Tabled on 18 February 2016

2016

THE LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

GOVERNMENT RESPONSE TO THE PUBLIC ACCOUNTS COMMITTEE'S REPORT

Review of Auditor-General's Report No 8 of 2013: Management of Funding for Community Services

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GOVERNMENT POSITION ON RECOMMENDATIONS

Recommendation 1

The Committee recommends that formal procedures to manage identified conflicts of interest are introduced and applied across Government.

Government response: Noted

The procedural manner in which a conflict of interest should be managed can vary widely from case to case according to specific circumstances, not all of which will be foreseeable. The *Public Sector Management Act 1994* already requires all public employees to disclose and take reasonable action to avoid actual and perceived conflicts of interest during the course of their employment. Furthermore, specific guidance regarding public employees' involvement with boards and committees, including conflicts of interest, is published in the *ACT Government Boards and Committees Handbook.*

Noting the Committee's comments were made in the context of the Director-General, Economic Development's role on the board of the Canberra Convention Bureau (CCB), the Chief Minister, Treasury and Economic Development Directorate will work with the CCB to formalise the existing arrangements for managing potential conflicts.

Recommendation 2

The Committee recommends that the ACT Government should investigate methods to introduce standard risk management practices across all Directorates in relation to funding for community services.

Government response: Agreed

The Government's response to the Auditor-General's report noted that the Funding Managers' Network has played an active and positive role in community services procurement reforms across the government. This includes the review of Service Funding Agreements and the creation of Recurrent Grant templates.

The Funding Managers' Guide, produced by the Funding Managers' Network, outlines sources of risks that may be encountered during the development and management of funding agreements. The guide also outlines measures for addressing each type of risk identified.

The Funding Managers' Network will work with Directorates to review the application of these guidelines and ensure risks are being appropriately managed.

Recommendation 3

The Committee recommends that the ACT Government should consider and review the use of standard reporting templates with a view to introducing a more consistent approach across Directorates in relation to performance monitoring and acquittal processes in relation to funding for community services.

Government response: Agreed

CSD is one of the four directorates that use the ACT Government Service Funding Agreement (SFA) template. In 2015, CSD and the ACT Government Solicitor's Office conducted community sector consultations for the modernisation of the SFA template. Community consultation was held on 10 June 2015 with the Community Sector Leaders group, with further written submissions also received.

Following consultation between the ACT Government Solicitor, the community sector and the Directorates using the SFA, the ACT Government Solicitor has released a final draft to Directorates for comment. CSD is finalising feedback to this process and anticipate the finalised template will be available for use in early 2016.

The ACT Government Solicitor has proposed to provide an information session to the community sector stakeholders once the SFA template is finalised. CSD will coordinate the arrangements for the session. It is proposed that this meeting can provide an opportunity to seek feedback on the possible introduction of standard reporting templates.

Recommendation 4

The Committee recommends that the CMTEDD Audit Committee should conduct an internal audit on community services funding management within the next 12 months and create a schedule for future internal audits.

Government response: Agreed in principle

The CMTEDD Audit and Risk Committee will consider conducting an internal audit of CMTEDD community services funding management arrangements as part of its regular six monthly review of the current audit work program for 2015-16 and the out-year internal audit programs. The decision will be based on the assessed risk and impact to the Directorate and ACT Government.

Recommendation 5

The Committee recommends that the Government update the Assembly before the conclusion of the Eighth Assembly and provide a current status, and plan for future developments, on each Directorate's progress towards managing grant processes online.

Government response: Agreed

The Government will provide an update on the rollout of online grants management systems before the end of the Eighth Assembly.