ACT GOVERNMENT

Tabling Statement

Government Response to Report No. 4 of the Standing Committee on Public Accounts

Review of Auditor General's Report No. 10 of 2004 – 2003-04 Financial Audits

TABLING STATEMENT

Government Response to Report No. 4 of the Standing Committee on Public Accounts 'Review of Auditor- General's Report No.10 of 2004: 2003-04 Financial Audits'

Mr Speaker, I present the Government Response to the Standing Committee on Public Accounts Report No.4 titled 'Review of Auditor General's Report No.10 of 2004: 2003-04 Financial Audits'.

Mr Speaker of the three recommendations within the report I would specifically like to draw Members' attention to the Government's response to the recommendations relating to the capital works program.

- The Government has made significant improvements to capital works budgeting and reporting processes since 2003-04. These include a capital works framework for the development of capital works business case proposals, incorporating linkages to whole of Government objectives in planning for new or replacement infrastructure. This framework is being implemented in the 2006-07 Budget Process.

- Furthermore, in May of last year I announced that the Government was reforming procurement arrangements across Territory agencies and centralising the majority of procurement activities in Procurement Solutions. A key element of the reform is transferring responsibility for the procurement and delivery of capital works projects to Procurement Solutions to enable a more coordinated and consistent approach to the procurement of capital works.

- The Government has also implemented the capital upgrades program, which commenced in the 2005-06 Budget. The upgrades program allows agencies to better plan for and manage expenditure on existing infrastructure or programs, based on principles of strategic asset management. This has made a significant improvement in planning for a large component of the capital works program.

Mr Speaker, I commend these papers to the Assembly.

THE LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

GOVERNMENT RESPONSE
TO THE STANDING COMMITTEE
ON
PUBLIC ACCOUNTS

IN RESPONSE TO THE STANDING COMMITTEE ON PUBLIC ACCOUNTS REPORT NO. 4, REVIEW OF AUDITOR GENERAL'S REPORT NO.10 OF 2004 – 2003-04 FINANCIAL AUDITS

14/2/06

INTRODUCTION

On 24 November 2005 the Leader of the Opposition presented to the Legislative Assembly the Standing Committee on Public Accounts Report No. 4 of 2005, *Review of Auditor-General's Report No.10 of 2004: 2003-04 Financial Audits*, dated 6 December 2004.

The Auditor-General's report included two qualified audit opinions. These were for the Territory's Financial Statements and the ACTEW Corporation. Each of these opinions related to the 2002-03 comparatives, because the Audit Office was unable to form an opinion on whether the $40m reported for the TransACT investment at 30 June 2003 reflected fairly the value to be recovered from this investment.

The Standing Committee on Public Accounts review included three recommendations.

GOVERNMENT RESPONSE TO RECOMMENDATIONS

Recommendation 1

Agencies take up the Auditor-General's finding regarding desirability of improvements to processes for the preparation of financial statements

Government Response

Noted. The Government, and agencies, will continue to work with the Auditor-General to improve financial statement development processes, where applicable and practical, within the Territory.

Recommendation 2

A capital works framework policy be developed to establish a consistent, whole of Government approach to the monitoring, planning and procurement of capital works.

Government Response

The Government has made significant improvements to capital works budgeting and reporting processes since 2003-04. These include a capital works framework for the development of capital works business case proposals, incorporating linkages to whole of Government objectives in planning for new or replacement infrastructure. This framework is being implemented in the 2006-07 Budget Process.

In May 2005 the Treasurer announced that the Government was reforming procurement arrangements across Territory agencies and centralising the majority of procurement activities in Procurement Solutions. A key element of the reform is transferring responsibility for the procurement and delivery of capital works projects to Procurement Solutions to enable a more coordinated and consistent approach to the procurement of capital works.

The Government has also implemented the capital upgrades program which commenced in the 2005-06 Budget, allowing agencies to better plan for and manage expenditure on existing infrastructure or programs, based on principles of strategic asset management. This has made a significant improvement in planning for a large component of the capital works program.

Recommendation 3

The Legislative Assembly note the findings of Auditor-General's Report No 10 of 2004: 2003-04 Financial Audits.

Government Response

Noted.