

2025

**THE LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY**

ELEVENTH ASSEMBLY

**STANDING COMMITTEE ON PUBLIC ACCOUNTS (TENTH ASSEMBLY) - REPORT 24
INQUIRY INTO AUDITOR-GENERAL'S PERFORMANCE AUDIT REPORTS JULY – DECEMBER 2023**

Government Response

**Andrew Barr MLA
Chief Minister
February 2025**

Introduction

On 15 February 2024, the Standing Committee on Public Accounts of the Tenth Assembly commenced an Inquiry into Auditor-General's Performance Audit Reports July-December 2023. The Auditor-General reports during this period were:

- No 5/2023 – Activities of the Government Procurement Board;
- No 6/2023 – Implementation of the ACT Aboriginal and Torres Strait Islander Agreement;
- No 8/2023 – Supports for students with disability in ACT public schools; and
- No 10/2023 – Human Resources Information Management System (HRIMS) Program.

The closing date for written submissions was 5 April 2024. Public hearings were held on 22, 23 and 30 May 2024.

The Committee's report was released in September 2024. The report identifies nine recommendations for the ACT Government to consider. The Government Response to each of the recommendations is provided on the following pages.

ACT Government Response to Recommendations

Recommendation 1

The Committee recommends that the ACT Government consider a two-to-one ratio of non-public employee members to public employee members of the Government Procurement Board to increase its independence.

GOVERNMENT RESPONSE – NOTED

The Auditor General Report No.5 of 2023 – Activities of the Government Procurement Board recommended that the constitution of the Board be revised to achieve a majority of non-public employee members.

Amendments to the *Government Procurement Act 2001* which took effect on 1 July 2024 changed the constitution of the Board to facilitate greater autonomy and independence, as follows:

- The Chair who is a non-public employee member
- The Deputy Chair who is a public employee member
- 3 public employee members
- 4 non-public employee members

The Board currently has one vacancy for a non-public employee member with recruitment to commence in early 2025. The ACT Government has committed to ensuring that each Board meeting is attended by more non-public employee members than public employee members.

A review of the composition of the Board will be progressed as part of the post implementation review of the amendments to primary and secondary legislation in 2025 in Recommendation 2 of the Committee.

Recommendation 2

The Committee recommends that the ACT Government review the effect of the Government Procurement Amendment Act 2024 in July 2026 to ensure that the measures introduced by the Act have resolved the issues raised in the Auditor-General's performance audit report. The terms of reference of this review should include:

- *the clarity of statutory roles and responsibilities;*
- *the effectiveness and efficiency of the Government Procurement Board's review and advice functions; and*
- *the role and responsibilities of the Chair of the Government Procurement Board.*

GOVERNMENT RESPONSE – AGREED

A post implementation review of the efficacy of the amendments to primary and secondary legislation will be progressed in 2025. This review will include sections that relate to the operation of the Government Procurement Board.

In addition to references to the Board in the *Government Procurement Act 2001* and the *Government Procurement Regulation 2007*, the Board's Terms of Reference and Annual Strategic Direction are made as notifiable instruments under the Act. Both the Terms of Reference and the Annual Strategic Direction will be reviewed and amended annually.

Recommendation 3

The Committee recommends that the ACT Government ensure that school enrolment processes do not require documentation supporting a diagnosis when no diagnosis is required.

GOVERNMENT RESPONSE – EXISTING GOVERNMENT POLICY

The Education Directorate does not require diagnosis documentation to be provided to enrol in a local ACT Public School. Parents may however choose to provide documentation to support the school to meet their child's needs.

Recommendation 4

The Committee recommends that the Chief Minister strengthen and clarify the Ministerial Code of Conduct to ensure that Ministers actively seek to prevent, and are held accountable for, any significant mismanagement within their portfolio.

GOVERNMENT RESPONSE – NOTED

The [Ministerial Code of Conduct 2020](#) gives primacy to the core principle that Ministers are answerable to the Assembly, and through the parliament to the people of the ACT, for the administration of their portfolio, including in relation to the expenditure of public money.

The *Financial Management Act 1996* (FMA) sets out that directors-general are accountable to their Minister for the efficient and effective financial management of the public resources for which the directorate is responsible.

The FMA also places obligations on Ministers to present to the Assembly half-yearly directorate performance reports for each directorate under the Minister's responsibility, including explanation for any significant variations from planned activities and outputs.

Recommendation 5

The Committee recommends that the annual staff census of all public sector entities include questions concerning confidence in the good governance of the directorate or other organisation, and the culture of accountability among senior leaders.

GOVERNMENT RESPONSE – AGREED IN PRINCIPLE

The ACT Employee Survey is conducted every 2 years, and provides a whole-of-service view on a comprehensive range of workplace issues. The survey includes questions that seek to gauge public servants' views on their organisation's culture, including specific questions on leadership

and testing each individual's comfort in speaking up when they see something wrong. The census includes a section on ethics and misconduct, which seeks information on any witnessing of corruption or misconduct.

The next census will be conducted in 2025 and officials will consider in its design how it can provide additional insight into organisational governance and accountability.

Recommendation 6

The Committee recommends that the ACT Government designate the Head of Service as the officer responsible for a culture of accountability at all levels in the ACT Public Service, with particular focus on the ACT Public Service Senior Leadership.

GOVERNMENT RESPONSE – EXISTING GOVERNMENT POLICY

The *Public Sector Management Act 1994* (the PSMA) sets out the functions of the Head of Service. A core Head of Service leadership function under the PSMA is to promote and uphold in the service the public sector values, the public sector principles and the conduct required of a public servant, including by personal example. The PSMA also enshrines the public sector values that the Head of Service must promote, uphold and demonstrate. As described in the *ACT Values and Signature Behaviours*, demonstrating integrity requires:

that we do what we say we'll do, and respond appropriately when the unexpected occurs. We take responsibility and are accountable for our decisions and actions. We engage genuinely with the community, managing the resources entrusted to us honestly and responsibly.

The Head of Service is further required to organise the public service in a way that is consistent with the public sector values and the conduct required of a public servant.

Recommendation 7

The Committee recommends that the Head of Service develop a plan to improve and enhance accountability in the ACT Public Service and provide an annual update to the Public Accounts Committee on actions against the plan.

GOVERNMENT RESPONSE – NOTED

There are in place strong frameworks and reporting requirements that promote and improve accountability in the ACT Public Service.

Directorate and agency annual reports are developed for responsible Ministers, the Legislative Assembly and the public to provide a detailed description of the agency's activities. The primary purpose of an annual report is accountability. The focus of an agency's annual report is on information that is relevant to the agency's long term strategic direction and context; performance analysis against its short-term budget outputs; and financial management.

Government Budget Papers and Statements of Intent establish core government outcomes and strategic priorities, while setting out performance targets and funding appropriations. The ACT Auditor-General also provides an independent view on the accountability, efficiency and effectiveness of the ACT Public Sector. Specifically, it provides independent assurance on whether public money is being efficiently and effectively spent through financial and performance audits.

The Budget estimates and annual report hearings process provides an additional level of scrutiny by the Legislative Assembly

Under the PSMA the Head of Service is required to organise the public service consistent with the public sector values, including integrity, of which accountability is a core element.

In 2020 the ACT Government published *Strengthening Performance and Accountability: A Framework for the ACT Government*. This policy document defines the ACT Government's Performance and Accountability Framework, including providing guidelines and processes measuring and driving accountability. It further sets out expectations that reporting is transparent, accessible and aligned with planned and actual performance.

In 2022 the ACT Government published the *ACTPS Integrity Framework* to create, support and implement a strong integrity culture. The Integrity Framework sets out the ethical and legal framework for the ACT Public Service, including the requirements and best practices related to core functions such as procurement, financial decision making and addressing fraud and corruption risk.

The *Public Sector Management Standards 2006* place requirements on directors-general to pursue a systematic approach to integrity, including ensuring that risks to the integrity of the agency are addressed in detailed fraud and corruption prevention plans.

The Head of Service is required to prepare the annual State of the Service Report under the *Annual Reports (Government Agencies) Act 2004*. This report on the operation of the public service must include an account of the management of the public sector during the reporting year. It also must include information about any investigation conducted by the Public Sector Standards Commissioner under the PSMA. The State of the Service Report is tabled in the Legislative Assembly under the requirements of the *Annual Reports (Government Agencies) Act 2004*. The 2023-24 State of the Service Report outlines that integrity in the ACTPS means being apolitical, honest, dependable and accountable in dealings with ministers, the Legislative Assembly, the public and each other. The Report also acknowledges the important role of the Integrity Commission in investigating and preventing corrupt conduct.

Recommendation 8

The Committee recommends that the Chief Minister, as the responsible Minister, set clearly defined performance objectives for the Head of Service and actively manage the performance manage [sic] the Head of Service to ensure governance in the ACT Public Service is fit for purpose and for the culture of accountability of the ACT Public Service as a whole.

GOVERNMENT RESPONSE – NOTED

The PSMA sets out the leadership and management functions of the Head of Service. The Head of Service is answerable to the Chief Minister and the PSMA requires that the Head of Service organise the public service in a way that promotes administration of the service in a way that is consistent with the public sector values.

The State of the Service Report provides an account of the operations of the ACT Public Service and workforce profile data. The report considers the factors that influence the shape, performance, culture and behaviour of the ACT public service and its people and demonstrates how the capability and capacity of the ACT Public Service contributes to meeting strategic goals, driving new initiatives, and implementing government priorities.

The content of the State of the Service Report is set by the *Annual Reports (Government Agencies) Act 2004*. Additional requirements are set by the annual report directions issued each year. The Government will consider strengthening reporting requirements for future State of the Service Reports.

Recommendation 9

The Committee recommends that the Chief Minister be required to deliver an annual Ministerial Statement on the state of governance and accountability in the ACT Public Service, including at a minimum, reporting on the Head of Service accountability plan, and disclosure of significant procurement or project performance issues which have been identified during the reporting period.

GOVERNMENT RESPONSE – NOTED

As above the PSMA sets out the leadership and management functions for the Head of Service. The State of the Service Report is the key mechanism for reporting on whole of ACT Public Service operations. Consideration will be given to highlighting progress and achievements in culture, integrity and accountability in a future report.

The ACT Government is committed to continuing to strengthen integrity and accountability in the ACT Public Service. The 11th Assembly saw the establishment of a new Minister for Public Service and Minister for Finance with responsibility for leading work to review government programs and modernise the ACT Public Service; to strengthen accountability and improve service delivery; and for procurement policy and services.

The Minister for the Public Service will provide updates throughout the term on progress against the significant and priority matters for improvement within the portfolio.