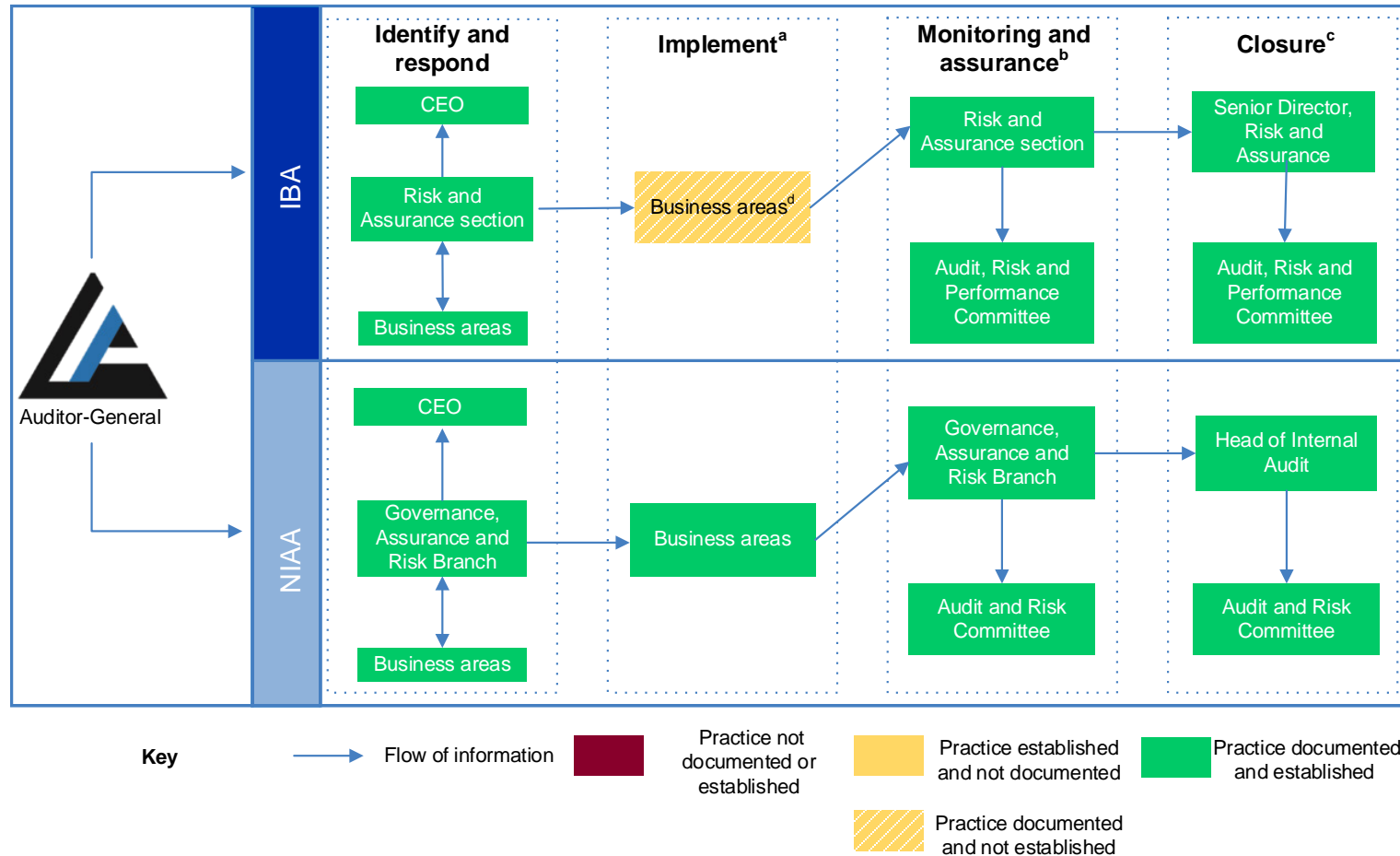
37 The closure report template states recommendations that are not implemented should not be closed unless 'a recommendation may have become impossible, it may have been superseded, or structural changes may have rendered it meaningless', or, for parliamentary committee recommendations, 'because of a decision of the Executive not to pursue the action'.

2.40 Auditor-General reports are prepared for the Parliament. Where entities agree to Auditor-General recommendations this represents a commitment to the Parliament that the entity will undertake the actions agreed to.³⁸

2.41 Figure 2.2 illustrates IBA's and NIAA's practices to identify and respond to; implement; monitor and assure; and close agreed Auditor-General recommendations as at August 2024. 'Documented' practices refer to practices that are clearly set out in documented procedures or guidance. 'Established' practices refer to actions that are consistently followed to achieve an outcome.

38 Entity agreement to implement Auditor-General recommendations is documented in the tabled report.

Figure 2.2: Practices to respond to, implement and monitor agreed Auditor-General recommendations, as at August 2024



Note a: Refers to implementation planning activities.

Note b: 'Monitoring' refers to the administrative process of compiling updates on the implementation of recommendations and preparing reporting for oversight and assurance bodies.

Note c: Both entities report closure of recommendations to their audit committees. IBA's closure process requires the audit committee's endorsement. NIAA's process does not (see paragraphs 2.58 and 2.61).

Note d: IBA documented its practices in April 2024 after this audit commenced. As IBA did not have new Auditor-General recommendations as at August 2024, it had not established new documented requirements for implementation planning.

Source: ANAO analysis of IBA and NIAA documentation.

Identifying and responding to Auditor-General recommendations

2.42 The Auditor-General is required to provide a copy, or extract, of each proposed audit report to the accountable authority of an entity involved in the audit, and request written comments within 28 days. The Auditor-General is required to include all written comments received from entities in the final report.³⁹ NIAA and IBA responded to all Auditor-General recommendations.

2.43 In their responses to Auditor-General recommendations, entities should clearly state whether they agree to implement the audit recommendation. IBA and NIAA agreed to all Auditor-General recommendations assessed as part of this audit.

Indigenous Business Australia

2.44 In April 2024, IBA documented its established practices for coordinating, drafting and approving responses to Auditor-General recommendations. Responses are required to be drafted by responsible officers, with input from the Risk and Assurance section, the General Counsel and the executive for the relevant business areas, and approved by the Chief Executive Officer. The accountable authority of IBA is the Board. IBA has not documented the process for the accountable authority to approve responses to Auditor-General recommendations.

Opportunity for improvement

2.45 Indigenous Business Australia could update its documented process to clarify that the Board is responsible for approving responses to Auditor-General recommendations.

National Indigenous Australians Agency







2.46 Before November 2022, PM&C's Ministerial Support Division was responsible for coordinating responses to Auditor-General recommendations directed to NIAA. Following the end of the shared service arrangement with PM&C (see paragraph 2.4), responses to Auditor-General recommendations were coordinated by NIAA's Governance, Assurance and Risk Branch, with input from business areas. The final response is approved by the Chief Executive Officer, the accountable authority of NIAA. These practices were documented in August 2024.





Implementing Auditor-General recommendations

2.47 Table 2.3 shows the ANAO's assessment of IBA's and NIAA's practices for implementation planning for agreed Auditor-General recommendations as at August 2024.

39 *Auditor-General Act 1997*, section 19.

Table 2.3: Assessment of implementation planning practices for agreed Auditor-General recommendations, as at August 2024

	IBA	NIAA
Does the entity assign responsibility for recommendation implementation?		
Does the entity set timeframes for recommendation implementation?	 a	
Does the entity assign risk ratings for recommendation implementation?	 a	 b

Key:  Practice not documented or established  Practice established and not documented  Practice documented and established
 Practice documented and not established

Note a: IBA documented new requirements for assigning timeframes and risk ratings in April 2024. As at August 2024, these were not established as IBA had not received new Auditor-General recommendations.

Note b: NIAA documented a new requirement for assigning risk ratings in August 2024.

Source: ANAO analysis of IBA and NIAA documentation.

Indigenous Business Australia

2.48 IBA did not require implementation plans for agreed Auditor-General recommendations until April 2024. As noted at paragraph 2.28, in April 2024, IBA documented practices for implementation planning including a requirement to assign a responsible officer, assign a risk rating, and develop an implementation plan (including due dates for planned actions) for the recommendation, within 10 business days of accepting it. It also created an implementation plan template.

National Indigenous Australians Agency

2.49 In October 2023, at the request of the ARC, NIAA developed an implementation plan for seven recommendations in Auditor-General Report No.27 2022–23 *Management of provider fraud and non-compliance*.⁴⁰ The plan includes activities, timeframes, responsible and accountable officers, and stakeholders consulted and informed for all seven recommendations. In August 2024, NIAA developed an implementation plan for eight recommendations in Auditor-General Report No.29 2023–24 *Remote employment programs*.⁴¹ The plan includes activities, timeframes and responsible officers for all eight recommendations and risk ratings for six recommendations.

2.50 NIAA did not require implementation plans for agreed Auditor-General recommendations until August 2024. As noted at paragraph 2.29, in August 2024, NIAA documented practices for implementation planning for agreed Auditor-General recommendations, including a requirement to assign a responsible officer, assign a risk rating, and develop an implementation plan and timeframe for agreed recommendations within one month.⁴²

40 Auditor-General Report No.27 2022–23 *Management of provider fraud and non-compliance*, ANAO, Canberra, 2023, available from <https://www.anao.gov.au/work/performance-audit/national-indigenous-australians-agencys-management-provider-fraud-and-non-compliance>.

41 Auditor-General Report No.29 2023–24 *Remote employment programs*, ANAO, Canberra, 2024, available from <https://www.anao.gov.au/work/performance-audit/remote-employment-programs>.

42 For Auditor-General recommendations, this is one month after the report containing the recommendation is tabled in the Parliament.

Monitoring and assurance of implementation of Auditor-General recommendations

Indigenous Business Australia

2.51 IBA documented its established monitoring and assurance arrangements for Auditor-General recommendations in April 2024. IBA's Risk and Assurance section maintains an 'Audit and Review Recommendation Register' based on input from responsible business areas. The Audit and Review Recommendation Register shows responsible officers and is updated by responsible officers. The Register does not show due dates for agreed Auditor-General recommendations. It categorises their implementation status.⁴³ Where a recommendation is at risk of not being implemented by the due date (see paragraph 2.48), the responsible officer is required to provide an update to IBA's Risk and Assurance section on the cause of the delay and controls to manage the risk.

2.52 The Audit and Review Recommendation Register is provided to the ARPC for assurance over implementation. The ARPC and CEO provide written updates to the IBA Board, which include information on actions taken in response to recommendations.

National Indigenous Australians Agency

2.53 NIAA's monitoring arrangements for Auditor-General recommendations were documented in the 2019 Memorandum of Understanding with PM&C. Following the end of the shared services arrangement in November 2022 (see paragraph 2.4), reporting to the ARC and Executive Board in November 2023 and December 2023 included a summary of NIAA's practices for monitoring and closing Auditor-General recommendations. These practices were documented in internal guidance in August 2024 (see paragraph 2.35).

2.54 NIAA maintains an 'Audit Recommendations Report' based on input from responsible business areas. The Audit Recommendations Report captures responsible officers, implementation due dates, and updates provided by responsible officers and the Head of Internal Audit. At the direction of the Executive Board in October 2023, NIAA developed a more detailed implementation tracking document for seven Auditor-General recommendations in Auditor-General Report No.27 2022–23 *Management of provider fraud and non-compliance*. The tracking document was used to provide monthly implementation updates to the Senior Leadership Committee (an advisory body to the Executive Board).

2.55 Assurance arrangements for Auditor-General recommendations are documented in the ARC charter. The Audit Recommendation Report is provided to the ARC. In October 2023, the ARC provided a general update to the NIAA CEO on its monitoring of recommendations from Auditor-General Report No.27 2022–23 *Management of provider fraud and non-compliance*.

2.56 From August 2024, the Governance, Assurance and Risk Branch was responsible for reporting to the Executive Board on all outstanding recommendations and changes to timeframes and risk ratings (see paragraph 2.35).

43 The implementation status categories are: A ('Completed'); B ('Signifies everything is on track in terms of completing the recommendation within timeframe or agreed extended timeframe.');

C ('Signifies the recommendation target date may not be achieved and an extension of time may be sought. Consultation to be held with responsible owner and risk team implement management plan.');

and D ('Recommendation cannot be implemented.').

Closure of Auditor-General recommendations

Indigenous Business Australia

2.57 Prior to September 2022, IBA did not have an established closure practice for Auditor-General recommendations. In September 2022, the ARPC requested that IBA provide the ARPC with information on the actions taken to close recommendations and evidence used to support closure. The ARPC also requested that recommendations being closed be identified on the Audit and Review Recommendation Register provided to the ARPC at each meeting. In November 2022, IBA established a closure practice involving the preparation of a closure report. A closure report template was based on a template used for internal audit recommendations and included fields such as 'Summary of Completed Actions' and 'Supporting Evidence'. The closure report template does not address risk. The closure report must be approved by the Senior Manager, Risk and Assurance.

2.58 In April 2024, IBA documented its closure practice, which requires approval from more senior managers including the Chief Executive Officer prior to endorsement from the ARPC. The documented practice requires closure reports to be presented to the ARPC. The closure report template was updated in April 2024 to require a risk rating.

2.59 IBA's documented closure practice does not involve the Board. In practice, the Board is advised by the ARPC and the CEO when recommendations are closed. The Board does not approve closure of recommendations.

National Indigenous Australians Agency

2.60 NIAA prepares closure reports for Auditor-General recommendations, using a closure report template which includes fields for 'implementation status' (completed actions and actions taken to address underlying risks); 'assessment of recommendation'; and supporting evidence. The template includes a field for Head of Internal Audit approval and states that 'unambiguous written approval' from an SES Band 2 official must be attached as evidence. Under the shared services arrangement with PM&C (see paragraph 2.4), until November 2022 PM&C was responsible for quality assurance of NIAA closure reports for Auditor-General recommendations prior to Head of Internal Audit approval. In June 2023, NIAA advised the ARC that, 'where previously a recommendation may have been closed on the development of a new policy, it will now need evidence of how its [*sic*] working in practice to demonstrate completion'. In November 2023, the closure report template was updated to reflect the implementation status categories used by the ANAO. For the recommendations examined in this audit, approvals were poorly documented in closure reports (see paragraph 3.40).

2.61 NIAA reports closure of Auditor-General recommendations to the ARC. For the recommendations examined in this audit, minutes of the relevant meetings described the ARC as having 'endorsed', 'approved' or 'agreed' recommendations for closure (see paragraph 3.41).

Meeting minutes do not record which recommendations were considered by the ARC. In June 2023, NIAA advised the ARC that its closure process does not require endorsement by the ARC.⁴⁴

2.62 Closure reports were not consistently provided to the ARC for its assurance over the process. Between April 2020 and March 2024, NIAA reported the closure of 28 Auditor-General recommendations to the ARC, and provided closure reports for 16. In June 2024, closure reports were provided for all four recommendations reported closed. In March 2021, the ARC requested that where closure reports are not provided, details of actions undertaken to implement recommendations be recorded in the Audit Recommendations Report. NIAA subsequently recorded high-level updates on actions undertaken to implement recommendations in the Audit Recommendations Report (see paragraphs 3.37 to 3.38). However, these updates did not provide the ARC with evidence to demonstrate that agreed actions had been implemented.

2.63 NIAA reporting to the ARC and Executive Board in November 2023 and December 2023 included a summary of its practices for closing Auditor-General recommendations. NIAA documented these practices in August 2024, including a new requirement that all closure reports be provided to the ARC and Executive Board for noting (see paragraph 2.39).

44 The Department of Finance's whole-of-government guidance on audit committees, *Resource Management Guide No. 202*, states 'An audit committee has no managerial responsibilities. It does not make decisions in relation to the entity's processes and functions. It is intended to provide independent advice to the accountable authority.' Department of Finance, *Audit committees (RMG 202)* [Internet], available from <https://www.finance.gov.au/publications/resource-management-guides/audit-committees-rmg-202> [accessed 21 June 2024].

3. Implementation of agreed recommendations

Areas examined

This chapter examines whether Indigenous Business Australia (IBA) and National Indigenous Australians Agency (NIAA) responded to and implemented agreed recommendations effectively, based on a selection of 25 agreed recommendations made between January 2020 and December 2022.

Conclusion

NIAA's advice to government on how to respond to parliamentary committee recommendations was partly effective. IBA fully implemented three of the four agreed Auditor-General recommendations and largely implemented the remaining one. NIAA fully implemented six of 21 agreed parliamentary committee and Auditor-General recommendations and largely implemented one. Implementation of the remaining 14 NIAA recommendations was either partial (seven) or ongoing as at August 2024 (seven).

Areas for improvement

The ANAO identified three opportunities for improvement for NIAA regarding its advice to government on responding to parliamentary committee recommendations; and record keeping practices for closing Auditor-General recommendations. The ANAO identified one opportunity for improvement for the Department of the Prime Minister and Cabinet (PM&C) to strengthen whole-of-government guidance on responding to parliamentary committee recommendations.

3.1 Tabling guidelines published by PM&C require that government responses to parliamentary committee recommendations are approved by the Cabinet, Prime Minister, or a minister, depending on the circumstances.⁴⁵ Australian Government entities are responsible for preparing and advising government on responses to parliamentary committee recommendations (see paragraph 1.6) in accordance with the tabling guidelines and timeframes for receiving government responses set by the Parliament (see paragraph 1.5).

3.2 IBA was not the subject of parliamentary committee recommendations in the timeframe examined in this audit. To assess whether NIAA effectively responded to recommendations, the ANAO examined NIAA's advice to government for responding to two parliamentary committee reports (see paragraph 3.5).

3.3 Effective and timely implementation of agreed parliamentary and Auditor-General recommendations demonstrates accountability to the Parliament and contributes to realising the full benefit of a parliamentary committee inquiry or an audit.

3.4 To assess whether IBA and NIAA effectively implemented agreed recommendations, the ANAO examined IBA's implementation of four agreed Auditor-General recommendations and NIAA's implementation of 21 agreed recommendations, comprising 10 parliamentary committee recommendations and 11 Auditor-General recommendations (Table 3.1). For details of the selected reports and recommendations, see Appendix 5.

45 Department of the Prime Minister and Cabinet, *Tabling guidelines* [Internet], p. 12, available from <https://www.pmc.gov.au/publications/tabling-guidelines> [accessed 16 January 2024].

Table 3.1: Parliamentary committee and Auditor-General recommendations reviewed

Author	No. of reports	No. of agreed recommendations		
		IBA	NIAA	Total
House of Representatives Standing Committee on Indigenous Affairs	2	0	8	8
Joint Standing Committee on Northern Australia	1	0	2	2
Auditor-General	4	4	11	15
Total	7	4	21	25

Source: ANAO analysis.

Was government appropriately advised on how to respond?

IBA was not the subject of parliamentary committee recommendations in the timeframe examined in this audit. NIAA was responsible for coordinating the government response to two parliamentary committee reports examined in this audit. NIAA did not provide draft responses and associated advice in sufficient time to enable government to table responses in the timeframes set by the Parliament. Draft responses prepared by NIAA were consistent with relevant Australian Government guidelines, except that responses to disagreed recommendations did not always clearly state why the recommendation was not accepted. Advice to the Minister for Indigenous Australians (the minister) for recommendations that were accepted did not always include implementation details; risks or sensitivities; or a timeframe. In October 2022, the minister requested more information on outstanding responses to parliamentary committee reports, which was not provided. In April 2024, NIAA recommended to the minister that a ‘standard response’ be made to 39 recommendations in 10 outstanding parliamentary reports dating back to 2010. The response ‘noted’ the recommendations and stated that, given the passage of time, a substantive response was no longer appropriate. This was in line with correspondence from the government, except that NIAA did not advise the minister on whether or why a different response might be warranted.

3.5 The ANAO examined NIAA’s advice to government for responding to the two parliamentary committee reports where NIAA was the lead entity (see paragraph 2.8):

- House of Representatives Standing Committee on Indigenous Affairs, *Report on food pricing and food security in remote Indigenous communities*, tabled 7 December 2020 (food pricing report); and

- House of Representatives Standing Committee on Indigenous Affairs, *Report on Indigenous Participation in Employment and Business*, tabled 30 August 2021 (Indigenous participation report).⁴⁶

Advice on timeliness and process of responding

3.6 For the two reports, NIAA provided draft responses and associated advice to the minister, however it did not do so in a timely manner that in turn enabled the minister to table government responses in the timeframes required by the Parliament (see Table 3.2).

Table 3.2: Timeliness of NIAA advice

Report	Response due ^a	Advice to minister	Response tabled
Food pricing <i>7 December 2020</i>	3 June 2021	NIAA provided a 'draft' response to the minister on 8 April 2021. NIAA provided a 'final' response and advice on the process to finalise and table the response to the minister on 7 October 2021. Following ministerial consultation, NIAA provided an amended response to the minister on 24 November 2021.	2 December 2021
Indigenous participation <i>30 August 2021</i>	17 February 2022	NIAA provided a draft response to the minister on 21 February 2022. NIAA advised the minister that approved input from all other relevant portfolios was not received until 15 February 2022.	30 March 2022

Note a: Government responses to House of Representatives committee reports can only be tabled when the House of Representatives is sitting. The due date for the government response is taken to be the last sitting day within the six-month timeframe established by the House.

Source: ANAO analysis of NIAA documentation.

3.7 As noted in paragraph 2.18, in September 2023 NIAA documented practices for responding to parliamentary committee recommendations. The documented practices include the timeframes set by the Parliament for receiving government responses to parliamentary committee reports. They do not include recommended or required timeframes to allow for input from other relevant entities and portfolios, ministerial consideration and government approval.

Opportunity for improvement

3.8 National Indigenous Australians Agency could improve its practices for responding to parliamentary committee reports by providing guidance to staff on timeframes for the steps in preparing advice to government to ensure that government has sufficient time to consider and table responses within the timeframes required by the Parliament.

46 PM&C identified NIAA as the lead entity for the food pricing report on 7 December 2020. NIAA agreed with two other entities that it would be the lead entity for the Indigenous participation report in September 2021. The Department of Climate Change, Energy, the Environment and Water was the lead entity for a third parliamentary committee report examined in this audit: Joint Standing Committee on Northern Australia, *A Way Forward: Final report into the destruction of Indigenous heritage sites at Juukan Gorge*. NIAA was responsible for preparing responses to two recommendations in the report and for assisting other entities to prepare responses to two other recommendations.

3.9 NIAA advised the minister on the process for approving and tabling government responses for the two reports, however advice did not consistently set out the required steps and relevant timeframes for responding.

- Food pricing report — NIAA provided advice to the minister on four occasions between December 2020 and November 2021. Advice to the minister in December 2020 did not state that the response was required to be endorsed by the Prime Minister or the Cabinet and tabled in the Parliament and incorrectly stated that the timeframe for responding was three months. In February 2021, the minister’s office requested advice on the process in the event the response was not approved in the required timeframe. Advice to the minister in April 2021 stated the required timeframe. It did not include the information requested by the minister’s office. NIAA first advised the minister of the required steps for approving and tabling the response in October 2021, four months after the response was due.
- Indigenous participation report — NIAA advised the minister of the required steps for approving and tabling the response in February 2022, the month the response was due. NIAA did not advise the minister of the timeframe for responding.

3.10 The tabling guidelines require that government responses, once approved, are tabled as soon as possible, and that a copy of the response is provided by the minister to the chair of the relevant parliamentary committee prior to the response being tabled.⁴⁷ NIAA provided the minister with draft letters to the relevant committee chair with a copy of the responses, but there is no evidence that the letters were sent to the chairs prior to tabling. The response to each report was tabled on the second House sitting day following endorsement by the Prime Minister.

Advice on substance of responses

3.11 The tabling guidelines require that government responses:

- address all recommendations (including minority or dissenting recommendations in Senate and joint committee reports, and excluding recommendations directed to the Presiding Officers);
- indicate reasons for not accepting any recommendations; and
- are prepared using a specific cover sheet that provides the name of the committee, report title and tabling date.⁴⁸

3.12 The Joint Committee of Public Accounts and Audit (JCPAA) publishes guidance to assist entities in preparing government responses to JCPAA recommendations. The guidance states that responses should:

- address the substance and intent of each recommendation and related report content;
- state whether the recommendation is agreed, agreed with qualification; or not agreed, and explain the rationale for this position;

47 Department of the Prime Minister and Cabinet, *Tabling guidelines* [Internet], p. 13, available from <https://www.pmc.gov.au/publications/tabling-guidelines> [accessed 16 January 2024].

48 *ibid.*, p. 12.

- outline action taken or planned, and a timeframe to implement each recommendation that is agreed or agreed with qualification; and
- address relevant issues concisely and be free of extraneous detail.⁴⁹

3.13 Responses prepared by NIAA addressed each of the 33 recommendations in the two reports (Table 3.3), and the cover sheet template was used.

Table 3.3: Summary of government responses to selected reports

Report	Response to recommendations				
	Agreed	Agreed in principle	Noted	Not agreed	Total
Food pricing	2	8	5	1	16
Indigenous participation	2	6	9	–	17
Total	4	14	14	1	33

Source: ANAO analysis of NIAA documentation.

3.14 Of the 15 recommendations that were not accepted (noted or not agreed), reasons for not accepting nine recommendations were clearly stated in the proposed responses.⁵⁰ Proposed responses to six recommendations did not explicitly state why the recommendation was not accepted.⁵¹ Proposed responses did not outline actions taken or planned for two of the 18 recommendations that were ‘agreed’ or ‘agreed in principle’. The rationale for the use of the terms ‘noted’ and ‘agreed in principle’ was not clear.

3.15 In providing proposed government responses to the minister for consideration, NIAA did not provide supporting advice to the minister for most recommendations.

- Food pricing report — Of the 16 recommendations, the minister was responsible for implementation of 13. Of these 13 recommendations, NIAA provided advice on implementation details or actions for 10; risks or sensitivities for three; and a timeframe for actions for three. Of the 10 recommendations agreed or agreed in principle for which the minister was responsible, NIAA did not provide supporting advice to the minister for two.
- Indigenous participation report — Of the 17 recommendations, NIAA provided advice on implementation details or actions for three; risks or sensitivities for two; and a timeframe for none. For one recommendation that was ‘noted’, NIAA advised the minister that there was no legal authority for the recommended action. Of the eight recommendations agreed or agreed in principle, NIAA did not provide supporting advice to the minister for seven.⁵²

49 Joint Committee of Public Accounts and Audit, *A guide for responding to Committee recommendations*, available from <https://www.aph.gov.au/jcpaa> [accessed 18 June 2024].

50 Reasons included that another jurisdiction had responsibility for the recommended action and that the recommended action was unlikely to achieve the intended outcomes.

51 The responses referred to ongoing government actions relevant to the recommendation.

52 For nine of the 17 recommendations, input to the proposed government response was provided by ministers in other portfolios. NIAA’s advice to the Minister for Indigenous Australians on the proposed government response did not identify which recommendations the minister was responsible for implementing.

Opportunity for improvement

3.16 National Indigenous Australians Agency could provide supporting advice to government on proposed implementation details, timeframes, risks and sensitivities for parliamentary committee recommendations that are proposed to be agreed. Where recommendations are proposed to be not agreed, NIAA could state the reason clearly in the proposed response.

3.17 In February 2024, the Department of Finance agreed to an Auditor-General recommendation to review its whole-of-government guidance to entities to reinforce the benefits of having arrangements to monitor the implementation of agreed parliamentary committee recommendations.⁵³ The tabling guidelines issued by PM&C require that government responses to parliamentary committee reports address all recommendations and indicate reasons for not accepting recommendations (see paragraph 3.11). They do not include guidance on preparing advice to assist government to respond the substance of recommendations, or on the use of terms such as ‘agreed in principle’ and ‘noted’ in proposed responses. The guidelines do not include timeframes for providing advice to government, which would support the government in meeting Parliament’s expectations.

Opportunity for improvement

3.18 The Department of the Prime Minister and Cabinet could strengthen whole-of-government guidance to ensure entities:

- provide advice to assist government to respond to the substance and intent of parliamentary committee recommendations; and
- support the Australian Government to table responses to parliamentary committee reports within the timeframes established by the Parliament.

Advice on outstanding government responses

3.19 Twice annually, following the tabling of the President of the Senate and the Speaker of the House of Representatives’ status reports on outstanding government responses to parliamentary committee reports (see paragraph 1.8), PM&C seeks advice from entities on the status of responses for which they are responsible. Entities’ advice informs two whole-of-government documents: ‘Status of government responses in the Senate to parliamentary committee reports’ and ‘Status of government responses in the House of Representatives to parliamentary committee reports’ (government status reports), which are also tabled in the Parliament.⁵⁴ For all parliamentary

53 Auditor-General Report No.17 2023–24 *Implementation of Parliamentary Committee and Auditor-General Recommendations — Department of Finance*, ANAO, Canberra, 2024, Recommendation no. 3 (paragraphs 2.41–2.43), available from <https://www.anao.gov.au/work/performance-audit/implementation-parliamentary-committee-and-auditor-general-recommendations-department-of-finance>.

54 As at August 2024, the most recent government status reports were tabled in the Senate and House of Representatives on 30 March 2023 and 3 July 2024 respectively (Australian Government, *Status of government responses in the Senate to parliamentary committee reports as at 30 March 2023*, available from https://www.aph.gov.au/Parliamentary_Business/Tabled_Documents/3001; Australian Government, *Status of government responses in the House of Representatives to parliamentary committee reports as at 31 March 2024*, available at https://www.aph.gov.au/Parliamentary_Business/Tabled_Documents/6713).

committee reports with outstanding government responses, the government status reports use a standard phrase to describe the report's status: 'The Government's response is being considered.'⁵⁵

3.20 On seven occasions between October 2020 and June 2024, NIAA provided advice to the minister on the status of government responses to parliamentary committee reports in the Indigenous affairs portfolio. On each occasion NIAA sought the minister's agreement to the content to be included in the government status reports. Prior to October 2022, NIAA's advice to the minister included information to assist the minister to understand the reasons why responses were outstanding.⁵⁶ In October 2022, NIAA stopped including this information in its advice.⁵⁷ In response to the October 2022 advice that lacked this information, the minister stated that a decision needed to be made on which reports required responses. NIAA took no action in response to the minister's request. NIAA provided the list of outstanding reports to the minister on three further occasions between May 2023 and May 2024 without this information.

3.21 In March 2024, the Assistant Minister to the Prime Minister (the assistant minister) requested that a 'standard response' to outstanding parliamentary committee recommendations be issued for all reports tabled prior to May 2022, unless the relevant minister considered a different response was required (see paragraph 1.11). In April 2024, NIAA recommended that the Minister for Indigenous Australians approve a 'standard response' to 10 parliamentary committee reports that had been tabled between September 2010 and February 2022, which collectively included 39 recommendations.⁵⁸ The proposed response to each report would 'note' each recommendation and state, 'given the passage of time since this report was tabled, a substantive Government response is no longer appropriate', in line with the assistant minister's request. NIAA's advice to the minister stated that NIAA endorsed the proposed approach. It did not include information to support the minister's assessment of whether a different response was warranted. In May 2024, the minister requested that a summary of achievements or current work be included in the proposed government response to each report. Revised responses were provided to the minister in August 2024. As at August 2024, government responses to the 10 reports had not been tabled.

55 The status of parliamentary committee reports which have received a response is either 'The Government's response was presented on [date].' or 'The Government's response was provided during the debate on the bill on [date].'

56 For example, in October 2021, NIAA advised the minister that of nine outstanding responses: two were 'pending agreement from the Prime Minister'; one was 'pending agreement from other Ministers'; two were 'actively being considered'; two 'would risk pre-empting government consideration if tabled'; one was 'outstanding due to a technical tabling issue'; and one was 'outstanding as a consequence of decisions by a previous Prime Minister'. Further details were provided on the status of each response.

57 In June 2024, NIAA advised the ANAO that the change in the approach to advising the minister in October 2022 was due to a 'drafting decision'.

58 Four recommendations in four reports related to the passage of proposed legislation, which do not generally require a government response. One report contained no recommendations.

Was there fit-for-purpose implementation planning?

Implementation planning for the examined recommendations was limited in both entities.

- IBA assigned responsibility and identified implementation actions for all four recommendations. It did not establish timeframes or assign risk ratings.
- NIAA's implementation planning for 10 parliamentary committee recommendations was partial or not undertaken. NIAA assigned responsibility for all 11 Auditor-General recommendations examined. Other elements of implementation planning were not consistently undertaken.

3.22 The ANAO examined whether, for each of the selected recommendations, IBA and NIAA: developed an implementation plan or undertook planning activities (identified actions required for implementation; assigned responsibility for implementation; assigned a risk rating; or established an implementation timeframe).

Indigenous Business Australia

3.23 As discussed at paragraph 2.28, IBA documented a requirement to develop implementation plans for agreed Auditor-General recommendations in April 2024, which post-dates the Auditor-General recommendations to IBA examined in this audit. IBA did not have an implementation plan for the four Auditor-General recommendations examined in the audit. Elements of implementation planning were partly undertaken (Table 3.4).

Table 3.4: IBA's implementation planning for selected Auditor-General recommendations

Element of implementation planning	Recommendation reference number			
	A1	A2	A3	A4
Developed implementation plan	x	x	x	x
Identified required actions	✓	✓	✓	✓
Assigned responsibility	✓	✓	✓	✓
Assigned risk rating	x	x	x	x
Established implementation timeframe	x	x	x	x

Key: ✓ Activity undertaken x Activity not undertaken

Source: ANAO analysis of IBA documentation.

National Indigenous Australians Agency

Parliamentary committee recommendations

3.24 As discussed at paragraph 2.29, NIAA documented a requirement to develop implementation plans for agreed parliamentary committee and Auditor-General recommendations in August 2024, which post-dates the recommendations to NIAA examined in this audit. Implementation plans may vary depending on the nature of the recommendation. NIAA developed

an implementation plan for three of 10 parliamentary committee recommendations examined in this audit. Elements of implementation planning were not consistently undertaken (Table 3.5).

Table 3.5: NIAA's implementation planning for selected parliamentary committee recommendations

Element of implementation planning	Recommendation reference number									
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10
Developed implementation plan	✗	✗	✓	✗	✗	✗	✗	✗	✓	✓
Identified required actions	✗	✓	✓	✓	✗	✓	✗	✗	✓	✓
Assigned responsibility ^a	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Assigned risk rating	✗	✗	✓	✓	✗	✗	✗	✗	✓	✓
Established implementation timeframe	✗	✗	✓	✓ ^b	✗	✓ ^b	✗	✗	✓ ^b	✓ ^b

Key: ✓ Activity undertaken ✗ Activity not undertaken

Note a: Business areas involved in preparing the government response to parliamentary committee recommendations were also involved in implementing agreed actions, however NIAA did not explicitly assign responsible officers as part of implementation planning for agreed recommendations. NIAA advised the ANAO of responsible business areas for all 10 recommendations in March 2024.

Note b: A timeframe was established for actions relating to the recommendation, but not for its full implementation.

Source: ANAO analysis of NIAA documentation.

Auditor-General recommendations

3.25 NIAA developed an implementation plan for two of 11 Auditor-General recommendations examined in this audit. NIAA assigned responsibility for the implementation of all 11. Other elements of implementation planning were not consistently undertaken (Table 3.6).

Table 3.6: NIAA's implementation planning for selected Auditor-General recommendations

Element of implementation planning	Recommendation reference number										
	A5	A6	A7	A8	A9	A10	A11	A12	A13	A14	A15
Developed implementation plan	✗	✗	✗	✗	✗	✗	✓	✗ ^a	✗ ^a	✓	✗ ^a
Identified required actions	✗	✗	✓	✓	✓	✗	✓	✓	✓	✓	✓
Assigned responsibility	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Assigned risk rating	✗	✗	✗	✗	✗	✗	✗ ^b	✓ ^c	✓ ^c	✓ ^c	✓ ^c
Established implementation timeframe	✓	✗ ^d	✓	✓	✓	✓	✓	✗ ^d	✗ ^d	✓	✗ ^d

Key: ✓ Activity undertaken ✗ Activity not undertaken

Note a: An implementation plan was developed and finalised after actions to implement the recommendation were completed (see paragraph 3.26).

Note b: Possible delays to implementation were identified in an implementation plan, however no risk rating was assigned (see paragraph 3.26).

Note c: While a risk rating was not explicitly assigned to the recommendation, related risks were assessed in a risk management plan developed by NIAA for the National Partnership for Remote Housing Northern Territory.

Note d: A timeframe was first established after actions taken to implement the recommendation had been completed.

Source: ANAO analysis of NIAA documentation.

3.26 NIAA developed an implementation plan for the five agreed recommendations in Auditor-General Report No.18 2021–22 *Remote Housing in the Northern Territory*. The implementation plan was developed in April 2022 by the responsible business area at the request of NIAA’s internal audit function to assist with ‘assessing progress against implementation’. The implementation plan included an implementation date; responsible officer; ‘key actions and milestones’; and ‘risks to implementation’ for each recommendation. The implementation plan included a field for a ‘risk rating’ to be assigned to each recommendation, however risks ratings were not assigned to the five recommendations.⁵⁹ The implementation plan was approved on 28 April 2022, and three of the five recommendations were completed between January 2022 and March 2022.⁶⁰

Was there effective monitoring, assurance and closure?

IBA’s monitoring, assurance and closure of the four recommendations improved over the time period examined by the audit. IBA monitored implementation progress for all Auditor-General recommendations. Reporting on some recommendations to the Audit, Risk and Performance Committee was not timely nor complete until the committee requested evidence of implementation in September 2022. After September 2022, IBA prepared closure reports and effectively closed all recommendations.

NIAA did not consistently monitor implementation progress for the parliamentary committee recommendations examined in this audit, or report on progress to an oversight or assurance body. NIAA did not formally close the three (of 10) recommendations it considered implemented. NIAA monitored implementation progress for all 11 Auditor-General recommendations examined in this audit, and reported progress to the Audit and Risk Committee. Reporting on some recommendations was not timely. While closure reports were prepared for all 11 recommendations (which NIAA considered implemented), one closure report had no supporting evidence, senior official approval was inconsistently recorded and evidenced, and 10 closure reports were not shared with the Audit and Risk Committee. The committee noted closure of all 11 recommendations.

Indigenous Business Australia

3.27 As discussed at paragraph 2.51, IBA monitors the implementation of Auditor-General recommendations in a register that is provided to the Audit, Risk and Performance Committee (ARPC). As part of its management of the four recommendations in Auditor-General Report No.36 2020–21 *Indigenous Business Australia’s Business Support and Investment Activities*, IBA separated the four recommendations into eight sub-recommendations, each tracked separately in the register.

⁵⁹ For four recommendations, related risks were assessed in a broader risk management plan (see Table 3.6).

⁶⁰ For the three recommendations with actions completed: implementation dates were prior to the date that the plan was finalised; ‘key actions and milestones’ described actions that had already been completed; and ‘risks to implementation’ stated ‘N/A – implementation finalised’.

3.28 IBA provided updates to the ARPC on the implementation of the recommendations at relevant meetings following the tabling of the Auditor-General report on 7 May 2021. Table 3.7 summarises the quality of IBA’s reporting to the ARPC. All the recommendations were closed by July 2024. General information on implementation progress was also provided by the ARPC and CEO to the Board (see paragraph 2.52).

Table 3.7: IBA’s reporting to ARPC on selected Auditor-General recommendations^a

Rec. ref. no.	May 2021	Sept 2021	Nov 2021	Mar 2022	May 2022	Sep 2022	Nov 2022	Mar 2023	May 2023	Sept 2023	Nov 2023	Apr 2024	May 2024	July 2024
Auditor-General Report No.36 2020–21 <i>Indigenous Business Australia’s Business Support and Investment Activities</i> , tabled 7 May 2021														
A1	■ ^b	◆ ^c	–	–	–	– ^d	◆✓	–	–	–	–	–	–	–
A2.1	■ ^b	■	■	■	■	■ ^d	■	■	◆	◆	◆	◆	◆	◆✓
A2.2	■ ^b	■	■ ^c	–	–	– ^d	◆ ^e	◆	◆	◆	◆	◆	◆	◆✓
A3.1	■ ^b	■ ^c	–	–	–	– ^d	◆✓	–	–	–	–	–	–	–
A3.2	■ ^b	■ ^c	–	–	–	– ^d	◆✓	–	–	–	–	–	–	–
A4.1	■ ^b	■	■	◆	▲ ^c	– ^d	◆✓	–	–	–	–	–	–	–
A4.2	■ ^b	■	■	◆	◆ ^c	– ^d	◆✓	–	–	–	–	–	–	–
A4.3	■ ^b	■	■	◆	▲	▲ ^d	▲	▲	◆	▲	◆	◆	◆	◆✓
Key:	■		▲		◆		✓		–					
	No update or repeated response from the report		Repeated previous update		New update		Closure reported						Not applicable (recommendation considered by IBA to be completed)	

Note a: Table does not show ARPC meetings in July 2021, July 2022 and July 2023 that focused on draft financial and annual performance statements.

Note b: The ARPC meeting in May 2021 was held 11 days following the tabling of the report. A detailed update was not provided. IBA advised the ARPC that recommendations would be tracked in the recommendation register and provided to the committee for review at every meeting.

Note c: Categorized ‘completed’ in IBA’s Audit and Review Recommendation Register.

Note d: ARPC requested information on implementation and evidence to support closure (see paragraph 3.30).

Note e: Sub-recommendation reopened after IBA identified there was insufficient evidence to support closure (see paragraph 3.30).

Source: ANAO analysis of IBA documentation.

3.29 Between September 2021 to September 2022, reporting largely repeated responses to recommendations included in the Auditor-General report. IBA recorded the status of six sub-recommendations as ‘completed’ in its recommendations register. Three of these sub-recommendations (A2.2, A3.1 and A3.2)⁶¹ were reported as ‘completed’ without an update to the ARPC beyond re-stating the recommendation and response included in the Auditor-General report.

3.30 In September 2022, the ARPC requested information on the actions taken to close recommendations and evidence used to support closure (see paragraph 2.57). IBA prepared closure reports for five of the six sub-recommendations that had been recorded as ‘completed’ in the recommendations register between September 2021 and September 2022. The closure reports were provided to the ARPC in November 2022. All five closure reports included supporting evidence of actions taken and approvals from the Executive Director of the relevant business area and the Senior Manager, Risk and Assurance. IBA identified that there was insufficient evidence to support the closure of one of the six sub-recommendations (A2.2). IBA reopened the sub-recommendation and its status in the register changed from ‘completed’ to ‘everything is on track in terms of completing the recommendation within timeframe or agreed extended timeframe’.

3.31 IBA’s reporting to the ARPC on recommendation A2.2 and the two remaining sub-recommendations (A2.1 and A4.3) became more detailed from November 2022. IBA prepared closure reports for the three sub-recommendations with supporting evidence and required approvals, which were provided to the ARPC in July 2024.

National Indigenous Australians Agency

Parliamentary committee recommendations

3.32 NIAA’s Audit and Risk Committee (ARC) charter states that the ARC’s role includes providing advice to the accountable authority about significant issues identified in parliamentary committee reports and the implementation of agreed actions. NIAA documented practices for monitoring implementation of agreed parliamentary committee and Auditor-General recommendations, including reporting to the ARC, in August 2024 (see paragraph 2.33).

3.33 NIAA first provided an update on implementation of parliamentary committee recommendations to the ARC in March 2024. The update included the three parliamentary committee reports examined in this audit. It did not specify the status of individual recommendations (see paragraph 2.35).⁶² For the 2021 Indigenous participation report (see paragraph 3.5), the update stated there were seven recommendations with direct NIAA responsibility. All seven recommendations were categorised as ‘not implemented’. NIAA advised the ARC that ‘Employment related recommendation updates are being sought based on new policy approach. This approach is likely to influence implementation status of agreed recommendations.’ An update in June 2024 added that ‘The Economic Empowerment Group are currently ascribing responsibility to people for these recommendations, and work is progressing.’

61 Recommendation reference numbers used in this chapter are defined in Appendix 5.

62 Information NIAA reported to the ARC at the March 2024 and June 2024 meetings did not align to information NIAA provided to the ANAO on the status of parliamentary committee recommendations in March 2024 and April 2024.

3.34 Entities are expected to provide regular updates to ministers on progress implementing parliamentary committee recommendations (see paragraph 1.7). NIAA provided general information on actions related to eight of the 10 agreed recommendations examined in this audit. Actions planned and taken in response to two of the eight recommendations (P3 and P10) were also included in a report provided to the minister six times in 2023. The report was prepared by NIAA to provide advice on the implementation of government commitments, and included current and forecast status, risks and issues, and an overall delivery status rating for each commitment. NIAA did not provide the minister with a by-recommendation status report for agreed parliamentary committee recommendations.

3.35 NIAA considered three of the 10 parliamentary committee recommendations examined in this audit to be implemented or partly implemented (P2, P4 and P9). NIAA did not prepare closure reports for the three recommendations. NIAA documented practices for closing parliamentary committee recommendations and Auditor-General recommendations in August 2024 (see paragraph 2.39).

Auditor-General recommendations

3.36 As discussed at paragraph 2.53, NIAA monitors the implementation of Auditor-General recommendations in a register that is provided to the ARC.

3.37 NIAA provided updates to the ARC on implementation of all 11 Auditor-General recommendations examined in this audit at each relevant meeting. Table 3.8 summarises the quality of NIAA's reporting to the ARC at each meeting where an update was provided up to November 2022, when all recommendations were closed.

Table 3.8: NIAA's reporting to ARC on selected Auditor-General recommendations^a

Rec. ref. no.	June 2020	Sept 2020	Nov 2020	Mar 2021	June 2021	Sept 2021	Nov 2021	Mar 2022	June 2022	Sept 2022	Nov 2022
<i>Auditor-General Report No.34 2019–20 Aboriginal and Torres Strait Islander Participation Targets in Intergovernmental Agreements, tabled 23 April 2020</i>											
A5	◆	◆	◆✓	–	–	–	–	–	–	–	–
<i>Auditor-General Report No.11 2020–21 Indigenous Advancement Strategy — Children and Schooling Program and Safety and Wellbeing Program, tabled 28 September 2020</i>											
A6	–	–	■	■✓	–	–	–	–	–	–	–
A7	–	–	■	◆ ^b	◆	◆✓	–	–	–	–	–
A8	–	–	■	◆ ^b	◆	◆✓	–	–	–	–	–
A9	–	–	■	◆✓	–	–	–	–	–	–	–
A10	–	–	◆	◆✓	–	–	–	–	–	–	–
<i>Auditor-General Report No.18 2021–22 Remote Housing in the Northern Territory, tabled 22 February 2022</i>											
A11	–	–	–	–	–	–	–	■ ^c	◆	◆	◆✓
A12	–	–	–	–	–	–	–	■ ^c	◆	▲✓	–
A13	–	–	–	–	–	–	–	■ ^c	◆	▲✓	–
A14	–	–	–	–	–	–	–	■ ^c	◆	◆	◆✓
A15	–	–	–	–	–	–	–	■ ^c	◆✓	–	–

Key:  No update or repeated response from the report  Repeated previous update  New update  Closure reported  Not applicable

Note a: Table does not show ARC meetings in May 2020 and August 2020 that focused on draft financial and annual performance statements.

Note b: The ARC requested that the Head of Internal Audit determine if the recommendation could be closed. In June 2021, NIAA reported to the ARC that actions were outstanding.

Note c: The ARC meeting in March 2022 was held 15 days following the tabling of the report.

Source: ANAO analysis of NIAA documentation.

3.38 Reporting on recommendations included information on actions taken and reasons for delays to implementation. For three recommendations (A7, A8 and A9), the first update beyond re-stating the recommendation and response in the relevant Auditor-General report was provided six months after the relevant report was tabled. One recommendation (A6) was closed six months after the relevant report was tabled without an update beyond re-stating the recommendation and response (see Table 3.8).

3.39 Although it has a template for closure reports, NIAA did not have a documented requirement or practice for closing Auditor-General recommendations until August 2024 (see paragraph 2.63). NIAA considered all 11 Auditor-General recommendations examined in this audit to be implemented (see Table 3.15). NIAA prepared closure reports for all 11 recommendations. Closure reports for 10 recommendations included supporting evidence of actions taken. For one recommendation (A11), evidence was not included in, or provided with, the closure report. The ANAO assessed this recommendation to be partly implemented (see Table 3.15).

3.40 NIAA's closure report template requires approval by the responsible Senior Executive Service (SES) Band 2 official and the Head of Internal Audit (see paragraph 2.60). Approval of closure was poorly documented in the closure reports examined.

- The name of the responsible SES officer was included in all 11 closure reports, but none of the closure reports included the date that closure of the recommendation was approved. Evidence of approval was attached to one closure report.
- Head of Internal Audit approval was included in six of the 11 closure reports in the form of a comment stating that the recommendation was approved for closure. Approval, when included, was not dated.

3.41 Closure of all 11 recommendations was reported to the ARC, however closure reports for 10 of the 11 were not provided to the ARC. Closure of all 11 recommendations was either 'endorsed', 'approved' or 'agreed' by the ARC. Minutes of the relevant meetings did not record details of the closed recommendations and simply listed the total number of recommendations.

Opportunity for improvement

3.42 National Indigenous Australians Agency could improve its record keeping practices for closing Auditor-General recommendations by ensuring:

- closure approvals are documented in closure reports; and
- consideration by the Audit and Risk Committee is documented in the committee's minutes.

Were recommendations implemented?

IBA and NIAA's implementation of the 25 agreed recommendations examined in this audit, as at August 2024, was as follows.

- Of four Auditor-General recommendations to IBA, IBA considered all four to have been implemented. The ANAO assessed that three recommendations were fully implemented and one was largely implemented.

- Of 10 parliamentary committee recommendations relevant to NIAA, NIAA considered two were fully implemented and one was partly implemented. The ANAO assessment agreed with NIAA's.
- Of 11 Auditor-General recommendations to NIAA, NIAA considered all 11 to be fully implemented. The ANAO assessed that four recommendations were fully implemented, one was largely implemented, and six were partly implemented.
- Of the 21 recommendations relevant to NIAA, responses to 11 included commitments that were additional to the recommendation. The ANAO assessed that additional commitments were fully implemented for three; partly implemented for five; and that implementation was still ongoing for three.

3.43 The ANAO assessed the implementation status against the intention of the recommendation for the 25 recommendations examined in this audit as at August 2024 (for details of the selected recommendations, see Table 3.1 and Appendix 5). The assessment categories used are set out in Table 3.9. Where a response to an agreed recommendation included commitments that were additional to the recommendation or its intent, the ANAO also assessed implementation of these additional commitments.

Table 3.9: Implementation status of recommendations — assessment categories

Category	Explanation
Not implemented	There is no supporting evidence that the agreed action has been undertaken, or the action taken does not address the intent of the recommendation as agreed.
Partly implemented	The action taken was less extensive than the recommendation agreed, as: <ul style="list-style-type: none"> • it fell well short of the intent of the recommendation as agreed; or • processes were initiated only.
Largely implemented	The action taken was less extensive than the recommendation as agreed, as: <ul style="list-style-type: none"> • it fell short of the intent of the recommendation as agreed; or • processes were initiated and action was taken but not completed.
Implemented	There is supporting evidence that the agreed action has been undertaken and the action met the intent of the recommendation as agreed.
Implementation ongoing	There is supporting evidence of ongoing action to implement the recommendation and the entity considers that implementation is in progress or ongoing.

Source: ANAO documentation.

3.44 A summary of the ANAO's assessment of IBA and NIAA's implementation of agreed recommendations, against the intention of the original recommendation, is set out in Table 3.10.

Table 3.10: Assessment of IBA and NIAA’s implementation of selected recommendations, at August 2024 — overview

Category of recommendation	ANAO assessment ^a of implementation status					
	Implemented	Largely	Partly	Not	Ongoing	Total
Auditor-General (IBA)	3	1	0	0	0	4
Auditor-General (NIAA)	4	1	6	0	0	11
<i>Sub-total Auditor-General</i>	7	2	6	0	0	15
Parliamentary committee (NIAA)	2	0	1	0	7	10
Total	9	2	7	0	7	25

Note a: Assessment is against the intention of the original recommendation and does not include consideration of commitments made in the government or entity response to the recommendation that were additional to the intention of the original recommendation.

Source: ANAO analysis of IBA and NIAA documentation.

Indigenous Business Australia’s implementation of Auditor-General recommendations

3.45 Table 3.11 shows the implementation status of the four agreed Auditor-General recommendations examined in this audit, comparing IBA and ANAO assessments. Appendix 5 provides the full text of each agreed recommendation.

Table 3.11: Assessment of IBA’s implementation of selected Auditor-General recommendations

Recommendation reference number	IBA response	IBA assessment ^a (Assessment date)	ANAO assessment at August 2024	
			Against recommendation	Against additional commitments
<i>Auditor-General Report No.36 2020–21 Indigenous Business Australia’s Business Support and Investment Activities</i>				
A1	Agreed	Implemented (September 2021)	Implemented	N/A ^b
A2	Agreed	Implemented (July 2024)	Implemented	N/A ^b
A3	Agreed	Implemented (September 2021)	Implemented	N/A ^b
A4	Agreed	Implemented (July 2024) ^c	Largely Implemented	N/A ^b

Key: ANAO’s assessment differed from IBA’s assessment for the recommendations highlighted in the table.

Note a: The date indicates when IBA advised its audit committee that the recommendation was completed. The ANAO has taken closure of the recommendation to indicate that the recommendation was considered by IBA to be implemented unless closure documentation stated otherwise.

Note b: For this recommendation, the IBA response did not include commitments that were additional to the intention of the original recommendation.

Note c: IBA treated the recommendation as three sub-recommendations (see paragraph 3.27). IBA closed two of the sub-recommendations in May 2022 and closed the third sub-recommendation in July 2024 (see paragraphs 3.30 to 3.31).

Source: ANAO analysis of IBA documentation.

3.46 The ANAO's assessment differed from IBA's assessment for one recommendation (Table 3.12).

Table 3.12: Auditor-General Report No.36 2020–21 Indigenous Business Australia's Business Support and Investment Activities

Agreed recommendation	ANAO assessment at August 2024
<p>Recommendation A4</p> <p>To improve business support and investment activity performance reporting, IBA:</p> <ul style="list-style-type: none"> a) ensure that performance measures in its corporate plan are appropriate, including that they are reliable and adequate; b) publicly report performance result trends and the reason for any changes over time; and c) improve the quality of methods and data used for performance reporting to ensure that results are accurate and can be independently replicated. <p>IBA assessment: Implemented.</p>	<p>Largely implemented</p> <ul style="list-style-type: none"> a) Performance measures were revised for the 2020–21 Corporate Plan. Measures for 2020–21 to 2022–23 were reliable. Measures did not comprise a mix of quantitative and qualitative measures but were a mix of output, efficiency and effectiveness measures. Changes were made to the measures for 2023–24. The 2023–24 measures are not reliable as methodologies have not been established for all measures, and there is not a balanced mix of quantitative, qualitative, output, efficiency and effectiveness measures. b) IBA began reporting trend analysis for measures in its 2020–21 annual performance statements.^a c) A January 2024 assurance review on three performance measures identified data errors due to manual processing, duplication of data resulting in overstated results, and inaccurate or unreliable procurement data. IBA agreed to the recommendations from the assurance review and developed a management action plan with actions to be implemented by January 2025. <p>As performance measures were not fully established and underlying data was not fully reliable, as at August 2024, IBA's actions were less extensive than the recommendation as agreed.</p>

Note a: Trend analysis was discontinuous for one measure ('value of home ownership outcomes approved') as IBA changed the metric to 'number of home ownership outcomes approved' in the 2021–22 Corporate Plan.

Source: ANAO analysis IBA documentation, including IBA's corporate plans for 2020–21 to 2023–24 and annual reports for 2020–21 to 2022–23.

Timeliness

3.47 IBA did not establish timeframes for the implementation of Auditor-General recommendations examined in this audit (see Table 3.4). Updates to the ARPC provided indicative timeframes for two recommendations, however these timeframes were not met. The time between when the recommendations were agreed by IBA and when the recommendations were reported closed to the ARPC ranged from four to 37 months.

National Indigenous Australians Agency's implementation of parliamentary committee recommendations

3.48 Table 3.13 shows the implementation status of the 10 agreed parliamentary committee recommendations relevant to NIAA examined in this audit, comparing NIAA and ANAO assessments. Appendix 5 provides the full text of each agreed recommendation.

Table 3.13: Assessment of NIAA’s implementation of selected parliamentary committee recommendations

Recommendation reference number	Government response	NIAA assessment ^a (Assessment date)	ANAO assessment at August 2024	
			Against recommendation	Against additional commitments
House of Representatives Standing Committee on Indigenous Affairs, <i>Report on food pricing and food security in remote Indigenous communities</i> (7 December 2020)				
P1	Agreed	Implementation ongoing (March 2024)	Implementation ongoing	N/A ^b
P2	Agreed in principle	Implemented (March 2024)	Implemented	Implemented
P3	Agreed in principle	Implementation ongoing (March 2024)	Implementation ongoing	Implemented ^c
P4	Agreed in principle	Implemented (May 2024) ^d	Implemented	Implemented
P5	Agreed	Implementation ongoing (March 2024)	Implementation ongoing	N/A ^b
House of Representatives Standing Committee on Indigenous Affairs, <i>Report on Indigenous Participation in Employment and Business</i> (30 August 2021)				
P6	Agreed	Implementation ongoing (April 2024)	Implementation ongoing	Partly implemented
P7	Agreed	Implementation ongoing (April 2024)	Implementation ongoing	Implementation ongoing
P8	Agreed in principle	Implementation ongoing (April 2024)	Implementation ongoing	Implementation ongoing
Joint Standing Committee on Northern Australia, <i>A Way Forward: Final report into the destruction of Indigenous heritage sites at Juukan Gorge</i> (18 October 2021)				
P9	Agreed	Partly implemented (March 2024)	Partly implemented	Partly implemented
P10	Agreed in principle	Implementation ongoing (March 2024)	Implementation ongoing	Implementation ongoing

Key: ANAO’s assessment differed from NIAA’s assessment for the recommendations highlighted in the table.

Note a: The date indicates when NIAA advised the ANAO of its assessment of implementation status.

Note b: For this recommendation, the government response did not include commitments that were additional to the intention of the original recommendation.

Note c: NIAA advised the ANAO in August 2024 that it considered the additional commitment was implemented.

Note d: NIAA advised the ANAO in March 2024 that the status of the recommendation was ‘implementation ongoing’. NIAA advised the ANAO in May 2024 that the recommendation was ‘resolved in accordance with the [government response]’.

Source: ANAO analysis of NIAA documentation.

3.49 When considering the intention of the original recommendation, the ANAO's assessment of implementation was the same as NIAA's for all recommendations in Table 3.14. When considering additional commitments made in the government's response to the recommendation, the ANAO's assessment differed from NIAA's assessment (implementation ongoing) for one recommendation (Table 3.14).

Table 3.14: House of Representatives Standing Committee on Indigenous Affairs, Report on Indigenous Participation in Employment and Business (30 August 2021)

Agreed recommendation	Government response	ANAO assessment against additional commitments at August 2024
<p>Recommendation P6</p> <p>The committee recommends that the National Indigenous Australians Agency (NIAA), in consultation with other agencies, considers developing a richer measurement of performance and outcomes for the Indigenous Procurement Policy (IPP) than just contract numbers and value. Consideration by the NIAA should include how IPP contracts can help maximise Aboriginal and Torres Strait Islander employment and skills transfer.</p> <p>NIAA assessment: Implementation ongoing.</p>	<p>Supported</p> <p>The NIAA is currently working across Government to develop a monitoring and evaluation framework for the IPP. The framework seeks to establish a robust program logic and theory of change for the IPP, and in doing so, develop a deeper understanding of the impact of the IPP on the Indigenous business sector and Indigenous economic participation. The framework will be applied in the next evaluation of the IPP, due in 2022–23.</p>	<p>Partly implemented</p> <p>In March 2021, NIAA contracted Inside Policy to develop an IPP monitoring and evaluation framework, with a total contract value of \$149,995 (GST inclusive).^a In March 2022, Inside Policy provided NIAA with a final draft of the framework.</p> <p>The framework included a theory of change and program logic for the IPP.</p> <p>NIAA did not undertake an evaluation of the IPP in 2022–23 in line with the commitment made in the government response. As at August 2024, NIAA had not evaluated the IPP.</p>

Note a: AusTender Standing Offer Notice SON3329485.

Source: ANAO analysis of NIAA documentation.

Timeliness

3.50 The NIAA established timeframes for actions relating to four of the 10 parliamentary committee recommendations examined in this audit. A timeframe for full implementation was established for only one recommendation (P3) (see Table 3.5), which as at August 2024 had not expired. A timeframe established in the government response to one recommendation (P6) was not met (see Table 3.14).

3.51 As at August 2024, implementation of seven recommendations was ongoing. The time since the recommendations were agreed by government ranged from 20 to 31 months.

National Indigenous Australians Agency's implementation of Auditor-General recommendations

3.52 Table 3.15 shows the implementation status of the 11 agreed Auditor-General recommendations made to NIAA examined in this audit, comparing NIAA and ANAO assessments. Appendix 5 provides the full text of each agreed recommendation.

Table 3.15: Assessment of NIAA’s implementation of selected Auditor-General recommendations

Recommendation reference number	NIAA response	NIAA assessment ^a (Assessment date)	ANAO assessment at August 2024	
			Against recommendation	Against additional commitments
<i>Auditor-General Report No.34 2019–20 Aboriginal and Torres Strait Islander Participation Targets in Intergovernmental Agreements</i>				
A5	Agreed	Implemented (November 2020)	Partly implemented	N/A ^b
<i>Auditor-General Report No.11 2020–21 Indigenous Advancement Strategy — Children and Schooling Program and Safety and Wellbeing Program</i>				
A6	Agreed	Implemented (March 2021)	Implemented	N/A ^b
A7	Agreed	Implemented (September 2021)	Implemented	N/A ^b
A8	Agreed	Implemented (September 2021)	Partly implemented	N/A ^b
A9	Agreed	Implemented (March 2021)	Largely implemented	N/A ^b
A10	Agreed	Implemented (March 2021)	Partly implemented	N/A ^b
<i>Auditor-General Report No.18 2021–22 Remote Housing in the Northern Territory</i>				
A11	Agreed	Implemented (November 2022)	Partly implemented	N/A ^b
A12	Agreed	Implemented (September 2022)	Implemented	Partly implemented ^c
A13	Agreed	Implemented (September 2022)	Implemented	Partly implemented ^c
A14	Agreed	Implemented (November 2022)	Partly implemented	Partly implemented ^c
A15	Agreed	Implemented (June 2022)	Partly implemented	N/A ^b

Key: ANAO’s assessment differed from NIAA’s assessment for the recommendations highlighted in the table.

Note a: The date indicates when NIAA advised its audit committee that the recommendation was closed. NIAA advised the ANAO in March 2024 that the status of all recommendations was ‘implemented’.

Note b: For this recommendation, NIAA’s response did not include commitments that were additional to the intention of the original recommendation.

Note c: NIAA made the same additional commitment in response to three recommendations. Details of the ANAO’s assessment are provided in Table 3.18.

Source: ANAO analysis of NIAA documentation.

3.53 When considering the intention of the original recommendation, the ANAO’s assessment of implementation differed from NIAA’s assessment (implemented) for seven recommendations in three Auditor-General reports (Table 3.16 to Table 3.18). When considering additional commitments made in the NIAA’s response to the recommendation, the ANAO’s assessment

differed from NIAA's assessment (implemented) for three recommendations in one report (Table 3.18).

Table 3.16: Auditor-General Report No.34 2019–20 *Aboriginal and Torres Strait Islander Participation Targets in Intergovernmental Agreements*

Agreed recommendation	ANAO assessment at August 2024
<p>Recommendation A5</p> <p>National Indigenous Australians Agency implement the Council of Australian Governments' commitment to publish jurisdiction-specific procurement policies and Aboriginal and Torres Strait Islander employment and business outcomes annually.</p> <p>NIAA assessment: Implemented.</p>	<p>Partly implemented</p> <p>In August 2020, the NIAA published the <i>COAG Reporting Framework for Aboriginal and Torres Strait Islander Policies and Outcomes</i> (reporting framework). The reporting framework comprises three tables outlining: procurement policies and outcomes; policies and outcomes for Intergovernmental agreements; and public sector employment policies and outcomes.^a</p> <p>The reporting framework has not been updated since it was published in August 2020 to provide updated reporting information and to ensure links to jurisdictional websites remained current.</p> <p>Publication of the reporting framework once in August 2020 fell short of the intent of the recommendation to publish policies and outcomes annually.</p>

Note a: NIAA, *COAG Reporting Framework for Aboriginal and Torres Strait Islander Policies and Outcomes*, available from <https://www.niaa.gov.au/resource-centre/coag-reporting-framework-aboriginal-and-torres-strait-islander-policies-and> [accessed 21 June 2024].

Source: ANAO analysis of NIAA documentation.

Table 3.17: Auditor-General Report No.11 2020–21 *Indigenous Advancement Strategy — Children and Schooling Program and Safety and Wellbeing Program*

Agreed recommendation	ANAO assessment at August 2024
<p>Recommendation A8</p> <p>The National Indigenous Australians Agency implements mechanisms to validate the data reported by providers, including self-reported data.</p> <p>NIAA assessment: Implemented.</p>	<p>Partly implemented</p> <p>In May 2021, NIAA updated its site visit template.</p> <p>Out of 19 questions included in the new template, four were new and one was amended from the original. New questions relate to submission of overdue reports, proof of assets funded through the grant activity, complaints policy, and the location of the grant activity. The questions allow for an assessment of the provider's compliance against grant agreement requirements. The questions do not relate to providing assurance about the reliability of performance information.</p> <p>Both the original and updated site visit template include a provision for the assessment officer to request a sample of provider data. It is not a requirement, and the provider can instead choose to discuss their performance information.</p> <p>In addition to the updated site visit template, NIAA established guidance that instructs staff on conducting a site visit and recording the outcomes of the site visit. The guidance does not provide instructions on maintaining records relating to the validation of provider performance information.</p>

Agreed recommendation	ANAO assessment at August 2024
<p>Recommendation A9</p> <p>The National Indigenous Australians Agency ensures that:</p> <ul style="list-style-type: none"> • Its methodology for calculating Children and Schooling and Safety and Wellbeing programs' performance information includes only KPIs relevant to the programs' objectives; and • The annual performance statement discloses all limitations associated with the reported results. <p>NIAA assessment: Implemented.</p>	<p>Largely implemented</p> <p>NIAA's annual performance statement for 2019–20 reports against measures that ANAO analysis in 2020 found were output- rather than outcome focused and did not address all elements of the Indigenous Advancement Strategy (IAS) program.</p> <p>Calculation of performance results for most measures was based on confirming the delivery of a specific output and not an assessment of performance information.</p> <p>For one measure that did use performance information, NIAA included a footnote that explains the basis for the calculation supporting the performance result. Data reported for 2019–20 is for the complete reporting period (July 2019 to June 2020). Previous year's reporting was based on data collected for part of the reporting period. This limitation was not disclosed.</p> <p>The annual performance statement for 2019–20 does not disclose limitations associated with reported results.</p>
<p>Recommendation A10</p> <p>The National Indigenous Australians Agency ensures that performance measures in its corporate plan are appropriate, including that the measures allow an assessment of outcomes.</p> <p>NIAA assessment: Implemented.</p>	<p>Partly implemented</p> <p>NIAA revised its IAS program performance measures for the 2020–21 corporate plan.</p> <p>In its response to the recommendation, NIAA agreed to incorporate more qualitative performance measures. Of the 16 total measures in the 2020–21 corporate plan, five were supported by a qualitative methodology.</p> <p>Two out of the 16 measures were appropriate as they addressed a significant aspect of the activity and included an outcome measure. The other 14 measures assessed deliverables and did not inform on progress towards outcomes.</p> <p>The revised performance measures fell short of the intent of recommendation to improve performance measures to allow an assessment of outcomes.</p>

Source: ANAO analysis of NIAA documentation, including *NIAA Annual Report 2019–20* and *NIAA Corporate Plan 2020–21*.

Table 3.18: Auditor-General Report No.18 2021–22 Remote Housing in the Northern Territory

Agreed recommendation	ANAO assessment at August 2024
<p>Recommendation A11</p> <p>National Indigenous Australians Agency revise the Implementation Plan^a to support public accountability by providing accurate information on how each party to the National Partnership for Remote Housing Northern Territory will achieve the outcomes and outputs.</p> <p>NIAA assessment: Implemented.</p>	<p>Partly implemented</p> <p>In September 2021, NIAA identified potential amendments to the Implementation Plan, and potential amendments were discussed at officer level between NIAA and the Northern Territory (NT) Government.^b</p> <p>In June 2022, NIAA advised the minister that it was working with the NT Government on amending the Implementation Plan and provided high-level details of the amendments.</p> <p>In November 2022, NIAA closed the recommendation. The closure report stated that ‘it would not be practical to amend the Implementation plan at this stage of the National Partnership’.^c</p> <p>While action was initiated, the Implementation Plan was not revised in line with the intent of the recommendation, which was to support public accountability for the achievement of outputs and outcomes.</p>
<p>Recommendation A14</p> <p>National Indigenous Australians Agency establish appropriate risk-based assurance arrangements to ensure that the local decision-making process^d has been effectively implemented and is an effective strategy to achieve ‘a genuine and mutually respectful formal partnership between governments and Aboriginal people from the Northern Territory’.</p> <p>NIAA assessment: Implemented.</p>	<p>Partly implemented</p> <p>In September 2021, NIAA agreed with the NT Department of Territory Families, Housing and Communities (TFHC) for an NIAA officer to be embedded in TFHC. In the November 2022 closure report for the recommendation, NIAA stated that the purpose of the officer’s role included to ‘develop assurance of NT Local Decision Making’.</p> <p>NIAA advised the ANAO in May 2024 that the officer commenced in TFHC in June 2023. The June 2023 workplan for the embedded officer’s role did not clearly outline how the officer would contribute to assurance over the local decision-making process.</p> <p>The arrangements did not constitute appropriate risk-based assurance in line with the intent of the recommendation.</p> <p>NIAA’s response to three recommendations (A12, A13 and A14) included the identical additional commitment, that the embedded officer would ‘build on existing Northern Territory Government assurance and verification’. NIAA advised the ANAO in May 2024 that the role was, ‘to a large extent, subsumed’ into business-as-usual engagement with the NT Government, which fell well short of NIAA’s commitments.</p>

Agreed recommendation	ANAO assessment at August 2024
<p>Recommendation A15</p> <p>National Indigenous Australians Agency:</p> <ul style="list-style-type: none"> develop and implement an internal risk management plan for management of the National Partnership for Remote Housing Northern Territory; and work with the Joint Steering Committee^e to finalise and implement its risk management plan. <p>NIAA assessment: Implemented.</p>	<p>Partly implemented</p> <p>Risk management plans were developed. They were not fully implemented in line with the intent of the recommendation.</p> <ul style="list-style-type: none"> NIAA developed an internal risk management plan for the NPRHNT in May 2022. The plan was partly implemented — monthly reviews of the plan and risk register did not occur in most months and risks were not escalated in line with NIAA’s Risk Management Policy as required under the plan. NIAA provided feedback on the Joint Steering Committee (JSC) Risk Framework in April 2022 and the JSC closed an action item relating to a governance framework, which included the Risk Framework, in May 2022. The Risk Framework was largely implemented — the JSC risk register was updated and reported to the JSC in line with the framework, however risk owners were not identified.

Note a: The Implementation Plan is a schedule to the National Partnership for Remote Housing Northern Territory (NPRHNT) with the purpose of providing details of how the NPRHNT is intended to be delivered. The Implementation Plan specifies performance benchmarks and milestones and associated payments.

Note b: The amendments, which related primarily to milestone payments, were identified before NIAA agreed to the recommendation in February 2022 and did not fully address the deficiencies in the Implementation Plan identified in Auditor-General Report No.18 2021–22 *Remote Housing in the Northern Territory*. NIAA advised the ANAO in November 2021 that it intended to finalise amendments to the Implementation Plan in ‘early 2022’. (Auditor-General Report No.18 2021–22 *Remote Housing in the Northern Territory*, paragraph 2.27.)

Note c: The NPRHNT expired on 30 June 2023. In February 2024, the Australian Government and the NT Government agreed to extend the NPRHNT to 30 June 2024.

Note d: Under the NPRHNT, capital works must be informed by local decision-making principles.

Note e: The Joint Steering Committee is a forum for monitoring the outcomes of the NPRHNT, consisting of representatives from the Australian Government, the NT Government, the four NT Land Councils (Northern Land Council, Central Land Council, Tiwi Land Council, and Anindilyakwa Land Council) and Aboriginal Housing NT, a peak body.

Source: ANAO analysis of NIAA documentation.

Timeliness

3.54 NIAA established implementation timeframes for seven of the 11 Auditor-General recommendations examined in this audit (see Table 3.6). Of these, the initial timeframe was met for one recommendation. Revised timeframes were established for five recommendations, of which three were met. For one recommendation, the timeframe was not met and a revised timeframe was not established. The time between when the recommendations were agreed by NIAA and when the recommendations were reported closed to the ARC ranged from three to 11 months.



Rona Mellor PSM
Acting Auditor-General

Canberra ACT
1 November 2024

Appendices

Appendix 1 Entity responses

Indigenous Business Australia



Australian Government
Indigenous Business Australia

iba.gov.au

Ngunnawal & Ngambri Country, Ground floor, 25 National Circuit, Forrest, ACT 2603
Ngunnawal & Ngambri Country, PO Box 650, Fyshwick ACT 2609
ABN 25 192 932 833
1800 107 107

8 October 2024

Ms Rona Mellor
A/g Auditor-General for Australia
Australian National Audit Office
GPO Box 707
Canberra ACT 2601

IBA reference: D24/157711

Dear Ms Mellor

Thank you for the opportunity to provide comments on the Australian National Audit Office's (ANAO) section 19 performance audit report – *Implementation of ANAO and Parliamentary Committee Recommendations – Indigenous Affairs Portfolio*.

Indigenous Business Australia (IBA) wishes to thank the ANAO for their professional and collaborative engagement with IBA throughout this audit.

The performance audit process has been useful for IBA in driving further improvements in internal processes relating to the implementation and management of ANAO and parliamentary committee recommendations and IBA will consider the further opportunities for improvement as part of its continual improvement processes.

On behalf of the Board, I would also like to thank the audit team for the professional and collegiate manner in which this audit was conducted, and for their willingness to consult throughout the process.

Yours sincerely



Eddie Fry
Chair

Encl.



IBA
INDIGENOUS
BUSINESS
AUSTRALIA

National Indigenous Australians Agency



Australian Government
National Indigenous Australians Agency

EC24-001387

CHIEF EXECUTIVE OFFICER
JODY BROUN

Ms Rona Mellor PSM
Acting Auditor-General
Australian National Audit Office
officeoftheauditorgeneralperformanceaudit@anao.gov.au

Dear Ms Mellor

Thank you for your email of the of 27 September 2024 regarding the Australian National Audit Office (ANAO) proposed audit report of *Implementation of parliamentary committee and Auditor-General recommendations - Indigenous affairs portfolio*.

The Agency's work is guided by our purpose. We focus on building genuine partnerships, investing effectively, and leading and coordinating across government to achieve better outcomes for First Nations peoples and communities. We recognise that audit recommendations can identify risks to the successful delivery of our outcomes and highlight actions aimed at addressing those risks.

We welcome the findings of the audit, including that the NIAA's arrangements matured during the audit. The NIAA acknowledges the opportunities for improvement identified in the report, and I am pleased that we have already made further progress to strengthen our processes for management, monitoring and implementing agreed recommendations.

It is important to note that the response to parliamentary committee reports, and timing of responses, remains the decision of Government.

Yours sincerely



JODY BROUN
Chief Executive Officer

23 October 2024

Department of the Prime Minister and Cabinet



Australian Government
Department of the Prime Minister and Cabinet

SECRETARY

Ms Rona Mellor PSM
 Acting Auditor-General
 Australian National Audit Office
 OfficeoftheAuditorGeneralPerformanceAudit@anao.gov.au

Rona
 Dear Ms Mellor,

Thank you for the opportunity to comment on the extract of the proposed audit report on the *Implementation of parliamentary committee and Auditor General recommendations — Indigenous affairs portfolio*.

The Department of the Prime Minister and Cabinet (the department) regularly reviews processes to ensure the robust provision of support to parliamentary committees and guidance to entities. This includes providing advice to entities on parliamentary committee reports with substantive recommendations that require responses from the Government. As part of this process, the department ensures entities are aware of the timeframes under Senate resolution 44 for responding to committee reports.

The department's Tabling Guidelines provide advice on the preparation of government responses, including that all recommendations must be addressed and reasons provided for not accepting a recommendation, and timeframes for responses as set by Parliament.

Yours

Professor Glyn Davis AC
 24 October 2024

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Appendix 2 Improvements observed by the ANAO

1. The existence of independent external audit, and the accompanying potential for scrutiny improves performance. Improvements in administrative and management practices usually occur: in anticipation of ANAO audit activity; during an audit engagement; as interim findings are made; and/or after the audit has been completed and formal findings are communicated.

2. The Joint Committee of Public Accounts and Audit (JCPAA) has encouraged the ANAO to consider ways in which the ANAO could capture and describe some of these impacts. The ANAO's Corporate Plan states that the ANAO's annual performance statements will provide a narrative that will consider, amongst other matters, analysis of key improvements made by entities during a performance audit process based on information included in tabled performance audit reports.

3. Performance audits involve close engagement between the ANAO and the audited entity as well as other stakeholders involved in the program or activity being audited. Throughout the audit engagement, the ANAO outlines to the entity the preliminary audit findings, conclusions and potential audit recommendations. This ensures that final recommendations are appropriately targeted and encourages entities to take early remedial action on any identified matters during the course of an audit. Remedial actions entities may take during the audit include:

- strengthening governance arrangements;
- introducing or revising policies, strategies, guidelines or administrative processes; and
- initiating reviews or investigations.

4. In this context, the below actions were observed by the ANAO during the course of the audit. It is not clear whether these actions and/or the timing of these actions were planned in response to proposed or actual audit activity. The ANAO has not sought to obtain assurance over the source of these actions or whether they have been appropriately implemented.

Table A.1: Improvements observed by the ANAO

Action	Report paragraphs
In September 2023, National Indigenous Australians Agency (NIAA) documented practices for identifying and responding to parliamentary committee recommendations.	Paragraph 2.12 Paragraph 2.18
In October 2023 and August 2024, NIAA developed implementation plans for recommendations in two Auditor-General reports.	Paragraph 2.49
In October 2023, NIAA developed an implementation tracking document for seven recommendations in Auditor-General Report No.27 2022–23 <i>Management of provider fraud and non-compliance</i> .	Paragraph 2.54
In November 2023 and December 2023, NIAA reported to the Audit and Risk Committee (ARC) and Executive Board that it would align its process for monitoring and closing parliamentary recommendations with its process for monitoring Auditor-General recommendations. NIAA advised it would complete a 'stocktake' of parliamentary committee recommendations.	Paragraph 2.35 Paragraph 2.38
In November 2023 and December 2023, NIAA's reporting to the ARC and Executive Board included a summary of its practices for monitoring and closing Auditor-General recommendations.	Paragraph 2.53 Paragraph 2.63

Action	Report paragraphs
In November 2023, NIAA's closure report template for Auditor-General recommendations was updated to reflect the implementation status categories used by the ANAO in previous audits of implementation of parliamentary committee and Auditor-General recommendations.	Paragraph 2.60
In March 2024 and June 2024, NIAA provided updates on implementation of parliamentary committee recommendations to the ARC.	Paragraph 2.35
<p>In April 2024, Indigenous Business Australia (IBA) documented practices for:</p> <ul style="list-style-type: none"> • identifying parliamentary committee recommendations; • responding to Joint Committee of Public Account and Audit (JCPAA) recommendations; • implementation planning for JCPAA recommendations, including establishing an implementation plan template; • monitoring and assurance of parliamentary committee recommendations; • closing JCPAA recommendations; • responding to Auditor-General recommendations; • implementation planning for Auditor-General recommendations; • monitoring and assurance of Auditor-General recommendations; and • closing Auditor-General recommendations. 	Paragraph 2.9 Paragraph 2.15 Paragraph 2.28 Paragraph 2.32 Paragraph 2.37 Paragraph 2.44 Paragraph 2.48 Paragraph 2.51 Paragraph 2.58
In April 2024, IBA's closure report template was updated to require a risk rating.	Paragraph 2.58
In May 2024, NIAA agreed to an Auditor-General recommendation that it ensure that its ARC is providing assurance to the accountable authority that agreed parliamentary committee recommendations are implemented.	Paragraph 2.34
In June 2024, NIAA provided closure reports to the ARC for four recommendations reported closed.	Paragraph 2.62
In August 2024, IBA updated its documented practices for managing parliamentary committee recommendations to capture parliamentary committees other than the JCPAA.	Paragraph 2.15
In August 2024, NIAA documented a requirement for the Ministerial and Parliamentary section to maintain a register of relevant recommendations from parliamentary committee reports.	Paragraph 2.23

Action	Report paragraphs
<p>In August 2024, NIAA documented practices for:</p> <ul style="list-style-type: none"> • implementation planning for parliamentary committee recommendations; • monitoring and assurance of parliamentary committee recommendations; • closing parliamentary co responding to Auditor-General recommendations; • implementation planning for Auditor-General recommendations; • monitoring and assurance of Auditor-General recommendations; and • closing Auditor-General recommendations. 	<p>Paragraph 2.29 Paragraph 2.35 Paragraph 2.39 Paragraph 2.46 Paragraph 2.50 Paragraph 2.53 Paragraph 2.63</p>

Appendix 3 Previous ANAO audits on implementation of recommendations

1. This is the seventh ANAO performance audit since 2019 that has examined the effectiveness of Australian Government entities' implementation of agreed recommendations made by parliamentary committees and the Auditor-General. The previous audits are listed below.

- **Auditor-General Report No.6 2019–20 *Implementation of ANAO and Parliamentary Committee Recommendations***, which tabled in August 2019, examined four entities in the Agriculture and Infrastructure portfolios (Department of Agriculture; Airservices Australia; Australian Pesticides and Veterinary Medicines Authority; and Department of Infrastructure, Transport, Cities and Regional Development). Of the 23 recommendations examined in the audit, the ANAO found that six were implemented, 10 were partially implemented, three were not fully implemented and four were not implemented. The audit made four recommendations to improve governance and executive oversight of the implementation of recommendations. Three recommendations were directed to the audited entities, and one recommendation was directed to the Department of the Prime Minister and Cabinet to 'reinforce the responsibility of accountable authorities to monitor and implement agreed parliamentary committee recommendations.'⁶³
- **Auditor-General Report No.46 2019–20 *Implementation of ANAO and Parliamentary Committee Recommendations — Education and Health Portfolios***, which tabled in June 2020, examined four entities (Department of Education; Department of Health; Australian Sports Commission; and National Health and Medical Research Council). The audit conclusion was that 'Nothing came to the ANAO's attention that the entities had not implemented applicable parliamentary committee and Auditor-General performance audit recommendations.' The audit found that the entities had implemented all 33 recommendations examined in the audit. The audit also identified that 'general arrangements to respond to, monitor and manage parliamentary committee recommendations required improvement.'⁶⁴
- **Auditor-General Report No.34 2020–21 *Implementation of ANAO and Parliamentary Committee Recommendations — Department of Defence*** tabled in April 2021. Of the 32 recommendations examined in the audit, the ANAO found that 15 were implemented, six were largely implemented, four were partly implemented and seven were not implemented. The audit conclusion was that the Department of Defence had appropriate governance arrangements to respond to, monitor and implement Auditor-General

63 Auditor-General Report No.6 2019–20 *Implementation of ANAO and Parliamentary Committee Recommendations*, ANAO, Canberra, 2019, available from <https://www.anao.gov.au/work/performance-audit/implementation-anao-and-parliamentary-committee-recommendations-2019> [accessed 18 July 2024].

64 Auditor-General Report No.46 2019–20 *Implementation of ANAO and Parliamentary Committee Recommendations — Education and Health Portfolios*, ANAO, Canberra, 2020, p. 8, available from <https://www.anao.gov.au/work/performance-audit/implementation-anao-parliamentary-committee-recommendations-education-health-portfolios> [accessed 18 July 2024].

performance audit recommendations, and partially appropriate governance arrangements for parliamentary committee recommendations.⁶⁵

- **Auditor-General Report No.25 of 2021–22 *Implementation of Parliamentary Committee and Auditor-General Recommendations — Department of Home Affairs*** tabled in May 2022. Of the 25 recommendations examined in the audit, the ANAO found that 16 were implemented, two were largely implemented, three were partly implemented, one was not implemented, and three were ongoing. The audit conclusion was that the Department of Home Affairs had largely fit-for-purpose arrangements to respond to, monitor and implement agreed recommendations.⁶⁶
- **Auditor-General Report No.22 of 2022–23 *Implementation of Parliamentary Committee and Auditor-General Recommendations — Attorney-General’s Portfolio***, which tabled in May 2023, examined three entities (Attorney-General’s Department; Australian Federal Police; and Office of the Commonwealth Director of Public Prosecutions). Of the 27 recommendations examined in the audit, the ANAO found that seven were implemented, six were largely implemented, six were partly implemented, two were not implemented, and six were ongoing. The audit conclusion was that the entities’ arrangements, processes and systems for responding to, monitoring, and implementing recommendations were mixed.⁶⁷
- **Auditor-General Report No.17 of 2023–24 *Implementation of Parliamentary Committee and Auditor-General Recommendations — Department of Finance*** tabled in February 2024. Of the 18 recommendations examined in the audit, the ANAO found that eight were implemented, one was largely implemented, one was partly implemented, two were not implemented, and six were ongoing. The audit concluded that Finance had partly fit-for-purpose arrangements to respond to, monitor and implement agreed recommendations.⁶⁸

65 Auditor-General Report No.34 2020–21, *Implementation of ANAO and Parliamentary Committee Recommendations — Department of Defence*, ANAO, Canberra, 2021, available from <https://www.anao.gov.au/work/performance-audit/implementation-anao-and-parliamentary-committee-recommendations-department-defence> [accessed 18 July 2024].

66 Auditor-General Report No.25 2021–22 *Implementation of Parliamentary Committee and Auditor-General Recommendations — Department of Home Affairs*, ANAO, Canberra, 2022, available from <https://www.anao.gov.au/work/performance-audit/implementation-parliamentary-committee-and-auditor-general-recommendations-department-home-affairs> [accessed 18 July 2024].

67 Auditor-General Report No.22 2022–23 *Implementation of Parliamentary Committee and Auditor-General Recommendations — Attorney-General’s Portfolio*, ANAO, Canberra, 2023, available from <https://www.anao.gov.au/work/performance-audit/implementation-parliamentary-committee-and-auditor-general-recommendations-attorney-generals> [accessed 18 July 2024].

68 Auditor-General Report No.17 2023–24, *Implementation of Parliamentary Committee and Auditor-General Recommendations — Department of Finance*, ANAO, Canberra, 2024, available from <https://www.anao.gov.au/work/performance-audit/implementation-parliamentary-committee-and-auditor-general-recommendations-department-of-finance> [accessed 18 July 2024].

Appendix 4 Methodology for selecting recommendations in audit scope

1. For parliamentary committee recommendations, the ANAO identified parliamentary committee reports tabled since January 2020 that made recommendations related to Indigenous affairs or were directed at an entity in the Prime Minister and Cabinet portfolio which relates primarily to Indigenous affairs (see paragraph 1.16). For Auditor-General recommendations, the ANAO identified Auditor-General reports tabled since January 2020 where the auditee was an entity in the Prime Minister and Cabinet portfolio which relates primarily to Indigenous affairs.
2. For the purposes of this audit, an ‘agreed’ recommendation means the response to the recommendation:
 - agreed in full or in part to the recommendation; or
 - agreed in principle to the recommendation and included a commitment to undertake a specific action in response.
3. To allow sufficient time for implementation, the agreed recommendations examined in this audit were limited to recommendations contained in:
 - parliamentary committee reports tabled prior to December 2022, where a government response was received prior to 31 December 2022; and
 - Auditor-General reports tabled prior to December 2022.
4. The scope of this audit did not include:
 - parliamentary committee reports where the subject of the report was either a review of annual reports, or an inquiry or review into proposed bills or delegated legislation; and
 - any recommendations that substantially overlapped with another recommendation in the scope of this audit or were examined in another ANAO audit.⁶⁹
5. From a total of 71 recommendations, 31 recommendations were selected for inclusion in the audit scope, comprising 10 recommendations in three parliamentary committee reports and 21 recommendations in five Auditor-General reports. For details of the 25 recommendations examined in this report, see Appendix 5. Six Auditor-General recommendations from Auditor-General Report No.25 2019–20 *Aboriginal and Torres Strait Islander Participation Targets in Major Procurements* will be examined in a separate audit to be tabled in 2024–25 (see paragraph 1.27).

69 Agreed recommendations not included for these reasons were:

- House of Representatives Standing Committee on Indigenous Affairs, *Report on food pricing and food security in remote Indigenous communities*, recommendation 6 (which overlapped with recommendation 10, examined in this audit); and
- House of Representatives Standing Committee on Indigenous Affairs, *Report on Indigenous Participation in Employment and Business participation*, recommendations 13, 14 and 16 (which were examined in Auditor-General Report No.29 2023–24 *Remote employment programs*).

Appendix 5 Agreed parliamentary committee and Auditor-General recommendations

Table A.2: Agreed parliamentary committee recommendations to NIAA

Reference number	Recommendation number	Recommendation	Key elements of government response ^a
House of Representatives Standing Committee on Indigenous Affairs, <i>Report on food pricing and food security in remote Indigenous communities</i> (7 December 2020)			
P1	4	The Committee recommends that the Australian Government encourage the establishment of more local distribution centres by wholesalers in major regional centres closer to remote communities.	Supported
P2	7	The Committee recommends that the <i>Stronger Futures in the Northern Territory Act 2012</i> be amended to remove the requirement that stores be given notice before inspections.	Supported in principle In partnership with the Northern Territory Government, the Australian Government is considering future arrangements for stores licensing in the Northern Territory when the <i>Stronger Futures in the Northern Territory Act 2012</i> sunsets in July 2022. Additionally, the Australian Government will suggest requirements relating to stores inspection form part of considerations by the National Federation Reform Council Indigenous Affairs Taskforce (refer to the response to Recommendation 10).
P3	10	The Committee recommends that the Australian Government, in partnership with the States and Territories and First Nations people, develop a strategy for food security and nutrition for remote First Nations communities.	Supported in principle The Australian Government will suggest consideration of a food security and nutrition strategy for remote First Nations communities include related recommendations of the Committee's report. These are [recommendations 2, 5, 6, 7, 8, 11 and 14].

Reference number	Recommendation number	Recommendation	Key elements of government response ^a
P4	11	<p>The Committee recommends that the Food Security Working Group that was established during the COVID-19 pandemic be maintained and tasked with:</p> <ul style="list-style-type: none"> • identifying improvements to the logistics of food and grocery supply into remote communities • assessing the viability of warehousing greater volumes of food and groceries in more remote parts of the supply chain • identifying ways to improve the replenishment cycle of food and groceries in remote community stores • ensuring food supply during pandemics, natural disasters and seasonal changes • identifying ways which the major supermarket chains can help play a role in driving down food prices and guaranteeing supply for remote communities • identifying ways in which Outback Stores might assist independent community stores with the supply of food and grocery stock. 	<p>Supported in principle</p> <p>FSWG members agreed to maintain the group and amend the group's terms of reference to include points 1–4 of Recommendation 11 in May 2021.</p> <p>The National Indigenous Australian Agency will continue to engage with stakeholders on points 5–6 of the Recommendation.</p> <p>Consideration of the utility of a governance or advisory group such as FSWG can also take place in the context of the Indigenous Affairs Taskforce's agreement to progress Recommendation 10 (a Strategy for Food Security and Nutrition for remote First Nations communities).</p>
P5	16	<p>The Committee recommends that the NIAA consult with the relevant stakeholders to ensure that Aboriginal and Torres Strait Islander residents of town camps can receive food deliveries from supermarkets in their vicinity.</p>	<p>Supported</p>

Reference number	Recommendation number	Recommendation	Key elements of government response ^a
House of Representatives Standing Committee on Indigenous Affairs, <i>Report on Indigenous Participation in Employment and Business</i> (30 August 2021)			
P6	1	The committee recommends that the National Indigenous Australians Agency (NIAA), in consultation with other agencies, considers developing a richer measurement of performance and outcomes for the Indigenous Procurement Policy (IPP) than just contract numbers and value. Consideration by the NIAA should include how IPP contracts can help maximise Aboriginal and Torres Strait Islander employment and skills transfer.	<p>Supported</p> <p>The NIAA is currently working across Government to develop a monitoring and evaluation framework for the IPP. The framework seeks to establish a robust program logic and theory of change for the IPP, and in doing so, develop a deeper understanding of the impact of the IPP on the Indigenous business sector and Indigenous economic participation. The framework will be applied in the next evaluation of the IPP, due in 2022–23.</p>
P7	6	The committee recommends that the Australian Government support more business hubs and employment incubators where Aboriginal and Torres Strait Islander businesses can receive assistance with tender processes and with accessing government procurement opportunities.	<p>Supported</p> <p>Through the 10-year Indigenous Business Sector Strategy, the Government has committed to developing business and employment hubs, anchored to major cities, to support the development of Indigenous businesses. As a first step, the Government has provided \$22 million in funding to establish two Indigenous business and employment hubs in Perth and Sydney. The Government has also provided \$3 million to support ‘The Circle – First Nations Entrepreneur Hub’ in Adelaide, delivered in partnership with the South Australian Government. A further \$10 million has been committed to deliver a new hub in Darwin in 2022, as well as satellite services in other key locations across the Northern Territory.</p>
P8	7	The committee recommends that the Australian Government remove legislative and other barriers that could impede Indigenous Business Australia from expanding its operations.	<p>Supported in principle</p> <p>The Australian Government will continue to work with Indigenous Business Australia to ensure their operations remain sustainable now and into the future.</p>

Reference number	Recommendation number	Recommendation	Key elements of government response ^a
Joint Standing Committee on Northern Australia, <i>A Way Forward: Final report into the destruction of Indigenous heritage sites at Juukan Gorge</i> (18 October 2021)			
P9	6	The Committee recommends that the Australian Government develops a model for a cultural heritage truth telling process that may be followed by all Australians—individuals, governments and companies—as a part of any process to engage with Aboriginal and Torres Strait Islander peoples and their cultural heritage.	<p>Agreed</p> <p>The Australian Government is committed to truth-telling as an integral part of implementing the <i>Uluru Statement from the Heart</i> in full.</p> <p>As part of that commitment, the Australian Government will establish an independent Makarrata Commission to oversee a national process for agreement-making and truth-telling in partnership with First Nations communities and other levels of government.</p> <p>The Australian Government welcomes and acknowledges the many state and territory truth-telling and treaty initiatives already underway and intends for the Makarrata Commission to complement these.</p> <p>Opportunities to pursue truth-telling processes and better engage with First Nations peoples will also form part of the considerations of working in partnership to design cultural heritage protection reforms outlined in the “Overarching approach” section. Truth-telling will be a key discussion point in the national engagement process towards the reform of First Nations cultural heritage protections.</p>

Reference number	Recommendation number	Recommendation	Key elements of government response ^a
P10	7	<p>The Committee recommends that the Australian Government establish an independent fund to administer funding for prescribed body corporates (PBCs) under the <i>Native Title Act 1999</i>.</p> <p>Revenue for this fund should come from all Australian governments and proponents negotiating with PBCs.</p>	<p>Agreed in principle</p> <p>The Australian Government is committed to working in partnership with native title holders, their Prescribed Bodies Corporate (PBCs), state and territory governments and other key stakeholders to consider a range of options to reform funding of PBCs and build PBC capacity.</p> <p>...</p> <p>The proposed independent fund would consider how government funding could supplement the user-pays system to ensure that those PBCs requiring additional corporate and operational support receive it. The Australian Government will further consider how proponents and industry can provide additional contributions to PBCs for negotiation and agreement making on their lands. We will work with business, industry and PBCs to further explore what these options may be.</p> <p>PBCs operate in areas where there have been native title determinations. It will also be important to consider arrangements where other land tenure arrangements are in place, or where there are sites of cultural importance in locations without native title recognised or statutory land rights resolved.</p>
		<p>Alongside an increase in funding for PBCs, the Committee is of the view that there needs to be greater transparency and accountability in PBC proceedings within communities. Like all statutory bodies, PBCs are required corporate reporting responsibilities like conducting directors' meetings, AGMs and special general meetings. However, the Committee heard concerning reports that some PBCs are not transparent in their decision-making with respect to their local community resulting in decisions being taken to allow the destruction of cultural heritage sites, against the wishes of community</p>	<p>Agreed in principle</p> <p>Should any future reforms make changes to PBCs' cultural heritage obligations or responsibilities (see Recommendation 8), the Australian Government will review funding arrangements.</p> <p>...</p> <p>Should wider consultation requirements be mandated for PBCs, the Australian Government agrees to review any funding agreements and guidelines in light of these new obligations (see Recommendation 8 below).</p>

Reference number	Recommendation number	Recommendation	Key elements of government response ^a
		<p>members. (See Box 6.5: Magazine hill case study.)</p> <p>Therefore, the Committee considers that PBCs should, as part of funding agreements, be required to demonstrate transparency and accountability in their decision-making processes with respect to their local community.</p>	
		<p>In the context of the issue of transparency, the Committee notes that mining companies have publicly reported on outcomes of reviews of currently-held section 18 permits, and the high-level results of reviews of agreements with traditional owners undertaken since the interim report, as well as on their engagement with traditional owners more generally. The Committee considers this to be an appropriate practice provided there is agreement between the companies and traditional owners about the release of such information.</p>	<p>Noted</p> <p>This recommendation concerns Western Australian legislation. The Australian Government is committed to working with states and territories to improve protections and deliver greater consistency in cultural heritage protections across jurisdictions.</p>

Note a: Indicates the government's response to the recommendation and any commitments that were additional to the recommendation's intent.

Source: House of Representatives Standing Committee on Indigenous Affairs, *Report on food pricing and food security in remote Indigenous communities* and Australian Government response; House of Representatives Standing Committee on Indigenous Affairs, *Report on Indigenous Participation in Employment and Business* and Australian Government response; Joint Standing Committee on Northern Australia, *A Way Forward: Final report into the destruction of Indigenous heritage sites at Juukan Gorge* and Australian Government response.

Table A.3: Agreed Auditor-General recommendations to IBA^a

Reference number	Recommendation number	Recommendation
Auditor-General Report No.36 2020–21 <i>Indigenous Business Australia's Business Support and Investment Activities</i>		
A1	1	IBA apply and comply with its updated policies and processes to identify and manage potential and actual conflicts at all levels and document actions taken.
A2	2	IBA ensure that it has complete and accurate customer data and an appropriate methodology for calculating the extent to which future business support activities focusses on pre-bank and early stage customers to enable reliable reporting to Parliament and the National Indigenous Australians Agency.
A3	3	IBA ensure that its documentation of business loans, leases and external business services transactions is complete and complies with record keeping requirements, as set out in legislation, funding agreements and internal procedures.
A4	4	To improve business support and investment activity performance reporting, IBA: <ul style="list-style-type: none">• ensure that performance measures in its corporate plan are appropriate, including that they are reliable and adequate;• publicly report performance result trends and the reason for any changes over time; and• improve the quality of methods and data used for performance reporting to ensure that results are accurate and can be independently replicated.

Note a: IBA agreed to all recommendations without qualification.

Source: Auditor-General Report No.36 2020–21 *Indigenous Business Australia's Business Support and Investment Activities*.

Table A.4: Agreed Auditor-General recommendations to NIAA^a

Reference number	Recommendation number	Recommendation
<i>Auditor-General Report No.34 2019–20 Aboriginal and Torres Strait Islander Participation Targets in Intergovernmental Agreements</i>		
A5	2	National Indigenous Australians Agency implement the Council of Australian Governments' commitment to publish jurisdiction-specific procurement policies and Aboriginal and Torres Strait Islander employment and business outcomes annually.
<i>Auditor-General Report No.11 2020–21 Indigenous Advancement Strategy — Children and Schooling Program and Safety and Wellbeing Program</i>		
A6	1	The National Indigenous Australians Agency ensures that up-to-date information about grant funding available for the Children and Schooling and Safety and Wellbeing programs is publicly available.
A7	2	The National Indigenous Australians Agency ensures that its approaches to grants assessment: <ul style="list-style-type: none">• achieves value with relevant money; and• is consistent with its policy and guidance and with the principles underlying the Commonwealth Grants Rules and Guidelines.
A8	3	The National Indigenous Australians Agency implements mechanisms to validate the data reported by providers, including self-reported data.
A9	4	The National Indigenous Australians Agency ensures that: <ul style="list-style-type: none">• its methodology for calculating Children and Schooling and Safety and Wellbeing programs' performance information includes only KPIs relevant to the programs' objectives; and• the annual performance statement discloses all limitations associated with the reported results.
A10	5	The National Indigenous Australians Agency ensures that performance measures in its corporate plan are appropriate, including that the measures allow an assessment of outcomes.
<i>Auditor-General Report No.18 2021–22 Remote Housing in the Northern Territory</i>		
A11	1	National Indigenous Australians Agency revise the Implementation Plan to support public accountability by providing accurate information on how each party to the National Partnership for Remote Housing Northern Territory will achieve the outcomes and outputs.
A12	2	National Indigenous Australians Agency implement risk-based assurance processes to verify the delivery of capital works.

Reference number	Recommendation number	Recommendation
A13	3	National Indigenous Australians Agency develop and implement a risk-based framework for gaining assurance over the Northern Territory Government's verification procedures for reporting against National Partnership targets.
A14	4	National Indigenous Australians Agency establish appropriate risk-based assurance arrangements to ensure that the local decision-making process has been effectively implemented and is an effective strategy to achieve 'a genuine and mutually respectful formal partnership between governments and Aboriginal people from the Northern Territory'.
A15	5	National Indigenous Australians Agency: <ul style="list-style-type: none"> • develop and implement an internal risk management plan for management of the National Partnership for Remote Housing Northern Territory; and • work with the Joint Steering Committee to finalise and implement its risk management plan.

Note a: NIAA agreed to all recommendations without qualification.

Source: Auditor-General Report No.34 2019–20 *Aboriginal and Torres Strait Islander Participation Targets in Intergovernmental Agreements*; Auditor-General Report No.11 2020–21 *Indigenous Advancement Strategy — Children and Schooling Program and Safety and Wellbeing Program*; Auditor-General Report No.18 2021–22 *Remote Housing in the Northern Territory*.