

The Parliament of the Commonwealth of Australia

REVIEW OF THE AUDITOR-GENERAL'S
REPORT ON RESEARCH PROJECT ADMINISTRATION
IN THE OFFICE OF THE SUPERVISING SCIENTIST

Report of the House of Representatives
Standing Committee on Environment, Recreation and the Arts

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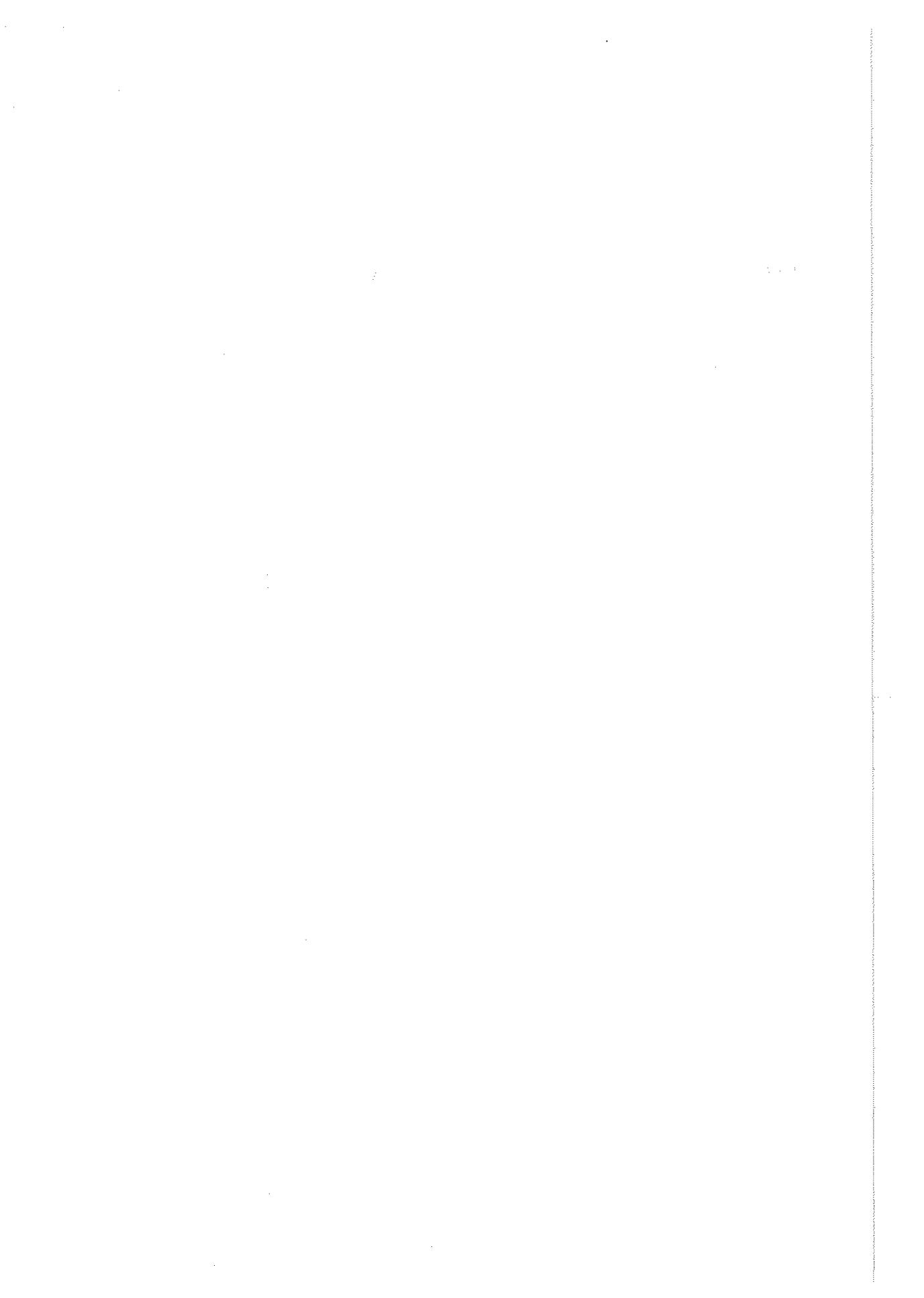
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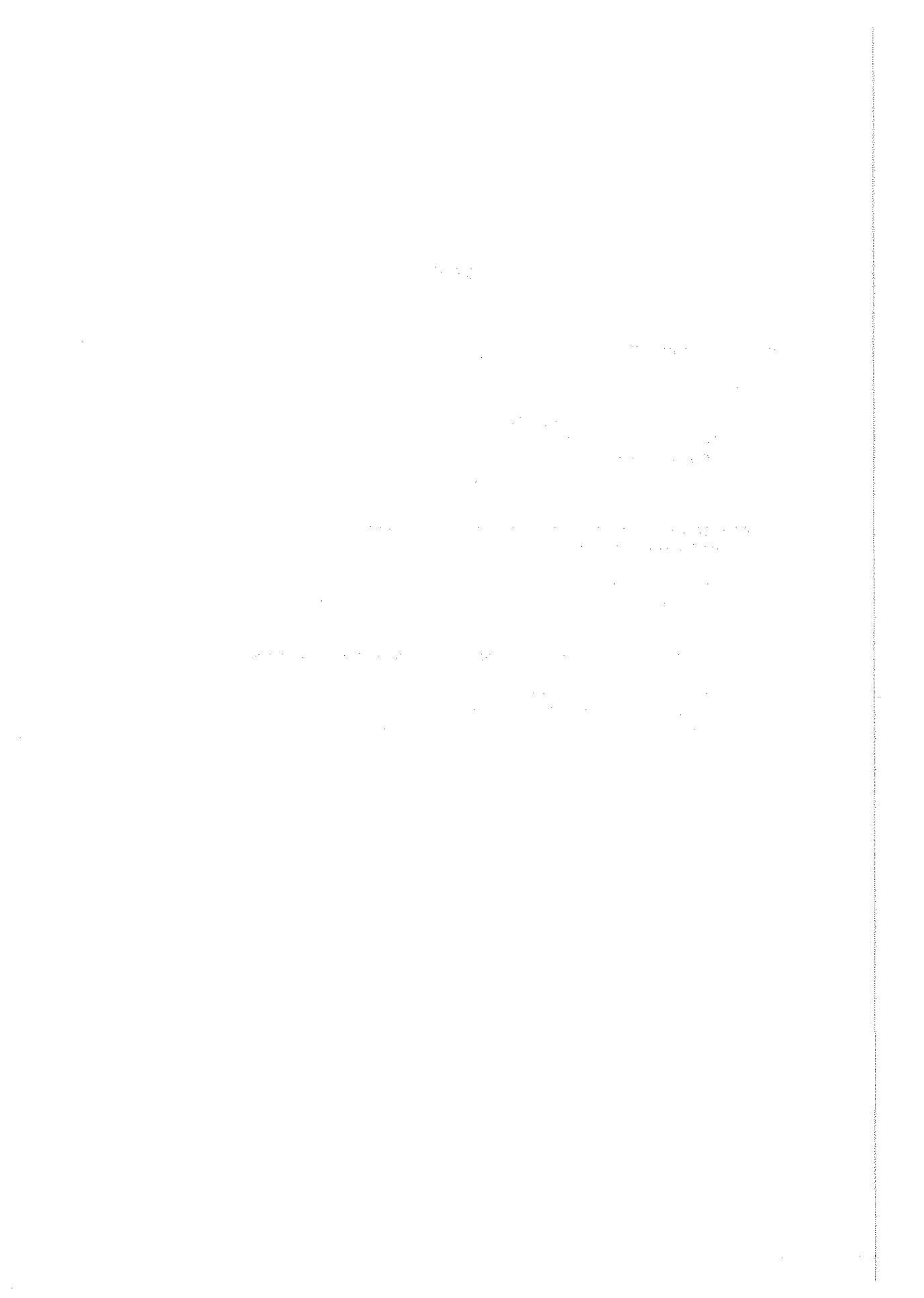
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1. INTRODUCTION

The Office of the Supervising Scientist

1.1 Following the decision to allow the mining and export of uranium from Northern Territory mines in the Kakadu area, the Commonwealth Government established the statutory Office of the Supervising Scientist for the Alligator Rivers Region, the Co-ordinating Committee for the Alligator Rivers Region and the Alligator Rivers Region Research Institute. These bodies were all established under the provisions of the Environment Protection (Alligator Rivers Region) Act 1978.

1.2 The Supervising Scientist and his staff, including the Alligator Rivers Region Research Institute, which is managed by the Office of the Supervising Scientist are collectively referred to as the Office of the Supervising Scientist. The various elements of the Office and the Co-ordinating Committee for the Alligator Rivers Region were established in recognition of the need for proper management of the Alligator Rivers region environment and the need to protect the interest of the aboriginal people in the area.

1.3 The Supervising Scientist has supervisory, co-ordination and research roles in the protection of the environment from the effects of uranium mining operations in the region. The Supervising Scientist also has supervisory and research roles in relation to the protection of the environment from the effects of general mining operations in any conservation zone declared within the region.

1.4 The regulatory regime applying to uranium operations in the Northern Territory is complex and involves a number of Acts and prescribed instruments promulgated by both the Northern Territory and Commonwealth Governments. The Environment Protection (Alligator Rivers Region) Act makes no provision for the Supervising Scientist to license or regulate mining operations. The Supervising Scientist is therefore not a regulatory body and its primary charter is to assist in the development of environment protection measures and arrangements, to oversee these arrangements, to provide independent advice to government on the adequacy of these arrangements and to carry out problem orientated environmental research necessary to ensure achievement of the Commonwealth Government's objectives.

1.5 The Supervising Scientist therefore does not impose environmental conditions upon uranium mining operations and has no powers of enforcement. The role of the Supervising Scientist is limited to ensuring that the licensing and regulatory regime being implemented by the Northern Territory gives effect to the environment protection measures that the Commonwealth requires to be applied to the uranium mining operations.

The Audit of the Office of the Supervising Scientist

1.6 During 1989 the Australian Audit Office conducted an audit of the Office of the Supervising Scientist. The objectives of the audit were to:

- evaluate the administrative procedures for the selection, control and management of research projects; and
- ascertain if satisfactory remedial action was undertaken in respect of findings arising from a previous audit done in 1987 relating to assets, personnel and administrative procedures.

1.7 The audit did not examine the subject matter or validity of individual research projects nor did it consider the relevance of projects to the Office of the Supervising Scientist's research program. The report of the audit was presented to Parliament by the Auditor-General in September 1989 and was referred to the Committee. In reviewing the Auditor-General's report the Committee confined its inquiry to the subject matter and conduct of the Audit. The Committee was aware that there are broader issues related to the operations of the Office of the Supervising Scientist. The Committee did not consider these issues because it wanted to expedite consideration of the audit report and because the Office of the Supervising Scientist was the subject of general inquiry being conducted by the Government.

1.8 The Australian Audit Office advised the Committee that it decided to examine the administration of the Office of the Supervising Scientist's research because previous audits had concentrated on general administrative and payment functions. The Australian Audit Office was mindful that expenditure on research in 1988-89 accounted for 78 per cent of the annual outlays by the Office of the Supervising Scientist.

1.9 The audit was conducted by three Australian Audit Office officers during the first three months of 1989. These officers carried out examinations at the Jabiru offices of the Alligator Rivers Research Institute and the Office of the Supervising Scientist's central office in Sydney. Their review involved the examination of procedure manuals and files related to the research projects chosen for audit scrutiny.

The Audit Findings

1.10 The Auditor-General's report of the audit discussed four aspects of the administration of research projects:

- the development and approval of research projects;
- engagement of consultants;
- monitoring the progress of projects; and
- reporting the results of the research undertaken.

1.11 The key findings presented in the report of the audit were that:

- the Office of the Supervising Scientist should formalise the development and approval of processes for internal research projects and issue guidelines for use by staff;
- policy should be developed for monitoring the progress of research projects; and
- more prompt publication of reports on the results of research would enhance the credibility of the research undertaken by the Office of the Supervising Scientist and action should be taken to reduce delays in the publication process.

1.12 The auditors found that there were instances where it was not possible to verify that the consideration and approval process for research proposals had followed satisfactory procedures. This appeared to be the result of the failure of the Office of the Supervising Scientist to adequately document all decisions rather than any failure to apply adequate procedures. The audit survey did not provide evidence which enabled the auditors to draw any conclusions about the appropriateness of the projects selected.¹ The Auditor-General reported that the Office of the Supervising Scientist had undertaken to introduce a system of documentation along the line recommended by the Australian Audit Office to supplement the documentation processes already being used.

1.13 The report of the audit also noted that there was a lack of evidence to show that the Office of the Supervising Scientist was effectively using some of the mechanisms available to it for monitoring the progress of research projects. The auditors proposed that a policy on monitoring projects should be developed. It was reported by the Auditor-General that the Office of the Supervising Scientist was introducing a new series of six-monthly internal reports which were to be used to monitor progress on each project.

1.14 The Auditor-General also reported that the Office of the Supervising Scientist did not maintain a register of consultants even though it could have introduced such a process in order to keep track of the organisations and individuals with expertise in areas of research relevant to its own activities. The Office of the Supervising Scientist advised the auditors that in most areas of research it was interested in there were too few researchers to make a formal register of consultants necessary. There was however an undertaking by the Office of the Supervising Scientist to revise its consultancy proposal form to provide more detailed justification of the consultant selection process.

1. Evidence p10.

1.15 In relation to the reporting of research findings the auditors found that there were some instances of lengthy delays between the completion of research and the publication of results. The auditors noted that the Office of the Supervising Scientist was not required to actually publish research findings but suggested that, when a decision to publish was taken, the credibility of the research would be enhanced if delays in publication were reduced. The Australian Audit Office stated that this suggestion was not based on the premise that the research done by the Office of the Supervising Scientist lacked credibility.

2. THE OFFICE OF THE SUPERVISING SCIENTIST'S RESPONSE TO THE AUDIT

Project Administration

2.1 The Auditor-General's report indicates that the Office of the Supervising Scientist had agreed to take action which would overcome most of the deficiencies identified by the audit. The Supervising Scientist also told the Committee that procedures were being introduced along the lines recommended by the Australian Audit Office.

2.2 The Australian Audit Office considered that the Office of the Supervising Scientist had responded positively to the audit and advised the Committee that:

"... if the Office of the Supervising Scientist undertakes the action proposed in its response ... (to the audit) ... the administration of the research projects would be improved."²

2.3 The Australian Audit Office considered that the audit was a small but successful exercise and the Committee does not regard the deficiencies noted by the audit as significant.³ The Committee concludes that the response by the Office of the Supervising Scientist to the audit report is satisfactory in relation to the selection of research projects and monitoring of the progress of research. There is no evidence to suggest that the Office of the Supervising Scientist is undertaking inappropriate or irrelevant research nor is there any evidence to suggest that the research program is being poorly managed.

Publication of Evidence

2.4 There was one area where it might be considered that the Office of the Supervising Scientist's response to the audit was not entirely satisfactory. The Auditor-General, in commenting on the delays in publication, noted that some aspects of the publication process were outside the control of the Office of the Supervising Scientist. The comments of the Auditor-General on publication delays were limited to those instances where it was decided to publish research results either as a technical memorandum or in the refereed scientific literature.⁴

2. Submission by the Australian Audit Office p3.
3. Evidence p7.
4. Evidence p63.

The Office of the Supervising Scientist pointed out that publication in the scientific literature constitutes the majority of their external publications. It is in this area of publication where delays which are beyond the control of the author are likely to occur. It cannot be concluded that the Office of the Supervising Scientist has been responsible for unduly delaying publication.

2.5 Nor was there evidence to suggest that delays in publication reflected on the expertise of the Office of the Supervising Scientist. The Australian Audit Office told the Committee that the type of delays in publishing research results could well be a common situation generally in the scientific community.⁵

2.6 The Committee notes that the Office of the Supervising Scientist is concerned about delays in publication and is endeavouring, within its limited resources, to accelerate the publication processes.⁶ This represents an adequate response from the Office of the Supervising Scientist and the Committee does not consider that there is any reason to conclude that the situation with external publication of research results is in any way unsatisfactory.

2.7 The Committee would be most concerned if there was any delay by the Office of the Supervising Scientist in providing information to the regulatory authorities and the Government. The Office of the Supervising Scientist advised the Committee that results of research are rapidly made available to the authorities through extensive annual research summaries, six-monthly reports to the Co-ordinating Committee of the Alligator Rivers Region and internal reports.⁷

2.8 The Australian Audit Office stated that it was not critical of delays in providing information internally for supervisory activity. The Committee considers that there is no evidence to suggest that the Office of the Supervising Scientist is in anyway deficient in translating research into information that can be used by the regulatory authorities.

2.9 The Committee has accepted that the undertakings made by the Office of the Supervising Scientist in response to the Auditor-General's report will overcome the deficiencies revealed in the audit. The extent to which this is achieved will be revealed by future audits and may be included in the current review by the Government of the general operations of the Office of the Supervising Scientist.

5. Evidence p63.

6. Office of the Supervising Scientist, submission p2.

7. Office of the Supervising Scientist, submission p2)

3. THE SCOPE OF THE AUDIT AND PARLIAMENTARY REVIEW

The Scientific Expertise of the Australian Audit Office

3.1 The Committee noted several areas where the Australian Audit Office were reluctant to comment or where it limited the scope of the audit. The auditors did not consider the appropriateness or relevance of research projects, did not comment on the subject matter or adequacy of the science carried out by the Office of the Supervising Scientist and did not question the decision making process involved in deciding whether or not research results would be published.

3.2 The Australian Audit Office told the Committee that the audit had 'steered clear' of such matters because it would have required the services of experts who could judge the scientific aspects of the Office of the Supervising Scientist's research program. They also anticipated that it would be difficult to find the independent scientific experts necessary for a more extensive audit which would include an assessment of the relevance of the research.

3.3 The Committee is concerned that the Australian Audit Office may have limited its audit to those areas where it has expertise rather than investigating matters that would have been of more interest to the Parliament. The Supervising Scientist stated that:

"I would have to question the prudence of the Audit Office, as it is presently constituted, of getting into this very difficult field. That is, to try to audit the research process, the selection of research projects, the control of research projects and their management. In a sense the administrative process associated with that is trivial ... If the Audit Office wishes to continue to carry out audits of this kind of the scientific process then it may need to look more at the ... relevance of the research ... and the quality of the science ..."⁸

3.4 The Committee endorses this view and, without in any way criticising the existing expertise of the Australian Audit Office in relation to the auditing of general administration, believes that it should extend its capability to undertake audits of technical and scientific activities. If necessary this should involve the use of consultants or the appointment of technical experts on short term contracts.

8. Evidence p32.

Interpretation of the Audit Findings

3.5 Tabling of the Auditor-General's report gave rise to certain comments in the Parliament which, it was claimed, were based on the report. The Committee considers that these comments cannot be reconciled with either the Auditor-General's report or the interpretation of the report provided in evidence by the Australian Audit Office.

3.6 The Committee believes that the work of the Australian Audit Office, as represented in the Auditor-General's reports to the Parliament, is a vital aspect of the Parliament's supervision of the activities of the Executive. It is concerned that when Members of Parliament, claiming to comment on an audit report, refer to matters not covered in the audit or misrepresent the report, it becomes difficult for a Committee to review the report in a subjective and bipartisan matter. It would be preferable for such comments to be factually correct and based on a proper assessment of the audit report.

Peter Milton
CHAIRMAN