



**Australian Government**

**Department of Finance**

**EXECUTIVE MINUTE**

on

**JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT**

**REPORT 439**

***Review of Auditor-General's Reports Nos. 11 to 31 (2012–13)***

**General comments**

The *Public Governance, Performance and Accountability Act 2013* (PGPA Act) will commence from 1 July 2014. The PGPA Act supports the establishment of a performance framework across all Commonwealth entities. The framework will be developed during 2014, for implementation by entities from 1 July 2015. The framework will include a range of new policies, guidance materials and templates, and the Department of Finance (Finance) will assist agencies in their implementation and ongoing review and development.

**Response to the recommendation(s)**

**Recommendation No. 1**

**The Joint Committee of Public Accounts and Audit recommends that the Department of Finance and Deregulation, in consultation with the Australian National Audit Office, prioritise the review and update of the performance measurement and reporting framework. A goal should be to have clear policy and guidance in place for the 2014–15 financial year that can be used by agencies to produce auditable Key Performance Indicators, irrespective of the passage of the Public Governance, Performance and Accountability Bill 2013.**

**Supported**

Finance recognises the need to review and update the Commonwealth's performance measurement and reporting framework. Given the complexity of work associated with the review and development of a new Commonwealth performance framework, Finance was not able to achieve this goal for the 2014-15 financial year. The new Performance Framework will be in place for the 2015- 16 financial year.

During 2013, the Department of Finance prioritised work associated with developing the PGPA Act and preparing guidance materials for the elements of the Act that would commence on 1 July 2014. Finance also undertook, during this period, research and

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developmental work to prepare for the development of the new performance framework including gathering information about the deficiencies in the current system and better practice in Australian jurisdictions and overseas.

A key part of Finance's work programme in 2014 is to develop the new Commonwealth performance framework. The framework and rules will be developed in consultation with the Australian National Audit Office and other stakeholders involved in the development of the PGPA Act.

### **Recommendation No. 2**

**The Joint Committee of Public Accounts and Audit recommends that:**

- **the Government reinforce the requirements for agencies to incorporate specific performance monitoring, reporting and evaluation activities into the design and costing of their programs;**
- **agencies be appropriately funded to carry out these activities; and**
- **monitoring be used to provide assurance that these activities are implemented.**

### **Supported with qualifications**

The new Commonwealth performance framework will incorporate a range of specific activities to support the establishment of a coherent performance measurement plan as part of the design of new Commonwealth programmes. While the activities will need to be applied flexibly to accord with the specific nature and goals of the programme, the requirement for performance measurement and monitoring will be mandatory. This will include activities to assist with monitoring the implementation of the programme, and incorporating the learnings from the monitoring activities into the ongoing refinement of the programme design and delivery.

The resourcing impact on Commonwealth entities will be assessed as part of the implementation of the new performance framework.

Signed by



David Tune  
Secretary  
Department of Finance

9 April 2014