

23 JUN 2003



**SENATOR THE HON NICK MINCHIN**  
Minister for Finance and Administration

20 JUN 2003

Mr Bob Charles MP  
Chairman  
Joint Committee of Public Accounts and Audit  
Parliament House  
CANBERRA ACT 2600

Dear Bob,

Thank you for your letter dated 4 March 2003 regarding the two recommendations relating to the Department of Finance and Administration made by the Joint Committee of Public Accounts and Audit (the Committee) in its Report No. 393.

My Department has considered the recommendations made by the Committee in relation to the Australian National Audit Office's Audit Report No. 63 of 2001-2002, *Management of the DASFLEET Tied Contract*, and has taken the following measures:

*The Committee recommends that the Department of Finance and Administration improve its records management practices with regard to dispute resolution activities.*

The disputes between the Commonwealth and Macquarie Fleet relating to the DASFLEET transaction were settled in July 2001. Since that time the Department has updated its policy advice on records management practices. The Chief Executive Instruction (CEI) 5.9 *Records Management* and its associated operational guidelines set out Departmental policies relating to the management of records and information. The CEI applies to all Departmental business transactions and activities.

A communications strategy, designed to advise all staff of their obligations in relation to identifying, creating and retaining official records has been implemented across the Department.

An in-house legal function, to be established in 2003-04, will review all processes related to engaging legal advisers and will develop specific protocols, if appropriate, for managing records associated with dispute resolution activities.


*The Committee recommends that in future the Department of Finance and Administration's requests for legal opinions are written requests.*

The Department's advice to staff, published as Guidance for Engaging Legal Advisers, 10 October 2002, states that 'To ensure complete understanding of both parties it is advisable to send the request and outcomes of any previous discussions in writing (electronically is acceptable)...'.

Finance will be establishing an in-house legal function in 2003-04 which will act as an 'informed purchaser' of legal services, and will assist in ensuring Finance's requests for legal advice are made appropriately.

I trust the above actions have addressed the Committee's recommendations to its satisfaction.

Yours sincerely



**Nick Minchin**