



LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

QoN No. 14

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Mrs Elizabeth Kikkert MLA (Chair), Mr Michael Pettersson MLA (Deputy Chair), Mr Andrew Braddock MLA (Member)

**Inquiry into Appropriation Bill 2023-2024 (No 2) and
Appropriation (Office of the Legislative Assembly) Bill 2023-2024 (No 2)**
ANSWER TO QUESTION ON NOTICE

Asked by Elizabeth Lee MLA:

Ref: Budget Review 2023-24

In relation to: Contracts

In relation to the \$51,600 expenditure for Contract Number PICM0002455

(1) Can you confirm that the total payments for this service was \$51,600 in total?

(a) Could the Treasurer outline

- (i) Whether any Ministers or you were briefed about the need to conduct a probity audit into a contract? If so, when and who?
- (ii) Whether any Ministers or you were aware of potential integrity or transparency issues in the original contract that this audit is examining? If so, when and who?
- (iii) What was the original contract that is subject to this probity audit? Please provide the contract number, contract title, directorate and amount.
- (iv) Has the draft or final report been made available to the directorate? If so, when was it made available?
- (v) If the draft or final report has been completed, has it been passed on to any Ministers? If so, who and when?
- (vi) Will the draft and final report be made publicly available? If not, why?
- (vii) Can the Treasurer outline why a probity audit that used \$51,600 of taxpayers' money was required? If not, why not?
- (viii) Was the decision to conduct a probity audit into a previous contract made by the Directorate or Minister and if so, who?
- (ix) Can the Treasurer outline how the decision to conduct a probity audit was made?
- (x) Can the Treasurer outline the basis on which the Directorate has been asked to contract a company to examine whether the original contract,
 - (i) "Complied with relevant local and national laws, regulations and policies."
 - (ii) "Negotiations or discussions with suppliers and ensure they were conducted ethically and in compliance with procurement rules."
 - (iii) "Independent assurance to the Territory that the procurement process was conducted with integrity, transparency and in accordance with established rules and guidelines"?

Yvette Berry MLA: The answer to the Member's question is as follows:—

(1) Yes, the total payments for this service was \$51,600.

- (a) (i) No.
- (ii) No.

(iii) PICM0002213 – Territory Aquatic Facilities Services Agreement was the procurement subject to the procurement audit. Major Projects Canberra (MPC) conducted the original procurement (previously Chief Minister, Treasury and Economic Development Directorate), and the contract amount is \$12,540,922 (GST inclusive).

(iv) Yes. The final report was received by the Directorate on 9 January 2024.

(v) No.

(vi) No. The report is an internal management-initiated review and therefore it is not expected the document be made publicly available.

(vii) A probity audit is where a probity auditor provides an objective opinion as to whether prescribed probity requirements have been adhered to. In this instance, the probity audit was undertaken to provide assurance that the Territory Aquatic Facilities Services Agreement procurement was undertaken in compliance with the ACT Government Procurement Framework. Probity audits commonly form part of probity risk management actions for procurements that may be high value, a high overall risk rating or are complex. The use of probity auditors reflects better practice in such circumstances and is consistent with the obligations of Territory entities under the ACT Government Probity in Procurement Guide.

(viii) The Directorate made the decision to conduct the probity audit.

(ix) The decision was an internal, management-initiated review. Probity audits are used where a territory entity requires a high level of independent verification that a completed procurement process adhered to the ACT Government's procurement framework. Probity audit may be used, among other things, to give stakeholders confidence in the process undertaken.

(x) The scope of the contract is appropriate for the scope of a probity audit and the services typically required in such engagements. It reflects the desired intent to review the entire procurement process that was undertaken for compliance against legal requirements, government policy, and best practice as is consistent with the ACT Government Probity in Procurement Guide.

Approved for circulation to the Standing Committee on Public Accounts

Signature:

Yvette Berry, Minister for Sport and Recreation

Date:

28/03/24