

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Finance and Administration Portfolio

Department of Finance and Administration

Estimates Hearings 14-18 February 2005

Question: F5

Outcome: 1, Output: 1.2.1

Topic: Compliance with Government finance policy.

Hansard Page: F&PA 25

Senator Murray asked:

But you can see the point, can't you? A parliamentary committee is not competent to decide whether there is a case to answer when it comes to a civil or criminal matter and neither is the department. We have no-one to turn to. I guess what I want you to give some thought to is advising this committee—which I doubt you can do, given the nature of your answers so far—about what process, what means there is for referral of these matters or matters like these to decide whether there is a case to answer to be done and assessed. I cannot think of any authority or body. The DPP needs a file. He cannot do it out of his own motion.

Answer:

Robust and transparent accountability arrangements are an essential aspect of the financial management framework. There are clear statutory responsibilities and accountabilities for dealing with breaches of the *Financial Management and Accountability Act 1997* (FMA Act) and for dealing with matters of concern raised in audit reports. These are set out in the *Public Service Act 1999* (PS Act), the FMA Act and the *Financial Management and Accountability Orders 1997*.

Under the PS Act, the Agency Head, under the Agency Minister, is responsible for the management of an APS agency, including the conduct of APS employees in the agency. Under the FMA Act, an agency Chief Executive has statutory accountability and responsibility for financial management. These responsibilities are buttressed by statutory requirements for audit committees and the preparation of a fraud control plan.

The Chief Executive (or Agency Head) and/or the Agency Minister is responsible for considering the appropriate course of action in response to apparent breaches of the FMA Act, adverse matters raised in audit reports or failures to comply with Government policy. This can include disciplinary action or consideration about whether there is a civil or criminal case to answer.

Where a parliamentary committee or parliamentarian has concerns about these matters, those concerns should be taken up with the Chief Executive (or Agency Head) and/or the Agency Minister.