

APPENDIX 4

Department of Parliamentary Services response to billiard table audits¹

1 Additional Estimates 2011–12, Department of Parliamentary Services, *Answers to questions on notice*, No. 60.

2 DPS commissioned the first of these—the initial internal audit by PwC, *Disposal of Equipment from the Former Staff Recreation Room*—following the May 2011 Budget Estimates hearing, directly as a result of questions raised by Senator Faulkner at the hearing. DPS received the final report in July 2011. The other two reports—a comprehensive *Review of asset disposal policies and practices*, conducted by an external consultant, Mr Rob Tonkin (the **Tonkin Review**) and an internal audit report to value billiard tables remaining and sold (*Valuation of Billiard Tables*)—were part of the response to the initial internal audit.

Disposal of Equipment from the Former Staff Recreation Room

#	Recommendation	DPS Response
1	DPS should consider undertaking valuations on the remaining billiard tables to gain an understanding of their origin, age and value.	Agreed. See audit report <i>Valuation of Billiard Table</i> . Status: Complete
	DPS should introduce a policy which formalises the Department's stance on whether to advertise that items are from Parliament House.	Agreed. DPS engaged an external consultant to conduct a comprehensive review of asset disposal practices (Tonkin Review). Status: Complete
	The assets disposal policy should be updated to require valuations of unusual sale items prior to them being disposed.	
2	Additional guidance on the definition and management of Heritage assets is required	Agreed. DPS included these factors in finalising the Parliament House Heritage Management Framework, which was approved by the Presiding Officers on 23 Nov 2011. Status: Complete
	DPS should define cultural and heritage value and include this definition in the heritage framework that is currently being developed.	
	A definition of assets which may not meet the definition of cultural or heritage but could nevertheless be considered significant by sections of the community and a policy which guides their management, including disposal practices should also be developed.	
	Until the above framework has been developed and approved the Department may wish to specifically assess the heritage/cultural value of any items to be disposed of and specifically value all items for disposal, until this framework has been finalised.	
3	Updates to DPS Disposal Policy are required. DPS should update the current disposal policies and procedures to include the detail improvement recommendations.	Agreed: DPS included this recommendation in the parameters for the Tonkin Review. DPS has: (a) updated the Chief Executive's Procedure (CEP) on asset disposal to clearly identify the disposal officer's role and obligations; and (b) updated the Disposal Form to include an area to document reasons for the disposal, choice of disposal method and any assessments made on the proposed disposal method. Work is underway (but not yet complete) on the development of a guide to staff on disposal. This guide

#	Recommendation	DPS Response
		will be used in conjunction with the CEP and will provide detailed instructions and procedures on asset disposals in DPS Finally, DPS has reviewed the process for the selection of disposal agents and whether any additional contractual requirements were necessary. Improved contractual arrangements were identified and are about to be entered into. Status: partially complete—expected completion June 2012
4	Non compliance with the asset disposal policy has been noted. DPS should ensure that staff are aware of the requirements of CEP 4.3—<i>Disposal of public property</i> when undertaking disposals. To do so DPS should consider providing disposal training to staff who may be required to undertake a disposal. DPS should update the disposal form to include the detail improvement recommendations.	Agreed. Using the findings of the Tonkin review, DPS strengthened the provisions in CEP 4.3 in relation to items which might have cultural or heritage values, and strengthened the disposal form. Status: Complete

3 The Tonkin review of DPS asset disposal practices was initiated by DPS in response to recommendations made in the initial audit into the Disposal of Equipment from the Former Staff Recreation Room. DPS responses to the review's recommendations are as follows:

Review of asset disposal policies and practices

Recommendation	Status
R1 The development, adoption and promulgation of a definition of heritage, cultural and artistic significance.	The <i>Parliament House Heritage Management Framework</i> (approved in November 2011) includes the definition of heritage, cultural and artistic significance. This framework is available on the DPS staff portal and will form part of the training program being developed, reference R10. Status: Complete
R2 An update of internal documentation to clarify the legislative authority on which DPS instructions and procedures are based.	Governance Paper No.1 was updated on 15 November 2011 (now GP 2.1—<i>DPS Document Series</i>). Financial Paper No.1 is in the process of being updated. Status: Partially complete—expected completion April 2012
R3 Amend the asset recognition criteria.	DPS will be using its current financial management information system (FMIS) SAP to include all items with cultural or heritage significance. Configuration of the FMIS is underway. Status: Partially complete—expected completion June 2012

Recommendation	Status
R4 The establishment of a consistent heritage assessment process to determine which additional items should be identified, recorded and managed as being items of heritage or cultural significance.	This process is outlined in the recently updated Chief Executive's Procedure (CEP) 4.3— <i>Disposal of Public Property</i> , para 10 (b). Status: Complete
R5 Consideration of the establishment of a common policy and set of procedures and databases for the management of assets for Parliament House (ie across all parliamentary departments).	Discussions with Chamber departments yet to occur. Status: Not yet commenced—expected completion June 2012
R6 The extension of the Art Services database to include all items of cultural or heritage significance.	Refer to status of R3 Status: Partially complete—expected completion June 2012
R7 & R8 An update of relevant procedures and forms relating to the disposal of items.	Amendments to the disposal form and CEP 4.3 were completed and approved on 31 October 2011 Status: Complete
R9 Disclosure of provenance on disposal of items.	This has been implemented and forms part of the policy outlined in CEP 4.3. Status: Complete
R10 Additional training and awareness programs.	A new training program is currently being developed. Status: In progress—expected completion June 2012

4 Also, in response to the recommendations made in the initial audit into the *Disposal of Equipment from the Former Staff Recreation Room*, DPS engaged PwC to value the sold and remaining billiard tables. PwC provided the results in its report, *Valuation of Billiard Tables*.

5 The report made no recommendations; but confirmed that the two sold tables were built in the 1987–88 period and the current market value for each table is between \$1,500 and \$3,000, excluding any provenance value connected to Parliament House.