



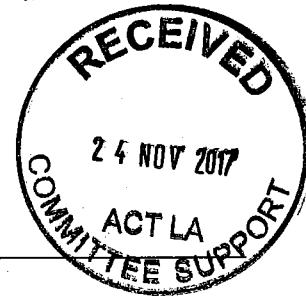
LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

OON No. 27

STANDING COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM

JEREMY HANSON MLA (CHAIR), MICHAEL PETTERSSON MLA (DEPUTY CHAIR), MARK PARTON MLA,
SUZANNE ORR MLA

**Inquiry into referred 2016–17 Annual and Financial Reports
ANSWER TO QUESTION ON NOTICE**



Asked by MR COE MLA:

Chief Minister, Treasury and Economic Development Directorate 2016/17 Annual Report, Procurement and Capital Works, Output 8.1

In relation to Invoice Register and Contract Details – Tracking:

1. Do invoices reference the contract number to which the invoice relates?
 - a. If so, is the contract number digitally recorded on the invoice system?
 - b. If not, why not and is the contract number recorded on the invoice system?
2. Is the contract system updated with reference to an invoice and payment of an invoice?
 - a. If not, what digital tracking is there for invoices and contractual payments?
3. Has the ACT Government sought to investigate the linking or digitally cross-referencing the invoices and contracts prior to 2 November 2017?
 - a. If so, please provide:
 - i. When the investigations occurred;
 - ii. Who undertook the investigations;
 - iii. The scope of the investigation; and
 - iv. The results of the investigation.
 - b. If not, please outline the reasons why an investigation of this nature has not being undertaken or considered previously.

Mr BARR MLA: The answer to the Member's question is as follows:–

1. Some invoices, but not all, include a contract number. It is not known the proportion of invoices that include a contract number.
 - a. The Territory's whole of government financial systems do not digitally record the contract number. A small proportion of contracts may be recorded in non-whole of government systems, such as capital works projects and in some agencies.
 - b. Not all suppliers or contractors include a contract number on their invoices. This has not been a requirement in submitting an invoice. The Territory's whole of government financial systems do not record the contract number. However, the recently acquired capital works project management and reporting system, P-MARS, does record the contract number. Agencies that do not use Shared Services Finance, which are responsible for a small number of invoices, may also have systems with this capability.



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2. The Territory does not have a centralised contracts management system. Directorates and agencies manage their own contracts and are responsible for tracking invoice payments against their contracts.
 - a. The Legislative Assembly Resolution to investigate the feasibility of improving the linkages between the Territory's contract and financial management systems will examine the capabilities of directorates' contract management and invoice tracking systems, with a report to be tabled in June 2018.
3. Shared Services Finance, which processes the vast majority of Territory payments, has not investigated linking or digitally cross-referencing invoices and contracts. The then Procurement and Capital Works did seek, and acquire, this capability when sourcing the new capital works project management and reporting system (P-MARS), which will soon be live. There may also be agencies that do not use Shared Services Finance that have systems with this capability.

The Legislative Assembly Resolution to investigate the feasibility of improving the linkages between the Territory's contract and financial management systems will inform the Government on the feasibility of making any improvements to systems to enable linking contracts and invoices.

 - a. The Government has not sought to investigate linking invoices and contracts on a whole-of-government basis.
 - b. There are no specific reasons for an investigation of this nature having not been considered previously.

Approved for circulation to the Standing Committee on Economic Development and Tourism

Signature: *Andrew Barr*

Date: 24.11.2017

By the Treasurer, Mr Andrew Barr MLA