



Australian Government

Department of Foreign Affairs and Trade

EXECUTIVE MINUTE

on

JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT
REPORT No. 431

Review of Auditor-General's Reports Nos. 24 to 32 (2011-12)

Response to the recommendation(s)

Recommendation No. 1

That DFAT, along with other audited agencies, report to the Committee on their approach to evaluation of the use and effectiveness of panels, including timelines for procurement panel evaluations.

The Department's Procurement Policy now requires areas managing panels to review the efficiency and effectiveness of panel arrangements 6 months prior to the end of the contract period. The review forms the basis for the decision to extend a panel arrangement (where applicable) or to approach the market. All staff have been advised of the Department's policy relating to the establishment and use of panels.

As a further control, the Department's program to update its financial system (SAP Upgrade Program) includes functionality to install a linked reminder to panel managers that an evaluation review is due.

Recommendation No. 2

That DFAT report to the Committee no later than 23 February 2013 on the specific role its Central Procurement Unit plays in procurement across the agency, and how the Central Procurement Unit is interacting with departmental officers who engage in procurement to improve compliance and procurement outcomes.

Under the de-centralised procurement model in operation in the Department, line areas are responsible for undertaking and managing their respective procurements. The central procurement unit is responsible for establishing, maintaining, promulgating and monitoring DFAT's procurement policy framework and managing approaches to market and mandatory reporting through AusTender. Through close engagement with the Department of Finance and Deregulation (DoFD), the central procurement unit ensures that DFAT's policy framework is current, and reflects government policy and best practice. It also is available to provide expert advice to procurement managers in developing and conducting their tenders.

To ensure procurement policy and best practice is well understood and being applied by line areas, the central procurement unit has recently increased its interaction with procurement managers through a revitalised departmental procurement network forum. It has also been working closely with the Department's financial training unit to develop an e-learning procurement training tool and is engaging with DoFD and the Department's internal audit unit to deliver more targeted, risk-based formal training packages for delegates, procurement and contract managers and administrators. It has made sure that all staff in the unit are well trained and up-to-date with the Commonwealth Procurement Rules and best practices.

A number of templates and checklists, developed with reference to DoFD advice, have been promulgated by the unit to assist procurement managers' compliance with policy requirements and best practice.