



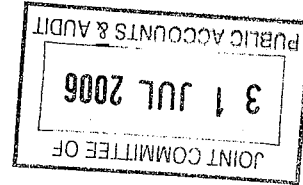
Australian Government

Department of the Environment and Heritage

Office of the Secretary

Submission No: 7

Mr Russell Chafer
Secretary
Joint Committee of Public Accounts and Audit
Parliament House
CANBERRA ACT 2600



Dear Mr Chafer

I refer to your letter of 4 July 2006 requesting responses to a number of questions on notice regarding Audit Report No. 21 2005-06.

The answers to the questions on notice are as follows:

Please provide an update on the Department's progress towards resolving the 11 Category B audit findings identified in the 2004-05 financial statements audit (pp.144-146).

Substantial progress has been made towards addressing all findings and we are hopeful, subject to the final auditing by the ANAO, of achieving close to a 'clean sheet' for the 2005-06 financial statements process. This progress included the preparation of a detailed project plan, investment in greater resources, development of systems, recruitment of appropriately qualified staff and an ongoing strategy to achieve better coordination and oversight across all areas of the Department.

How many staff do you have involved with the preparation of financial statements?

The preparation of the financial statement document involved 3 staff, supported by another 7 staff who together predominantly carry out the accounting functions throughout the year.

Is there a project leader for the financial statements preparation? What are his/her qualifications and experience?

The Chief Finance Officer takes responsibility and direct leadership for the preparation of the financial statements. He is CPA qualified with 19 years practical experience in the accounting profession. He is also currently studying his last subject required to attain his Masters of Business Administration, majoring in Public Sector Administration.

The Chief Finance Officer has also recruited a highly professional and appropriately qualified accounting team over the past 12 months, in an extremely tight market for these skills.



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In regard to the legislative breach I would like to point out that the breach reported by the ANAO was erroneous. It has since been confirmed that no bank account was in overdraft for the length of time required to invoke a legal breach. ANAO has removed this issue from subsequent reports.

Our contact officer for any queries is Mr David Anderson, First Assistant Secretary, Corporate Strategies Division, who may be contacted on 6274 1555.

Yours sincerely



David Borthwick
Secretary

27 July 2006