

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
ADDITIONAL BUDGET ESTIMATES 2011-2012

Finance and Deregulation Portfolio

Department/Agency: Department of Finance and Deregulation

Outcome/Program: General

Topic: Rules governing procurements

Senator: Cormann

Question reference number: F12

Type of question: Hansard F&PA Committee, pages 67 - 68, 14 February 2012

Date set by the committee for the return of answer: Friday, 30 March 2012

Number of pages: 2

Question:

Senator Cormann: There is an audit by TPWC which was released on freedom of information which showed that 70 per cent of finance department purchases audited from July 2009 to March 2010 breached your own guidelines. I am trying to understand how given that as a department you are supposed to be leaders in proper best practice when it comes to procurement processes, you can be failing to meet your own requirements in 70 per cent of circumstances?

Mr Burton: In terms of the 70 per cent, not all of that was breaches of the Commonwealth procurement guidelines. A lot of that was breaches of our own internal rules in relation to—

...

Senator Wong: I am the minister and he is the secretary, so I am asking if you could put the questions. We will take them on notice and provide you with a fuller answer.

Senator Cormann: Do you recall, Minister, that as a result of finding that 70 percent of procurements breached—

Senator Wong: This is precisely why I will take these questions on notice.

...

Senator Cormann: That is good. (a) Could you provide on notice whatever follow-up audit was done. Given that the sample was what it was, what follow-up audit was done looking at a broader sample or across the board? (b) What costs were associated with these breaches, if any?

Answer:

a) The next annual Procurement Process Review audit was finalised in August 2011.

In January, Finance implemented internally a new simpler way of procuring things, which it calls Procure|Assist. It includes an intranet based portal which provides online guidance, templates, checklists and tools in a well presented manner to assist staff in complying with internal guidance and the Commonwealth Procurement Guidelines/ Rules.

Finance has also adopted the whole-of-government Basic Contract Documentation Suite to assist all agencies procure low-risk, low-value contracts up to \$80,000. This will both improve compliance across government agencies and reduce the costs associated with low-risk, low-value contracts.

b) No costs associated with the breaches were identified in the 2009-10 audit.