

**Order for Departmental and Agency Contracts  
2005-06 Supplementary Hearings  
ANSWERS TO QUESTIONS ON NOTICE  
Prime Minister and Cabinet Portfolio  
National Water Commission  
(Question No. PM58)**

**Senator Murray** asked in writing:

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.
  - What specific measures have been or will be taken to address this problem, give it higher priority and raise compliance levels?
  - What guidance and training are provided to staff about the confidentiality criteria and the four tests employed to determine whether information should be protected?
  - 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?

**Response:**

1. Guidance from the Australian National Audit Office and the Department of Finance and Administration is provided to staff with responsibilities for reporting against the Senate Order.
2. Due to the small size of the Commission, the requirements of the Order are managed through a number of centralised and stringent processes. The Commission:
  - has established standard reporting procedures to address all contract reporting requirements, including the Annual Report, AusTender and the Senate Order
  - has centralised the skills and knowledge on contract reporting with the procedures managed by one person with necessary back up, and
  - records centrally information on each contract based on data provided by the line area managing the contract. This information is verified against the finance management system every month.

The Commission uses information provided by the Australian National Audit Office and the Department of Finance and Administration for awareness and training of the three individuals in reporting against the Order.

3. As the Commission began operations in December 2004, our procurement processes were developed from the outset in line with the Commonwealth Procurement Guidelines.
4. To date the Commission has not reported any information as confidential. We will continue to report in line with the guidance from the Department of Finance and Administration.
  - The guidance provided by the Department of Finance and Administration.
  - A tender for the supply of future internal audit services to the Commission is currently in the market place with Tenders due on 9 December 2005. An internal audit programme is under development. Audit in the area of the Senate Order will be conducted in that context.
5. No problems have been encountered in complying with the Senate Order.