

The Auditor-General  
Audit Report No.24 2000–2001  
Performance Audit

# **Family Relationships Services Program**

**Department of Family and Community Services**

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ISSN 1036-7632  
ISBN 0 642 44268 1

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Canberra ACT  
20 December 2000

Dear Madam President  
Dear Mr Speaker

The Australian National Audit Office has undertaken a performance audit in the Department of Family and Community Services in accordance with the authority contained in the *Auditor-General Act 1997*. I present this report of this audit, and the accompanying brochure, to the Parliament. The report is titled *Family Relationships Services Program*.

Following its tabling in Parliament, the report will be placed on the Australian National Audit Office's Homepage—  
<http://www.anao.gov.au>.

Yours sincerely



P. J. Barrett  
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

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# Abbreviations/Glossary

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AG's	Attorney-General's Department
ANAO	Australian National Audit Office
APS	Australian Public Service
BPA	Business Partnership Agreement
CPGs	<i>The Commonwealth Procurement Guidelines: Core Policies and Principles</i> , March 1998
DOFA	Department of Finance and Administration
FaCS	Department of Family and Community Services
FAMnet	An internet hosted browser based database system providing the principal reporting and accountability medium for the FRSP.
FAMQIS	Family Services Quality Strategy and Information System
FRB	Family Relationships Branch
FRSP	Family Relationships Services Program
IRBs	Industry Representative Bodies. There are three IRBs. These are: <ul style="list-style-type: none"><li>• Centacare Australia Ltd.—A federation of welfare agencies of the Catholic Church providing counselling, education, welfare and support programs;</li><li>• Family Services Australia Ltd.—Represents various churches, secular organisations and other service providers not affiliated with Centacare or Relationships Australia; and</li><li>• Relationships Australia Inc.—A secular organisation providing specialist professional relationship support and enrichment services.</li></ul>
JCPAA	Joint Committee of Public Accounts and Audit
MIAC	Management Improvement Advisory Committee

the Gazette

The Commonwealth Purchasing and Disposals Gazette. The *Commonwealth Procurement Guidelines* include the requirement that all agencies subject to the *Financial Management and Accountability (FMA) Act 1997* must report contracts with a value of \$2000 or more in the Gazette. The *Gazette Publishing System (GaPS)* site on the internet is used for this purpose.



# **Summary and Recommendations**



# Summary

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## The Family Relationships Services Program

1. The Family Relationships Services Program (FRSP) is directed to developing and sustaining safe, supportive and nurturing family relationships in Australian society. In so doing, the Program seeks to minimise the emotional, social and economic costs associated with disruption to family relationships. While there have been changes in emphasis and some broadening of the Program in recent years, elements of the Program have existed for over 40 years.
2. The Department of Family and Community Services (FaCS) contracts the provision of services under the FRSP to more than 100 organisations nationally. Each of these organisations must be community based and not for profit and must be a full member of one of three industry representative bodies (IRBs). Over 400 outlets are used to provide the contracted services.
3. The services provided under the FRSP fall within seven service types. The service types encompass family relationships counselling, adolescent mediation and family therapy, family relationships mediation, family relationships education, family relationships skills training, children's contact services and a contact orders pilot. The service types are described in Appendix 1.
4. The FRSP was transferred from the Attorney-General's Department (AG's) to the newly formed FaCS following the 1998 Federal Election.<sup>1</sup> Within FaCS, the Program is managed by the Family Relationships Branch (FRB). The AG's continues to fund part of the FRSP through a Business Partnership Agreement (BPA) between the two departments.
5. The FRSP was allocated a total of \$45.5 million in funding in 1999–2000.

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<sup>1</sup> Administrative Arrangements Order of 21 October 1998.

## Family Services Quality Strategy and Information System (FAMQIS)

6. In March 1997, AG's commenced a collaborative project with the Industry Representative Bodies (IRBs) and service providers to review the FRSP. The implementation of the outcomes of this project, known as FAMQIS (Family Services Quality Strategy and Information System), was carried over to FaCS when departmental responsibilities for the management of the Program were changed in December 1998. The FAMQIS outcomes include a Quality Strategy, new contracting arrangements based on a standard contract and a dedicated internet based information system known as FAMnet.

7. The Quality Strategy resulted in the development of seven quality categories that apply to FRSP service providers. The categories are supported by 14 quality standards that service providers must meet in delivering FRSP services.

8. The standard contract reflects the quality standards and includes provisions for reporting, internal and external evaluation obligations and requirements and funds accountability. As the FRSP is primarily delivered through contract arrangements, the development of the standard contract with service providers is a significant step.

9. The FAMnet information system is central to Program and contract management. Development was commenced on FAMnet while the program was in AG's and the system became operational in July 1999. The importance of this system to the management of the FRSP is emphasised by its having replaced all other information systems providing data and performance information requirements at that time.

### Audit objective and scope

10. The objective of the audit was to examine the effectiveness and efficiency of the management of the Family Relationships Services Program.

11. To achieve this objective the ANAO examined a range of Program processes and components to determine :

- whether adequate risk management and business planning arrangements were in place;
- the extent to which procurement and contract management procedures were consistent with guidance contained in the *Commonwealth Procurement Guidelines: Core Policies and Principles* and other guidance

for managers provided by the Department of Finance and Administration (DOFA);<sup>2 3</sup> and

- if the performance management and reporting framework enabled an assessment of the performance of service providers as well as overall program outcomes.

**12.** The changes in departmental responsibilities and the implementation of the FAMQIS outcomes referred to in paragraph 6 above, resulted in significant changes in the management of the FRSP. In recognition of this, the audit focused on how these initiatives had been progressed and services administered within FaCS subsequent to the reordering of departmental responsibilities.

## Overall conclusion

**13.** The ANAO concluded that the key elements of a framework to manage the FRSP effectively and efficiently were either in place or being developed. In this respect, the ANAO noted that FaCS had held overall administrative responsibility for the Program since late in 1998 and that significant changes, which affected the management of the Program and the obligations of service providers, were implemented in July 1999. These changes included the introduction of a new internet based information and reporting system known as FAMnet. The ANAO notes that the successful implementation of FAMnet and the assessment of Program risks being planned by the Family Relationships Branch (FRB) will be central to the effective management of the Program in the future.

**14.** The FRB had implemented a Business Plan that included guidance on Branch work objectives and supporting performance information. The Branch Plan had clear links to the FaCS Strategic Plan. A Risk Management Plan for the FAMnet computer system specifically relating to its use and acceptance by service providers within the FRSP had been completed and implemented by the FRB. However, an overall risk assessment for the FRB and the FRSP had not been undertaken to identify, analyse and assess the risks that could prevent the FRSP from achieving its objectives. These risks include the quality of services being provided to clients by service providers, security provisions at the premises of providers and the provision and operation of suitable complaint mechanisms. The ANAO noted that the FRB expects to undertake a risk assessment for the FRSP by June 2001.

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<sup>2</sup> DOFA Competitive Tendering and Contracting Group Publications, *Commonwealth Procurement Guidelines: Core Policies and Principles*, March 1998.

<sup>3</sup> DOFA *Competitive Tendering and Contracting: Guidance for managers*, March 1998.

15. The approach used by the FRB for the procurement of services and the letting and management of contracts for the FRSP was consistent with the *Commonwealth Procurement Guidelines: Core Policies and Principles* (CPGs) with respect to open and effective competition and ethics and fair dealing. To enable the FRB to better ensure it receives value for money, the ANAO considered that suitable criteria should be developed and used to assess the on-going financial ability of service providers to meet Program eligibility and approval requirements at the time of the initial assessment of funding applications. Also, to enhance the transparency of FRSP funding arrangements and accountability generally, the ANAO considered that contracts between the FRB and service providers should be reported through the Gazette.

16. The ANAO concluded that the management procedures used by the FRB to monitor the performance of its service providers in meeting and adhering to the provisions of their contractual agreements, including financial reporting requirements, were appropriate.

17. The requirements needed for the on-going monitoring and assessment of the outcomes of the services being provided under the FRSP are either in place or being developed. The ANAO was advised by the FRB that it is intended to evaluate the FRSP program as a whole, but given that in relative terms FaCS had only recently been given responsibility for the Program it was considered to be too early for this to occur. Central to the success of any assessment of program outcomes will be the availability of performance information data from the FAMnet information and reporting system.

18. The ANAO noted that the FAMnet system has yet to meet the performance expected of it. The FAMnet system is dedicated to the FRSP and is key to both the overall management of the Program and the assessment of its outcomes. The success of this system is essential to the further development of the FRSP and the on-going efficiency and effectiveness of its management. Initially implemented on 1 July 1999, a modified FAMnet system is expected to be operational by the end of 2000.

# Key Findings

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## Risk management and business planning

19. The ANAO found that FaCS had developed a risk management policy and provided guidance on risk management in the department. However, while the FaCS Risk Management Policy and a supporting toolkit provide for the devolution of risk management to branch level, risk assessment and action plans that are specific to the Family Relationships Branch (FRB) and the Family Relationships Services Program (FRSP) had not been prepared. As a result of concerns with the performance of FAMnet and its level of acceptance by users, the FRB completed a FAMnet risk assessment during 1999. FaCS advised the ANAO that the risk treatments identified in this assessment had been implemented.

20. The ANAO found that there are clear links between the FaCS Strategic Plan and the Family Relationships Branch (FRB) Business Plan. The procedures that had been followed and the information that had been considered in targeting where services should be provided using new Government funding provided to the Program were appropriate.

21. The ANAO found that the needs based assessment process and the evaluation procedures that are used to determine where FRSP services are to be provided assisted in the identification of those areas that will benefit most from the services.

## Procurement of FRSP services and contract management

22. The ANAO found that, overall, the FRSP procurement and contract development process was satisfactory. The process was consistent with the core principles for Commonwealth Procurement detailed in the *Commonwealth Procurement Guidelines: Core Policies and Principles* (CPGs) and other guidance for managers provided by DOFA.<sup>4 5</sup> However, the ANAO found that improvements could be made to procedures related to:

- the assessment of the on-going financial ability of service providers to meet Program eligibility and approval requirements;
- the development of procedures to confirm that service providers hold appropriate insurance cover;

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<sup>4</sup> DOFA Competitive Tendering and Contracting Group Publications, *Commonwealth Procurement Guidelines: Core Policies and Principles*, March 1998.

<sup>5</sup> DOFA *Competitive Tendering and Contracting: Guidance for managers*, March 1998.

- the reporting of contracts in the Gazette; and
- access by the Auditor-General to the premises and relevant records of service providers.

23. The ANAO found that, overall, the contract management systems and procedures used by the FRB were appropriate and conformed to guidance provided by DOFA.<sup>6</sup>

### **Performance management and reporting**

24. The ANAO found that performance-reporting requirements placed on service providers had in most cases been met. While some (minor) examples of procedural errors related to the approval of on-going payments were identified the ANAO also found evidence of management action within the FRB that addressed these issues.

25. Whilst the FAMnet information system is vital to the management of the FRSP technical and procedural difficulties have resulted in the system failing to meet expectations. These system failures were in its technical performance, user friendliness for service providers' data input and the ability to readily extract management information reports. The FRB advised the ANAO that a revised FAMnet system, that would address the difficulties that had been encountered, is to be in operation by the end of 2000.

26. The ANAO found that the requirements needed for the on-going monitoring and evaluation of the services being provided under the FRSP are either in place or being developed. In particular, the FRB relies on the FAMnet information and reporting system to maintain data needed for Program evaluation. FAMnet protocols have been established to guide users in the operation of the system. Included in these protocols are provisions for the security and privacy of information related to the organisations providing the services and individuals provided with services.

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<sup>6</sup> DOFA *Competitive Tendering and Contracting: Guidance for managers*, March 1998.



# Recommendations

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*Recommendations arising from the audit are set out below. The ANAO considers that all recommendations warrant the same priority.*

**Recommendation No.1**  
**Para. 2.10**

The ANAO recommends that, to ensure that effective risk assessment underpins the activities of the Family Relationships Branch, the Branch should:

- (a) undertake a risk assessment of the Family Relationships Services Program; and
- (b) clearly define the responsibilities and timeframes for implementing risk treatment strategies in Branch management plans.

*FaCS response:* Agreed

**Recommendation No.2**  
**Para. 3.38**

The ANAO recommends the Family Relationships Branch enhance the existing procurement and application assessment procedures for the FRSP by:

- (a) including in the assessment of initial applications for funding suitable criteria that specifically address the on-going financial ability of service providers to meet FRSP eligibility and approval requirements;
- (b) developing procedures to confirm that service providers have appropriate insurance;
- (c) ensuring that contracts valued at more than \$2000 are notified in the Gazette; and
- (d) including, in that part of the Standard Terms and Conditions of FRSP contracts where departmental access to the premises and relevant records of service providers is already provided for, specific provision for similar access by the Auditor-General.

*FaCS response:* Recommendation (a), (b) and (d), Agreed. Recommendation (c), Agreed with reservation.

In respect to Recommendation (c), FaCS has undertaken to clarify reporting requirements with DOFA.



# **Audit Findings and Conclusions**



# 1. Introduction

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*This chapter provides background information on the audit and the Family Relationships Services Program. The reasons why the audit was conducted and its objectives, scope, focus and methodology are identified.*

## The Family Relationships Services Program

**1.1** The Family Relationships Services Program (FRSP) is directed to developing and sustaining safe, supportive and nurturing family relationships in Australian society. In so doing, the Program seeks to minimise the emotional, social and economic costs associated with disruption to family relationships. While there have been changes in emphasis and some broadening of the Program in recent years, elements of the Program have existed for over 40 years.

**1.2** The FRSP funds a range of services through community-based not for profit organisations. These services are provided within seven service types. The service types encompass family relationships counselling, adolescent mediation and family therapy, family relationships mediation, family relationships education, family relationships skills training, children's contact services and a contact orders pilot. The service types are described in Appendix 1.

**1.3** FRSP services related to family relationships counselling and family relationships mediation are administered under the *Family Law Act 1975*. Marriage and relationship education services are administered in accordance with the *Marriage Act 1961*. Other services provided to meet the Program objectives are administratively based. Detailed information on the Program is available on the Department of Family and Community Services (FaCS) web site.<sup>7</sup>

**1.4** The FRSP was transferred from the Attorney-General's Department (AG's) to the newly formed Department of Family and Community Services (FaCS) following the 1998 Federal Election.<sup>8</sup> At that time FaCS became responsible for the management of the full range of activities funded through the FRSP. However, while the Minister for Family and Community Services has responsibility for the Commonwealth's policies and programs that aim to strengthen family relationships, the Attorney-General retained responsibility for policies and programs that relate to Family Law processes.

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<sup>7</sup> See [www.facs.gov.au](http://www.facs.gov.au). *Family Relationships Services Program*.

<sup>8</sup> Administrative Arrangements Order of 21 October 1998.

**1.5** The Attorney-General's Department provides funds to FaCS for the administration of those parts of the FRSP for which it has retained policy responsibilities. These funds are transferred to FaCS which manages service delivery including planning, allocation of resources and managing the tendering and contracting processes. Overall AG's funds about 38 per cent of the FRSP.

**1.6** In 1999–2000 some \$45.5 million was expended on the provision of services administered through the FRSP. FRSP funding is illustrated in Table 1.

**1.7** A Business Partnership Agreement (BPA) that defines the relative responsibilities of each department and how they are to be met is in operation.

### **Program management**

**1.8** The Family Relationships Branch (FRB) of FaCS manages the FRSP and a range of other activities associated with family relationships. The Branch's role in relation to the FRSP includes contract management, including the approval of payments to contracted service providers and the assessment and evaluation of applications to provide new services.

### **Program delivery**

**1.9** The FRB contracts more than 100 service providers nationally to provide one or more service types under the FRSP. The service providers range from small single-service, single-venue organisations to large organisations that offer a wide range of services from a number of locations.

**1.10** All service providers must be full members of one of three Industry Representative Bodies (IRBs). Over 400 outlets are used to provide the contracted services.

## **Eligibility for FRSP funding**

**1.11** To be eligible for funding through the FRSP an organisation must be community based, not-for-profit and incorporated. In most cases an elected board, committee or equivalent (such as an advisory or reference board) which is drawn from the community serviced by the organisation is responsible for its management.

**1.12** While the FRSP specifies that funding must be directed toward community based, not for profit organisations, the Minister can approve an exception to these guidelines in order to meet the outcomes of the funding program. This exception applies in the case of organisations that in recent years have had their boards of management replaced by State-appointed boards and are therefore unable to meet the requirement that they are managed by an elected board.

## **Program funding**

**1.13** The Commonwealth Government provides recurrent funding for the FRSP. Funding categories include the seven FRSP service types, specific activities that may involve one or more service types and other activities that enhance or support the FRSP. The funding categories under the FRSP and their funding in 1999–2000 are detailed in Table 1.

**Table 1**  
**FRSP funding 1999–2000**

<b>Funding Categories (Notes 1 and 2)</b>	<b>Total Funding 1999–2000 (\$million)</b>	<b>Comments</b>
Family Relationships Counselling	17.500	50 per cent funded by AG's under BPA with FaCS. Program administered by FaCS.
Adolescent Mediation & Family Therapy	2.375	
Family Relationships Mediation	5.358	Funded by AG's under BPA with FaCS. Program administered by FaCS.
Family Relationships Education	4.040	
Family Relationships Skills Training	2.187	
Children's Contact Services	1.559	Funded by AG's under BPA with FaCS. Program administered by FaCS.
Contact Orders Pilot	0.606	Funded by AG's under BPA with FaCS. Program administered by FaCS.
Indigenous	0.227	
Industry Representative Bodies	0.343	
Men & Family Relationships	7.779	18 pilot projects were announced in December 1998. Funding for an additional 36 pilot projects was provided in the 1999–2000 Budget.
Young Women's Family Relationships	0.133	
Rural Family Relationship Project	0.180	
Family Violence Research & Intervention Project	0.311	
Pre-Marriage Education Pilot	0.833	
FAMQIS/FAMnet	1.089	
Miscellaneous New Projects	0.956	Program development allocation funded by AG's under BPA with FaCS. Program administered by FaCS.
<b>Total</b>	<b>45.476</b>	

- Notes:
1. Descriptions of the various service types provided under the FRSP are at Appendix 1.
  2. More than 110 000 clients are estimated to have received FRSP services in 1999–2000. Of these the approximate proportions for the main service categories are Family Relationships Counselling (67 per cent), Adolescent Mediation and Family Therapy (6 per cent), Family Relationships Mediation (5 per cent) and Family Relationships Education (15 per cent)



## Family Services Quality Strategy and Information System (FAMQIS)

**1.14** In March 1997, the Attorney-General's Department (AG's) commenced a collaborative project with the Industry Representative Bodies (IRBs) and service providers to review the FRSP. The process involved substantial redevelopment and updating of the administration of the FRSP. The implementation of the outcomes of this project, known as FAMQIS (Family Services Quality Strategy and Information System), was carried over to FaCS when departmental responsibilities for the management of the Program were changed in December 1998.

**1.15** The FAMQIS outcomes include an increased focus on FRSP outcomes and accountability. They include a Quality Strategy, new contracting arrangements based on a standard contract and a dedicated internet based information system known as FAMnet. The new arrangements are intended to give service providers more flexibility to align services to the needs of those being provided with FRSP services while providing for more rigour in reporting and accounting.

**1.16** The Quality Strategy resulted in the development of seven quality categories that apply to FRSP service providers. The categories are supported by 14 quality standards that service providers must meet in delivering FRSP services. By defining the quality standards that service providers must meet the Quality Strategy is intended to provide assurance to the FRB of the quality of the FRSP services that are being delivered. The quality categories and standards are detailed at Appendix 2.

**1.17** As the FRSP is primarily delivered through contract arrangements, the development of the standard contract with service providers is a significant step. The standard contract reflects the quality standards and includes provisions for reporting, internal and external evaluation obligations and requirements and funds accountability. In July 1999 all existing service providers were placed on this contract. It has also been used for a number of new contracts for the supply of FRSP services.

**1.18** The FAMnet information system is central to Program and contract management. Development was commenced on FAMnet while the program was in AG's and the system became operational in July 1999. The importance of this system to the management of the FRSP is emphasised by its having replaced all other information systems providing data and performance information requirements at that time. However, there have been technical and procedural difficulties that have resulted in the system failing to meet expectations in its technical performance, user friendliness for service providers inputting data and the ability to readily extract management information reports. FAMnet is discussed in Chapter 4.

## Audit objective and scope

**1.19** The objective of the audit was to examine the effectiveness and efficiency of the management of the Family Relationships Services Program.

**1.20** To achieve this objective the ANAO examined a range of Program processes and components to determine :

- whether adequate risk management and business planning arrangements were in place;
- the extent to which procurement and contract management procedures were consistent with guidance contained in the *Commonwealth Procurement Guidelines: Core Policies and Principles* and other guidance for managers provided by the Department of Finance and Administration (DOFA);<sup>9</sup> <sup>10</sup> and
- if the performance management and reporting framework enabled an assessment of the performance of service providers as well as overall program outcomes.

**1.21** The changes in departmental responsibilities and the implementation of the FAMQIS outcomes since July 1999, including the application of the standard contract and the implementation of FAMnet, resulted in significant changes in the management of the FRSP. In recognition of this the audit focused on how these initiatives had been progressed and services administered within FaCS subsequent to the reordering of departmental responsibilities.

## Audit methodology

**1.22** The audit included interviews with FaCS staff responsible for managing and implementing the FRSP. Examination and analysis of relevant FaCS instructions, records, procurement activities and contract management processes was carried out. Compliance testing was conducted on the management and operation of a representative sample of contracts.

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<sup>9</sup> DOFA Competitive Tendering and Contracting Group Publications, *Commonwealth Procurement Guidelines: Core Policies and Principles*, March 1998.

<sup>10</sup> DOFA *Competitive Tendering and Contracting: Guidance for managers*, March 1998.

**1.23** Most fieldwork was undertaken in Canberra as FaCS administers the Program from its National Office. The ANAO visited two of the three IRBs and coordinators from seven service providers (with approximately 40 outlets) located in Canberra, Adelaide and Melbourne. The objective of the visits was to familiarise the ANAO with the activities conducted by service providers and to obtain feedback on the effectiveness and coordination of FaCS administrative arrangements with the suppliers of FRSP services.

## **Audit criteria**

**1.24** The specific criteria that were used during the audit are referred to in the introduction to each of the chapters in this report.

## **Audit conduct**

**1.25** The audit was conducted in accordance with ANAO Auditing Standards applicable to performance audits. The audit was undertaken between March and December 2000. The total cost of the audit was \$187 000.

## 2. Risk Management and Business Planning

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*This chapter examines the risk management and business planning structures within FaCS that guide planning and accountability for the Family Relationships Services Program. The application of departmental guidance documents and selection processes used in targeting service delivery are discussed.*

### Introduction

**2.1** One of the main elements of sound corporate governance is the establishment of an effective planning framework within which an agency, and its business units, operates to achieve Government objectives. This should include the conduct of a risk assessment and associated business planning.

**2.2** Risk management is an ongoing process whereby a structured framework, for incorporating risk management into the broader management processes of an agency, is implemented.<sup>11</sup> Risk management is important because it allows the identification, analysis and assessment of risks that may prevent an agency achieving its business objectives and overall Government objectives. In turn, this allows appropriate treatment strategies to be addressed in business plans.

### Risk management

**2.3** The ANAO found that FaCS had developed a risk management policy and provided guidance on risk management in the department. However, while the FaCS Risk Management Policy and a supporting toolkit provide for the devolution of risk management to branch level, risk assessment and action plans that are specific to the Family Relationships Branch (FRB) and the Family Relationships Services Program (FRSP) had not been prepared.

**2.4** The ANAO examined whether FaCS had undertaken processes to identify, analyse, assess and prioritise risks at the strategic and operational levels and whether a systematic approach to the consideration of risks in

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<sup>11</sup> The process involves six stages: establish the context; identify the risks; analyse the risks; assess and prioritise the risks; and treat the risks. See *Guidelines for managing risk in the public service*, MAB/MIAC, October 1996 and *Guidelines for managing risk in the Australian and New Zealand public sector*, Standards Australia, 1999.

the FRSP had occurred. In its examination the ANAO was guided by the Australian and New Zealand Standard on Risk Management. This standard advises that it is the responsibility of management to define and document its risk management framework and to ensure that risk management strategies are understood and implemented at all levels of an organisation.<sup>12</sup>

**2.5** In respect to risks associated with the FRSP the FRB advised the ANAO that a good understanding existed as to the nature of the risks facing the Program. The FRB acknowledged to the ANAO that this was on an informal basis and that the need to document and implement a formal risk assessment was recognised. The FRB advised the ANAO that the perceived risk to the FRSP is in areas related to service delivery such as the quality of services being provided to clients by service providers, security provision at the premises of providers and the provision and operation of complaint mechanisms. The FRB also advised the ANAO that a Fraud Risk Assessment and Action Plan that is specific to the FRSP has not been completed for the Program owing to the perceived low residual risk of fraud associated with its operations.

**2.6** The ANAO considers that a risk assessment for the FRSP should address other areas also. These include the reliance placed by the FRB on service providers to provide financial and organisation information about their organisation and the reliability of such information. For example, when assessments are made of applications for funding and the reports submitted by service providers on their performance in service delivery.

**2.7** The ANAO noted that, during 1999, in response to concerns about its performance, the FRB had developed a Risk Management Plan for the FAMnet computer system specifically relating to its use and acceptance by users within the FRSP. Considerable negative feedback was received by the FRB from users due to slow response times, excessive data requirements and administrative overheads in providing this data. FaCS advised the ANAO that action had been taken to implement the risk treatments identified in this plan. Given the central importance of the FAMnet system to the successful management of the FRSP the ANAO suggests that in developing an overall risk assessment for the FRSP the FAMnet Risk Management Plan should be updated and incorporated into this assessment.

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<sup>12</sup> Standards Australia and Standards New Zealand, AS/NZS 4360:1999 *Risk Management*, April 1999, p. 5.

## Conclusion

2.8 FaCS has developed a risk management policy and supporting toolkit that provide guidance on the development of risk management in the Department and the devolution of responsibility to Branch level. However, general risk assessments and the associated fraud assessments that are specific to the FRB and the FRSP have not been undertaken.

2.9 The ANAO has noted FaCS advice that revised risk assessments and implementation plans are currently being undertaken in the Department and that the FRB expected to undertake a risk assessment for the FRSP by 30 June 2001.

## Recommendation No.1

2.10 The ANAO recommends that, to ensure that effective risk assessment underpins the activities of the Family Relationships Branch, the Branch should:

- (a) undertake a risk assessment of the Family Relationships Services Program; and
- (b) clearly define the responsibilities and timeframes for implementing risk treatment strategies in Branch management plans.

### *FaCS response*

2.11 Agreed

## Business planning

2.12 The ANAO found that clear links existed between the FaCS Strategic Plan and the Family Relationships Branch (FRB) Business Plan. The procedures that had been followed and the information that had been considered in targeting where services should be provided using new Government funding provided to the Program were appropriate.

2.13 The ANAO analysed the FaCS planning framework to ascertain whether planning processes conformed to requirements for planning, budgeting and reporting and were consistent with Department of Finance and Administration (DOFA) recommendations and guidelines.<sup>13</sup> The ANAO included in this examination the processes used to target where FRSP services are to be provided.

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<sup>13</sup> DOFA, *Specifying Outcomes and Outputs*, Chapter 7: Planning, Budgeting and Reporting, p. 56. Sound corporate governance includes an effective planning process that determines how longer-term goals are to be achieved. Plans should:

- specify strategies in an outcomes and outputs framework;
- identify strategies and the set of outputs and administered items required to achieve planned outcomes; and
- include specific and quantifiable performance measures.

**2.14** In its analysis the ANAO confirmed that the links needed between the FRB Business Plan and the FaCS Strategic Plan to ensure continuity between strategic directions and operational activities existed. Key outcomes, strategies and objectives outlined in the Strategic Plan are identified in the Business Plan and priorities and performance information requirements are also included.

**2.15** The ANAO also included in its examination a review of the performance information requirements, including performance measures and performance indicators that had been established for the FRSP. In this respect the ANAO found that FaCS has included general performance information indicators for the FRSP in its Portfolio Budget Statements and has reported against them. Additional performance information measures and indicators have been established for the FRSP to meet requirements for more detailed management information at Branch level. The ANAO noted during its review that the FRB was redeveloping these measures.

### **Targeting of funding**

**2.16** The ANAO found that the needs based assessment process and the evaluation procedures that are used by the FRB to determine where FRSP services are to be provided are appropriate to the identification of those areas that will benefit most from the services. The ANAO also found that the comprehensive assessment, review and ranking system that is undertaken of the applications for funding provided a sound basis for the identification of those applicants best equipped to provide the services.

**2.17** To confirm the appropriateness of the planning processes undertaken by the FRB, the ANAO examined the processes used by the FRB in targeting where Children's Contact Services and pilot projects under the Men and Family Relationships sub-Program should be provided. The advice given by the FRB to the ANAO as to how the areas where services were to be provided were determined, and how the service providers to deliver those services were selected, was consistent with the evidence considered by the ANAO.

#### ***Targeting of funding for Children's Contact Services***

**2.18** The evidence examined by the ANAO confirmed that an extensive needs-based planning exercise was undertaken to identify in priority order the locations at which Children's Contact Services should be provided. Within available funding, services were being provided in accordance with these priorities.

**2.19** At the time of the audit, the FRB was evaluating expressions of interest to provide Children's Contact Services at 25 new locations. This application process arose from a Government commitment in the May 1999 Budget to provide the additional services in areas of high need, particularly rural, regional and urban fringe areas. The FRB advised the ANAO that a similar process had been used to identify the ten areas that had been initially provided with these services.

**2.20** The targeting process identified the 25 statistical sub-divisions of highest need across Australia. Consultations took place between the FRB, AG's, and other relevant organisations including the Child Support Agency to ensure that the selected locations were well placed to support a contact service. In identifying areas of need reliance was placed on statistics based on geographic areas provided by the Australian Bureau of Statistics, Centrelink and the Family Court, that related to marriage breakdown. For example, levels of child welfare payments and separation orders. Other considerations included the existence of facilities and support appropriate to the service to be provided and likely to provide a focus for those using the service, for example, other FRSP services and family courts.

#### *Targeting of funding for Men and Family Relationships pilot projects*

**2.21** The records examined by the ANAO confirmed that the application and contracting processes that were followed were appropriate and identified those applicants best equipped to provide the services.

**2.22** The Men and Family Relationships initiative differed from other FRSP activities in that eligible service providers were invited to apply for pilot program funding to trial a range of service delivery options and different approaches to help to break down the barriers that exist for men in accessing relationship services. The FRB advised that there had been a very strong response to the request for applications from organisations interested in providing services. One hundred and seventy proposals were received. Initially 18 pilot projects were funded. Subsequently, the availability of increased funding provided for the addition of a further 36 pilot projects.

**2.23** Initially, in targeting where the services were to be provided, widespread advertising of the requirements sought expressions of interest. Interested organisations were provided with guidance as to how applications should be made and the conditions under which funding would be provided. A detailed 'Application for Funding' proforma included provisions for information about the proposed services,



organisational and financial details about the organisation and sections that specifically reflected the quality approval requirements established for FRSP services. A detailed evaluation was then conducted by the FRB of the submissions that were received, offers were made to those applicants assessed as having the best proposals and the successful applicants were then contracted using the standard contract package.

## **Conclusion**

**2.24** The ANAO concluded that the FaCS planning framework is consistent with DOFA recommendations and planning guidelines for sound corporate governance. The FRB Business Plan provides necessary guidance on Branch work objectives and supporting performance information. FRSP requirements are addressed in the FRB Business Plan.

**2.25** The ANAO concluded that the processes used by the FRB to target and allocate funds for the provision of services under the FRSP are appropriate.

# 3. Procurement of FRSP Services and Contract Management

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*This chapter identifies the framework within which contracts for the procurement of the services provided under the Family Relationships Services Program are let. The processes and procedures followed by the FRB in contracting, the use and content of standard contracts and contract management are discussed. Findings related to the procurement of services and contract management are summarised against the provisions of the procurement principles contained in the 'Commonwealth Procurement Guidelines: Core Policies and Principles'.*

## Introduction

3.1 All service providers providing services under the Family Relationships Services Program (FRSP) are required to enter into a contractual agreement with the Commonwealth, represented by the Family Relationships Branch (FRB) in FaCS, regarding the services they are to provide. A comprehensive standard contract package, that was introduced on 1 July 1999 as a result of the Family Services Quality Strategy and Information Systems (FAMQIS) project, is used for this purpose.

3.2 The ANAO examined how contracts are developed with service providers for the provision of services under the FRSP and the management framework that is subsequently applied to these contracts within the FRB. In assessing the standard of contracts and contract management the ANAO was guided by applicable provisions of the *Commonwealth Procurement Guidelines: Core Policies and Principles* (CPGs). The provisions of the standard FRSP contract package, the considerations and processes applied in developing and agreeing on contractual arrangements with service providers for the provision of services and the subsequent management of these contracts were examined.

## Procurement of FRSP services and contractual agreements

**3.3** The ANAO found that, overall, the FRSP procurement and contract development process was satisfactory. The process was consistent with the core principles for Commonwealth Procurement detailed in the *Commonwealth Procurement Guidelines: Core Policies and Principles* (CPGs) and other guidance for managers provided by DOFA.<sup>14 15</sup> However, the ANAO found that improvements could be made to procedures related to:

- the assessment of the on-going financial ability of service providers to meet Program eligibility and approval requirements;
- the development of procedures to confirm that service providers hold appropriate insurance;
- the reporting of contracts in the Gazette; and
- access by the Auditor-General to the premises and relevant records of service providers.

**3.4** The CPGs clarify what is required and expected in Commonwealth procurement activity, including that for consultancies and professional services of all types. The CPGs state that the fundamental objective of Commonwealth Procurement is to provide the means to efficiently and effectively deliver the Government's programs. This objective is supported through the application of principles that underpin the procurement activities of government agencies.

**3.5** In using the CPGs as a guide the ANAO noted DOFA advice that while the CPGs are not intended to be prescriptive they reflect better practice in government procurement. Commonwealth agencies are expected to consider the principles stated in the CPGs when developing contractual agreements for the supply of goods and services.

**3.6** 'Value for Money' is the core principle governing Commonwealth procurement. Supporting principles that apply to services provided under the FRSP address requirements for:

- Open and Effective Competition;
- Ethics and Fair Dealing;
- Accountability and Reporting; and
- Support for Other Commonwealth Policies.

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<sup>14</sup> DOFA Competitive Tendering and Contracting Group Publications, *Commonwealth Procurement Guidelines: Core Policies and Principles*, March 1998.

<sup>15</sup> DOFA *Competitive Tendering and Contracting: Guidance for managers*, March 1998.

**3.7** To reach its conclusions the ANAO examined the standard FRSP contract and the contract process that was applied by the FRB for four major FRSP procurement activities. The four activities included:

- new contracts, for the period 1 July 1999 to 30 June 2002, with the more than 80 service providers that were already providing services under the Program ;
- new contracts for the provision of Children’s Contact Services. The contract process included an initial expressions of interest phase with subsequent offers being made to selected service providers to submit detailed proposals;
- the contracting processes used in selecting service providers to provide services for the Men and Family Relationships pilot projects. A full tender and offer process was followed; and
- a contract for the independent assessment of the compliance of service providers with the fourteen FRSP quality approval requirements was finalised during the course of the audit. The standard contract provides for this type of assessment once during the life of a contract.

### **Value for money**

**3.8** The ANAO found that, overall, in the procurement of the services required for the delivery of the FRSP, the FRB had undertaken appropriate procedures and considerations that lead to value for money being achieved. However, the ANAO has recommended that the FRB review the reliance that is placed on service provider information during some parts of the assessment process and undertake checks to confirm that service providers hold appropriate insurance cover.

**3.9** The CPGs include test criteria against which value for money aspects of procurement can be assessed. These include:

- evaluating what suppliers offer in a comprehensive and fully professional manner by taking account of the costs and benefits involved on a whole of life basis;
- establishing or verifying the competence, viability and capability of the prospective suppliers to perform the contract;
- confirming that what suppliers offer complies with requirements including fitness for purpose and time frames, and reflects an understanding of the needs of the end user;
- ensuring avoidance of unnecessary costs and reduction of other costs of all kinds wherever possible, for example, through clarification and negotiation; and

- ensuring that any legal agreements entered into are appropriate and protect the Commonwealth's interests.

**3.10** The evidence considered by the ANAO suggests that regular, open, communications are maintained between the FRB, the Industry Representative Bodies (IRBs) and service providers. Such communication ensures that agencies are aware of issues affecting a program that is being managed and adds to the achievement of value for money during its management. The ANAO considers that the procedures and processes used by the FRB in the management of the FRSP met the DOFA test criteria as:

- needs based assessments are conducted when deciding on the locations where services are to be provided;
- evaluation processes have been established for the consideration of applications for funding by service providers;
- service providers are required under their contract to meet specified approval requirements related to the quality of their service arrangements including facilities and staff qualifications;
- service providers must agree to undertake internal and external evaluations, to lodge statistical information and to account for expenditure. Audited financial returns and self-assessment reports must be submitted annually;
- the interests of the Commonwealth are suitably protected. The standard FRSP contract provides for Commonwealth access, retention and use of intellectual property, and access to other FRSP records held by service providers and the facilities used to deliver the services; and
- contract renewal is on the basis of satisfactory performance and achievement of agreed outcomes. While contracts with service providers are generally for a period of three years, an annual review provision is included in these contracts.

**3.11** The FRB Funding Guidelines include a requirement to the effect that the ability of service providers to continue to meet Program eligibility requirements should be assessed when applications for initial funding are being made. However, while the documentation considered by the ANAO showed that the proforma used by service providers to make funding applications required those organisations to provide information about the organisation and its financial status, the assessment process did not include a specific assessment of the information that was provided.

**3.12** The ANAO considers that it would be desirable for a specific assessment to be made of the on-going viability of service providers at the time of the initial assessment of funding applications. To this end the ANAO recommends that the FRB include in future assessment guidance suitable criteria that specifically address the on-going financial ability of service providers to meet Program eligibility and approval requirements. (See paragraph 3.38)

**3.13** The standard contract includes the requirement that service providers carry adequate insurance cover that includes public liability, professional indemnity and workers compensation. Provision exists for the Commonwealth to sight policies and an indemnity clause exists, but the ANAO did not find evidence that checks had been made to determine whether service providers had appropriate insurance cover. The ANAO recommends that the FRB develop procedures to confirm that service providers have appropriate insurance cover. (See paragraph 3.38)

### **Open and effective competition**

**3.14** The ANAO found that the FRB, in the procurement of the services required for the delivery of the FRSP, had fulfilled the obligation to support open and effective competition in the allocation of funds to support the delivery of new FRSP services. However, the ANAO has suggested that the FRB review the processes that are used when existing contracts are renewed at the end of their term so that opportunities are given for new service providers to bid for the delivery of these services.

**3.15** The CPGs state that open and effective competition is a central operating principle for all Commonwealth procurement and that agencies must choose methods that will promote open and effective competition to the extent practicable. The requirements that agencies must consider include:

- that any laws, policies, practices and procedures governing procurement are readily accessible to all interested parties;
- openness in the procurement process;
- there is reasonable access for suppliers to procurement opportunities;
- adequate and timely information is provided to suppliers to enable them to bid;
- bias and favouritism are eliminated;
- where arrangements limit the fields of bidders they must allow opportunities for new entrants over a reasonable period of time;
- procurement opportunities must be notified consistently in ways that provide bidders with reasonable opportunity to:

- meet any pre-qualification requirements for participation in government business, and
- bid against particular requirements;
- the evaluation criteria for any particular procurement should clearly identify the relative importance of all relevant factors, and provide a sound basis for a procurement decision;
- agencies should evaluate each offer applying only the evaluation criteria and methodology notified to bidders in the request for tender documentation;
- those wishing to respond to opportunities must be given adequate information to enable them to do so effectively; and
- agencies offer bidders a written or oral debriefing on why their offers were successful or failed.

**3.16** The ANAO found that the procedures that had been used in letting contracts for new services under the FRSP were open and transparent as they:

- used appropriate advertising in national papers and the FaCS internet site to promulgate requirements for requests for tenders/expressions of interest;
- clearly defined for prospective service providers the requirements that were to be met in providing services, the requirements of the contracts that would be entered into and the systems and procedures that would be used to assess applications;
- were consistent;
- treated all prospective service providers similarly;
- made provision for adequate and timely access to information, including:
  - details of how information in response to the request for expressions of interest and/or tender was to be presented by applicants;
  - request-for tender-conditions and related evaluation details;
  - how tenders would be evaluated; and
  - a copy of the proposed contract with the Commonwealth was provided at an appropriate stage of the process;
- only used the selection criteria that tenderers had been advised would be used; and
- offered bidders feedback on why their offers had been successful or had failed.

**3.17** The ANAO noted that the standard contract package provides for contracts to be re-let after three years, subject to satisfactory performance by a service provider and the requirement for a continuing service remaining. In July 1999, more than 80 existing service providers were re-contracted by the FRB to provide FRSP services. In this respect the ANAO noted the guidance in the CPGs that where arrangements limit the fields of bidders they must allow opportunities for new entrants over a reasonable period of time.

**3.18** The ANAO recognises the need for certainty and continuity in service provision for FRSP clients and that the re-letting of contracts to existing service providers can be a cost-effective process. Nevertheless, the ANAO suggests that the FRB consider procedures by which opportunities might be given for new providers to provide existing service requirements and any benefits that might accrue from greater competition at the end of a contract period. The ANAO suggests that these considerations should be included as issues in the risk assessment and associated management plans recommended in Chapter 2.

### **Ethics and fair dealing**

**3.19** The ANAO found that the FRB, in the procurement of the services required for the delivery of the FRSP, had satisfied requirements for ethical behaviour and fair dealing in the tendering and contracting process.

**3.20** The records examined by the ANAO indicated that requirements included in the CPGs against which ethical behaviour and fair dealing in the tendering and contracting process could be assessed had been met as:

- service providers were dealt with equitably;
- commercially sensitive information was kept secure;
- care was taken in the use of public moneys;
- care was taken to ensure that any information requests arising in the course of contract considerations were answered in an open way and made available to all interested service providers, the FaCS pages on the internet being used for this purpose; and
- the various responsibilities and authorisations in procurement were separated.



## Accountability and reporting

3.21 Overall, the ANAO found that the FRB, in the procurement of the services required for the delivery of the FRSP, had conformed to accountability and record keeping obligations. However, while the service providers delivering FRSP services can be identified on the FaCS internet website, the details of contracts had not been notified in *the Commonwealth Purchasing and Disposals Gazette* (the Gazette). The services that must be reported include professional services of all types.<sup>16</sup>

3.22 The CPGs identify that accountability involves ensuring individuals and organisations are answerable for their plans, actions and outcomes. Openness and transparency in administration, by external scrutiny through public reporting, is an essential element of accountability. So is good record keeping.

### *Delegations and responsibilities*

3.23 The ANAO found that FaCS had issued appropriate procurement instructions related to financial delegations and that these instructions had been properly exercised in procurements related to the FRSP. Senior staffs of agencies and the FRB had been appropriately involved in the required approvals of contracts.

3.24 The FRB, to guide personnel engaged in the assessment of funding applications, had used detailed instructions that reflect the approval requirements of the contract package. Appropriate briefings had been provided within FaCS and to the responsible Minister as necessary. FaCS guidance that applications for funding must conform to the purposes for which funds are allocated and that the merit of applications must be assessed against the criteria specified for each funding round had been complied with.

### *Record keeping*

3.25 The ANAO found that adequate records existed that dealt with procurement plans, the assessment of applications for funding and decision making.

3.26 The accessibility and completeness of the FRB records examined by the ANAO was generally adequate. A combination of hard copy and electronic (FAMnet) records existed. Original, signed copies of contracts were separately maintained. For the contracts examined by the ANAO all details had been correctly entered into the FAMnet system.

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<sup>16</sup> See *Commonwealth Procurement Guidelines: Core Policies and Principles*, March 1998, Footnote 1. The Guidelines apply to the procurement of *professional services* of all types.

## *Reporting*

**3.27** The CPGs include a mandatory requirement that agency contracts and agreements exceeding \$2000 should be notified in the Gazette. The ANAO found that, with respect to the procurement of services under the FRSP, FaCS had not notified the details of these contracts in the Gazette. However, the service providers engaged to provide services under the FRSP and the services that are being provided, were identified on the FaCS internet website.

**3.28** The ANAO was advised by FaCS of the belief that contracts of the kind used for the delivery of services under the FRSP were not subject to the reporting requirements defined in the CPGs. This was because FaCS considered that it was not procuring services for itself but was funding organisations to provide services to members of the community. FaCS also expressed concerns that these service providers would not be supportive of the gazetting of their contracts.

**3.29** The ANAO has since been advised by industry representatives that they consider service providers are in a contractual relationship with the Commonwealth and that, providing commercial-in-confidence issues are not included, the industry is not concerned about the gazetting of these contracts.<sup>17</sup>

**3.30** In regard to reporting the ANAO noted the importance given by the Joint Committee of Public Accounts and Audit (JCPAA) in its report into *Contract Management in the Australian Public Service* to the on-going scrutiny of public monies allocated to the procurement of goods and services by Commonwealth Government agencies.<sup>18</sup> The report expresses the view that government contracts should be subject to full public scrutiny. The JCPAA identified the importance of reporting to these requirements and confirmed its expectation that contracts would be gazetted, unless a contract had been exempted from this requirement by a Chief Executive Officer for a specific reason. Where exemptions occur, the JCPAA expects this to be reported in an agency's Annual Report.

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<sup>17</sup> Gazettal requirements do not include data that would normally be regarded as Commercial-in-Confidence.

<sup>18</sup> JCPAA Report 379, dated October 2000.

**3.31** Reflecting its expectation as to the reporting of contracts, the JCPAA has also recommended that the Auditor-General conduct a review of agency performance in complying with the reporting requirements of the Gazette Publishing System (GaPS).<sup>19</sup> <sup>20</sup>This recommendation is being addressed as part of the *Use of Confidentiality Provisions in Commonwealth Contracts* audit that is in progress at the date of this report.

**3.32** The ANAO considers that transparency of contractual arrangements is an important element of open and effective government with the visibility given by the reporting of contracts supporting this outcome, and accountability requirements generally. However, from its preliminary considerations in response to the JCPAA recommendation (including consultation with DOFA as the agency responsible for the mandatory reporting policy through GaPS), the ANAO is aware of varying interpretations of the reporting requirement in regard to the reporting of contracts for services such as those delivered by the FRSP. These interpretations affect the frequency with which such contracts are reported by agencies.

**3.33** The ANAO recognises that varying interpretations and practise exist at present as to reporting requirements. The ANAO recommends, however, that given the contractual nature of the relationship between the department and service providers, FaCS should take action to develop procedures to ensure that contracts valued at more than \$2000 that are let in support of the FRSP are notified in the Gazette. In meeting this requirement, the ANAO acknowledges that some increase may occur in the management costs incurred by FaCS in administering FRSP contracts. (See Paragraph 3.38.)

### **Support for other Commonwealth policies**

**3.34** The ANAO found that the FRB, in the procurement of the services required for the delivery of the FRSP, had met requirements to support other relevant Commonwealth policies. However, while the standard contract provides for access by the FRB to FRSP records maintained by service providers the standard contract does not specifically provide for similar access by the ANAO as recommended in the CPGs.

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<sup>19</sup> JCPAA Report 379, dated October 2000, *List of Recommendations* and p. 47.

<sup>20</sup> The *Commonwealth Procurement Guidelines* provide for the inclusion of procurement activities in the *Commonwealth Procurement and Disposals Gazette* (the Gazette). The *Gazette Publishing System (GaPS)* site on the internet is used to gazette contracts and forms part of the Gazette. See *Mandatory Reporting Requirements Handbook—Government Procurement (Version 2.0)*, Department of Communications, Information Technology and the Arts, Office for Government Online.

**3.35** The CPGs state that agencies and their officers have an obligation to be aware of relevant government policy and to reflect its requirements in the way that they do business. Policy areas identified by the CPGs include workplace relations, occupational health and safety, insurance, security, privacy, advancement of the interests of Aboriginal and Torres Strait Islander people, equal-opportunity and affirmative action. These policies were accommodated by the procurement and contracting processes that had occurred and the standard contract that is in use for the provision of FRSP services.

**3.36** The CPGs also address issues related to the rights of the Commonwealth and service providers regarding access, retention and use of intellectual property. Included is the requirement that provision be made in contracts for ANAO access to contractor's premises and records related to these contracts. The need for this requirement to be included in contracts has been reinforced by the JCPAA.<sup>21</sup>

**3.37** With the exception of the requirement that provision be made for access by the ANAO the standard FRSP contract adequately addresses intellectual property issues and the interests of the Commonwealth are suitably protected. The ANAO recommends that the FRB include in future contracts clauses that provide for access by the ANAO to the premises and records of service providers. These clauses should bring to the attention of service providers how such access should operate. (See Paragraph 3.38).

## **Recommendation No.2**

**3.38** The ANAO recommends the Family Relationships Branch enhance the existing procurement and application assessment procedures for the FRSP by:

- (a) including in the assessment of initial applications for funding suitable criteria that specifically address the on-going financial ability of service providers to meet FRSP eligibility and approval requirements;
- (b) developing procedures to confirm that service providers have appropriate insurance cover;
- (c) ensuring that contracts valued at more than \$2000 are notified in the Gazette ; and

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<sup>21</sup> JCPAA Report 379, dated October 2000, pp. 48–55, including Recommendation 5 at p. 55.

(d) including, in that part of the Standard Terms and Conditions of FRSP contracts where departmental access to the premises and relevant records of service providers is already provided for, specific provision for similar access by the Auditor-General.

### *FaCS response*

3.39 Parts (a) (b) and (d) Agreed. Part (c) Agreed with reservation.

3.40 In explanation of its reasons for agreeing to Part (c) with reservation FaCS advised the ANAO that:

*FaCS is committed to ensuring transparency and accountability. FaCS has a wide range of funding agreements, mostly with non-profit organisations. It is not clear that the Commonwealth Procurement Guidelines apply to funding arrangements with organisations providing services to members of the community. This has meant that FaCS has not considered it necessary to gazette the FRSP funding agreements, irrespective of the amount of the grant or form of agreement because;*

- *they are described as grants in the Portfolio Budget Statements;*
- *they are reported as grants in the financial statements;*
- *the Financial Management and Accountability Orders (Amendment) 1998 for the Financial Statements of FMA Agencies defines grants as “voluntary, non-repayable, unrequited transfer for the purpose of financing the operations of the recipient or meeting the cost of capital expenditure of the recipient,”- and*
- *grants were not considered to be contracts for the procurement of goods and services given the above definition.*

*FaCS will clarify with DOFA whether these funding arrangements fall within the Commonwealth Procurement Guidelines and whether gazettal is the most appropriate method of transparency and accountability for this type of agreement.*

3.41 The ANAO acknowledges the source of the funds used for the delivery of services under the FRSP, and that FaCS is to approach DOFA to clarify reporting requirements. However, in respect to reporting in the Gazette, the ANAO considers that it is not the source of the funds but the contractual nature of the agreements that are entered into for the use of those funds that must be addressed. Service providers regard these agreements as contracts. The contract package identifies that the department considers them to be contracts.

**3.42** The *Commonwealth Procurement Guidelines* advise that *the fundamental objective of Commonwealth Procurement is to provide the means to efficiently and effectively deliver the Government's programs.*<sup>22</sup> In the case of the FRSP, contractual relationships have been developed between the department and service providers to procure services used to deliver these programs. The standard contract recognises that expenditure is occurring on professional services and imposes extensive conditions that govern the provision and management of funds, including the return of funds and the suspension of payments.<sup>23</sup> The *Mandatory Reporting Requirements Handbook*, provided to assist departments in meeting gazettal requirements, includes classifications covering the reporting of contracts for the provision of *Community, Social and Personal Services*.<sup>24</sup>

**3.43** The foregoing considerations suggest that the letting of contracts for the provision of FRSP services falls within the mandatory reporting requirements of the *Commonwealth Procurement Guidelines*.

## Contract management

**3.44** The ANAO found that, overall, the contract management systems and procedures used by the FRB are appropriate and conform to guidance provided by DOFA. However, some (minor) examples of procedural errors related to the approval of on-going payments were identified. The ANAO also found evidence of management action within the FRB that was addressing FRSP contract management, including the approval of payments.

**3.45** In considering the contracts between the FRB and service providers the ANAO used the guidance provided by DOFA that good contract management is essential to ensure a transparent accountability framework and to ensure that both parties meet their obligations and the Commonwealth obtains value for money. The requirements of good contract management identified by DOFA include that agencies should:<sup>25</sup>

- monitor the performance of the contract and the contract schedules to ensure that commitments and obligations are met by both parties;

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<sup>22</sup> *Commonwealth Procurement Guidelines: Core Policies and Principles*, March 1998 p. 1.

<sup>23</sup> See *Commonwealth Procurement Guidelines: Core Policies and Principles*, March 1998, Footnote 1. The guidelines apply to the procurement of *professional services* of all types.

<sup>24</sup> *Mandatory Reporting Requirements Handbook: Government Procurement (Version 2.0)*, p. 26. Department of Communications, Information Technology and the Arts, 2000.

<sup>25</sup> *Competitive Tendering and Contracting: Guidance for managers*, DOFA, 1998, p. 29. See also the CTC Toolkit at the CTC Website for various DOFA publications that provide guidance on the development of contracts and contract management. See [www.ctc.gov.au](http://www.ctc.gov.au).

- manage the identified risks faced by particular contracts;
- monitor events to ensure new problems do not occur or if they do, dealing with them in a pro-active manner to limit their effect; and
- using performance measures and indicators as part of the contract management process.

**3.46** The ANAO found that the general approach by the FRB in relation to contract management met the guidance for good contract management provided by DOFA as:

- the provisions of the contact documents were being used as the basis for contract management;
- communication with service providers and the IRBs occurred regularly and was open and constructive;
- contract provisions for the approval of on-going payments to service providers were being applied; and
- performance information requirements were included in monitoring arrangements. Performance information is addressed separately in Chapter 4 of this report.

**3.47** To meet contract requirements, the FRB procedures require that service providers submit appropriate documentation such as expenditure reports and audited financial statements in order to receive on-going funding. However, the ANAO identified during its examination examples where on-going payments had been made to service providers before the requirement to submit documentation had been met.

**3.48** FRB procedures also require that section heads authorise the release of on-going funding. The ANAO also identified that, in some cases, this requirement had not been met. The ANAO considers this created a risk to financial management and also potentially undermined program controls.

**3.49** The ANAO noted, however, that management action had been taken to remind staff of contract management requirements related to performance reports and periodic payments. While the ANAO did not find a direct link between the management action that had been taken and the procedural deficiencies that were identified, it accepts that the action is an indication of management activities that should reduce the risk of future payments occurring before approval requirements are met.

## Conclusion

**3.50** The ANAO considers that, with respect to the procurement of services and the letting of contracts related to new FRSP funding the FRB has, overall, conformed to the guidance provided in the *Commonwealth Procurement Guidelines: Core Policies and Principles*. However, the ANAO has recommended that the FRB review how the on-going viability of service providers is assessed in the contract assessment process and develop procedures to confirm that service providers hold appropriate insurance cover.

**3.51** The ANAO considers that, again overall, the FRB is exercising effective contract management processes, although some examples were identified of minor errors in procedures related to on-going payments to service providers. However, the ANAO also found that appropriate management action had been taken within the Family Relationships Branch to remind staff of contract and financial management requirements for on-going payments under the FRSP.



## 4. Performance Management and Reporting

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*When integrated with other measures in a control environment an effective performance management process provides assurance and feedback on whether program objectives are being achieved efficiently and effectively. This Chapter summarises performance management, reporting and evaluation aspects of the Family Relationships Services Program.*

### Introduction

**4.1** The ANAO examined the performance management framework of the Family Relationships Services Program (FRSP) to ascertain whether the mechanisms in place support accurate reporting and evaluation of Program performance. To do this the ANAO considered the Family Relationships Branch (FRB) performance management framework against which the FRB reports on program performance and the performance reporting requirements with which service providers must comply. This framework is used to collect information to inform the FRB on the performance of the Program.

**4.2** The ANAO considered the processes, both quantitative and qualitative, that are in place to support evaluation of the achievement of the FRSP objectives and the appropriateness of those processes in light of DOFA recommendations for standard better practice in conducting program evaluations.<sup>26</sup> That is, that a detailed examination of overall performance, comprehensive data collection and analysis and an identification of the causal links between producing outputs and achieving outcomes should occur.<sup>27</sup>

**4.3** In view of the central importance of FAMnet (the dedicated internet based information system used by the FRSP) to all aspects of the operation of the FRSP and the provision of the information needed for this, the ANAO examined whether the FAMnet system was meeting the requirements expected from it.

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<sup>26</sup> DOFA, *Specifying Outcomes and Outputs*, 1998, p. 42.

<sup>27</sup> *ibid*, p. 43.

## Performance reporting requirements for service providers

4.4 The ANAO found that performance-reporting requirements placed on service providers had in most cases been met. However, some procedural difficulties were identified in the submission of reports and in the approval and making of on-going payments that are dependent upon these reports.

4.5 The ANAO identified a number of processes that are used by the FRB to assess how the objectives of the FRSP are being met and whether service providers are performing to expected standards. Continued funding, including progress payments during a year are, in part, linked to FRSP performance reporting requirements being met. These requirements include that contracted service providers must:

- conduct self-assessments and make the results available to the FRB. This obligation can apply at the time of an application for funding, within six months of the commencement of funding or within 20 working days of a request from the FRB to conduct a self-assessment. Thereafter self-assessments must be submitted on an annual basis. At the time of the audit fieldwork annual self assessments were in the process of being completed and assessed by the FRB;
- agree to the conduct of an independent assessment to verify compliance with 14 approval requirements. These requirements apply to the operational standards for service delivery and govern the quality of the services that are being provided. Independent assessments can occur once during the lifetime of a contract. During the audit a contract was let for the independent assessment of 30 service providers; and
- submit client characteristic reports on FAMnet within six weeks of a consultation. The ANAO found that while some procedural difficulties existed the submission of client characteristic reports was satisfactory. These difficulties were associated with the introduction of the FAMnet reporting system. The FRB advised the ANAO that the six-week ceiling on data entry had proven difficult for some service providers to comply with. As a result the ceiling had been temporarily lifted so that at the time of the audit no time limit applied.

4.6 Other conditions affecting funding and accountability exist that service providers must agree to. These include:

- the submission to the FRB of audited financial statements on an annual basis. This requirement includes the provision of:

- a statement of income and expenditure;
- a balance sheet of assets and liabilities;
- certification by a registered accountant; and
- a certificate signed by the organisation;
- the preparation and submission of appraisal reports that outline the performance of the service provider over the reporting year;
- the submission of six monthly expenditure reports that outline the performance of the organisation; and
- agreement to conditions that are imposed relating to the carry over of any unexpended funds.

The ANAO found that, generally, these requirements were being met although examples were identified where audited financial statements and performance reports had not been submitted by the time stated in contracts yet on-going payments were made to service providers. This aspect has been addressed previously in Chapter 3 of this report at paragraphs 3.47 and 3.48.

## **Conclusion**

**4.7** The ANAO concluded that, overall, service providers were meeting the performance reporting requirements required by their contracts.

## **FAMnet**

**4.8** The ANAO found that the FAMnet information system is vital to the management of the FRSP as all other reporting and information procedures were discontinued on 1 July 1999 when the FAMnet system became operational. However, there have been technical and procedural difficulties that have resulted in the system failing to meet expectations in its technical performance, user friendliness for service providers inputting data and the ability to readily extract management information reports.

**4.9** As a result of concerns with the performance of FAMnet and its level of acceptance by users, the FRB completed a FAMnet risk assessment during 1999. The FRB advised the ANAO that the risk treatments identified in this assessment had been implemented. The FRB also advised the ANAO that a revised FAMnet system that would address the difficulties that had been encountered is to be in operation by the end of 2000.

## **FAMnet Concept**

**4.10** The development and implementation of an information system for the FRSP was integral to the aims of the FAMQIS project. By providing the information and management requirements needed by the FRB and service providers FAMnet is intended to be the principal reporting and accountability medium for the FRSP.

**4.11** The system was developed and implemented, including the information requirements to be included within it, in consultation with service providers and representatives of the IRBs. FAMnet protocols have been established to guide users in the operation of the system. Included in these protocols are provisions for the security and privacy of information related to the organisations providing the services and individuals provided with services. Contract provisions include agreement by service providers to conform to the protocols.

**4.12** FAMnet is an internet-hosted database reporting system. By providing information more frequently and earlier than previously the system is intended to provide assurance to the FRB of the performance of service providers by allowing their performance to be monitored more closely than was able to occur previously. The system is also intended to provide a management tool to assist service providers in meeting contractual requirements.

**4.13** The FRB advised the ANAO that data collected through FAMnet is much more rigorous than the previous data collection system. This includes more detailed information on clients attending services and on all resources required to provide such services.

## **FAMnet Implementation**

**4.14** Following a six months pilot and training period FAMnet was implemented on 1 July 1999. Training in the use of FAMnet system was offered to all service providers as part of the introduction of the system. Some assistance with the provision of equipment to meet FAMnet requirements was provided to service providers. The previous reporting systems and requirements were suspended when FAMnet became operational on 1 July 1999. During its development period FAMnet had a budget of \$350 000 per year. The FRB advised the ANAO that the ongoing running costs of the system are expected to be significantly less than this.

**4.15** While welcoming the FAMnet concept and acknowledging that consultation and training had taken place, as well as some technical upgrading and procedural changes because of the difficulties that had been encountered, criticism of the system was a common theme with

service providers and representatives of the IRBs. Essentially, too much information was required and the system proved to be slow and unwieldy in operation generally. Criticism was directed at the time, cost and personnel overheads of the system, the amount of detail required, the time needed to enter that detail and system response times and reliability.

**4.16** The ANAO was advised by the FRB that the problems with FAMnet have been recognised and that a revised, simpler and more reliable system, is intended to be operational in the second half of 2000. The ANAO also noted that the FRB had taken interim action to address system problems such as response times by assisting service providers in the upgrade of equipment and the configuration of internet protocols. Mandatory information requirements have also been reduced.

## Conclusion

**4.17** Significant difficulties have been encountered with the operation of FAMnet that must be overcome if monitoring, evaluation and reporting of the performance of the FRSP, and its management generally, are to be successfully undertaken.

**4.18** The FAMnet system is being revised and a modified system is to be operational by the end of 2000. The functionality of the revised system will be vital to the on-going management of the FRSP.

## Program evaluation

**4.19** The ANAO found that the requirements needed for the on-going monitoring and evaluation of the services being provided under the FRSP are either in place or being developed. However, the FRB relies on the FAMnet information system in particular to maintain data needed for Program evaluation and this system has yet to meet the performance expected of it.

**4.20** In considering the evaluation of the FRSP the ANAO noted DOFA advice on program evaluation. That is, that evaluation is a powerful tool for assessing the achievements of outcomes and for facilitating judgments about the continued appropriateness of activities. For example, whether objectives are matched to Government policies and priorities and community needs. DOFA also advises that in many cases performance monitoring information provides the base information required for an evaluation and that performance evaluation of a program usually takes place over longer time frames. DOFA suggests five years as a likely interval.<sup>28</sup>

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<sup>28</sup> DOFA, *Specifying Outcomes and Outputs*, 1998, p. 43.

**4.21** In conducting its review the ANAO noted that a number of sub-Program evaluations had been conducted while the FRSP was within the Attorney-General's Department (AG's). These external evaluations had confirmed the need for, and use of, FRSP services provided at sub-Program level.<sup>29</sup> The FRB advised the ANAO that during 2000–2001, the FRB planned to evaluate the Family Relationships Skills Training component of the FRSP (the only element of the FRSP that has not been the subject of formal evaluation in recent years).

**4.22** The ANAO was also advised by the FRB that it is intended to evaluate the FRSP program as a whole, but given that in relative terms FaCS had only recently been given responsibility for the Program it was considered to be too early for this to occur. The FRB advised the ANAO that the evaluation would need to consider performance information data provided by FAMnet and surveys of clients, including an analysis of client needs.

**4.23** With respect to the availability of performance information needed for evaluations and the importance of the FAMnet system to this activity the ANAO noted the concerns expressed by the House of Representatives Standing Committee on Legal and Constitutional Affairs regarding the lack of statistical information on the FRSP in the past.<sup>30</sup> The ANAO also noted the importance that was being placed by the Government on the FAMnet system to meet performance information requirements in deciding future funding for the Program.<sup>31</sup>

**4.24** The evidence considered by the ANAO identified that the requirements needed for the on-going monitoring and evaluation of the services being provided under the FRSP are either in place or being developed. These include:

- the compilation of performance information on service delivery and the development of related management information using FAMnet reports;

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<sup>29</sup> Covering a number of program sub-elements evaluation and research reports were prepared for the Attorney-General's Department. Outcomes, costs and client satisfaction were analysed in reports that evaluated the *Marriage and Relationship service type* (1996); *Marriage and Relationships Education* (1997); *Family Mediation Practice* (1996) and *Family Mediation in Melbourne (1995) and Sydney (1996)*. Research reports for the *Marriage and Relationship Education service type* and *Contact Services in Australia* were released in 1998.

<sup>30</sup> House of Representatives Standing Committee on Legal and Constitutional Affairs Report, *op cit*, p. 134.

<sup>31</sup> Government response to the House of Representatives Standing Committee on Legal and Constitutional Affairs Report: *To have and to hold*, June 1999, Appendix 1.

- action being taken to review performance information measures and indicators including the intended development of benchmarking for the Program using information obtained from FAMnet;
- the inclusion of performance information requirements in contract schedules;
- the independent assessment of 30 service providers that is to occur by June 2001;
- the requirement for service providers to conduct and report on self assessments of their activities; and
- benchmarking within FaCS of project management and contract management performance between branches.

**4.25** It is evident that the FAMnet system is central to the success of the on-going monitoring and evaluation of the FRSP. Through the FAMnet system the FRB has, or is developing, the capacity to quantify a wide range of FRSP information, particularly that related to service delivery. For example, cost per service analysis across the range of services currently being delivered and information on gender, race, socio-economic position and other data that is relevant to the services being provided.

**4.26** FAMnet should enable the FRB to develop and maintain information on the Program such that a repetition of the criticisms made by the House of Representatives Standing Committee as to the lack of data on the performance of the program should not re-occur.<sup>32</sup> However, the FAMnet system has yet to meet the performance expected of it.

**4.27** When available, appropriate benchmarks should assist in mitigating inherent difficulties in measuring FRSP outcomes by providing an additional means to evaluate the effectiveness of the services being delivered. The ANAO considers that the development of relevant targets for service delivery in conjunction with appropriate benchmarks would further assist this aspect of Program management. Consequently, the ANAO suggests that the FRB include the development of relevant targets when developing benchmarks for the Program.

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<sup>32</sup> *ibid.*, p. 134.

**4.28** On a qualitative level, the FRB has access to the client surveys that are conducted by service providers. While these surveys provide useful feedback the ANAO found that they have inherent weaknesses that must be accounted for if they are used for decision making. The main reason advised to the ANAO by service providers is that the service-provider/client-relationship is likely to be such that clients will generally provide supportive feedback. In discussions with service providers it was suggested to the ANAO that while it was essential that service providers conduct evaluation activities the resources to do so were limited and the reliability and consistency of the information varied. Also, service providers do not have resources to conduct more detailed research, such as the follow-up of clients well after a service has been provided, in order to determine its long-term effectiveness.

### **Other evaluations: FRB evaluation of individual service providers**

**4.29** The ANAO found evidence of frequent liaison between the FRB, the IRBs and service providers, but did not find evidence of a schedule of planned evaluations of individual service providers. However, evidence was found of the FRB following up reports related to concerns over poor financial management by one service provider.

**4.30** While not in the nature of program evaluation as such, the standard FRSP contract provides for the services being delivered by individual service providers to be evaluated by the FRB. These provisions allow the FRB to evaluate the service being provided should the Department wish to do so or where risk has been identified in the activities of a service provider or other concerns are identified in the performance of a service provider as a result of performance reports.

**4.31** The ANAO considers that staff responsible for the FRSP exhibited a high level of enthusiasm and involvement in it. Nevertheless, the ANAO considers that the formal evaluation of single service providers by FRB staff would be consistent with good contract management and would serve to enhance program management generally. By conducting these evaluations staff who are responsible for the management of the FRSP would be assisted in maintaining a level of hands on experience that would benefit the overall management of the program. Such evaluations would also serve to complement accountability requirements and mitigate risks related to the meeting of approval requirements and in service delivery.



4.32 The ANAO suggests that the FRB include consideration of the need for the evaluation of individual service providers as part of a risk assessment of the Program. The ANAO suggests that the results of the independent assessments of contracts that are to be completed by June 2001 could be used as a guide to the number and frequency of evaluations that should be conducted. The development of an evaluation program would be consistent with the development of the FRSP risk assessment recommended in Chapter 2.

## Conclusion

4.33 The requirements needed for the on-going monitoring and evaluation of the services being provided under the FRSP are either in place or being developed.

4.34 The main service types that make up the sub-Programs under the FRSP have undergone evaluations since 1996. An evaluation of the Family Relationships Skills Training component of the Program during 2000–2001 is intended.

4.35 An evaluation of the overall FRSP is intended, but the FRB has not specified a completion date for this evaluation. The ANAO considers that an evaluation of the program as a whole would be a valuable activity in confirming the interrelationships between the service types and Program outcomes and work that is being undertaken on benchmarking and information requirements.

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Canberra, ACT  
20 December 2000

P. J. Barrett  
Auditor-General



# Appendices



## Appendix 1

### Description of FRSP components

#### Service types

##### **Family Relationships Counselling**

1. Family Relationships Counselling encompasses pre-marriage, marriage, separation, divorce and re-marriage counselling. Counselling is directed at assisting in the resolution of couple disputes and with resolving relationship problems in the most appropriate and helpful way.
2. Included in this service type is counselling about the care, welfare and development of children of relationships. Family and child counselling under the Family Law Act is included.

##### **Adolescent Mediation and Family Therapy**

3. Adolescent Mediation and Family Therapy services work with adolescents and their families or caregivers. The services are available where various levels of conflict and complex family difficulties that may lead to family breakdown, and possibly youth homelessness are being experienced.
4. Adolescent mediation attempts to mediate the issues of conflict between young people and their parents/caregivers. Family therapy provides therapeutic interventions into complex family difficulties, including those leading to and arising from youth homelessness.

##### **Family Relationships Mediation**

5. Family Relationships Mediation provides primary dispute resolution services as an alternative to litigation on issues that could be matters for proceedings in the Family Court. The purpose is to assist separating and divorcing couples to reach agreement on matters including parent and childcare finances and property. It is a process where impartial third parties assist couples to resolve disputes and reach agreement without resorting to litigation. Mediation emphasises the parties' own responsibilities for making decisions that affect their lives.

##### **Family Relationships Education**

6. Family Relationships Education services are preventative programs that focus on information and skills to foster positive stable relationships. The services are provided to assist couples to prepare for marriage and develop skills during the course of their relationship, that is, during marriage, separation, divorce, re-marriage, parenting and retirement.

7. Service providers use a preventive, adult education approach, providing information on, and skills for, forming and maintaining a couple relationships. The services aim to enhance the achievement of sustained valued family relationships through increased self-awareness and understanding of relationship skills and processes, the capacity to apply them and an awareness of community resources and support groups.

### **Family Relationships Skills Training**

8. Family Relationships Skills Training is intended to promote positive parenting and non-violent problem solving by providing families with parenting and family functioning skills. It aims to assist parents, children and young people to achieve and sustain valued family relationships through improved parenting and family relationship skills, an enhanced capacity to apply the skills to current and future relationships with children, and an increased awareness of, and capacity to access community resources and networks.

9. The target groups include low-income families, sole parents, families that are disadvantaged by their geographic location and families with children with disabilities. Some services are also provided specifically for Aboriginal and Torres Strait Islander families and families from diverse cultural and linguistic backgrounds.

### **Children's Contact Services**

10. The aim of these services is to meet the needs of children and their separated parents who are unable to manage their changeover arrangements for access visits or will not agree to unsupervised visits because of perceived or actual risk to a child or a vulnerable parent. These services help children of separated parents to re-establish and/or maintain a relationship with their non-resident parent when there are high levels of conflict or concerns about the safety of family members.

11. The sub-Program includes a number of different components including child-centered education, case management, counselling, mediation, and supervised visitation and/or changeover services.

12. The services give children the opportunity to spend time with their non-resident parent in a supervised environment, or be transferred from one parent to the other in a way that is safe for all involved. The services aim to ensure the safety and welfare of the families whose safety is at risk, and to assist families to reach the goal of independent management of visits where appropriate.

### **Contact Orders Pilot (Parents Forever Program)**

13. The Contact Orders Pilot is a small pilot program. It involves three Family Relationships Services Program community-based services in Parramatta, Hobart and Perth. This pilot commenced in April 1999 and will run until June 2001.

14. The Program aims to:

- improve the management of relationship difficulties by separated or divorced families;
- facilitate children's contact and relationships with both parents in a manner that encourages consideration of what is in the child's best interests while ensuring the safety of all parties; and
- reduce the adversarial nature of family disputes so that there is less use made of the Family Court or other legal processes.

### **Other pilot projects**

#### **Men and Family Relationships**

15. The Men and Family Relationships initiative was initiated in November 1997. The sub-Program differs from other FRSP activities in that eligible service providers were invited to apply for pilot program funding to trial a range of service delivery options and different approaches to help to break down the barriers for men in accessing relationship services.

16. There was a very strong response to the FaCS request for applications from organisations interested in providing services. One hundred and seventy proposals were received. Initially 18 pilot projects were funded. Subsequently, the availability of increased funding has provided for the addition of a further 36 pilot projects.

## **Pre Marriage Education Pilot**

17. This scheme is based on a recommendation of the *House of Representatives Standing Committee on Legal and Constitutional Affairs Report: To have and to hold*. The pilot is to run until December 2000 and aims to trial two approaches:

- in the first approach, couples lodging a notice of intention to marry with a marriage celebrant will be provided with a voucher for pre-marriage education, with the voucher being redeemable at a Family Relationships Services Program (FRSP) approved marriage and relationship education service; and
- in the second approach, couples will be provided with an information kit. The kit will be designed to dovetail with existing marriage and relationship education services to encourage clients who wish to follow up the information and exercises in the kit with some form of face to face activity.

18. The voucher approach is intended to test whether a universal voucher system will lead to increases in the utilisation of marriage and relationship education services, and the outcomes in terms of participation in family relationships education courses on the skills and knowledge of participants accessing these services.

19. The information kit will test whether an information kit is a practical and effective way of providing information and skills in family relationships education, and whether there is any flow-on effect in uptake of marriage and relationship education services from those who use the kit.

## **Rural Family Relationship Project**

20. The project commenced in 1996–1997. The project acknowledges that increasing pressure on couples and families living in rural and remote areas (through adjustment pressures in agriculture and the shrinking of populations and services in many country areas) is in turn increasing pressure on marriages and family relationships, creating an expanded need for preventive education services.



21. The project has three stages:

- research into the needs of rural people in terms of marriage and relationship education (MRE) services and into appropriate technology for delivering such services (completed at the time of the ANAO audit);
- the development of prototype distance education materials based on the research findings (completed at the time of the ANAO audit); and
- piloting the materials and approaches in rural areas to assess their effectiveness.

22. The FRB advised the ANAO that there had been a good response and a high level of interest from potential clients and possible referrers. The FRB also advised the ANAO that the evaluation of this pilot should allow the Department to make a fuller set of recommendations about the delivery of family relationships education in rural areas. Additionally, it may be possible to develop a set of materials to refer to service providers keen to enhance the services they provide to rural and remote families.

## Appendix 2

### FRSP approval requirements

*The Approval Requirements fall into seven categories based on the Australian Quality Council's award criteria. Within the seven categories there are 14 quality standards.<sup>33</sup>*

#### Category A: Leadership

##### Standard 1: Statement of Values

A family relationships service is required to have a statement of values which reflects its purpose and place in the community, which is understood by staff and management in the organisation, and which includes a code of ethics and/or conduct.

#### Category B: Strategy, Policy and Planning

##### Standard 2: Planning

Organisations planning for the delivery of family relationships services must have structured planning processes in place so that services are delivered in a planned rather than a reactive way.

#### Category C: Information and Analysis

##### Standard 3: Management of Data

Family relationships services are required to enter core and optional data into FAMnet that is accurate, comprehensive and timely. FAMnet protocols must be observed.

#### Category D: People

##### Standard 4: Entry of Practitioners

Standard 4 establishes professional and/or other qualification requirements that must be met by practitioners who are engaged by organisations to deliver services.

##### Standard 5: Supervision of Practitioners

Standard 5 establishes requirements related to the presence of regular, professional supervision of practitioners providing services.

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<sup>33</sup> FaCS Contract Documents for the FRSP, January 1999, *Part 3, Approval Requirements*, pp. 2–14.

## **Standard 6: Training and Development**

Standard 6 establishes requirements for organisations to ensure that access to training and development opportunities exist for practitioners who provide services and other service staff.

## **Standard 7: Staff Appraisal**

Standard 7 defines the system that is expected to exist within organisations for the appraisal of the performance of individual staff. These systems are to be designed within the context of organisational and FRSP goals.

## **Standard 8: Safety of Staff**

Standard 8 establishes requirements for staff safety including regular reviews of workplace risk assessments, the management of identified risks and compliance with workplace health and safety obligations.

## **Category E: Client Focus**

### **Standard 9: Accessibility of services**

Standard 9 establishes the requirement for organisations to demonstrate an active commitment to ensuring sensitivity and accessibility of services irrespective of race, creed, language, ethnic background, gender, age, locality, sexual preference etc., The requirement for facilities to be accessible to people with disabilities is included.

### **Standard 10: Managing Client Feedback**

Standard 10 establishes criteria applying to client feedback. For example, organisations must provide clients with the opportunity to provide feedback on their experiences and have arrangements in place that ensure anonymity and encourage participation. The need for client complaint procedures and management processes of any complaints received and a commitment to making changes to service delivery arrangements in response to feedback is included.

### **Standard 11: Client Confidentiality**

Standard 11 establishes confidentiality requirements related to the provision of services and records, including physical security aspects.

### **Standard 12: Client Safety**

Standard 12 establishes requirements for the safety of those being provided with services. The management and assessment of issues related to violence and safety is included. Issues related to the handling of the personal safety of clients such as suicide threats and misconduct by staff are also addressed

## **Category F: Processes, Products and Services**

### **Standard 13: Service Design**

Standard 13 establishes requirements for services to be designed around the needs of clients and for the adjustment of service processes and procedures to improve client benefits and outcomes.

## **Category G: Organisational Performance**

### **Standard 14: Assessing Performance**

Standard 14 establishes that organisations are to maintain performance indicators that are to be used in ongoing internal monitoring and for evaluations as they occur. The requirement that information is to be used in planning activities, is to be shared with staff and is to be used by management bodies is included.

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