



Australian Government
Independent Parliamentary
Expenses Authority

Thank you very much, Chair and Committee Members.

An opening statement for the first Estimates of the calendar year has become an IPEA tradition. I thank you, once again, for the opportunity to reflect on some of the significant matters with which IPEA engaged in 2023 and identify emerging matters.

Parliamentary Expenses Management System (PEMS)

IPEA has welcomed the Report by the Australian National Audit Office (ANAO) into the Department of Finance's governance and delivery of PEMS. IPEA appreciates the acknowledgement of our efforts, over an extended period, to encourage a workable system focussed on business outcomes for parliamentarians and staff.

PEMS has been a particular focus for IPEA for the past 6 years, however there are four important and continuing PEMS related legacies. In summary these are:

- 1. Release of the Expenditure Reporting module and resumption of public reporting.**
Public Expenditure Reporting was re-introduced in December 2023 and IPEA expects the rolling schedule of reporting to be completed around mid-year. IPEA appreciates the cooperation and engagement of parliamentarians in reviewing and certifying expense reports.
- 2. Fix functional and user requirements to realise efficiencies and add value.**
The ANAO reported 348 items remained outstanding as of August 2023. In IPEA's view, the next 12-18 months are a critical window for completion and the Service Delivery Office in the Department of Finance requires significant additional funding, to the \$4million allocated in 2022-23, if efficiencies and value add from PEMS are to be realised. IPEA continues to seek assurances from Finance that this work, including targeted funding, continues to be a priority.
- 3. Early 'harvesting' of unrealised benefits from IPEA.**
In 2020, before project delivery, IPEA's budget was permanently reduced. This reduction was based on the 2017 scope and functionality assessment of anticipated operational efficiencies. In 2021 IPEA sought funding restoration to continue to deliver functions and provide service delivery support for parliamentarians and their staff. This funding restoration was provided to IPEA for 2021-22 and 2022-2023. The funding, however, has not been restored for 2023-24 or future years. This long-term financial uncertainty undermines the effectiveness of our planning and without restoration of staffing and associated funding, there will be impacts to service delivery capability and service level standards.

4. **Misattribution to IPEA of dissatisfaction with the PEMS experience.**

Like parliamentarians and staff, IPEA is a client of PEMS, not the System Owner. IPEA's published 2022 Client Satisfaction Survey results, became an avenue to express high levels of dissatisfaction with PEMS. I am pleased to note early indications show a recovery in 2023 client satisfaction with the services IPEA provides. Whilst there is a shift to more positive engagement, there were examples of less than respectful behaviour. IPEA seeks the ongoing commitment and support from parliamentarians and staff for courteous and respectful engagement with IPEA.

Assurance trends and risk areas of interest

IPEA has noticed a general trend of increased public interest and scrutiny relating to Parliamentarian use of expenses. Last year, IPEA continued its ongoing assurance activities and commenced a significant transparency initiative by publishing all Assurance Reviews.

Consistent with IPEA's approach to Statutory Audit escalation¹, an Assurance Review is initiated to assess the use of a parliamentary business resource against the legislative framework to determine if there has been misuse of that resource. Assurance Reviews may or may not result in further action and are in addition to formal Audits. The publication of these Reviews has been welcomed by many parliamentarians who are keen to both learn from the experience of others and, for their constituents to know their expenses have been independently scrutinised.

In 2023 IPEA also identified irregular use of travel expenses by some parliamentarians' staff and these are raised directly with parliamentarians as individual assurance activities are undertaken. As parliamentarians and staff have different obligations, the appropriate use of staff travel expenses are also highlighted in IPEA Education sessions.

Consistent with previous years, IPEA is informing parliamentarians of its assurance priorities.

During 2024, IPEA will continue its ongoing Assurance focus on travel-related use of parliamentary expenses, such as the staff use of business class travel and unscheduled ground transport. In 2024, IPEA will also formally undertake Audits on aspects of travel and other work expenses by parliamentarians on a 'collective' rather than 'individual' basis.

These Audit areas include:

- the use of Family Travel by Parliamentarians 2021-22 and 2022-23, and
- Parliamentarians' use of "Donate" buttons on Commonwealth-funded websites and Facebook pages.
- Thank you chair, I am available for questions.

Annwyn Godwin
12 February 2024²

¹ Statutory Audit Function is available at: [fact sheet-stat-audit-function May 2023.pdf \(ipea.gov.au\)](https://www.ipea.gov.au/fact-sheet-stat-audit-function-May-2023.pdf)

² Due to timing constraints, IPEA was asked to table this Statement at Senate Estimates,