

**Senate Standing Committee on Education Employment and Workplace
Relations**

**QUESTIONS ON NOTICE
Supplementary Budget Estimates 2012-2013**

Outcome 2 – Schools and Youth

DEEWR Question No. EW0703_13

Senator Mason asked on 18 October 2012 , Hansard page 27

Question

National partnerships program

Senator MASON: The Auditor-General also found that FMA Regulations—that is the Financial Management and Accountability Regulations—Nos 9 and 12 were not complied with, as no explicit records were made of the approval of spending proposals. Why were those requirements not adhered to? He says that on page 25. Why is that? Mr Hehir: I think that is something that we have been looking at in terms of how we improve processes and ensure that we follow accountability requirements there. I do not have the detail about why it did not occur in the past, but I think the report also noted that we made improvements to the management of the national partnership over the time of the national partnership. Certainly that is my understanding. Senator MASON: Ms Paul, do you have anything to add? Ms Paul: I do not know the answer. We will have to take it on notice. I do not know it. I am sorry. I do not have the audit in front of me. Senator MASON: That is extraordinary. It is so much money. We are talking nearly half a billion dollars. Ms Paul: I would not at all think that that issue covered all of that money. Senator MASON: But how much does it cover? Ms Paul: I do not know, and I will take that on notice. It is just that you were drawing an implication that it might have covered the whole lot, and I would be surprised. But let us take it on notice. I do not think it would take long to work out.

Answer

National Partnerships Program

The ANAO made a specific and technical finding that “*there were no explicit records made of the approval of spending proposals for the facilitation payments as required by FMA Regulations 9 and 12*” [Clause 3.10, page 63]. The ANAO also identified that “*Nonetheless, payments made under the LNNP were soundly based*” [Clause 26 of Summary Page 25].

The ANAO advised that the spending proposals for the Literacy and Numeracy National Partnership (LNNP) facilitation payments should have provided explicit advice regarding the financial delegation the Minister was exercising and the relevant judgments that needed to be applied in considering the expenditure approval in line with the *Financial Management and Accountability Act 1997* (FMA Act) Regulations 9 and 12 respectively. This finding was based on the instructions provided in the Federal Financial Relations circular 2011/01, released on 19 January 2011 [footnote 94, page 63].

The final LNNP facilitation payment, out of a total of \$150 million, was made in June 2010 prior to the release of this circular.

The first reward payment of the LNNP, made in June 2011, overlooked the requirement to incorporate the instructions of the circular. This payment was for approximately \$138 million.

In response to the ANAO findings, DEEWR has amended the payment briefing template for all Smarter Schools National Partnership payments. This amended template was used for the final reward payment of the LNNP in June 2012. This payment was for approximately \$147 million.