



**ACT**  
Government

**2016**

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

**GOVERNMENT RESPONSE TO THE STANDING COMMITTEE ON  
PUBLIC ACCOUNTS REPORT 26 - REVIEW OF AUDITOR-  
GENERAL'S REPORT NO.10 OF 2015: *2014-15 FINANCIAL AUDITS***

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## Introduction

On 5 May 2016, the then Chair of the Public Accounts Committee tabled the 'Review of Auditor-General's Report No. 10 of 2015: *2014-15 Financial Audits*.

## Recommendations

The Standing Committee on Public Accounts has made four recommendations in the Report. A whole of government response has been prepared and is provided below to address each of these recommendations.

### Recommendation 1

**The Committee recommends that the ACT Government detail in the 2016–17 Budget (i) how it intends to address the budgeted deficit; and (ii) the timetable to return the Budget to surplus.**

#### Government Position

Agreed.

The 2016-17 Budget addressed this recommendation. The required information can be found in Budget Paper 3: Budget Outlook, Chapter 2 Fiscal Strategy. This can be located at:

<http://apps.treasury.act.gov.au/budget/budget-2016-2017/budget-outlook>

### Recommendation 2

**The Committee recommends that ACT Government directorates and agencies should ensure the provision of complete statements of performance and full disclosure as required by the *Financial Management Act 1996*. In doing so, directorates and agencies should ensure the following—the provision of:**

- (i) clear definitions for accountability indicators and related targets;**
- (ii) improved accuracy with regard to reporting of results for accountability indicators;**
- (iii) more information on how reported results are measured—in particular, explanations of differences between actual results and planned targets; and**
- (iv) clear and informative explanations for material variances from the planned targets.**

#### Government Position

Agreed.

Agencies will continue to use internal controls and checks to ensure that data provided in the statements of performance is accurate. Internal Audit Committees within agencies are responsible for monitoring and reviewing the quality of data and reporting requirements, particularly accountability indicators, related targets, variance explanations and material variances.

Improving performance measures remains an ongoing process for agencies.

### **Recommendation 3**

**The Committee recommends that ACT Government directorates and agencies should ensure complete reporting with all compliance requirements as specified in the Annual Report Directions.**

#### Government Position

Agreed.

Agencies have internal processes in place to ensure that the compliance requirements as specified in the Annual Report Directions are met.

The ACT Government continues to ensure that agencies are aware of the Annual Report Directions and will also continue to provide guidance where required.

### **Recommendation 4**

**The Committee recommends that the ACT Government utilise the one-ACT Public Service framework to ensure that unresolved audit findings (relating to environmental controls for information technology) that require a whole-of-government approach are promptly and appropriately addressed.**

#### Government Position

Agree in Principle.

The ACT Government recognises the importance of promptly resolving audit findings. To address whole-of-government environmental controls for information technology would involve:

- upgrading software systems to operate on the whole-of-government supported operating systems;
- rolling out of a new security classification system for documents; and
- increasing the security on externally hosted websites, consistent with those hosted internally.

It is noted that addressing these specific findings would have financial implications and would be subject to future budget decisions and priorities.