

# **Bushfire Management Audit Program**

The Department of  
Environment, Land, Water and  
Planning

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# Background/Context

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In 2015, the Department conducted a planned burn at Lancefield-Cobaw Croziers Track in the Macedon Ranges which breached containment lines, destroying a number of dwellings, sheds, and many kilometres of fencing, and caused significant disruption for local communities. In response, an Independent Investigation of the Lancefield-Cobaw Fire (the Investigation) was conducted which included 22 recommendations for improvement to the delivery of planned burning in Victoria.

DELWP accepted all 22 recommendations in the Investigation report and also committed to improve the delivery of the bushfire fuel management program.

In executing its commitment, DELWP will be commissioning regular, independent auditing of the planned burning program and is therefore seeking to implement an Audit Program with a sufficient level of independent oversight across the five bushfire management activities: Prevention, Preparedness, Fuel Management, Response and Recovery to:

- ▶ provide assurance to the Secretary, Executives and the Risk and Audit Committee that its operational controls designed to manage key risks and achieve its bushfire management objectives are operating in an efficient, effective, economical and ethical manner; and
- ▶ assist management in continuously improving the Department's bushfire management performance outcomes.

This discussion paper document includes:

- ▶ A description of the approach that DELWP will take to develop its Bushfire Management Audit Program
- ▶ A proposed rolling four year Departmental internal audit plan

# Bushfire Management Audit Program Development

Audit of the bushfire management activities within the Department is split into two discrete components:

1. **Operational quality and assurance reviews ('review')** - operational audits conducted by a person/or team within the Forest, Fire and Regions Group, independent to the process being examined. These reviews have both a compliance and performance improvement focus covering key risks and processes within each stage of the bushfire management PPFRR activities.

The Operational Quality and Assurance Review Plan excludes additional assurance activities performed such as Debriefs, After Action Reviews, Real Time Performance Monitoring, Planned Burn Analysis, Fire Investigations, etc.

2. **Internal audits conducted by outsourced providers ('audits')** - internal audits coordinated by Corporate Internal Audit and conducted by outsourced providers, audits are strategically focused in addition to having a compliance and performance improvement orientation based on coverage and outcomes of the operational quality and assurance reviews.

The Bushfire Management Audit Program will therefore be comprised of the **Internal Audit Plan<sup>1</sup>** and the **Operational Quality and Assurance Review Plan**, as depicted in the diagram below, which together will provide comfort to the Department's Executive and the Risk and Audit Committee that there is sufficient level of independent oversight to maintain standards, facilitate continuous improvement and the management of risks at all levels of bushfire management activities.

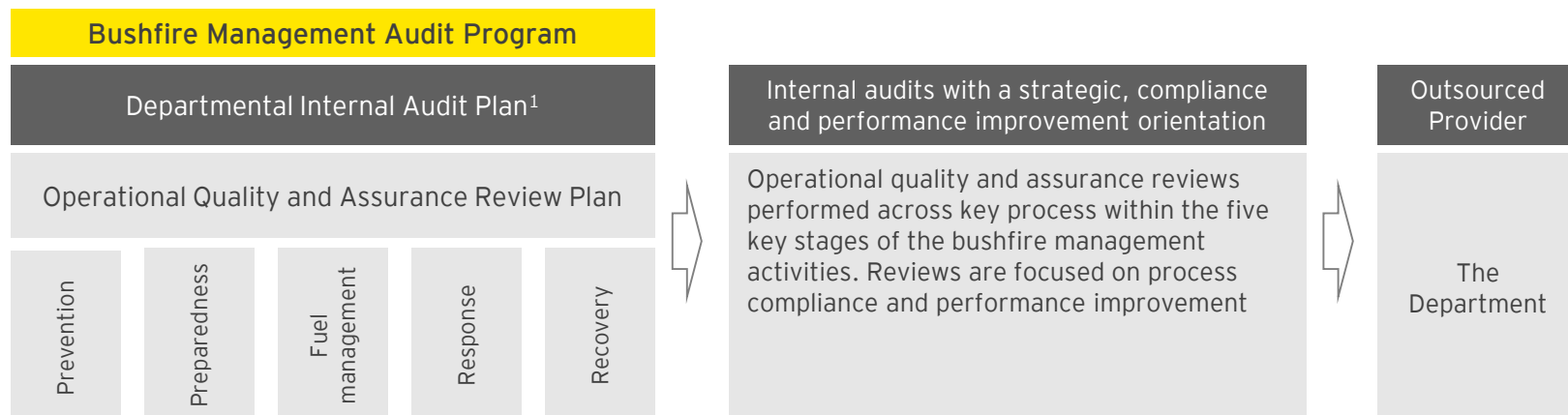


Diagram 1: The Department's Bushfire Management Audit Program

<sup>1</sup> The Internal Audit Plan will be incorporated into, and form part of the Department's overall Internal Audit Plan.

# Departmental Internal Audit Plan Development – Bushfire Management

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In suggesting topics for inclusion in the Departmental Internal Audit Plan, we have considered the following:

- ▶ Recommendations and commitments from the Independent Investigation of the Lancefield-Cobaw Fire - Independent Lancefield-Cobaw Fire Investigation Team and the Interim Process Report - Inspector- General for Emergency management
- ▶ Findings from the Independent Investigation into the Conduct of the Approvals and Oversight Process relating to the Lancefield-Cobaw Planned Burn
- ▶ Recent changes to the Department's organisational structure
- ▶ Our broader knowledge and experience of the Emergency Management environment, in particular bushfire management
- ▶ The Department's Corporate Plan 2015-19
- ▶ Planned audit coverage from operational audits as outlined in the Operational Audit Plan
- ▶ Outcomes from operational quality and assurance reviews
- ▶ The Department's documentation, including the Operational Risk Report (Risk Profile)
- ▶ Discussions with the management and executives
- ▶ Outcomes from the Department of Environment, Land, Water & Planning Compliance Audit Approval and Oversight of Planned Burns
- ▶ Outcomes from the Department of Environment, Land, Water and Planning Implementation of Recommendations Arising from Prior Reports into Escaped Planned Burns Internal Audit Report

# Departmental Internal Audit Plan Development – Bushfire Management

Four key framework dimensions will drive the Department’s internal audit approach for both Year 1 and subsequent years:

Departmental Internal audit framework dimensions



The bushfire management related internal audit plan is designed using the following framework:

- ▶ Development of the plan has focused first upon the Department’s bushfire management Strategic Goals. They drive the focus of the Department, and therefore are fundamental to the development of an Internal Audit (IA) Plan
- ▶ Key risks within the Department’s Operational Risk Profile are directly linked to Strategic Goals, and managed in accordance with the Department’s risk appetite. Key risks have been considered as part of the planning process
- ▶ Key processes with the bushfire management activities have been identified and these, along with the risks and coverage in the Operational Quality and Assurance Review Plan determine the processes to be considered within the IA Plan
- ▶ Coverage of the Lancefield-Cobaw Fire issues, recommendations, commitments and key themes have been considered in the development of the IA Plan

# Departmental Internal Audit Plan - suggested projects for inclusion

The following table details the proposed bushfire management related internal audit activity for year one and for subsequent years.

It is envisaged that the suggested list of projects to be undertaken in FY18-FY20 will be reassessed for relevance and priority using the framework previously described, in line with the Department's strategic objectives, risk profile, government direction, budget as well as the Department's overall Internal Audit Plan.

Project Title	Suggested Timing	
	Year 1	FY2018 -FY2020
Operational Quality and Assurance Review Plan - program coverage	x	x
Operational quality and assurance review examination	x	x
Follow-up of Internal Audits	x	x
Governance and Accountability	x	
Risk Management Framework	x	
Planned Burn Escapes	x	
Integrated Planning		x
Policies and Procedures Framework		x
Continuous Improvement / Lessons Learnt		x
Brand Management		x
Training and Staff Capability Assessment		x
Community Engagement Methods and Activities		x
Stakeholder Management		x
Occupational OH&S		x
IT Governance and Systems		x
Interoperability and Inter-Agency Coordination		x
Ad-hoc audits	x	x



Internal audits will provide coverage across each of the five key bushfire management activities, including:

- ▶ Prevention
- ▶ Preparedness
- ▶ Fuel Management
- ▶ Response
- ▶ Recovery

# Appendix A - Summary scopes

The following table outlines the high level objective of each internal audit proposed for inclusion in the Department's Internal Audit Plan. For each project, a detailed scope document would be developed for Management review, agreement and sign-off prior to commencing the project. The objectives included below are indicative only and may change based on scoping meetings held with key processes owners and management during the planning phase of each project.

Project Title	High Level Audit Objective
Operational Quality and Assurance Review Plan - program coverage	Examination of the Operational Quality and Assurance Review Plan including scope, timing and coverage of key risk areas within the bushfire management activities. Insufficient coverage will be prioritised through ad-hoc internal audits, or through adjustment of the Operational Quality and Assurance Review Plan
Operational quality and assurance review examination	Examination of a selection of completed operational quality and assurance reviews. Review methodology will be examined in line with the Audit and Quality Assurance Framework. In addition, the review process, work papers, findings and recommendations will be assessed for adequacy and reasonableness.
Follow-up of Internal Audits	<p>The objective of this internal audit project is to:</p> <ul style="list-style-type: none"> <li>▶ Examine the Department's reporting of internal audit recommendations</li> <li>▶ Confirm the status of management actions regarding internal audit or operational quality and assurance review recommendations</li> <li>▶ Test a sample of management actions for evidence that status is being accurately reported.</li> </ul> <p>In year 1, this will include a follow-up of the status of all recommendations and commitments agreed to as part of the Lancefield Investigation, as well as outcomes from the 'Statewide audit of compliance with current standards, directions, instructions and guidelines' and 'Implementation of recommendations arising from past examinations, investigations or audits of planned burns' audit.</p>
Governance and Accountability	Assess the Forest Fire and Regions Group operating model, including a review of the structures, accountabilities, responsibilities and processes at state, regional and district levels to enable sound governance, risk management and quality control across each bushfire management activity. Emphasis will be placed on governance and accountabilities surrounding planned burning.
Risk Management Framework	Examination of the risk management framework and the effective implementation risk management processes and procedures at key stages of the bushfire management activities, e.g., risk assessment tools used in planned burning.
Planned Burn Escapes	Examination of the processes in place to investigate burns which have escaped and mechanisms in place to capture and share lessons learnt.



# Appendix A - Summary scopes (continued)

Project Title	High Level Audit Objective
Integrated Planning	<p>Examination of the appropriateness and adequacy of key systems, governance and processes used during integrated planning to effectively manage key risks and achieve planned strategic and operational objectives.</p> <p>Key areas of focus will include: strategic bushfire management plans; fire operations plans; planned burn implementation schedules; work plans for the preparation of planned burns; and individual burn plans (to support the Department's commitment to commission regular, independent auditing of the planned burning program<sup>1</sup>)</p>
Policies and Procedures Framework	Assess the adequacy, currency and availability of the policies and procedures guiding the key bushfire management activities.
Brand Management	Assess whether brand management practices are suitable and effective in creating a positive perception of the Department among other land and bushfire agencies and the wider community.
Training and Staff Capability Assessment	Assess whether the training practices are suitable to meet the needs and capability of the organisation and whether these practices comply with required standards This project could include operational and non-operational staff.
Interoperability and Inter-Agency Coordination	<p>Assess the appropriateness and effectiveness of the Department's inter-agency and inter-operability management activities to enable better integration and achievement of bushfire management objectives.</p> <p>This internal audit will specifically consider interoperability with other Government entities and their expectations of the Department.</p>
Community Engagement Methods and Activities	Assess the effectiveness of the Department's community engagement methods and activities in applying active and meaningful approaches, and how it meets community expectations.
Stakeholder Management	Examination of processes to ensure that stakeholders across the bushfire management activities are clearly identified, prioritised and targeted.
Occupational OH&S	Assess internal processes and framework for governance and risk management of OH&S.
IT Governance and Systems	Examine the effectiveness of IT processes and assess the risk processes in relation to the Department's bushfire management related IT systems and processes.
Ad hoc audits	Examination of operational areas considered higher risk, insufficient coverage through the Operational Quality and Assurance Review Plan or where adverse audit outcomes have been identified in prior years.

<sup>1</sup> Commitment C8 following The Independent Investigation of the Lancefield-Cobaw Fire – Independent Lancefield-Cobaw Fire Investigation Team

# Appendix B - Operational Quality and Assurance Review Plan - suggested inclusions

The following table details the proposed audits to be considered as part of the Operational Quality and Assurance Review Plan.

Review scopes and site coverage should be developed and prioritised on a risk basis with consideration given to key areas of risk, investigation recommendations and commitments and previous review outcomes

Planning	Prevention	Preparedness	Fuel management	Response	Recovery	Monitoring
Strategic bushfire management planning	Enforcement activities	Operational readiness assessment	Planned burning program	Debriefing and post event lessons learnt	Long term recovery planning, implementation and exit strategies	Monitoring, evaluation and reporting framework
Fire operations planning	Awareness programs	Resource management (capability and capacity)	Planned burning governance and accountability	Incident management		or focus on individual elements: - monitoring, evaluation or reporting
Tactical Planning: Burns Plans, Incident Action Plans and Recovery Plans	Fire restrictions and regulations management	Bushfire detection and behaviour monitoring	Fire management zones	Interoperability and interagency coordination		
		Vehicle, plant and equipment management	Escaped Burns compliance	Emergency stabilisation recovery planning and implementation		
		Infrastructure management	Smoke management			
		Interagency bushfire management	Hazardous tree assessments			
		Bans and closure management				

# Appendix C - Glossary

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The following describes key terms and their application within the context of the Audit Program:

**Assurance** - Assurance is an expression or statement designed to increase the confidence of government and the community in the ability of the emergency management system to plan for, respond to and recover from emergencies. Assurance encompasses the identification of risks that may hinder the achievement of the outcomes and objectives of the emergency management system.

**Audits** - Internal audits performed by outsourced providers which typically seek to assess whether inputs, processes and outputs have been delivered in accordance with legislation, established rules, regulations, procedures, or standards. They can be used to inform decisions and remedial actions and provide accountability.

**Reviews** - Operational audits performed by the Department which typically seek to assess whether inputs, processes and outputs have been delivered in accordance with legislation, established rules, regulations, procedures, or standards. They can be used to inform decisions and remedial actions and provide accountability.

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