

**Submission  
No 15**

**EXAMINATION OF THE AUDITOR-GENERAL'S  
PERFORMANCE AUDIT REPORTS SEPTEMBER  
2013 – JULY 2014**

**Organisation:** Department of Premier and Cabinet

**Date Received:** 15 January 2015



Mr Jonathan O'Dea MP  
Chair, Public Accounts Committee  
Parliament of New South Wales  
Macquarie Street  
SYDNEY NSW 2000

Dear Mr O'Dea

Thank you for your letter dated 19 November 2014 regarding the Auditor General's Report on the *Government Advertising 2012-13* performance audit.

I am pleased to confirm that the Department of Premier and Cabinet (DPC) accepted and implemented all of the Auditor General's recommendations. The detailed report on the implementation of the Auditor General's recommendations is attached in the required format. In summary:

*Advice to agencies of changes in the Handbook*

Advice has been issued to agencies to inform them of changes to the NSW Government Advertising Handbook and supporting material as well as the procurement rules for the advertising agency prequalification scheme.

*Acquittal of peer review issues in campaigns initiated by DPC*

As recommended, where DPC initiates a campaign requiring peer review, we have introduced processes to ensure the peer review is completely independent and conducted without any risk of conflict of interest. DPC adopted the recommendation strengthening this approach, and the chair of the peer review reports to me any issues raised. This has been formally implemented by inclusion in the Handbook.

*Criteria for DPC approving advertising campaigns of \$1 million or less*

DPC documented the criteria for determining whether a campaign estimated at less than \$1 million is approved by DPC or referred to the Cabinet Standing Committee on Communications and Government Advertising.

Please do not hesitate to contact Isobel Scouler, A/Executive Director, Strategic Communications, on 02 9228 3480 should you have any queries.

Yours sincerely

Blair Comley  
Secretary

15 January 2015

Encl.

IMPLEMENTATION OF RECOMMENDATIONS - Department of Premier and Cabinet (DPC)

Report No. 236 Government Advertising 2012-13

RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS  (complete, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
Advise agencies of key changes to the handbook and supporting material, and in particular the procurement rules as part of the launch of the new creative advertising agency prequalification scheme.	Accepted	Provide direct communication to agencies to advise of key changes to the handbook.  Inform agencies of procurement rules associated with the new creative advertising agency prequalification scheme.	October 2013	Complete.  DPC emailed all agencies re: the revised NSW Government Advertising Handbook and supporting material on 30 August 2013.  DPC emailed all agencies on 14 April 2014, linking to detailed information on the DPC website and also held a face to face briefing in May 2014 to advise of the procurement rules associated with the new advertising services prequalification scheme which started on 1 May 2014.	Strategic Communications Branch
Document the criteria for determining whether a campaign estimated at less than \$1 million is approved by DPC or referred to the Cabinet Standing Committee.	Accepted	Document the criteria, in order to ensure consistency and clarity within DPC about campaigns to be approved by DPC or referred to the Cabinet Standing Committee on Communication and Government Advertising.	October 2013	Complete.  DPC documented the criteria used to determine whether a campaign <\$1m was to be approved by DPC or referred to the Cabinet Standing Committee on Communication and Government Advertising.  This process has since changed and Agency heads are now responsible for approval of campaigns <\$1m.	Strategic Communications Branch
For all advertising campaigns initiated by DPC that are peer reviewed, ensure that the peer review chair reviews its acquittal of any issues raised and provides an independent written assurance of the appropriateness of the campaign to the Director General.	Accepted	Implement and document the recommended process for the peer review Chair to provide independent written advice regarding the outcomes and response to the peer review of DPC campaigns.	October 2013	Complete.  DPC adopted this recommendation as working practice and it has been formally implemented by inclusion in the revised version of the Handbook published in August 2013.	Strategic Communications Branch