

# **Standing Committee on Finance and Public Administration**

## **ANSWER TO QUESTION ON NOTICE**

### **Finance and Administration Portfolio**

### **Department of Finance and Administration**

Additional Budget Estimates Hearing – February 2007

#### **Question: F84**

#### **Outcome 1, Output 1.2.1**

#### **Topic: Implementation of the revised Commonwealth Procurement Guidelines**

#### **Written Question on Notice**

#### **Senator Ludwig asked:**

With reference to the ANAO's Audit Report No. 21 for 2006-07 into the 'Implementation of the revised Commonwealth Procurement Guidelines':

1. Paragraph 4.12 indicates that for contracts published in 2005, only "71 per cent were published within the required 6 weeks of contract signing" and that for audited entities, the percentage of contracts published on time varied from 8 per cent to 98 per cent". For contracts published in 2006 could the department provide the following information broken down by APS Agency / Department:
  - a. The percentage of contracts published outside of the required six weeks of contract signing.
  - b. The percentage of contracts (in \$ terms) of contracts published outside the required period.
  - c. The average number of days between contract signing and publishing on AusTender.
  - d. The longest number of days between contract signing and publishing on AusTender for any contract.
2. Has the department done any analysis on the completeness, accuracy and timeliness of contract reporting since the commencement of the revised Guidelines?
  - a. If so, could the department provide a copy of that analysis?
  - b. If not, why not?
3. For all contracts published (starting from 24 months before the commencement of the revised Guidelines) could the department compile the following times series of data on a monthly basis:
  - a. The percentage of contracts published outside of six weeks of contract signing.
  - b. The percentage of contracts published outside of six weeks of contract signing for the preceding 12 months. I.e. a 12-month rolling average of (a).
  - c. The average number of days between contract signing and publishing on AusTender.
  - d. The average number of days between contract signing and publishing on AusTender for the preceding 12 months. I.e. a 12-month rolling average of (b).
4. Could the department provide a chart of each time series described under part (3), with a mark on each chart indicating the date that the revised Guidelines commenced?

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#### **Answer:**

#### **Question 1 (all parts):**

AusTender is the Australian Government's procurement contract reporting system and is managed by the Department of Finance and Administration (Finance). AusTender requires agencies to record, among other things, the start date of all contracts valued above \$10,000. The date of contract signing is not held by AusTender.

The start date for reporting on AusTender is the start date identified in the contract, agreement or deed of standing offer. If there is no start date identified in the contract, the date the contract is signed is reported. If there is no written contract, the date of the first provision of products or services under the contract is reported.

The analysis required to respond to the question using the start date as the reference point, rather than the date of contract signing, has not been undertaken by Finance, and to do so would require a substantial resource allocation.

#### **Question 2 (all parts):**

Finance does not monitor or analyse the contracts reported data provided by agencies. Accountability for the accuracy, completeness and timeliness of data is the responsibility of the Chief Executive of each agency under the *Financial Management and Accountability Act 1997*. Agencies have a range of options to monitor whether procurement reporting requirements are met, including, for example, through agency-specific instructions, internal audit and audits undertaken by the Australian National Audit Office.

#### **Question 3 and 4:**

Please refer to the response to question 1.

Further, the report of the Australian National Audit Office, *Reporting of Expenditure on Consultants (Audit Report No.27 2005-2006)*, contains a detailed analysis of *Financial Management and Accountability Act 1997* agencies' contract data reported on AusTender. This analysis relates to the information requested in this question.

The analysis required to respond to the question using the start date as the reference point, rather than the date of contract signing, has not been undertaken by Finance, and to do so would require a substantial resource allocation.