

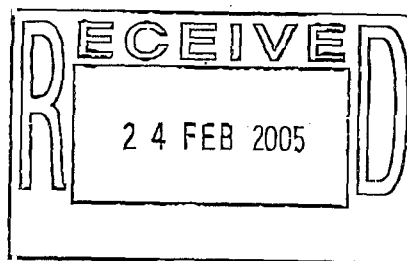


SENATOR THE HON NICK MINCHIN

Minister for Finance and Administration
Deputy Leader of the Government in the Senate

Mr Bob Baldwin MP
Chair
Joint Committee of Public Accounts and Audit
Parliament House
CANBERRA ACT 2600

22 FEB 2005



Dear Bob,

Please find attached a copy of my department's response to Report 402 of the Joint Committee of Public Accounts and Audit, entitled *Review of Auditor-General's Reports, 2003-2004, First and Second Quarters*.

Recommendation 7 of Report 402 recommended that my department 'raise the level of agency accountability for their Special Accounts by developing appropriate Special Account management standards to complement the *Finance Guidelines for the Management of Special Accounts*.' In the attached Executive Minute, my department has supported the recommendation. My department will develop these standards and require agencies to certify annually that they have complied with these standards.

Should your Committee have any questions regarding the response, please contact Michael Culhane on (02) 6215 2148.

Yours sincerely

Nick Minchin



Australian Government
Department of Finance and Administration

EXECUTIVE MINUTE

on

**JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT
REPORT No 402**

Review of Auditor-General's Reports 2003-2004: First and Second Quarters

Response to the recommendation

Recommendation No 7 paragraph 7.76

The Department of Finance and Administration raise the level of agency accountability for their Special Accounts by developing appropriate Special Account management standards to complement the Finance Guidelines for the Management of Special Accounts.

For each Special Account they administer, agencies be required to report annually to the Department of Finance and Administration that they have complied with these standards.

The Department of Finance and Administration (the Department) supports the recommendation.

The Department will develop a list of Special Account management standards and seek annual certification of those standards by agencies. The checklist of management standards will be distributed to agencies operating Special Accounts. Agencies will then be asked to complete and certify the checklist after the end of the 2004-05 financial year, and following the end of each subsequent year.

The Department will also continue to provide regular reports to agencies, specifying the Special Accounts in operation and reminding entities of the need to comply with the relevant legislation and guidelines.

While it remains the responsibility of agencies to properly administer their Special Accounts, it is expected that this measure will contribute to increased compliance with the legislative requirements.

Signed by
Secretary of the Department of Finance and Administration