

## Part 3: Management and accountability

### Corporate governance

Our operations are primarily governed by the *Parliamentary Service Act 1999* and the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). Other legislation and policy also governs our work, including workplace relations legislation and Australian Government protective security policies.

Under the Parliamentary Service Act and the PGPA Act, the Parliamentary Budget Officer is accountable for the PBO's performance and compliance with legislative requirements.

The major components of our governance framework during the year comprised the PBO Executive, the Audit Committee and a risk management framework. We also participated in Parliament House-wide governance arrangements.

We strengthened our governance framework and internal policies and procedures during the year, with information governance, security and business continuity being key focus areas.

We enhanced our planning processes and performance measures, which are reflected in our 2018–19 corporate plan. Our performance framework improvements were aimed at more-clearly identifying our discrete functions and identifying meaningful performance measures for each.

We implemented an Information Governance Framework and established an Information Governance Committee. These initiatives built on our strong information management culture and fully digital approach.

### PBO Executive

The PBO Executive—consisting of the Parliamentary Budget Officer and all SES officers—meets weekly to consider PBO-wide issues, to monitor performance and to consider risk issues.

In 2017–18 we reviewed our risk management and monitoring processes. Executive now considers risks on a rolling basis to monitor any changes in the risk environment and update risk ratings and treatments accordingly.

The Information Governance Framework implemented in 2017–18 designated the Executive as the Information Governance Committee, ensuring that information governance is managed and driven by key personnel within the organisation. The framework also designates a Chief Information Governance Officer (the Assistant Parliamentary Budget Officer, Corporate Strategy Branch), who is a member of the Executive.

The Executive considers key performance information on a regular basis, including the status of outstanding requests for policy costings and budget analyses, the timeliness of our responses, the status of requests for information made to Commonwealth agencies, progress of the research program, citations in the media and the implementation of planning for the next general election.

## **Audit Committee**

The Audit Committee provides independent advice and assurance to the Parliamentary Budget Officer about the PBO's governance arrangements. The Committee comprises two independent members (including the chair) and the Assistant Parliamentary Budget Officer, Program Analysis Branch. The Committee met five times during the financial year. The Assistant Parliamentary Budget Officer, Corporate Strategy Branch; Chief Financial Officer; representatives from the Australian National Audit Office; and the PBO's internal auditors also attended these meetings.

The Audit Committee chair's term ended on 31 May 2018. Ms Elizabeth Montano served as the chair since the Committee's formation in 2013. Ms Montano's leadership of the Committee over that period played a key role in ensuring that the PBO's governance, finance and risk management processes are appropriate and well established. Mr Ian McPhee AO PSM continued to serve on the Audit Committee during 2017–18 and was appointed the Audit Committee chair for a period of two years, from 1 June 2018. Ms Jennifer Clark was appointed as an independent member of the Committee for a period of three years, from 1 June 2018. During the year, Ms Karen Williams, Assistant Parliamentary Budget Officer, Corporate Strategy Branch ended her term as the Audit Committee's internal member, succeeded by Mr Gareth Tunks, Assistant Parliamentary Budget Officer, Program Analysis Branch.

## **Risk management**

Risk management forms an integral part of the PBO's governance and internal planning arrangements.

We undertook a major review of our strategic risks and updated and documented these in our risk management plan. We continued to embed risk management practices at all levels by considering operational risks in our divisional and branch work planning processes.

We also manage risks in specialised areas, including the monitoring of specific security and fraud risks.

A key focus during 2017–18 was the management of security risks. We undertook a security risk assessment. We also implemented a protective security policy, providing a framework for the work we do to maintain the PBO’s personnel, information and physical security. The policy documents the relationships we have with the Department of Parliamentary Services (DPS) to maintain our security and sets out a process for identifying, controlling and monitoring security risks. In November 2017, we undertook a health check of our security risk treatment strategies as part of our internal audit program. The health check confirmed that we have successfully implemented most of our security risk treatment strategies, with some minor outstanding actions to be progressed relating to exercising our business continuity plans.

We reviewed our business continuity management framework and policy to ensure that it continues to outline appropriate arrangements to keep us operating in the event of a critical incident.

## **Fraud prevention and control**

In 2017–18 the PBO took all reasonable measures to minimise the incidence of fraud. We monitored the fraud risks identified in the 2017–19 fraud risk management plan and maintained a fraud control policy. No incidences of fraud were detected.

## **Provision of corporate services to the PBO**

To maximise the staff and resources dedicated to core functions, the PBO has shared services arrangements with other parliamentary departments for the delivery of most of the PBO’s corporate services.

During 2017–18, the Department of the Senate continued to provide the PBO’s financial transaction processing and payroll services. The PBO’s information and communication technology (ICT) services continued to be provided by DPS.

## **Interdepartmental committees**

The four parliamentary department heads meet on a regular basis to discuss various matters relating to governance, policy and operational matters of significance to the departments.

We also participated in a range of interdepartmental committees through which the parliamentary departments co-ordinate common and joint activities, particularly in relation to human resources, ICT and other corporate matters.

## External scrutiny

During 2017–18, there were no external reports, reviews or judicial decisions involving the PBO. We continued our engagement with parliamentary committees.

### Joint Committee of Public Accounts and Audit

The JCPAA plays an important oversight role in relation to the PBO's resourcing. This includes considering the PBO's draft budget estimates and receiving regular activity reports on the PBO's operations ahead of each of the PBO's appearance at Senate Estimates hearings. We consulted with the JCPAA on our 2017–18 work plan and 2018–19 corporate plan.

On 30 April 2018 the Parliamentary Budget Officer wrote to the Chair of the JCPAA to report on the PBO's implementation of the recommendations of the PBO review.

### Senate Finance and Public Administration Legislation Committee

The PBO appeared before the Senate Finance and Public Administration Legislation Committee throughout the year. In advance of each hearing, we provided the Committee with our detailed activity report on the PBO's operations.

## Human resource management

The skills, experience and commitment of our employees are critical to us achieving our purpose. Developing our existing workforce was a high priority for the PBO in 2017–18, as well as our ongoing recruitment program.

Details of the classification level, employment status and gender of the PBO's employees are included in Appendix A.

### Capability development

We implemented a learning and development framework which sets out the various arrangements in place for developing employees and to set out our commitment for building the capacity of our people. The framework interacts with our performance management framework to ensure that learning opportunities are targeted at the key capabilities required for our work. We also commenced roll-out of leadership development for employees at all levels to enhance the leadership skills and capabilities across the PBO.

The continued development of employee's technical capability was a priority during the year. This was provided through a mixture of on the job learning and coaching, attendance at courses and seminars, and job rotations through different functional teams. In particular, we exposed our research teams to an increased volume of policy costing and budget analysis work to expand our capacity in this area in preparation for the next general election.

A key component of the development of technical skills was the continuation of an internal seminar series aimed at analytical staff. Presenters for these sessions included key internal subject matter experts and external speakers.

We delivered essential corporate training through our online learning management system, in areas including risk and work health and safety.

## Secondments

We conducted a secondment program with Commonwealth agencies, involving secondments both to and from the PBO. These were aimed at enhancing our capacity through the development of employees' skills in specific policy areas, and developing relationships with Commonwealth agencies. These also provided participants from other agencies with an increased understanding of our role and exposure to a broad range of policy areas and budgetary issues.

During 2017–18, the PBO participated in the 2018 Parliament of Australia graduate program. The program allows participants from APS graduate programs to undertake a secondment of up to six months with the PBO to learn about the role and functions of the PBO, as well as the Parliament generally. Eight graduates from the 2017 and 2018 programs were placed with the PBO in 2017–18.

## Employment arrangements

The PBO's SES employees are engaged under individual determinations under subsection 24(1) of the Parliamentary Service Act, with their remuneration and superannuation salary set under common law agreements.

All non-SES employees are engaged under common law agreements.

The Parliamentary Budget Officer is engaged as a full-time public office holder under section 64X of the Parliamentary Service Act. The Parliamentary Budget Officer's remuneration is determined by the Remuneration Tribunal.

The PBO implemented remuneration increases for non-SES employees for the three year period commencing 1 December 2017. The remuneration proposal was agreed with the Australian Public Service Commissioner, with associated productivity offsets. This was undertaken in accordance with the Australian Government's workplace bargaining policy. Commensurate increases were implemented for SES employees.

The PBO did not make any performance payments to employees during 2017–18. Under the PBO's Performance Management Framework, increments through the PBO's salary ranges are based on performance achievements.

Employees have access to a number of non-salary benefits including study assistance, and access to salary sacrifice arrangements. The PBO provides SES employees with a mobile phone and tablet. Employees also have access to the Capital Hill Early Childhood Centre in Parliament House, on-site gym facilities and free car parking.

## **Work health and safety**

The following information for the 2017–18 reporting period is provided in accordance with Schedule 2, Part 4 of the *Work Health and Safety Act 2011*.

All new employees undertook an induction program, which included information on work health and safety issues, an outline of the legislative and policy framework, and information on their obligations as employees.

The PBO has elected Health and Safety Representatives. A Health and Safety Committee, chaired by Mr Paul Gardiner, Assistant Parliamentary Budget Officer, Fiscal Policy Analysis Branch, met quarterly.

The PBO provides sit-to-stand workstations to encourage healthy work practices. Support is provided to employees to ensure correct workstation setup and, where appropriate, professional expertise is sought to complement existing practices.

The PBO has an Employee Assistance Program to provide access to free confidential professional counselling services to assist staff and their families with any personal or work-related matters, and offer guidance and advice to managers on staff management.

During 2017–18, no health and safety incidents were reported to Comcare, the PBO was not subject to any Comcare investigations and Comcare did not issue any notices under the Work Health and Safety Act.

## **Commitment to reconciliation**

The four parliamentary departments progressed actions identified in the 2016–18 Australian Parliamentary Service Reconciliation Action Plan (RAP). The RAP works to build understanding and respect between the Parliamentary Service and Aboriginal and Torres Strait Islander culture.

The departments each have a RAP Champion, who together comprise the Parliamentary Service RAP Champions Group. The RAP Champions Group meets periodically to review and monitor progress against the RAP. At 30 June, the PBO's RAP Champion was Mr David Tellis, Assistant Parliamentary Budget Officer, Revenue Analysis Branch.

## **Parliamentary Service Indigenous Employee Network**

During 2017–18, the PBO supported the Parliamentary Service Indigenous Employee Network. The network provides a safe, supportive environment for all Parliamentary Service employees to meet and express their views, experiences and concerns pertaining to Aboriginal and Torres Strait Islander issues both professionally and personally. The network met monthly during the year and coordinated a Parliamentary Service event to launch National Reconciliation Week in May 2018.

## **Share our Pride learning module**

One of our actions under the RAP is to engage our employees in cultural learning opportunities to increase their understanding and appreciation of Aboriginal and Torres Strait Islander cultures, histories and achievements.

Within the first few months of their employment with the PBO, all new employees undertake the Share our Pride online learning module, developed by Reconciliation Australia.

## **Jawun Indigenous Community Australian Public Service Secondment Program**

Jawun is a not-for-profit organisation managing secondments from corporate and government partners to Jawun Indigenous partner organisations. During 2017–18, through the Australian Public Service Commission, one of our Parliamentary Executive Level 1 employees participated in the 2018 Jawun Indigenous Community APS Secondment Program. The secondment involved a six-week placement in the Goulburn-Murray region of Victoria with the objectives to increase both the employee's and the PBO's cultural awareness and broader awareness of Indigenous matters, and provide positive outcomes for the Indigenous communities.

Our participation in the program contributes to the commitment to establish respectful, sustainable and enduring partnerships between the parliamentary departments and Aboriginal and Torres Strait Islander people under the RAP.

## **Other information**

### **Information publication scheme**

The Parliamentary Budget Officer and the Parliamentary Budget Office are defined as exempt agencies in subsection 7(1) and Division 1 of Part I of Schedule 2 of the *Freedom of Information Act 1982*.

Section 45A of the Freedom of Information Act also protects the confidentiality of documents related to PBO requests that may be held by other agencies.

## **Disability reporting mechanism**

Since 1994, non-corporate Commonwealth entities have reported on their performance as policy adviser, purchaser, employer, regulator and provider under the Commonwealth Disability Strategy. In 2007–08, reporting on the employer role was transferred to the Australian Public Service Commission’s State of the Service reports and the APS Statistical Bulletin. These reports are available on the Commission’s website at [www.apsc.gov.au](http://www.apsc.gov.au). From 2010–11, entities have no longer been required to report on these functions.

The Commonwealth Disability Strategy has been overtaken by the National Disability Strategy 2010–2020, which sets out a 10-year national policy framework to improve the lives of people with disability, promote participation and create a more inclusive society. A high-level, two-yearly report will track progress against each of the six outcome areas of the strategy and present a picture of how people with disability are faring. Further information is available on the Department of Social Services’ website at [www.dss.gov.au](http://www.dss.gov.au).

## **Ecologically sustainable development and environmental performance**

As the PBO is located in Parliament House, all facilities and environmental management activities are undertaken by DPS and included in its annual report.