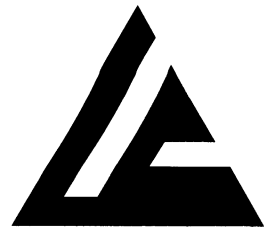




Submission No. 2 A



Australian National
Audit Office

2 June 2000

Ms Helen Donaldson
Secretary
Senate Finance and Public Administration
References Committee
Parliament House
CANBERRA ACT 2600



Dear Ms Donaldson

INQUIRY INTO THE MECHANISM FOR ACCOUNTABILITY TO THE SENATE IN RELATION TO GOVERNMENT CONTRACTS

During our appearance before the Committee on 12 May 2000 Senator Murray asked if the ANAO would look at information published on the Gazette Publishing System (GaPS) and comment on its adequacies or inadequacies in terms of its intent. Senator Murray did not wish us to undertake an audit but rather look at one of the print-outs from the system and indicate what minimum information would be desirable.

In the light of Senator Murray's request we have undertaken a limited review of the information made available from GaPS. This has included brief discussions with Mr Allen and Mr Schneider of the Office for Government Online, which is the agency responsible for implementing and maintaining arrangements for Commonwealth agencies to discharge mandatory reporting requirements. GaPS assists in meeting these requirements by collecting information about contracts with a value of \$2,000 or more entered into by Commonwealth agencies. It includes mandatory details as set out in the *Commonwealth Procurement Guidelines: Core Policies and Principles*. It also allows a wide range of searches to be performed and provides a basis for analysis of Commonwealth contracts.

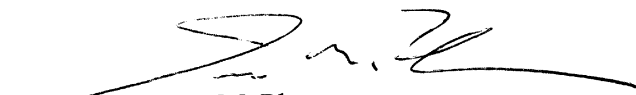
As Senator Murray indicates, the details required to be notified do not include the contract expiry date (which, amongst other things, would provide the basis for archiving expired contract details), whether the contract is likely to be or has been discontinued, whether the contract crosses into more than one financial year or whether the contract includes commercial-in-confidence provisions. In addition, from an example we have seen, the mandatory detail field for "Description of Contract" has not been completed in such a way as to be very informative (although the requirement is for the agency to provide a "description of the goods or services sufficient to identify the nature and quantity of the procurement").

Against this background, there is scope to enhance the mandatory reporting requirements through GaPS to address the matters of the kind mentioned above. As indicated by Mr Allan in his opening address to the inquiry, although GaPS could be redesigned to provide for additional fields, the accompanying change to business processes and systems interfaces (particularly bulk up-loads of data from Financial Management Information Systems) may not be a simple matter. There would be a range of implementation issues to be addressed by DOFA, OGO and agencies having regard to the costs and benefits of the various options.

It would seem that the primary purpose of the requirement for agencies to report contracts and standing offers through GaPS is to provide “openness and transparency in administration, by external scrutiny through public reporting” (CPG: Core Policies and Principles). On the basis of evidence given to the Committee and our review, it is clear enough that GaPS functionality and reporting could be enhanced. Before any decision to upgrade the system is made, however, it would be opportune to canvass the views of other stakeholders (particularly suppliers) as to whether the system is meeting their needs.

If further assistance is required please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read 'I. McPhee', with a long horizontal line extending to the left.

Ian McPhee
Deputy Auditor-General