

**Senate Economics Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Supplementary Budget Estimates, 2 November to 3 November 2005

**Question: SBT 73**

**Topic: AOFM – Senate Order**

**Hansard Page: Written**

Senator Murray asked:

1. What guidance is provided to staff with responsibilities for contract negotiations specifically about the requirements of the Senate Order? If relevant guidance is not provided, please explain why this is the case.
2. Has the department/agency revised its procurement guidelines to incorporate the new Commonwealth Procurement Guidelines that took effect from 1 January 2005, particularly with respect to the confidentiality elements contained in those guidelines? If so, when did this occur and can a copy be provided? If not, what is the cause of the delay and when will the revision occur?
3. ANAO audits for the last three years have revealed a consistently low level of compliance across most agencies with DOFA confidentiality criteria (February 2003) for determining whether commercial information should be protected as confidential. The ANAO's latest report on the Order (No.11 2005-2006, September 2005) states that departments and agencies need to give higher priority with this important requirement of the Senate Order.
  - What specific measures have been or will be taken to address this problem, give it higher priority and raise compliance levels?
  - What guidance and training are provided to staff about the confidentiality criteria and the four tests employed to determine whether information should be protected?

What internal auditing or checking is performed to test compliance in this area? If none is performed, why not and is the agency considering the adoption of internal controls and checks?

4. What problems, if any, has the agency and/or relevant staff experienced in complying with the Senate Order? What is the nature and cause of any problems? What measures have been, or could be, adopted to address these concerns?

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Answer:

1. All staff involved in contract negotiations are briefed on the requirements of the Senate Order and the requirements are built-in to our template contracts.
2. The AOFM does not depart from the Commonwealth Procurement Guidelines and uses them as a primary source for guiding procurement. Separate documentation is only maintained with respect to processing through internal systems.
3.
  - Specific clauses addressing this issue are in all template contracts. Departures from the template must be approved by the CEO.
  - Procurement advice is provided by trained experts from Treasury.

Due to the low level of contracting in the AOFM, this has not been a priority area of risk to be addressed by internal audit. Contract management is scheduled for review by internal audit in 2006-2007.

4. No significant problems have been encountered in complying with the Senate Order.