

PARLIAMENTARY INQUIRY QUESTION ON NOTICE

Department of Health and Aged Care

Joint Committee of Public Accounts and Audit

24 April 2024

PDR Number: IQ24-000039

Lessons learned in relation to communication within entities on significant legal matters

Spoken

Hansard page number: 4

Senator: Linda Reynolds

Question:

Ms Mellor: In addition to the testimony by the department of health then, in our end-of-year report, which is forming the basis of this inquiry, we actually identified four new significant findings during the last audit season in relation to failures in governance supporting the preparation of the financial statements, based on the absence, if you like, of communication within entities on significant legal matters. CFOs weren't necessarily being told what legal areas were doing, so they weren't in a position to prepare the statements with a range of legal advice in mind. For some entities, like Health—and discussions later today with the Department of Social Services—there's the sort of factor that you point to, Deputy Chair, around the role of Services Australia in that. In addition to the more robust governance over this that Mr Wann and others have pointed to, it was an emergent theme in our findings across agencies, including Health, Education, Social Services and Services Australia. So it's good to hear that the department is onto the recommendations that we made, and during this audit season we'll check how that's going.

Senator REYNOLDS: Thanks very much. That was one of the themes that we picked up—that this is not just a Health issue. That then leads me to this question, and it's possibly one to take on notice for the secretary. Given that, for example, with Services Australia, there are many other departments who will also use them to make payments, are there some lessons learnt that you are implementing? Are they being shared with the other secretaries, to have those as learnings for other agencies?

Mr Wann: Senator, is that a question directed to us in Health?

Senator REYNOLDS: It is, as to whether you are aware of anything, Mr Wann, or if that's something perhaps for the secretary—

CHAIR: Maybe just take that on notice, in terms of any of the interagency question—because, as you acknowledge, this is an issue rolling out across government—and any other advice, if that's what the deputy chair wants, about how the agencies are learning from each other as they address some of these systemic issues, between the finance and legal areas, but also the constitutionality and legal questions that other agencies would be grappling with as well.

Answer:

The Department of Health and Aged Care, the Department of Education, and the Department of Social Services all received similar significant audit findings reported in the Auditor-General Report No.9 of 2023-24: *Audits of the Financial Statements of Australian Government Entities for the Period Ended 30 June 2023*.

The Chief Financial Officers (CFOs) of the Department of Health and Aged Care, the Department of Education, and the Department of Social Services have met quarterly to share agencies' approach to addressing the audit recommendations, improving the engagement model with Services Australia, and to share lessons learned.

In addition, the Australian National Audit Office (ANAO) shares key learnings from financial statements audits at the Financial Stewardship forum - a regular meeting of CFOs and other key finance officers of Australian Government entities. Senior ANAO officials attend these meetings to engage with finance officers on observations, trends and areas of focus resulting from their audit work across the Australian Government. Additionally, the ANAO shares observations with the Portfolio CFO Forum, facilitated by the Department of Finance.

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24 April 2024

PDR Number: IQ24-000041

The department's use of artificial intelligence and its implications

Spoken

Senator: Linda Reynolds

Question:

Senator REYNOLDS: And you could probably wrap it up in one of our other questions. The last one is on artificial intelligence. Is the department looking to how it might use artificial intelligence—generative AI—and some of the issues that go around that, or is it more of a case of 'hasten with caution'?

Answer:

The Department of Health and Aged Care is actively examining how technologies such as generative artificial intelligence (AI) can improve departmental administrative process and health outcomes of Australians. AI must be used in a safe and responsible way.

The department is being guided by the Digital Transformation Agency (DTA) and the Department of Industry, Science and Resources (DISR) who are leading the development of policy and AI guidance for Commonwealth agencies. The AI in Government Taskforce aims to foster whole-of-government alignment and help the APS to engage with and deploy AI in a way that is safe, ethical, and responsible.

As a part of DTA's AI in Government Taskforce Copilot trial, the department is trialling Microsoft 365 Copilot, an AI-powered real-time intelligent assistant that works alongside M365 apps used every day such as, Word, PowerPoint, Excel to generate and summarise content, create presentations, and predict data, to explore how it can enhance productivity and support work tasks.