



**Australian Government**  

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**Commonwealth Grants Commission**

# **QUALITY ASSURANCE STRATEGIC PLAN**

**2006-2010**

**MAY 2006**



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## SUMMARY

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- 1 The recommendations of the Commonwealth Grants Commission (the Commission) are used to distribute over \$45 billion among the States and Territories<sup>1</sup>. This is the single largest transfer payment from the Australian Government to the States and represents over 50 per cent of all State outlays. An error in method, calculation or judgment has a high risk of adversely impacting on the budget of a State government. Given the importance of its recommendations to State budgets, the Commission and the States, believe that strong quality assurance (QA) strategies are vital.
- 2 All parties have a role to play in assuring the quality and acceptance of the work of the Commission:
  - the Australian Government by clearly specifying what is required of the Commission;
  - States by providing good quality evidence, argument and data;
  - Commission members by ensuring evidence based, consistent and transparent decision making; and
  - Commission staff by ensuring that the work they produce is rigorous, accurate, reliable and within the parameters specified by the Commission.
- 3 The broad objective of the QA strategic plan is to ensure that there are strategies in place that will result in reliable and accurate equalisation assessments and to strengthen confidence in the process of equalisation.
- 4 All aspects of the Commission's work have been examined, from processes used to define the base principle of fiscal equalisation that is used to determine the recommendations on GST distribution to the documenting of final decisions and results. We have also obtained input from States, conducted a risk assessment of the processes, and had the plan reviewed by an expert in the field.
- 5 QA efforts need to be concentrated on:
  - clearly identifying base principles and turning these principles into implementation or assessment guidelines that can be used by staff when conducting research, Commission members when making decisions and States when providing evidence and argument;

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1 In the rest of this document, the word State(s) includes the Australian Capital Territory and the Northern Territory unless the context indicates otherwise.

- providing quality assured options and recommendations to Commission members for decision;
  - building a calculation system that minimises the scope for human error;
  - auditing official calculations to assure the accuracy of data and method; and
  - providing documentation that gives States a clear understanding of the decision making process, decisions, reasons for decisions, and results.
- 6 The analysis has revealed that, generally, the Commission has in place many reliable QA processes which are a combination of formal and informal strategies. The QA strategies that are in place are focused on the priority areas. There are, however, some areas of the existing QA framework that can be further strengthened to provide additional assurance to Commission members and stakeholders about the quality of the outcomes of the equalisation process. The main gaps in present processes that need to be improved as a priority are:
- exposing our research to a wider audience than States. We will extend the peer review process and involve external experts in preparation of methods for important issues;
  - assuring the quality of some inputs to the process (for example State data). A joint Commission/State/Australia Bureau of Statistics (ABS) Data Working Party examined this issue and developed an agreed protocol for improving State data and a priority list of data sets that require improvement. We will also consider developing an evidence based benchmark that would be used by States when submitting evidence for changes in method to the Commission;
  - fully documenting reasons for decisions and internal processes. We will more fully document reasons for decisions in publications and minutes of Commission meetings; and
  - verifying for States that QA processes are in place. We will report on process and performance measures on a regular basis. In addition, we will facilitate an independent external audit of calculations on an annual basis and decision making processes at least once every review cycle. The audit of decision making processes will examine adherence to decision making processes and consistency in application of judgment.
- 7 In addition to focusing on these four priority areas, other changes will be implemented to improve internal process and the quality of publications. These include:
- improving assessment guidelines used by staff to direct research and members to evaluate options presented by staff;
  - streamlining and introducing new checks of the accuracy of data transcription, calculations and methods. These measures include:
    - system design improvements, such as developing a tool to make it easier to retrieve a list of Commission decisions;
    - improving automated checks of raw data inputs and calculation formulas; and
    - instituting a system whereby a sample of calculations are replicated outside the official calculation system and cross checked against official calculations; and

- making publications more relevant and easy to use. We will revise the content of publications, change our terminology to make it easier for outsiders to understand, and consult with States about how to improve products to better reflect their requirements.
- 8 The strategies outlined in this document cover all areas of the Commission’s work from inputs to final publications. They also require effort from all parties to the process. This document outlines the program for improvement in QA processes over the next four years. Work on implementing some of these new strategies has begun in conjunction with States and the Commission will continue to report on the implementation of other new strategies.

# PART 1

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## INTRODUCTION AND BACKGROUND

### INTRODUCTION

- 1 This document outlines the QA strategic plan for the Commission from 2006 to 2010. We anticipate a review of the plan in 2010.
- 2 Part 1 of the plan provides background information on why it has been prepared and the objectives to be achieved. Part 2 identifies the main risks faced by the Commission in producing quality assured work. Part 3 provides an overview of the QA strategies that will be used to quality assure our processes. Part 4 identifies what we plan to do differently and the operational impact that this will have for the Commission and States.
- 3 This plan will form the basis of processes to verify both internally and externally that the work of the Commission and its decisions are quality assured. The QA plan will be translated into actions through annual operational work plans in the Commission.
- 4 The plan has been developed in consultation with States. It can be found on the Commission's web site ([www.cgc.gov.au](http://www.cgc.gov.au)).

### BACKGROUND

- 5 The Commission's main task is to advise the Australian Government on the annual distribution to the States of the Goods and Services Tax (GST) revenue and the Health Care Grants. The revenue distributed using the Commission's recommendations was approximately \$45 billion in 2005-06 and represented over half the annual outlays of States.
- 6 The Commission has two main work cycles. A five year review cycle in which calculation methods are reviewed and an annual calculation cycle in which the method is implemented using the latest data. These cycles are concurrent.
- 7 The Commission's work involves:
  - research, consultation and decision making on methods (five year process);
  - calculations that implement decisions using latest available data (annual process); and

- production of publications in electronic and hard copy that explain the results, methods and decision making processes.
- 8 There are approximately forty staff members engaged in undertaking these tasks and associated administrative support. They work to a Commission which is appointed by the Australian Government. Commission members make decisions on the base principles, conceptual methods and data sources to support these methods. Members are responsible for the main report and provide guidance on other documents for publication.
- 9 States also have an important role to play. They are active participants in the process through which the Commission gathers evidence. States participate in discussions on principles, suggest conceptual methods and data sources, and review the Commission's proposals.
- 10 The terms of reference for the 2010 review of methods require the Commission to identify strategies for improving QA processes (Clauses 4 and 5) and report progress to the Ministerial Council in 2006 and 2007 (Clause 6).
- 11 This strategic plan forms part of the Commission's response to the 2010 terms of reference.

#### **WHAT ARE WE TRYING TO ACHIEVE?**

- 12 The objective of the QA plan is to strengthen the process of equalisation. It does so by identifying strategies that will enable the Commission to ensure the reliability, accuracy and transparency of its relativities, and to verify that QA processes are in place.
- 13 Existing strategies aim to provide internal guarantees of the quality of work and to avoid errors in calculations. The new plan aims to improve the Commission's QA strategies and allow:
- staff to assure Commission members that the relativities are reliable and accurate; and
  - the Commission to assure States that QA processes are in place and have been followed.
- 14 Assuring relativities means assuring all activities that contribute to the preparation of reliable and accurate assessments and to the documentation of the approach, reasoning and findings. In principle, this is everything the Commission does.
- 15 Improving processes and ensuring confidence in the system is primarily the responsibility of the Commission. However, the States as participants in the process and providers of information, also have a key role to play. Regardless of the processes the Commission adopts, its recommendations will not be of a high quality if the inputs to its processes are not high quality. This plan therefore includes strategies to improve the quality of State inputs.

#### **HOW HAVE WE DEVELOPED THE PLAN?**

- 16 To develop the plan we have:
- identified the tasks that contribute to the goal of publishing reliable and accurate relativities;
  - identified the risks that threaten the quality of each task;

- identified QA strategies presently in place; and
  - identified gaps in processes that need to be addressed to improve quality.
- 17 States were consulted in developing the plan. In initial consultations the Commission sought State views on risks to quality, gaps in Commission processes, and areas of most concern. Those views have been incorporated in the plan.
- 18 The Commission engaged Acumen Alliance to assist in developing the plan. They were asked to:
- review the Commission’s assessment of the risks associated with its present processes and activities; and
  - evaluate the draft QA strategic plan prepared by the Commission.

In undertaking the first task the consultant canvassed the views of State Treasury officers, Commission members and Commission staff. Attachment A contains a letter from Acumen Alliance regarding their findings.

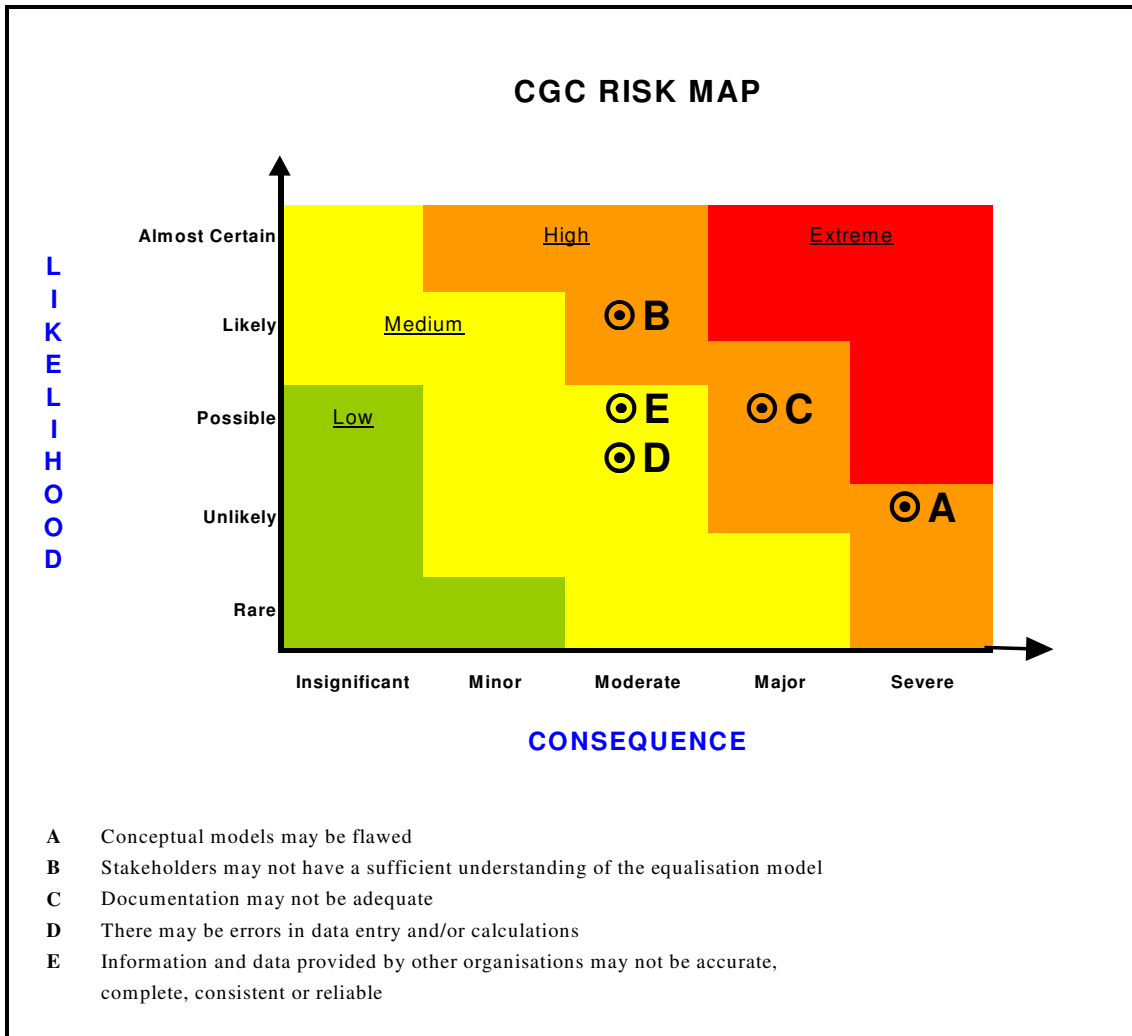
# PART 2

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## COMMISSION RISKS

- 1 The first step in developing this QA plan was to assess the risks associated with ensuring the quality of the equalisation process. The risks identified were:
  - conceptual methods may be flawed;
  - stakeholders may not have a sufficient understanding of the equalisation model;
  - documentation may not be adequate;
  - there may be errors in data entry and/or calculations; and
  - information and data provided by other organisations (including States) may not be accurate, complete, consistent or reliable.
- 2 The risks were evaluated on the basis of the likelihood of the risk occurring, the consequence of them occurring for the quality of the process, and the effectiveness of QA strategies in place.
- 3 A risk could receive a high rating on the basis that the consequence is severe, even though the current controls ensure that the likelihood of the risk occurring is low. Conversely, a risk may receive a high rating where the consequence in terms of the impact on achieving the objective is low but the likelihood is high. A map of risk ratings based on this assessment is shown in Figure 1.
- 4 Figure 1 outlines the main risks but not the only risks the Commission faces in producing relativities. For example, there is always a risk that the Commission will not produce relativities by the date required by the terms of reference. As this has never occurred in the history of the organisation it was not identified as a major risk.
- 5 The risk assessment and the QA plan are closely linked. The risk assessment identified the priority areas where QA efforts need to be focussed. The QA plan outlines the strategies that will be put in place. These strategies will be the key controls used to mitigate risks and ensure the overall quality of the equalisation process. They will further reduce the residual risk ratings applied to the risks identified above.
- 6 A summary of the key risks to producing quality assured relativities are provided below.

Figure 1 Map of Commission risks



**CONCEPTUAL METHODS MAY BE FLAWED**

- 7 Development of conceptual methods is the primary outcome of the research process undertaken during a major review. Conceptual methods form the basis of the calculations used to determine final relativities.
- 8 The risk assessment identified a number of sources that could cause the Commission’s conceptual methods to provide an outcome that is inconsistent with the principle of equalisation. The key sources include:
  - conceptual methods may not capture the right issues;
  - conceptual method may become overly complex, thus increasing the possibility of error;
  - conceptual methods may not be based on the most appropriate data sources and research;
  - research may not be sufficiently comprehensive due to ineffective use of external expertise, peer review (internal and external), and working groups;

- information provided by States may not be accurate, complete, consistent or reliable; and
  - some issues may be too difficult to be satisfactorily quantified.
- 9 The likelihood of this risk occurring was identified as ‘Unlikely — not expected to occur’. This assessment was based on the fact that the current strategies that mitigate the sources were generally found to be working effectively. The Commission has in place a formal hierarchical approval process for decision making which provides an overall framework for controlling this risk. The key elements of this process include:
- expertise of staff and Commission members;
  - assessment guidelines;
  - internal peer review; and
  - input and scrutiny by States.
- 10 The overall rating of the risk as ‘High’ was largely due to the impact this risk could have on the achievement of objectives. If this risk were to occur it could have a detrimental effect on the quality of relativities. As a result, the ‘consequence’ rating for this risk was assessed as ‘Severe — could stop achievement of objectives’.

**STAKEHOLDERS MAY NOT HAVE A SUFFICIENT UNDERSTANDING OF THE EQUALISATION MODEL**

- 11 This risk partly reflects the ‘complexity’ of the equalisation process and is a key concern of States. It arises when States do not understand how the components of the equalisation process fit together as a cohesive and consistent model. States understanding of the ‘how’ and ‘why’ of the equalisation model is important because their input through initial arguments and review of proposed assessments is a vital part of existing QA processes.
- 12 Some of the key sources of this risk include:
- the complexity of the equalisation process;
  - difficulty in understanding the logic behind the model;
  - limited availability of documentation that suits the needs of users; and
  - turnover of State Treasury staff.
- 13 The assessed likelihood of this risk occurring was ‘Likely — will probably occur’. This assessment was based on the feedback provided by States and discussions with Commission staff. Several States said that they did not understand how the components of the equalisation process fit together as a cohesive and consistent model. This rating indicates that this risk requires additional mitigation strategies aimed at reducing the level of occurrence, as opposed to attempting to reduce the consequence on objectives.
- 14 The consequence of the risk occurring was assessed as ‘Moderate — would require significant adjustment’. The combination of likelihood and consequence produced an overall rating of ‘High’.

- 15 The controls that currently manage this risk include:
- the simplification reform agenda (although it is difficult to judge the success of this program while still in its early stages);
  - consultation with States; and
  - content and language reviews of published documentation.
- 16 Benefits associated with further addressing this risk include States being able to prepare better submissions and data sets for use by the Commission. This will ultimately improve the effectiveness of the process and lead to efficiencies and an improved equalisation outcome.

#### **DOCUMENTATION MAY NOT BE ADEQUATE**

- 17 The adequacy of internal and external documentation is a key risk to the Commission and the equalisation process. Adequacy of documentation refers to content and not the volume of material — too much information can make it difficult to understand the process. The assessment identified the consequence of this risk occurring as ‘Major’ because it reduces the effectiveness of the Commission.
- 18 The impact of this risk is the main reason the overall rating is ‘High’. The key risk factors include:
- loss of corporate knowledge (particularly important as there is presently a strong reliance on the corporate knowledge held by key staff members);
  - stakeholders are unable to understand the reasons or rationale for decisions made; and
  - decisions and processes are not understood by Commission staff.
- 19 The adequacy of documentation includes:
- how effective and useful internal documentation, including policies, procedures and guidelines are for the staff who rely on them to properly discharge their duties; and
  - the effectiveness of external publications produced by the Commission because they affect the ability of States to participate effectively in the equalisation process.
- 20 The Commission’s business requires the management of large amounts of information. This risk also includes elements of knowledge management practices. In particular, the ability to effectively capture, store and retrieve information or knowledge. For this reason the record-keeping practices are a key source of this risk.
- 21 The risk assessment identified a number of formal and informal controls in place to address this risk. The primary controls in place include:
- detailed business guidelines are available for staff;
  - publication of information for States;
  - ongoing reviews of the content of publications; and
  - consultation with States.

**THERE MAY BE ERRORS IN DATA ENTRY AND/OR CALCULATIONS**

- 22 The risk assessment examined the various points of review and update processes where data are transformed. These points are significant in terms of ensuring that the relativities are based on accurate data and calculations.
- 23 The assessment identified the following key sources that could make this risk a reality:
- lack of adequate automated checking mechanisms; and
  - inadequacy of documented business rules, policies, procedures and guidelines.
- 24 The controls in place to mitigate this risk are:
- design of the official calculation system (the ‘assessment system’);
  - formal QA process for calculations;
  - expertise of key staff;
  - guidelines for staff on calculation and checking procedures;
  - approval mechanisms and sign-off stages; and
  - manual checking mechanisms.
- 25 History suggests that this risk does not occur often, so the likelihood of it occurring was assessed to be between ‘Possible — could occur at some time’, and ‘Unlikely — not expected to occur’. However, as the ability of the Commission to mitigate this risk relies primarily on the effectiveness of its QA strategic plan, which is currently being reviewed and enhanced, the overall risk rating was assessed as ‘Medium’. This risk rating may be reduced once there has been sufficient time to finalise, implement and measure the effectiveness of this QA plan. This is the key risk mitigation initiative that will improve the Commission’s ability to reduce the residual rating for this risk.

**INFORMATION AND DATA PROVIDED BY OTHER ORGANISATIONS MAY NOT BE ACCURATE, COMPLETE, CONSISTENT OR RELIABLE**

- 26 The work of the Commission is data intensive. Most of the data used by the Commission are sourced from national collections of agencies (such as ABS) that publish information on data quality. In addition to the use of published data, the Commission undertakes data collections of its own. About 30 per cent of the data required for an update are collected directly from the States.
- 27 The risk assessment concluded that data collected from States are generally of greater concern than data obtained from national collections. The assessment identified reasons why the information collected by the Commission and provided by States could be inaccurate, incomplete, inconsistent or unreliable. The key sources of this risk are:
- data requests do not provide sufficient contextual information to enable States to collect the most appropriate data;

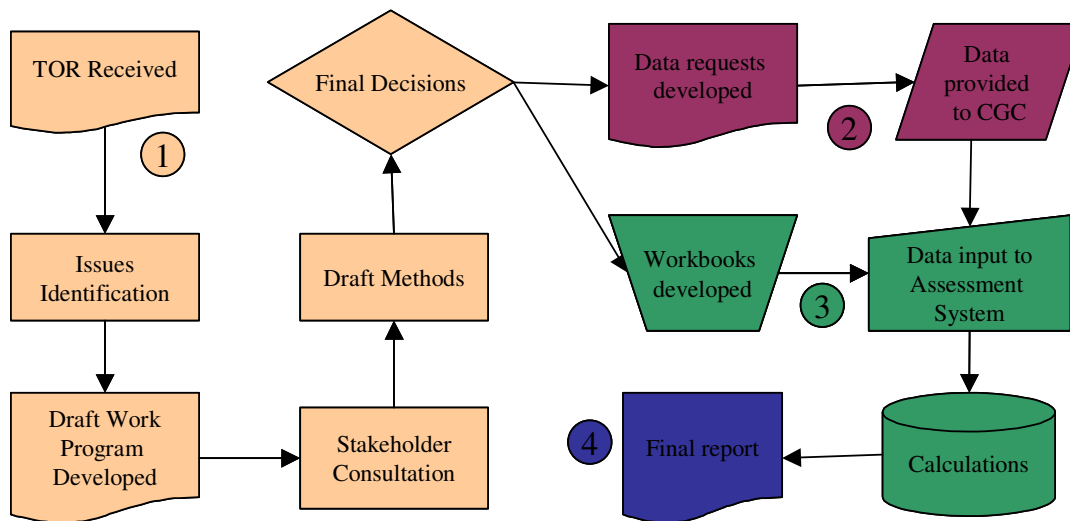
- States apply different interpretations to data requests and provide data that are not comparable;
  - lack of adequate automated checks to ensure that data provided by States are reliable and accurate; and
  - inadequacy of testing conducted by States on the information they provide.
- 28 The Commission has controls in place to mitigate this risk. During the risk assessment it became evident that there is a view among States that they too have to share the responsibility for mitigating this risk.
- 29 Key internal controls in place include:
- establishment of a Data Working Party involving the States, the Commission and the ABS, and the development of data protocols;
  - expertise of staff to manually check for reasonableness;
  - extra checking for known problematic data sets; and
  - other checking mechanisms, for example results from the analysis of change system are used to identify large changes in data.
- 30 This risk was assessed as 'Medium' with a likelihood rating of 'Possible — could occur at some time' and a consequence rating of 'Moderate'. However, it is difficult to accurately quantify the likelihood of this risk occurring. For example, it is difficult to decide whether the historical lack of evidence that this risk occurs is symptomatic of a control framework that is effective, or one that is not able to detect erroneous data.

## PART 3

### QUALITY ASSURANCE PROCESS

- 1 At a high level, the equalisation process can be categorised into the four key sub-tasks shown in Figure 2. The process has been depicted in this way to highlight the key QA points that need to work effectively to provide the level of assurance required by Commission members and States.

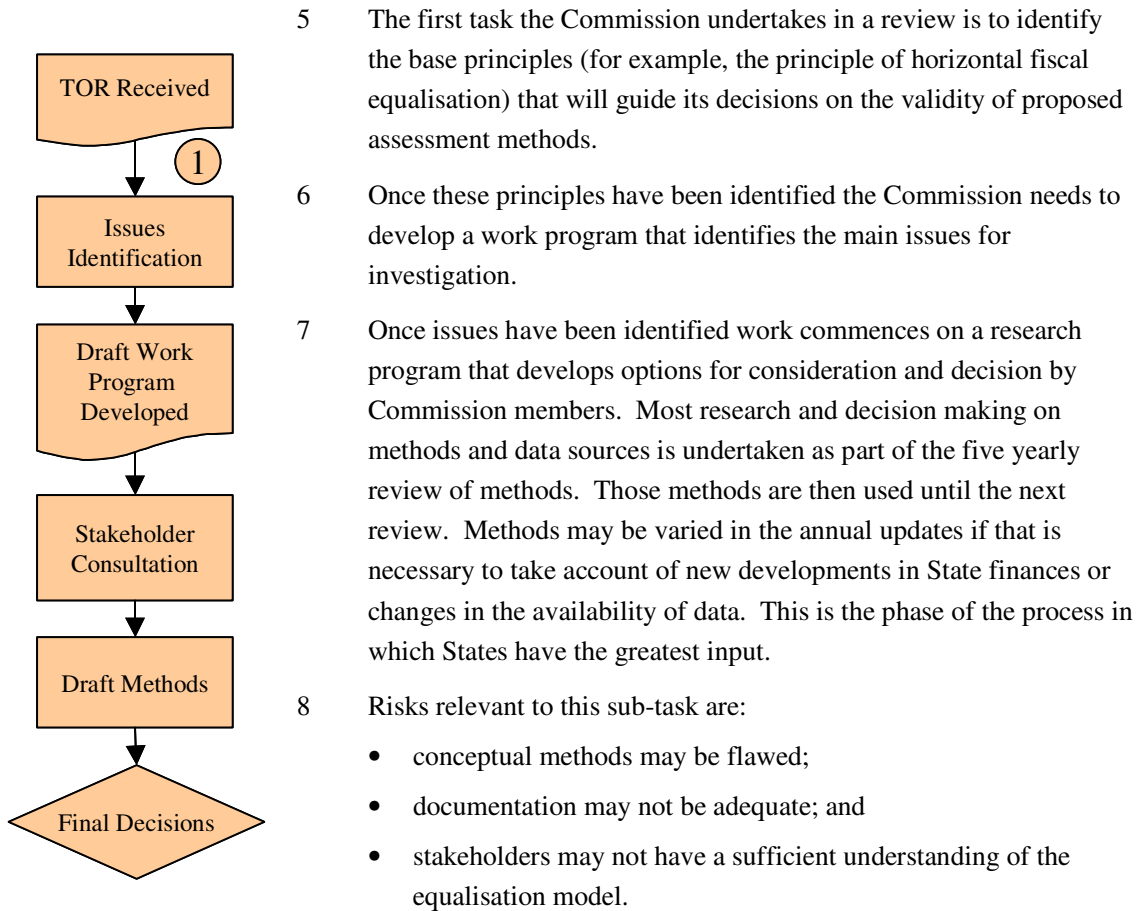
**Figure 2** Equalisation process by key sub-task



- 2 The sub-tasks identified above and referred to throughout this plan are:
  - Sub-task 1 — Identification of base principles, issues and development of conceptual methods;
  - Sub-task 2 — Development of data requests and data collection;
  - Sub-task 3 — Development of workbooks, data input and calculations; and
  - Sub-task 4 — Publication of results.

- 3 The sub-tasks identified in Figure 2 are relevant to both the annual updates and the five yearly review process. Although sub-task 1 is more resource intensive during a review cycle the same basic elements are present during an annual update process.
- 4 Below is a summary of what is involved in each of the main sub-tasks, the relevant corporate risks, and the QA strategies that will be used to provide assurance of the equalisation process to Commission members and States.

**SUB-TASK ONE — IDENTIFICATION OF BASE PRINCIPLES, ISSUES AND DEVELOPMENT OF CONCEPTUAL METHODS**



- 5 The first task the Commission undertakes in a review is to identify the base principles (for example, the principle of horizontal fiscal equalisation) that will guide its decisions on the validity of proposed assessment methods.
- 6 Once these principles have been identified the Commission needs to develop a work program that identifies the main issues for investigation.
- 7 Once issues have been identified work commences on a research program that develops options for consideration and decision by Commission members. Most research and decision making on methods and data sources is undertaken as part of the five yearly review of methods. Those methods are then used until the next review. Methods may be varied in the annual updates if that is necessary to take account of new developments in State finances or changes in the availability of data. This is the phase of the process in which States have the greatest input.
- 8 Risks relevant to this sub-task are:
  - conceptual methods may be flawed;
  - documentation may not be adequate; and
  - stakeholders may not have a sufficient understanding of the equalisation model.
- 9 QA processes for this sub-task need to ensure that:
  - relevant issues are identified;
  - documentation provides a clear indication of Commission views and a justification of decisions made;
  - documentation provides staff with clear direction on how principles will be applied in practice;
  - documentation provides staff with clear direction on the issues they need to consider;

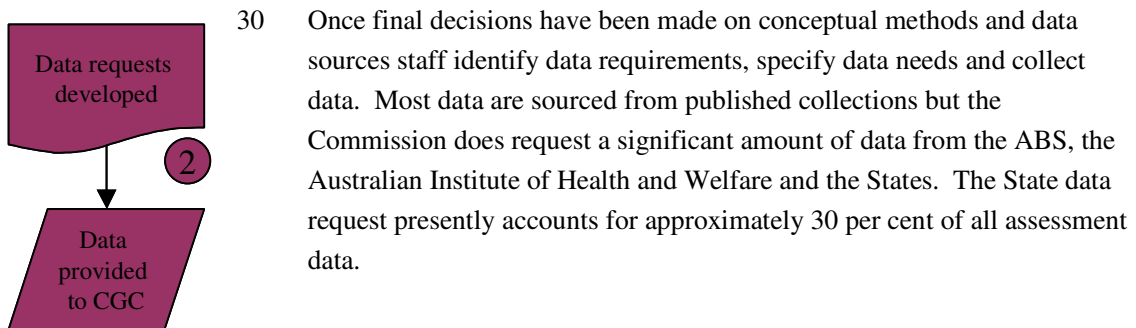
- conceptual methods do not become overly complex;
  - conceptual methods use reliable and accurate data sources;
  - Commission decisions are evidence based, consistent and documented;
  - States are provided with an opportunity to provide their views and influence the final decision of the Commission; and
  - adequate expertise has been used.
- 10 While identifying base principles and issues is the first priority in this group of tasks, it is not the QA priority. Research and the development of options for consideration by Commission members need to be the focus of QA processes. This is because of the size and importance of those tasks to the Commission's work. If the Commission is provided with quality assured options, their decisions are more likely to be evidence based and quality assured.
- 11 The QA strategies and controls that mitigate the associated risks and provide assurance to the Commission and States regarding this sub-task are described below.
- 12 **Establish the base principles.** The Commission will identify the principle of equalisation that it will apply when making decisions about the appropriateness of method options. The terms of reference provided by the Australian Government will be used as a starting point.
- 13 **Develop assessment guidelines/implementation principles.** The Commission will establish assessment guidelines to provide a framework for research by staff and decision making by Commission members. The guidelines will be partly an operationalisation of base principles and partly a QA mechanism for achieving consistency of approach. For example, the 2010 Review terms of reference instruct the Commission to simplify assessments and eliminate assessments that are immaterial or based on unreliable data. In developing its assessment guidelines for the 2010 Review, the Commission will incorporate these principles.
- 14 **Internal peer review of assessment guidelines.** Commission staff will test assessment guidelines to see if they are practical.
- 15 **Consultation with States.** The Commission will consult with States in forming its views.
- 16 **Publication of final decisions on principles.** After considering State views, the Commission will come to a final decision and publish it.
- 17 **Issues Program.** At the beginning of a review period, the Commission will identify what it believes may be the most important issues for that review period. The Commission will seek input from States regarding the make-up of this list.
- 18 Once agreed to, the Commission, with input from the States, will identify specific strategies for dealing with each issue, such as:
- the use of external expertise;
  - appropriate level of consultation with States; and
  - use of working parties and/or committees.

- 19 This will form an agreed program of issues and a guide as to how issues will be dealt with. These strategies will be used to provide advice to the Commission on method options.
- 20 **Develop and publish work program.** The Commission will take the agreed issues for consideration and develop a work program for the review. This work program will be revised on an annual basis to take account of progress and any agreed changes in priority issues.
- 21 **Report on progress on issues program.** The Commission will regularly report on the progress of its investigations.
- 22 **Research and options development.** Commission research is extensive and the process provides many opportunities for State input and the evaluation of the validity of options. Staff will start with the assessment guidelines and issues identified and develop options for consideration by Commission members. Options will be reviewed by the following mechanisms:
- **Formal approval process** — the formal process for developing conceptual methods will require input and review from managers at all levels of the Commission. The QA process will require experienced managers to sign-off on various aspects of the process to ensure that appropriate steps have been followed and the assessment guidelines followed.
  - **Internal peer review** — the Commission will use its internal expertise and subject specialists to review conceptual methods to ensure that a consistent approach is taken. This includes ensuring that the level of documentation provides an adequate explanation of decisions and reasons for decisions.
  - **Use of external expertise** — the Commission will use external expertise where appropriate to ensure there is a sufficient level of expertise available when examining complex issues. The Commission will also consider the use of external expertise for issues not identified through the issues program where management considers internal expertise is not sufficient. External expertise will also be used to validate the basis of the proposed conceptual method for a selection of complex issues. This will be generally for those issues where the methods are developed internally but the issue is contentious or has a large impact on results.
  - **Scrutiny of the States** — the scrutiny of States is a critical input to the development of conceptual methods. States will provide input through submissions, conferences and workplace discussions on all aspects of process from issue identification to data sources. Workplace discussions will provide anecdotal evidence on the main issues raised in submissions. For contentious areas, the Commission will sometimes seek greater input in its research phase. It will do so by forming working parties to examine issues.
- 23 **Staff research papers.** There will be guidelines for staff that outline what is expected in terms of format, data, and the quality of papers to be put to Commission members for consideration.
- 24 **Commission decisions.** The Commission's decisions are evidence based and made by a consensus of its members. At Commission meetings, Commission members will discuss the options presented by staff and make decisions on the basis of the equalisation principle, assessment guidelines and the evidence (which may include observations from workplace discussions). When consensus is not reached, the majority and the minority positions will be

recorded. The majority position will be implemented in official calculations. History shows that minority positions are rare.

- 25 **Record-keeping.** Guidance will be provided to staff regarding appropriate record-keeping and information management. This guidance will ensure that there is a consistent approach to the way decisions are documented and stored for future use.
- 26 **Continuous Improvement Working Party.** The Commission will canvass States to seek their support for the formation of a Continuous Improvement Working Party. This working party would comprise representatives from each State and the Commission, and would meet periodically to discuss areas where further improvement can be made to the way the parties work together. It could address issues such as:
  - the adequacy of documentation available to States; and
  - the adequacy of submissions and other evidence provided by States.
- 27 **QA checking.** The QA Team will review a sample of conceptual methods to ensure compliance with:
  - base principles;
  - assessment guidelines;
  - internal peer review and approval processes;
  - external review process; and
  - guidelines for documenting decisions.
- 28 The QA report on that review will be signed-off by management.
- 29 **Independent process audit.** Once every review cycle the Commission will engage an independent party to conduct a process audit of research and decision making. The process audit would examine whether the Commission has applied the strategies for quality assuring conceptual methods that are outlined in this document under sub-task one. Where appropriate it may also examine the consistency of application of some of these strategies. This external evaluation would not extend to examining decisions themselves but would examine consistency of application of assessment guidelines in decision making.

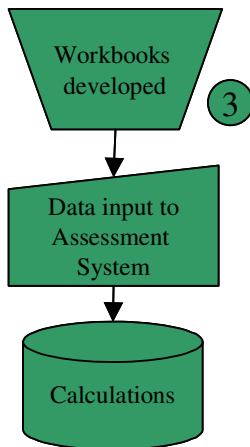
**SUB-TASK TWO — DEVELOPMENT OF DATA REQUESTS AND DATA COLLECTION**



- 31 Risks relevant to this sub-task are:
- documentation may not be adequate;
  - there may be errors in data entry and/or calculations; and
  - information and data provided by other organisations may not be accurate, complete, consistent or reliable.
- 32 QA processes for this sub-task need to ensure that:
- data needs are clearly specified by the Commission;
  - data providers (including States) understand and interpret data requests consistently;
  - data provided to/used by the Commission are consistent with the data requirements;
  - data provided to/used by the Commission are of sufficient quality; and
  - once received data are passed on to the appropriate staff member.
- 33 QA activities need to focus on identifying problem data sets and identifying strategies for improving their quality.
- 34 The QA controls that mitigate the associated risks and provide assurance to Commission members and States regarding this sub-task are described below.
- 35 **Internal development and review of data requests.** Draft data requests will be developed, reviewed and approved prior to release to third parties. The internal review and approval process will ensure that data requests reflect the needs of the Commission, are clear and provide enough contextual information to ensure third parties are able to understand exactly what is being asked for and how to measure and collect requested data.
- 36 **Language and content review.** On an annual basis the Commission will form an internal working party to review a selection of communications and publications provided to other organisations. The working party will include in its review a selection of data requests. It will assess the data requests for clarity and context. Feedback from the working party will be used to review and update (where necessary) relevant guidelines and procedures.
- 37 **Feedback from data providers.** The Commission will regularly ask organisations that provide it with data to comment on whether data requests were easily understood and whether there was sufficient contextual information provided to ensure a consistent interpretation of data requirements across States.
- 38 **Receipt of data and information.** Data will be sent to a single collection point in the Commission and passed on to the relevant assessment officer. Receipt of data will be recorded in a control sheet that is monitored by the staff member coordinating the data request. Assessment officers will be responsible for file management. They are required to ensure that the information they receive is placed on file.
- 39 **Manual review of data provided by other organisations.** Data provided by other organisations will be entered by Commission staff. As data are entered into the calculation system Commission staff will conduct a manual QA check to identify obvious anomalies.

- 40 **Automated system checks.** Staff will develop criteria or acceptable variance limits (dependant upon the nature of the data requested). These criteria and tolerance limits will be used to develop automated system checks that will be built into the assessment system. As data provided by other organisations are entered to the assessment system, the system will apply the relevant criteria and tolerance limits and flag any data sets that fall outside acceptable or predicted ranges. Flagged data sets will be brought to the attention of experienced Commission staff for detailed review and analysis.
- 41 The system will also automatically check data provided against the same data from the previous period (where applicable). The automated check will flag, for further scrutiny, any data sets where there has been a significant movement.
- 42 **QA checking.** The QA Team will review a sample of data requests to ensure that required review and approval processes have been followed.
- 43 **Data Working Party.** The Commission has established a Data Working Party with the States and the ABS that meets regularly to develop protocols for improving problem data sets. The Data Working Party has identified data sets that require improvement. It has also developed a protocol for improving the quality of State provided data.

**SUB-TASK THREE — DEVELOPMENT OF WORKBOOKS, DATA INPUT AND CALCULATIONS**



- 44 This is the phase of the process in which calculations are built based on the decisions of Commission members and calculation workbooks are populated with data. The inputs to this process include decisions on methods and data (including judgment). This information is processed by staff and a set of relativities are produced. This task takes up a significant amount of staff time and resources particularly in the last six months of a review period. Updating the data used in these workbooks is the main task during the annual update of relativities.
- 45 Risks relevant to this sub-task are:
- information and data provided by other organisations may not be accurate, complete, consistent or reliable; and
  - there may be errors in data entry and/or calculations.
- 46 QA processes for this sub-task need to ensure that:
- Commission decisions are documented and can be easily retrieved;
  - workbooks are consistent with the approved decisions of the Commission;
  - workbooks do not contain erroneous formulae;
  - data are entered accurately;
  - data are not corrupted once entered; and
  - documented workbook standards have been followed.

- 47 In this phase of Commission processes, the greatest risk factor is human error in building calculations. QA activities need to focus on activities to minimise the scope for human error and verify that there are no errors. In the first year in which a method is used, the priority QA tasks are assuring that Commission decisions have been implemented and that calculations are built and that they work properly. In subsequent years, the priority is assuring that data has been accurately entered.
- 48 The QA controls that mitigate the associated risks and provide assurance to Commission members and States regarding this sub-task are described below.
- 49 **Guidelines on calculation spreadsheet layout and design.** These guidelines inform staff of standard design layout and calculation steps. Use of the guidelines will be monitored.
- 50 **Official calculation system/assessment system.** The assessment system is designed to minimise the scope for human error. The system is designed using industry white papers on best practice design. It uses standard design features such as separating raw data from calculations. The system is designed to:
- minimise the number of staff members who have write access — the majority of staff should have write access only to workbooks for which they are directly responsible; and
  - minimise the number of key strokes required by staff members who have write access. Once the system is built and verified as accurate and consistent with standards, write access above the raw data entry level will be restricted.
- 51 All staff will have read only access to all parts of the system and can trace the flow of information through the system from raw data input to relativities.
- 52 **Internal audit of assessment system.** The code underlying the system will be internally audited.
- 53 **External audit of assessment system.** Once it is built, the design features, controls on the system and the interface of staff with the system will be reviewed by a consultant. This review will occur in the last year of a review which is the year immediately preceding the full implementation of the system.
- 54 **Automated system checks.** Staff will develop expected criteria or acceptable variance limits for data inputs and calculation outputs. These criteria and variance limits will be used to develop automated system checks that will be built into the assessment system. The system will flag any data inputs and outputs that fall outside acceptable or predicted ranges. Flagged data sets will be subject to detailed review and analysis.
- 55 The assessment system will also automatically check data inputs and outputs against the same data from the previous period (where applicable). The automated checks will flag for further scrutiny any data sets where there has been a significant movement.
- 56 **Review and approval process.** The Commission’s internal review and approval process will involve a rigorous analysis of system produced data. At various stages throughout the calculation process, Commission staff will review the tables and figures to verify that the calculations are within expected limits and ranges.

- 57 **Double coding of calculations and data.** A sample of calculations will be built outside the system and the results of the unofficial calculations cross checked against those in the official calculation system.
- 58 **Internal audit of calculations.** There will be an annual internal audit of the implementation of Commission decisions, the accuracy of calculation formula and verification of data to the source publication. This internal audit will be performed for every review decision in a review year and for every new decision in an update year. Guidelines will be produced to assist staff in the audit task.
- 59 **QA checking.** The QA team will conduct a review of all calculations to ensure that required review and approval processes have been followed.
- 60 **External audit of data input and calculations.** An independent party will audit calculations on an annual basis.
- 61 **Provision of calculations to States.** A copy of all calculations and data will be provided to States.
- 62 **Reporting on performance measures.** The Commission will report on the following performance targets and performance measures on an annual basis.

**Table 1 Performance targets for QA of calculations**

QA issue	QA process	Performance targets	Performance measures
Accuracy of implementation of Commission decisions	Internal audit of implementation of Commission decisions	All decisions audited in year of implementation and overall, all decisions audited at least once over the 5 year review cycle (some will be done more than once as part of other audits).	Impact on GST shares of errors
Transcription errors in raw data inputs	Internal audit of data back to source	100% of data inputs audited to source each year.	Impact on GST shares of errors
Calculation error	Replication of sample of calculations outside official system	10% of category level assessments checked each year, with priority on those having greatest effect on movement from EPC.	Impact on GST shares of errors
Calculation error	Internal audit of official calculations	All calculations audited at least once over the five year review cycle (in addition to initial check of all before review is completed)	Impact on GST shares of errors.

**SUB-TASK FOUR — PRESENTATION OF RESULTS**



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- 63 The Commission publishes its findings in the following documents:

- **The main report.** It contains the relativities, summary results, explanation of the results and an overview of conceptual methods, data sources and the reasons for major decisions.
  - **Report on the relative fiscal capacities of the States (RFCS).** It provides detailed explanations of what influences the fiscal capacities of the States, the results of all assessments, and data on the economic and demographic characteristics of States.
  - **Working papers.** These describe, in detail for each assessment category and disability, the decision making process, views of States, final methods and data sources, reasons for major decisions and results. The working papers of a review contain more detailed descriptions of State views, Commission responses to State views and reasoning for decisions.
  - **Official calculation system/assessment system.** The official calculation system, the ‘assessment system’, contains data and calculations. It provides States with the detailed calculations underlying the relativities and a tool that can be used to calculate alternative relativities.
- 64 Risks relevant to this sub-task are that the documentation may not be adequate.
- 65 QA processes for the sub-task need to ensure that publications are relevant to the needs of stakeholders, accurate, accessible and easy to understand.
- 66 The QA priority is to ensure that publications are accurate and meet the needs of stakeholders.
- 67 The QA controls that mitigate the associated risk and provide assurance to Commission members and States regarding this sub-task are described below.
- 68 **Relevance.** Staff will conduct an annual internal review of the adequacy of outputs and ask States for feedback.
- 69 After reviewing comments on the previous year’s publications, plans for the content of published reports and documentation will be prepared for comment and approval by Commission members.
- 70 **Consistency in style.** There are several techniques through which consistency in style will be assured. The Commission has a document template, which is built in Microsoft Word, and a style manual that establishes and explains style standards. The QA Team will produce guidelines for each publication that outline content and style.
- 71 **Accuracy.** Many of the tables and graphs included in reports and working papers are sourced from data contained in the official calculation system. A table generation system has been set up to generate and output most of the tables in the main report and the RFCS. This is the main tool that will be used to assure accuracy of the data in the reports. Manual checks against the assessment system will also be made.
- 72 **Accessibility.** All Commission publications apart from the assessment system are placed on the web site. The main report and the RFCS are printed. The electronic version of publications will be available on the web site the same day that the hard copy of the publication is publicly released.

- 73 One CD copy of the assessment system will be provided to each State Treasury and the Australian Government Treasury. The Commission will conduct training for Treasury officials on the use of the assessment system. The Commission will also provide a help desk service.
- 74 **Internal review and sign-off.** The Commission will put in place a formal review and sign-off process for each stage of the reporting production process. This review and sign-off process requires all levels of management to review the content of reports to ensure that:
- printed information is accurate and complete;
  - contextual information is adequate to ensure understanding of processes and decisions; and
  - the language is clear and able to be understood by users.

### QA PRIORITIES

- 75 QA efforts need to be concentrated on the following:
- clearly identifying base principles and turning these principles into implementation guidelines that can be used by staff when conducting research, Commission members when making decisions and States when providing evidence and argument. This will be undertaken in consultation with States and is the starting point in any review process. This will assist in mitigating Risk A — conceptual methods may be flawed;
  - providing quality assured options and recommendations to Commission members for decision. This encompasses staff research and the review of this research by States and other experts. It is an area where we need to focus staff resources and seek a high level of involvement from States. If Commission members are provided with quality assured options, decisions are more likely to be consistent, evidence based and quality assured. This is the main mechanism that will assist in mitigating Risk A — conceptual methods may be flawed;
  - building a calculation system that minimises the scope for human error. Our evaluation identified human error as the main source of Risk D — there may be errors in data input and/or calculations. Building and maintaining an official calculation system that is designed to minimise human error has long been a focus of QA efforts and will remain a priority;
  - auditing official calculations to assure the accuracy of data and method. It is important to States and the reputation of the Commission that there are no errors in calculations. Past audit practices together with the development of the assessment system have meant that the number of errors has been low. Existing audit practices must be continued and new practices introduced to further minimise the scope for error and mitigate Risk D — there may be errors in data entry and/or calculations; and
  - providing documentation that gives States a clear understanding of the decision making process, decisions, reasons for decisions, and results. Commission publications are the main tool through which States and Commission staff gain an understanding of the equalisation process and decisions. On many occasions States have listed transparency of

Commission decisions as a priority. Therefore the adequacy of documentation is a QA priority. Efforts to improve documentation to better meet the needs of States will mitigate Risk B — stakeholders may not have a sufficient understanding of the equalisation model, and Risk C — documentation may not be adequate.

## **PART 4**

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### **IMPLEMENTATION OF THE QUALITY ASSURANCE PLAN**

- 1 The Commission's QA processes generally provide an adequate level of assurance to Commission members and States regarding the quality of the outcomes of the equalisation process, however, improvements can be made.
- 2 The QA strategies identified in Part 3 of this plan are a combination of:
  - current formalised QA strategies;
  - current informal QA strategies; and
  - proposed new QA strategies.
- 3 Attachment B contains a summary of the QA strategies identified in this plan. It identifies those that are in place and new strategies that will be put in place.
- 4 Implementation of the new strategies will affect the operations of all parties and the output of the Commission. This part of the plan identifies what will change, when it will change and the likely operational impact of the proposed changes.

### **PRIORITIES FOR IMPROVEMENT**

- 5 The main gaps in present processes that need to be improved as a priority are:
  - exposing our research to a wider audience than States. The peer review process will be extended and external experts will be involved in preparing methods for important areas of research;
  - assuring the quality of some inputs to the process (for example State data). A joint Commission/State/ABS Data Working Party examined this issue and developed an agreed protocol for improving State data and a priority list of data sets that require improvement. In consultation with States, staff will consider the development of an evidence based benchmark. It will be used by States when submitting evidence and arguments for changes in method and by the Commission when evaluating State arguments;

- improving documentation of reasons for decisions and internal processes. Reasons for decisions will be better documented in reports, discussion papers, working papers and minutes of Commission meetings; and
  - verifying for States that we have QA processes in place. Processes and performance measures will be reported regularly. In addition, staff will facilitate an independent external audit of calculations on an annual basis and decision making processes at least once every review cycle. An audit of calculations is a large task. In excess of 500 Excel workbooks (each of which consists of numerous linked spreadsheets and supporting data series) are used to calculate the relativities. Each one is varied each year and, because even small errors can have large effects on State budgets, they all need to be externally verified. The audit of decision making processes will examine adherence to decision making processes and consistency in application of judgment. Simplifying reforms will reduce the size of this task.
- 6 In addition to focusing on these four priority areas, other changes will be implemented to improve internal processes and the quality of publications. These include:
- improving assessment guidelines that will be used by staff to direct research and by Commission members to evaluate options presented by staff;
  - streamlining and introducing new checks of the accuracy of data transcription, calculations and methods. These measures include: system design improvements, such as developing a tool to make it easier to retrieve a list of Commission decisions; improving automated checks of raw data inputs and calculation formulas; and instituting a system whereby a sample of calculations are replicated outside the official calculation system and cross checked against official calculations; and
  - making publications more relevant and easy to use. We will revise the content of reports and working papers, change terminology to make it easier for outsiders to understand, and consult with States about how to improve the assessment system to better reflect their needs.
- 7 Consultation with States indicated that they think the Commission does not provide sufficient reasoning for its for decisions and that the decision making process is not as transparent as it could be. Many of the new strategies outlined above are therefore focused on documenting reasons for decisions and verifying processes have been followed.

#### **OPERATIONAL IMPACT OF PROPOSED CHANGES**

- 8 Most of the changes will be to internal staff processes and will not impact directly on States or Commission members. The main change will be an increased effort on internal monitoring and verifying for States that QA processes are in place and are followed in relation to research, decision making and calculation processes. There will also be changes to the content of most written outputs of the Commission and in the expectations placed on State inputs to Commission processes.

- 9 **Commission members.** Some of the new strategies will result in changes to the way the Commission operates. The major changes affecting Commission members will be the development and application of more rigorous assessment principles and guidelines and increased effort to document reasons for decisions.
- 10 Changes at the staff level will also affect Commission members. For example, it is anticipated that implementing some QA strategies will require more staff time and resources and may necessitate some changes in the timing of actions and decisions within the Commission's work plan — for example, some decisions may be required earlier.
- 11 Commission members will also amend the content of Commission reports to include a verification that the processes leading to the production of relativities are quality assured.
- 12 **Staff.** There will be significant changes in the way Commission staff operate because they will have the responsibility for implementing most of the new strategies. A culture of quality will need to be emphasised because QA must become an integral aspect of the work and procedures of all staff. This may increase the time required to perform tasks, at least in the medium term while new strategies are devised and routinely implemented. For example, staff will be required to:
- better document reasons for decisions;
  - find and engage external experts who can conduct peer review of research;
  - report on the actioning of Commission decisions;
  - institute changes to working papers and other publications;
  - improve data specification;
  - improve assessment guidelines;
  - adapt many record-keeping and calculation processes to facilitate external audit of calculation processes; and
  - institute new processes to verify to Commission members that QA processes are in place and have been followed.
- 13 **States.** States are both stakeholders who are part of the process and data providers. There will be a minimal impact on States in both roles.
- 14 In their role as stakeholders, States will be involved in reviewing some aspects of the process. After every review and update, feedback will be sought from States on improvements that could be made to outputs and processes. It is also proposed in this plan that there be an increase in the number of joint working parties on issues and for the priorities for a program of improvement to be set jointly with the States.
- 15 The greater impact on States will be in their role as providers of data and information. Improvements in the quality and accuracy of State provided data are a high priority activity under this plan. The joint Commission/State/ABS Data Working Party has already examined options and recommended a protocol that will be implemented as part of this plan. Changes

could also be expected in the content of submissions to ensure that cases for new assessments follow the standards required by the new assessment guidelines.

### TIMETABLE FOR IMPLEMENTATION OF NEW STRATEGIES

- 16 The table below outlines the new strategies that will be introduced between 2006 and 2010 and the broad timeframe for their introduction.
- 17 The timetable will be revised annually after reviewing resources and achievements in the preceding year. Some of the strategies are on-going and once introduced will be part of annual QA processes. The on-going strategies have been identified in the table.

**Table 2 Implementation timetable for new strategies**

Task	QA Issue	Strategy
<b>2006</b>		
All tasks	All issues	QA Team to develop relevant sign-off checklists for staff to complete for each of the QA strategies. These sign-offs will be the key focus for subsequent QA checking of adherence to the QA plan.
Calculation	Accuracy	Implement double coding or replication of a sample of calculations outside the official system and cross checking of these with official calculations. (on-going)
Calculation	Accuracy and usability	Improve the design of the official calculation system to improve automated checks and enhance usability. This includes automated data-set tests such as acceptable tolerance limits, comparative trend analysis against previous years. (on-going)
Calculation	Accuracy and reliability of data	Implement protocol on improving the quality of State provided data. (on-going)
Decision making	Greater clarity of base principles	Finalise assessment guidelines.
Decision making	Comprehensiveness of research	Greater use of external expertise. (on-going)
Decision making	Identifying key issues	Discuss with States how the issues program will be developed and implement program. (on-going)
Decision making	Understanding decision and processes	Canvass support from States regarding the establishment of a continuous improvement working group and if required establish a group. (on-going)
Documentation	Transparency	Rework written outputs to use less jargon. (on-going)
Documentation	Transparency of decision making process	Minutes of Commission meetings to document reasons for decisions. (on-going)
Documentation	Transparency and relevance	Trial new working paper content for eight categories.
QA checking	Adherence to guidelines and procedures	QA Team to conduct internal review of adherence to guidelines and procedures. (on-going)

**Table 2 Implementation timetable for new strategies (continued)**

<b>Task</b>	<b>QA Issue</b>	<b>Strategy</b>
<b>2007</b>		
Calculation	Reporting to stakeholders on QA effort	Reporting on QA effort and performance measures. (on-going)
Documentation	Transparency of decision making process	Main report to document reason for new decisions. (on-going)
Documentation	Transparency and relevance	Extend new working paper content to 20 more categories.
<b>2008</b>		
Documentation	Transparency and relevance	Extend new working paper content to remaining categories. (on-going)
<b>2009</b>		
Calculation	Independent verification of the fitness for purpose of the official calculation system	External review of assessment system.
Decision making	Independent verification that decision making guidelines and procedures have been followed	Five yearly external audit of decision making process to be undertaken.
<b>2010</b>		
Documentation	Transparency of decision making process	Working papers to document reasons for decisions. (on-going)

**MONITORING AND REVIEW OF IMPLEMENTATION OF THE QA PLAN**

- 18 A review of progress in implementing the proposed QA strategies identified in this report will be conducted annually and reported to the audit committee for consideration.

# ATTACHMENT A

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## ACUMEN ALLIANCE ASSESSMENT OF THE QA PLAN

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### RE: REVIEW OF THE COMMONWEALTH GRANTS COMMISSION'S STRATEGIC QUALITY ASSURANCE PLAN

Acumen Alliance has conducted a review of the Commonwealth Grants Commission's (the Commission) Strategic Quality Assurance (QA) Plan.

As part of the review, Acumen facilitated the development of a risk assessment of the fiscal equalisation process. The risk assessment was conducted in accordance with the requirements of the Australian/New Zealand Standard 4360:2004.

The risk assessment has been used to ensure the strategic QA Plan identifies the elements within the fiscal equalisation process where quality assurance mechanisms should be in place. On this basis, the Strategic QA Plan has identified QA points where:

- There are currently QA mechanisms in place providing assurance to the Commission and to stakeholders; and
- Areas where current mechanisms can be strengthened or new mechanisms developed and implemented to provide assurance to the Commission and to stakeholders.

Acumen has concluded that the Strategic QA Plan has been developed based on sound principles that are consistent with accepted better practices. The Strategic QA Plan sets a high level quality approach that will provide an adequate level of assurance to the Commission and the Commission's stakeholders.



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# ATTACHMENT B

## SUMMARY OF QA STRATEGIES

- 1 The table below contains a summary of the key QA strategies identified in this plan. It identifies those that are in place and new strategies.

**Table B-1 Key QA strategies of the Commission**

Sub-task	Key QA strategies	Status
<b>Identification of base principles, issues and development of conceptual methods</b>		
	Identification of base principles (for example horizontal fiscal equalisation).	In place.
	Development of assessment/implementation guidelines.	In place.
	Internal peer review of assessment guidelines.	In place.
	Consultation with States on principles and implementation guidelines.	In place.
	Publication of final decisions on principles.	In place.
	Issues program to identify the main issues and how they will be addressed (for example use of external expertise, use of internal peer review or use of working parties).	Some aspects are in place, others to be implemented.
	Develop and publish work program.	In place.
	Report on progress on issues program.	To be implemented.

Sub-task	Key QA Strategies	Status
	Staff research and options development including the following processes for review of research: <ul style="list-style-type: none"> <li>• formal internal approval process by Commission managers;</li> <li>• internal peer review;</li> <li>• use of external expertise to both assist in the development of method options and review options developed by Commission staff; and</li> <li>• scrutiny of the States.</li> </ul>	In place. In place. In place. To be extended. In place.
	Staff research and options papers for consideration of Commission members.	In place.
	Evidence based Commission decisions that are made by a consensus of its members.	In place.
	Guidelines for staff on record-keeping.	In place.
	Continuous Improvement Working Party to examine the quality of Commission publications and State inputs.	Feasibility to be discussed with States.
	QA team checking of compliance with: <ul style="list-style-type: none"> <li>• base principles;</li> <li>• assessment/implementation guidelines;</li> <li>• internal peer review and approval processes;</li> <li>• external review process; and</li> <li>• guidelines on documentation of decisions.</li> </ul>	To be implemented.
	Independent process audit of research and decision making once every review cycle. This external evaluation would not extend to examining decisions themselves but would examine consistency of application of assessment guidelines and other QA strategies in decision making.	To be implemented.
<b>Development of data requests and data collection</b>		
	Internal development and review of data requests.	In place.
	Language and content review of a selection of communications and publications prepared for data providers.	In place.
	Feedback from third parties on a regular basis on the extent to which data requests were easily understood and whether there was sufficient contextual information.	In place.
	Centralisation of receipt of data and storage of correspondence in a central location.	In place.

Sub-task	Key QA Strategies	Status
	Manual review of data provided to the Commission.	In place.
	Automated system checks of data.	To be implemented.
	QA team checking of a sample of data requests to ensure that required review and approval processes have been followed.	To be implemented.
	Joint Commission/State/ABS Data Working Party to identify problem data sets and develop protocols for improving them.	In place.
<b>Development of workbooks, data input and calculations</b>		
	Guidelines on calculation spreadsheet layout and design.	In place.
	Official calculation system/assessment system that is designed to minimise the scope for human error.	In place.
	Internal audit of the code underlying the assessment system.	In place.
	Five yearly independent audit of assessment system (design features, controls on the system and the interface of staff with the system).	To be implemented.
	Automated system checks of accuracy of data and calculations.	In place. To be improved.
	Internal review and approval of results by managers.	In place.
	Replication of a sample of calculations outside the official system and cross checking of these results against those in the official system.	To be implemented.
	Annual internal audit of the implementation of Commission decisions, the accuracy of calculation formulae and verification of data to the source publication.	In place.
	The QA team will review all calculations to ensure that required review and approval processes have been followed.	In place.
	An external party will audit calculations on an annual basis.	To be implemented.
	A copy of all calculations and data will be provided to States.	In place.
The Commission will report on performance targets and performance measures on an annual basis.	To be implemented.	
<b>Presentation of results</b>		
	Annual review of the adequacy of outputs.	In place.
	Guidelines for staff on content and format of publications.	In place.

Sub-task	Key QA Strategies	Status
	Use of a table generation system to output published tables directly from the official calculation system.	In place. Use will be extended.
	All Commission publications apart from the assessment system to be placed on the web site.	In place.
	Training, in Canberra, for Treasury officials in the use of the assessment system and provision of a help desk service.	In place.
	Formal review and sign-off process for each stage of the report production process that requires management to ensure that: <ul style="list-style-type: none"> <li>• printed information is accurate and complete;</li> <li>• contextual information is adequate to ensure understanding of processes and decisions made; and</li> <li>• the language is clear and able to be understood by users.</li> </ul>	In place.