

Joint Committee of Public Accounts and Audit

Inquiry into probity and ethics in the Australian Public Sector

Department of Finance

Response to Question on Notice

Hearing of 20 November 2023

Question on Notice 1 (Proof Hansard page 9)

Subject: Examples where specific advice provided by the Department of Finance relating to Finance Law has not been followed and where Finance has sought to escalate this

CHAIR: Can you give us any examples of where that's happened and you've sought to escalate it? You just described a hypothetical.

Mr Williamson: I'll take it on notice, because I can't give you that right now. There are plenty of escalations that occur.

Response

The reporting of significant non-compliance with finance law has been in place since 2016. The process was introduced in consultation with the Australian National Audit Office and the Joint Committee of Public Accounts and Audit.

Section 19 of the *Public Governance, Performance and Accountability Act 2013* requires instances of significant non-compliance with finance law to be reported to the responsible minister. The Finance Minister also requires that those significant matters be reported to the Finance Minister.

The process for reporting significant non-compliance with finance law is outlined in Resource Management Guide 214. The process involves notifying the Finance Minister of the details of the non-compliance, including providing detail of any remedial action taken. It also allows the Finance Minister to seek additional information or follow-up action where appropriate.

While most notifications to the Finance Minister explain the remedial action taken, where further details are required, Department of Finance officials will seek that information from officials of the relevant entity. In 2022–23, Finance had follow-up discussions with two entities after their reporting of instances of significant non-compliance with finance law.