

# Australian National Audit Office

## Responding to disaster and pandemic issues

**ASOSAI 8<sup>th</sup> Symposium**

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## Introduction

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Since its emergence in late 2019, Coronavirus disease 2019 (COVID-19) has become a global pandemic that is impacting on human health and national economies. From February 2020 the Australian Government introduced a range of policy measures in response to COVID-19 that included:

- travel restrictions and international border control and quarantine arrangements;
- financial support for affected individuals, businesses and communities; and
- support for essential services and procurement of critical medical supplies.

The Australian Government has committed \$20 billion to COVID-19 health support measures and \$291 billion to economic response measures<sup>1</sup>. In 2020 the Finance Minister was advanced in excess of \$50 billion to support urgent COVID activity, such as the purchase of personal protective equipment and medical equipment. The Australian National Audit Office (ANAO) conducted monthly assurance reviews of the advances to the Finance Minister, from April 2020 to October 2020.

The ANAO has published a multi-year performance audit strategy focusing on the Government's response to COVID-19 pandemic.

- **Phase 1** - five audits related to: social services and tax entities management and responds to risks related to the rapid implementation of COVID measures<sup>2</sup>; the management of the movement of public sector staff to COVID priority work<sup>3</sup>; and the management of the National Medical Stockpile<sup>4</sup>.
- **Phase 2** - focuses on key response programs and will look at design, implementation and evaluation/lessons learnt<sup>5</sup>.
- **Phase 3** - will review the outcomes of Government's COVID-19 response and consider whether objectives have been met through the response measures including the management of debt at the federal level.

The ANAO has published two audit insights products relevant to the Australian Government's COVID-19 response:

- The first, in April 2020, outlined key messages from Auditor-General reports which examined the [Rapid Implementation of Government Initiatives](#).
- The second, in May 2021, summarised key messages for all Australian Government entities from a series of audits assessing the delivering of key components of the [Australian Government's COVID-19 Response](#).

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<sup>1</sup> Commonwealth of Australia, *Recovery and response support*, Budget 2021-22 factsheet, available at: [Budget 2021-22 - Factsheet](#).

<sup>2</sup> Auditor-General Report No. 23 of 2020-21, available at: [Services Australia COVID-19 Measures and Enterprise Risk Management](#) and Auditor General Report No. 24 of 2020-21, available at: [The Australian Taxation Office's Management of Risks Related to the Rapid Implementation of COVID-19 Economic Response Measures](#).

<sup>3</sup> Auditor-General Report No. 20 of 2020-21, available at: [Management of the Australian Public Service's Workforce Response to COVID-19](#).

<sup>4</sup> Auditor-General Report No. 22 of 2020-21, available at: [Planning and Governance of COVID-19 Procurements to Increase the National Medical Stockpile](#) and Auditor-General Report No. 39 of 2020-21, available at: [COVID-19 Procurements and Deployments of the National Medical Stockpile](#).

<sup>5</sup> In-progress Performance Audits: [International Travel Restrictions during COVID-19](#); [Human Biosecurity Practices for International Air Travel during COVID-19](#); [Administration of the JobKeeper Scheme](#); [Overseas Crisis Management and Response: The Effectiveness of the Department of Foreign Affairs and Trade's Management of the Return of Overseas Australians in Response to the COVID-19 Pandemic](#); and [Australia's COVID-19 Vaccine Rollout](#).

## Rapid Implementation of Australian Government Initiatives

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The audit insights, *Rapid Implementation of Australian Government Initiatives*, focuses on lessons learned from past performance audits that examined the rapid implementation of Australian Government initiatives. It identifies the following key learnings which are likely to have wider applicability to the Australian Public Service as it supports the national COVID-19 pandemic response.

- Identify challenges and risks to rapid implementation
  - Successful implementation relies on the identification and management of risk. Rapid implementation may require a different risk appetite and treatments to those adopted in more normal times.
- Engage with stakeholders
  - Effective stakeholder engagement can identify risks and opportunities for program development and delivery.
  - Where rapid implementation is necessary, active listening can assist entities identify potential regulatory, compliance and safety risks.
- Establish fit for purpose governance and planning arrangements
  - In a rapidly evolving environment, establish governance and planning arrangements that are fit for purpose and which support the entity in fulfilling its responsibilities - including the proper use of public resources.
- Identify and mobilise necessary skills, resources and systems to support rapid implementation
  - Rapid implementation will generally require entities to draw on the full range of human, physical and ICT resources available to them, and may involve entities looking externally for relevant resources.
- Document and apply approved assessment process and requirements
  - Documenting and applying approved assessment processes and requirements, including where elements of discretion may be exercised, helps retain public confidence in program administration and the proper use of public resources.
- Maintain focus on objectives
  - Maintain a clear focus on government objectives, including program delivery and the proper use of public resources.
  - Where rapid implementation is a priority, adopt fit for purpose monitoring, review and evaluation processes, to provide a basis for the active management of delivery.
- Maintain appropriate records
  - Where rapid implementation is required, consider what the appropriate minimum standard of record keeping is consistent with maintaining accountability, transparency and a sound governance and control environment.
- Maintain active budget oversight and financial management
  - Effective financial management includes monitoring and reporting actual expenditure amounts against budgets to support the capacity to optimise implementation resources.
- Adopt an active management posture
  - An active and committed executive provides the foundations for the successful implementation of new or expanded initiatives and the ongoing delivery of business-as-usual activities.

Audit reports have reinforced the importance of effective implementation to achieving government policy goals. The audit insights into *Rapid Implementation of Australian Government Initiatives* is the most

downloaded ANAO product and assisted Australian public sector agencies during the initial response to COVID-19.

## Emergency Management – Insights from the Australian Government’s COVID-19 Response

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Between December 2020 and May 2021, the ANAO published five performance audits, conducted under phase one of the COVID-19 multi-year audit strategy, examining the key aspects of the Australian Government’s early response to the COVID-19 pandemic. Key learning areas covered in the Audit insights, built on the Rapid Implementation audit insights edition and related to the following areas.

- Crisis preparedness
  - There would be value in crisis management frameworks, plans and arrangements being updated to include consideration of Australian Public Service-wide operational management matters, such as roles and responsibilities for identifying critical functions, mobilising the APS workforce and issuing APS-wide directions.
  - where mechanisms are established for crisis preparedness, it is important that planning documents include specific guidance and protocols on how to operate in an emergency.
- Governance arrangements in an emergency
  - The imperative to act quickly does not diminish the importance of good governance. While focus may need to shift from strategic to tactical governance, establishing fit-for-purpose arrangements to ensure delivery of essential services (both rapid response activities and business as usual) while gaining assurance over compliance with legal requirements and quality expectations is necessary.
  - Leveraging existing governance mechanisms can provide an effective means to support the rapid implementation of measures, where these mechanisms provide for fit-for-purpose accountability, oversight and reporting arrangements.
  - Keeping sufficient documentation of decision-making processes and outcomes is fundamental to effective governance, accountability and transparency.
- Identifying and managing implementation risk
  - Risk tolerance may necessarily increase during an emergency, to ensure the response is implemented rapidly. Articulating any increase in risk tolerance necessary for rapid implementation early, and reviewing this throughout the implementation phase, provides a sound basis on which to support effective risk management, including the best use of entity resources.
  - The identification of risks that extend beyond a single entity, and that require shared oversight and management, is a key aspect of effective risk management in a complex emergency which involves multiple entities (government and non-government) working together to coordinate the response.
- Mobilising resources and planning for rapid implementation
  - Where there is a need to mobilise staff rapidly to work on new and urgent initiatives, clear assessment and decision-making about business priorities can support appropriate reallocation.
  - Scalable procurement, resource allocation and ICT systems supported by crisis preparedness planning can assist entities to adapt service delivery to the requirements of an emergency response.
- Managing emergency procurements

- Implementing non-competitive or limited tender emergency procurements can be facilitated by: establishing probity measures early in the process; documenting an evaluation plan that sets out consistent criteria underlying procurement decisions; using benchmarking to demonstrate value-for-money; and maintaining adequate records to facilitate transparency.
- Reviewing outcomes and lessons learnt
  - As an emergency response moves to a different phase it is important to allocate time and resources to completing project closure activities, including reviewing outcomes and identifying lessons learnt. Undertaking appropriate closure activities supports accountability and documenting lessons that were learnt through the project can provide a valuable resource to inform future planning.

## Conclusion

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The COVID-19 global pandemic continues to have an impact on human health and national economies. COVID-19 has significantly increased the risk environment faced by the Australian Government sector. This change in risk environment directly impacts on the work undertaken by the ANAO across its performance and financial audits, as well as other assurance activities. The ANAO through flexibly adjusting its performance audit program, continued reassessment of audit risk and adapting to new ways of audit delivery maintains its focus on reporting on the interests and priorities of Parliament and contributing to improvements in public administration.