

AUDITOR-GENERAL'S REPORT TO PARLIAMENT VOLUME SEVEN 2011 LAW, ORDER AND EMERGENCY SERVICES

The Auditor-General, Mr Peter Achterstraat, today released his Volume Seven Report to Parliament for 2011. The report includes comments on financial audits of government agencies in the Law, Order and Emergency Services sectors.

Blow out in Police Death and Disability Scheme (page 14)

The NSW Police Death and Disability Scheme's liability now stands at \$284 million, an increase of nearly 150 per cent in the past four years. The annual number of partial and permanent disability claims paid has increased nearly four times from 108 to 415 and the average claim size has increased from \$379,000 to \$458,000.

'The increase in the number of claims is concerning, not only from a financial perspective, but also from the impact on the NSW Police Force more generally', Mr Achterstraat said. 'Actions taken to address the unfavourable trend in claims have had no impact to date', he added.

The backlog of victims' compensation claims has more than tripled since 2006 (page 27)

The Department of Attorney General and Justice had 21,646 pending claims for victims' compensation at 30 June 2011, which it estimates will result in payments of \$239 million, or an average payment per claim of \$11,041. The backlog represents more than four years of claims and has more than tripled since 2006.

'The Department needs to address the backlog of victims' compensation claims', Mr Achterstraat said. 'It is also apparent that the burden to compensate victims is falling on the State. Offenders owe the Department \$289 million while only \$18.8 million is likely to be recovered', Mr Achterstraat added.

In 2010/11 \$63 million was paid with only \$4.3 million recovered.

IT project over budget and time (page 33)

The JusticeLink IT project has suffered many delays and cost a lot more than originally planned.

'In 2001, the JusticeLink IT project was expected to cost \$30 million and be completed in 2006', Mr Achterstraat said. 'It was finally completed in 2011 at a cost of \$48 million', he added.

Juvenile prison costs are up (pages 31 and 32)

Juvenile prisoners cost substantially more than adult prisoners. In 2010, an adult prisoner cost \$198 per day, down from \$206 the previous year. Juveniles cost \$589 per day in 2010 – in 2011 this rose to \$652.

The number of juvenile and adult prisoners in custody continues to fall.

Crime Commission's performance reporting needs to improve (page 66)

The New South Wales Crime Commission should consider how it can improve reporting its performance to key stakeholders. Other jurisdictions report their performance more comprehensively.

'The Commission needs to measure its performance against all its key delivery areas and report accordingly', Mr Achterstraat said.

The internal control environment at the NSW Trustee and Guardian needs to improve (page 43)

'Improvements are needed to the NSW Trustee and Guardian's processes to better safeguard the assets of its clients and reduce the risk of fraud', Mr Achterstraat said. 'For example, annual stocktakes of clients' personal property are not performed and the controls over the receipting, storage and disposal of client personal property are inadequate', he added.

In recent years, the NSW Trustee and Guardian's internal audit function has made 94 recommendations to improve processes and controls. Of these only 57 are partially implemented.

Further information

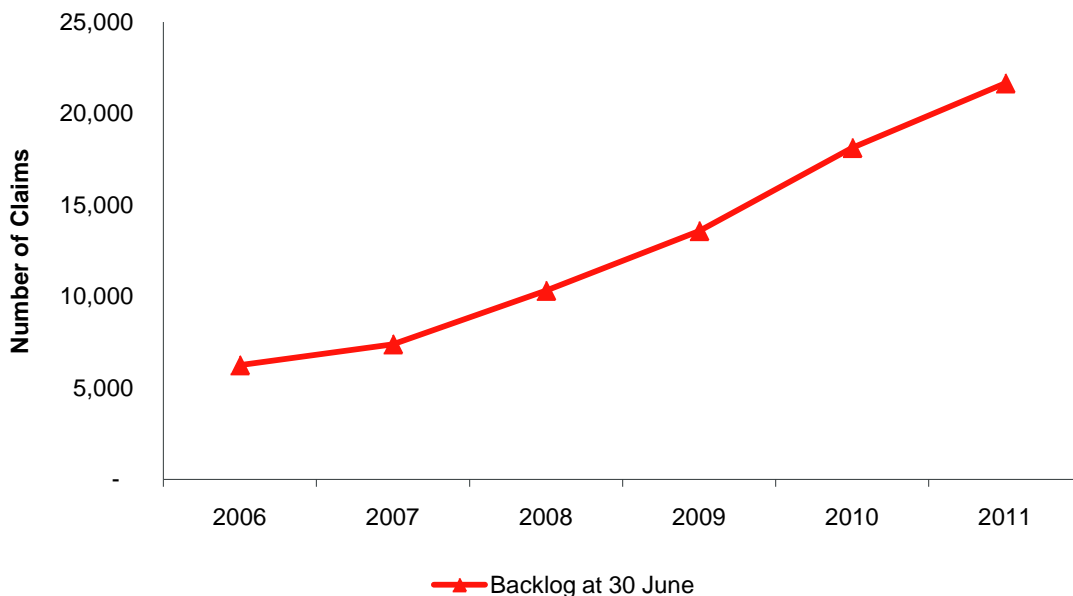
Barry Underwood, on 02 9275 7220 or 0403 063 664 and email barry.underwood@audit.nsw.gov.au

NSW Police Death and Disability Scheme

Year ended 30 June	2011	2010	2009	2008
Death and disability liability (\$'000)	284,000	190,200	147,300	115,000
Total partial and permanent incapacity claim payments (\$'000)	165,010	118,992	47,053	40,930
Number of partial and permanent incapacity claims paid	415	282	116	108
Average claim size (\$)	458,000	421,958	405,626	378,986

Source: Liability figures obtained from actuarial reports (audited). Remaining information obtained from NSW Police Force (unaudited).

Backlog in Victims' Compensation Claims



Source: The Department of Justice and Attorney General (unaudited).
Victims Compensation Tribunal NSW – Chairpersons Report 2009–10 (unaudited).

Offenders in custody

At 30 June	Offenders in custody	
	2011*	2010**
Adult Correctional Centre		
Maximum security facilities	3,799	3,673
Medium security facilities	2,548	2,919
Minimum security facilities	3,569	3,666
Total	9,916	10,258
Juvenile Justice Centres	391	428

Source: Corrective Services NSW (unaudited).