

## Appendix 9: ARPANSA's action plan addressing Australian National Audit Office (ANAO) recommendations

ANAO 2014 Recommendations	Action	Status at 30 June 2014	Target Date
<p>To maintain stakeholder confidence in the independence and impartiality of its regulatory operations and decisions, the ANAO recommends that ARPANSA:</p> <p>a) periodically conducts training for regulatory staff on identifying and managing conflicts of interest, including personal conflicts</p> <p>b) obtains written declarations from regulatory staff at annual intervals indicating whether they have any potential, perceived or actual conflicts.</p>	<p>a) Col training will be added into existing staff training program including web based support information</p> <p>b) Col declaration to be drafted by Legal Office completed declarations collected and register maintained.</p>	<p>a) Reviewing Mandatory Compliance Program<sup>1</sup> with particular reference to Col</p> <p>b) Completed</p>	July 2014
<p>To streamline its applications process and more effectively use its limited resources, the ANAO recommends that ARPANSA implements a documented risk-based approach to assessing licence applications, having regard to the:</p> <p>a) hazard of the source or facility to workers, the public and the environment</p> <p>b) the applicant's compliance maturity.</p>	Incorporate into Delivery Model Project <sup>2</sup>	Delivery Model Working Group established; first meeting held 4 June to discuss scope. A range of efficiency and deregulation activities are under investigation.	June 2015
<p>To strengthen its risk-based approach to monitoring compliance, the ANAO recommends that ARPANSA more directly links its management of licences to risk rankings, focusing particularly on:</p> <p>a) clearly aligning its planned inspection program to risk rankings of licences</p> <p>b) strategic targeting of unannounced inspections.</p>	Incorporate into Delivery Model Project <sup>2</sup>	Delivery Model Working Group established; first meeting held 4 June to discuss scope. A range of efficiency and deregulation activities are under investigation.	June 2015
<p>To improve transparency and support continuing public confidence in the regulation of licences held by ARPANSA, the ANAO recommends that:</p> <p>a) inspections of its own licence are conducted periodically using inspectors from a state or territory radiation regulator</p> <p>b) provisions are made for independent review of other regulatory decisions relating to ARPANSA's own licences, particularly licence applications and Regulation 51 approvals.</p>	<p>a) Independent inspection for ARPANSA licences incorporated into inspection schedule</p> <p>b) Procedures to be modified for review of licence applications and modifications.</p>	<p>a) Inspector from Qld Health participated in an inspection of ARPANSA-owned sources in June 2014</p> <p>b) Considering a generic co-operative agreement for use with state and territory regulators to provide for independent oversight of regulatory activities in relation to ARPANSA's own licences. A diversity of oversight is required depending on availability and expertise.</p>	<p>July 2014</p> <p>October 2014</p>

<sup>1</sup> Required under CEI6.

<sup>2</sup> The Delivery Model Project will explore and develop a graded approach to the regulation of low risk sources to relieve regulatory burden.



ANAO 2005 Recommendations	ANAO 2014 Assessment	ARPANSA Action	Status at 30 June 2014	Target Date
<p>The ANAO recommends that, in order to provide assurance that cost recovery is consistent with better practice and government policy, ARPANSA:</p> <ul style="list-style-type: none"> <li>• develop a policy framework to guide its cost recovery arrangements</li> <li>• have sufficiently reliable data, and analysis, on cost elements to support management decisions on cost recovery—such analysis should include the alignment of fees and charges with the costs of regulation for particular groups of clients or types of licences, to the extent that this is cost effective.</li> </ul>	<p><i>Insufficient</i></p> <p>Chapter 5 has noted ARPANSA's cost recovery arrangements do not consistently reflect better practice and government policy. Cross-subsidisation continues and fees and annual charges are not clearly aligned with regulatory effort.</p> <p>The ANAO has noted these arrangements are currently under review.</p>	<p>ARPANSA will continue to advance its cost recovery model in a staged approach in consultation with licence holders, supported by the current review of the regulatory delivery model to reduce regulatory burden.</p> <p>Phase 1 – develop a robust cost model accurately accounting for all regulatory activities associated with licence holders.</p> <p>Phase 2 - identify all regulatory activities not associated with licence holders and review funding and cost recovery arrangements (commencing 3rd quarter 2014).</p>	<p>Time Tracker implemented for regulatory activities.</p> <p>Preliminary definitions of other elements of cost recovery are being developed.</p>	<p>Phase 1: completed</p> <p>Phase 2: April 2015</p>
<p>The ANAO recommends that ARPANSA introduce appropriate systems to ensure its application processing complies with the requirements of the ARPANSA Act and Regulations</p>	<p><i>Insufficient</i></p> <p>Chapter 3 has noted that, in the current ANAO audit sample, six out of 100 applications were being processed and even approved before payment was received. This approach is not consistent with the relevant legislation and documented procedures for managing applications.</p>	<p>Incorporate into Delivery Model Project.</p>	<p>Delivery Model Working Group established; first meeting held 4 June to discuss scope.</p> <p>A range of efficiency and deregulation activities are under investigation.</p>	<p>June 2015</p>
<p>The ANAO recommends that ARPANSA develop and implement an explicit, systematic and documented overall strategic compliance framework that:</p> <ul style="list-style-type: none"> <li>• identifies and articulates the purpose, contribution, resourcing and interrelationships of the various compliance approaches</li> <li>• is based on systematic analysis of the risk posed by licensees and the sources and facilities under their management</li> <li>• targets compliance effort measures in accordance with assessed licensee risk.</li> </ul>	<p><i>Partial</i></p> <p>Chapter 4 has noted that ARPANSA's compliance effort is not clearly linked to assessed licensee risk.</p> <p>ARPANSA's guidance also does not clearly articulate the interrelationships between the various compliance approaches.</p>	<p>Incorporate into Delivery Model Project.</p>	<p>Delivery Model Working Group established; first meeting held 4 June to discuss scope. A range of efficiency and deregulation activities are under investigation.</p>	<p>June 2015</p>

ANAO 2005 Recommendations	ANAO 2014 Assessment	ARPANSA Action	Status at 30 June 2014	Target Date
<p>The ANAO recommends that ARPANSA develop standard procedures, for the consideration and assessment of reports, that address:</p> <ul style="list-style-type: none"> <li>processes to provide assurance that license reports are appropriately assessed and acted upon</li> <li>the collation and monitoring of reported information for risk management purposes.</li> </ul>	<p><i>Partial</i></p> <p>Chapter 4 has noted a lack of monitoring of reported information to identify trends and support a risk-based approach.</p>	<p>Incorporate into Delivery Model Project</p>	<p>Delivery Model Working Group established; first meeting held 4 June to discuss scope.</p> <p>Some analytical functions of Licence Administration Database implemented; others to come in Stage.</p>	<p>June 2015</p> <p>May 2015</p>
<p>The ANAO recommends that ARPANSA establish a systematic, risk-based framework for compliance inspections that includes:</p> <ul style="list-style-type: none"> <li>an integrated inspection program based on systematic and transparent assessment of the relative risks of facilities and hazards</li> <li>inspection reporting procedures that clearly assess the extent of licensee compliance with licence conditions</li> <li>recording of report findings in management information systems, to facilitate future compliance activity, and analysis of licence compliance trends</li> <li>accountable and transparent procedures for discretionary judgements, where compliance inspections vary from standard procedures</li> <li>reporting on ARPANSA's performance in conducting inspections.</li> </ul>	<p><i>Partial</i></p> <p>Chapter 4 has noted ARPANSA's inspection program is not directly linked to assessed licensee risk ratings.</p> <p>Report findings are not subject to trend analysis to inform future compliance activity.</p>	<p>Incorporate into Delivery Model Project</p> <p>Stage 2 of the Licence Administration Database to allow for interrogation of inspection findings.</p>	<p>Delivery Model Working Group established; first meeting held 4 June to discuss scope.</p> <p>Noted in change management register</p>	<p>June 2015</p> <p>May 2015</p>