

## EDUCATION, SCIENCE AND TRAINING

### SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2005-2006 SUPPLEMENTARY ESTIMATES HEARING

**Outcome:** All

**Output Group:** All

#### DEST Question No. E788\_06 – E792\_06

Senator Murray provided in writing.

#### Question:

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. What training and awareness sessions are provided, either in-house or through other training providers (eg. DOFA, APS Commission or private firms) in respect of the order? Please provide a list of the dates, the identity of the training providers and the content of the training that staff attended in 2005. If training and awareness sessions are not provided, please explain why this is the case.
3. 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?
4. 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.
  - a) What specific measures have been or will be taken to address this problem, give it higher priority and raise compliance levels?
  - b) What guidance and training are provided to staff about the confidentiality criteria and the four tests employed to determine whether information should be protected?
  - c) 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?
5. 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?

#### Answer:

##### *Question 1*

The Department introduced a new online procurement management system [BUYiT] on 1 March 2004 which has significantly enhanced its reporting capability and accuracy. The use of this system is mandatory. BUYiT incorporates the Department's procurement business rules and provides procurement related guidance to staff including an explanation of the requirements of the Senate Order.

BUYiT captures the data required to meet the Department's reporting obligations and also has a specific report for the Senate Order. BUYiT also houses the Department's tender and contract templates which incorporate provisions relating to the Standing Order.

BUYiT also directs staff through decision filters [including confidential information] which mandate which tender and contract document templates are selected by the system and refers staff to the Department's legal area for guidance on a range of procurement issues, including those related to the Senate Order.

#### *Question 2*

As indicated in response to Question 1, DEST provides ongoing in-house procurement/BUYiT training. The latest relevant training occurred in July, August and September 2005 throughout the Department with a focus on delegate responsibilities, reporting obligations and quality assurance issues, including obligations under the Senate Standing Order for contract reporting. Specifically, training was held on the following dates:

##### *Delegate Training*

25<sup>th</sup> July 2005

28<sup>th</sup> July 2005

29<sup>th</sup> July 2005

1<sup>st</sup> August 2005

3<sup>rd</sup> August 2005

5<sup>th</sup> August 2005

8<sup>th</sup> August 2005

11<sup>th</sup> August 2005

15<sup>th</sup> August 2005

##### *BUYiT User Training*

9<sup>th</sup> September 2005

12<sup>th</sup> September 2005

16<sup>th</sup> September 2005

#### *Question 3*

The Department has incorporated the requirements of the 1 January 2005 Commonwealth Procurement Guidelines (CPGs) in its procurement manual and the BUYiT decision workflow and tender/contract templates. Redevelopment work on the system and guidelines commenced in August 2004, however the implementation could not be completed until the new CPGs were released on 1 January 2005 and the new requirements went 'live' in the system on 1 February 2005

#### *Question 4*

- a) The implementation of BUYiT on 1 March 2004 has significantly enhanced the Department's reporting capability and accuracy. Further, the mandatory and enforceable use of the system ensures the correct procurement processes are undertaken and that issues related to the Senate Order are appropriately considered. The targeted training referred to in response to Question 2 above was in part implemented to focus on DEST's reporting obligations under the Senate Standing Order.
- b) Due to the complex nature of the four tests, BUYiT refers staff to the Department's legal area for expert assistance in relation to the confidentiality requirements.

- c) The mandatory and enforceable use of the BUYiT system ensures that correct procurement processes are undertaken and that all relevant issues are considered. To further improve reporting accuracy, all active contracts in DEST's legacy procurement system [PROMISe] are being migrated to BUYiT. In September this year the department also introduced new centralised control and data integrity quality assurance procedures for reporting within its Procurement, Assurance and Legal Group. The new procedures include reconciling the Senate Order listing with Austender.

*Question 5*

DEST has largely complied with the requirements of the Senate Order, however, on occasion reporting issues have occurred, but they were predominantly related to the Department's legacy procurement system [PROMISe]. As the usage of the legacy system wasn't enforceable, maintaining data integrity was a challenge. However, the combination of usage of the legacy system diminishing over time and the steps outlined in response to Question 4 c) above are expected to enhance the accuracy and timeliness of future reporting.