

# Management and Accountability





# Management and accountability

## ***Corporate governance***

### **Corporate governance mechanisms**

The department's operations are governed by the *Parliamentary Service Act 1999* and the *Financial Management and Accountability Act 1997* and are subject to provisions of the *Workplace Relations Act 1996* and other legislation.

At the strategic level, two groups under the supervision of the Clerk's Office—the Program Managers' Group and the Audit and Evaluation Committee—are responsible for implementing and monitoring corporate governance principles. The Senate Management Advisory Group (SMAG) assists the Program Managers' Group.

The Workplace Consultative Committee is the principal forum for formal consultations with staff and union representatives on workplace relations matters.

The role and membership of each group are described in Figure 18.

Figure 18 **Management and advisory groups**

Group	Role	Members	Chair
<b>Program Managers' Group</b>	<p>Coordinate corporate governance matters, including:</p> <ul style="list-style-type: none"> <li>• workplace relations</li> <li>• terms and conditions of employment</li> <li>• performance management</li> <li>• human resource management policies</li> <li>• staff training and development</li> <li>• financial planning</li> <li>• departmental service quality.</li> </ul>	The department's three Clerks Assistant and the Usher of the Black Rod.	The Usher of the Black Rod.
<b>Audit and Evaluation Committee</b>	<p>Ensure that departmental operations and expenditures meet external audit standards in relation to best practice financial management and reporting, fraud control and business risk monitoring.</p> <p>Develop and supervise the annual internal audit program.</p>	Program managers, the Chief Finance Officer (as an observer) and an independent member; also observed by representatives from the Australian National Audit Office and Deloitte Touche Tohmatsu (internal auditor).	The Deputy Clerk.
<b>Senate Management Advisory Group</b>	Provide advice to program managers on departmental and managerial issues.	All Senate Parliamentary Executive Level 2 staff.	Chosen annually by the group.
<b>Workplace Consultative Committee</b>	Serve as the principal forum for formal consultations with staff and union representatives on workplace relations matters, including negotiation of workplace agreements.	The Usher of the Black Rod, a Clerk Assistant and up to 10 elected staff representatives and union representatives.	The Usher of the Black Rod.

In addition, the department participated in interdepartmental committees consisting of all the parliamentary departments to coordinate corporate and other Parliament House-wide matters.

### Program Managers' Group

The Program Managers' Group examined a range of corporate governance and other departmental management matters in 2007–08, including:

- business continuity plans
- implementation of the objectives of the department's employee collective agreement
- workforce planning
- staff selection processes
- staff training
- intellectual property
- business risk management.

### Audit and Evaluation Committee

The primary objectives of the Audit and Evaluation Committee are to oversee:

- audits (both internal and external)
- the department's controls (administrative, operating and accounting)
- risk management (planning and implementation).

The committee met on four occasions and, among other things, endorsed the department's:

- risk management plan 2007–09
- fraud control plan 2008–10
- financial statements 2006–07
- strategic internal audit plan 2007–10
- certificate of compliance 2006–07.

Risk management, fraud control and the certificate of compliance are standing items on the committee's agenda and were, therefore, considered progressively throughout the year.

During the reporting period, the department tendered for the provision of internal audit services. The contract with the successful tenderer, Deloitte Touche Tohmatsu, was signed on 24 September 2007.

Due to the tendering process, there was a slightly reduced audit program. The following internal audit reports were undertaken and considered:

- mobile phones (August 2007)
- certificate of compliance process (February 2008)
- administration of seminars (April 2008)
- information technology governance (June 2008).

While the audits made a number of recommendations aimed at meeting 'better practice' standards, no serious problems were identified. The committee monitors implementation of the recommendations.

The committee provides an annual report of its activities to the Clerk and to the Senate Appropriations and Staffing Committee.

### Senate Management Advisory Group

In 2007–08, SMAG met on nine occasions to discuss departmental proposals, policy initiatives and changes, and to advise the Program Managers' Group on leadership and managerial matters.

SMAG undertook a range of activities, including:

- a review of the Staff Numbers Management Policy
- discussion of new reporting requirements for implementing the employee collective agreement
- a continuation of its leadership and management discussion program, which included
  - a presentation by the Clerk of the Senate, addressing issues of leadership, evolution of the department over his 20 years as Clerk, and future challenges
  - a briefing by the Australian Public Service Commission on its Integrated Leadership System
  - a briefing by the Australian National Audit Office on its approach to performance audits
  - a discussion on the attributes of a good parliamentary officer.

### **Workplace Consultative Committee**

During 2007–08, the committee met on four occasions to consult on policies and issues that affect staff in the workplace and to monitor implementation of the Senate Employee Collective Agreement 2006–2010 (the ECA), which came into effect in July 2006.

The committee considered, and provided advice and recommendations on:

- revisions to the guidelines on the Performance Communication Scheme
- revisions to the procedures for determining breaches of the Code of Conduct
- revisions to the procedures for dealing with whistleblower reports
- revisions to the policy on workplace harassment
- revisions to the discretionary leave guidelines
- the annual report on the implementation of the ECA
- new Health and Safety Management Arrangements
- a review of the meal allowance rate.

In response to requests from staff representatives, the committee formed a standing working group to consider and advise on a range of travel issues.

## ***Corporate and operational plans***

### **Corporate plan and work plans**

The department's new corporate plan, which sets out the strategic direction for delivering services to senators, took effect from 1 July 2007.

Work plans for 2007–08 detailed the work priorities and expected performance results for each output group. Ongoing work reports to the Clerk showed high levels of achievement against the work plans.

### **Fraud control plan and business risk assessment**

The department has a robust framework for the active management of risk in the department. This framework is revised regularly and is available to all staff via the department's intranet.

Following a comprehensive business risk assessment process, the department's risk management plan was finalised in August 2007. The risk rating profile for this plan has formed the basis for both the strategic internal audit plan and the fraud control plan. Risk mitigation strategies, and ensuing assessment of existing risk controls, are regularly

considered by executive management and reported to the department's Audit and Evaluation Committee.

In April 2008, the department engaged consultants WalterTurnbull to conduct a fraud risk assessment and prepare a revised fraud control plan. Those documents, endorsed by the Audit and Evaluation Committee in June 2008, confirmed that the department has in place appropriate fraud prevention, detection, investigation and reporting mechanisms that comply with the *Commonwealth Fraud Control Guidelines*.

During 2007–08, the department received an independent risk management assessment conducted by Echelon Australia on behalf of Comcover, the Australian Government's insurance fund. The department was judged to have a robust risk management framework, with good links to its strategic decision-making infrastructure. However, the assessment encouraged the department to develop an overarching risk management policy, and to assist staff to apply risk management principles in their day-to-day decision making by raising their awareness of those principles. The recommended follow-up actions should be completed by June 2009.

### **Intellectual property**

In response to the Commonwealth's decision to introduce intellectual property principles for all agencies that are subject to the *Financial Management and Accountability Act 1997*, the department developed a policy framework for the purposes of managing its intellectual property (IP) within the required time period. The department's policy provides for further action in educating staff about IP and improving its IP register, both of which will become a focus of efforts over the next 12 to 18 months.

### **Ethical standards**

#### **Parliamentary service values and departmental policies**

The Parliamentary Service Values and Code of Conduct, set out in the *Parliamentary Service Act 1999*, govern the ethical standards expected of departmental employees. A series of departmental policies support the values and code of conduct and describe in detail the standards of behaviour expected of staff.

#### **Clerk's Instructions**

The Clerk's Instructions and Financial Management Guidelines are a useful instrument for promulgating the department's policies and rules and are the primary source of information and advice on its financial management practices.

During 2007–08, the Financial Management Section completed an annual review of the instructions, making minor amendments to them.

While there were no serious breaches of the Clerk's Instructions during the year, there was a minor breach of an internal instruction relating to the timeliness of the banking of receipts, which has since been rectified.

#### **Social justice and equity impacts**

As the department does not administer public programs, it does not directly implement a social justice strategy.

## External scrutiny

The department's performance is monitored, under their terms of reference, by the Senate Standing Committee on Finance and Public Administration and the Senate Standing Committee on Appropriations and Staffing.

The Australian National Audit Office did not conduct any performance audits of the department during the year.

The department was not subject to any judicial or administrative tribunal decisions which had, or may have, a significant impact on the department's operations.

## Management of human resources

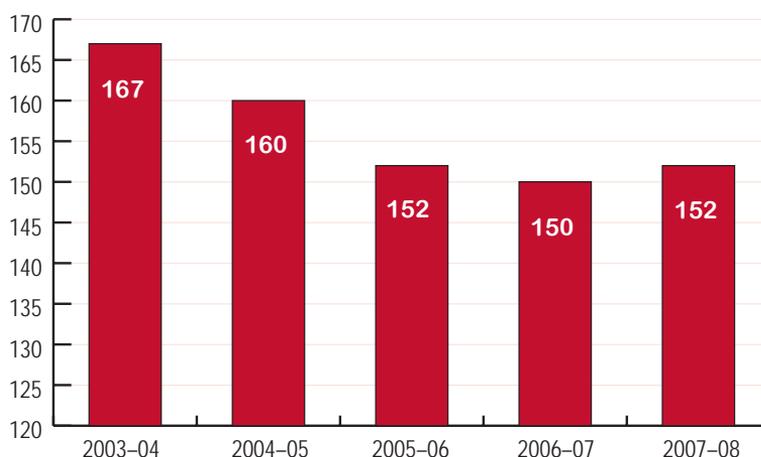
### Workforce planning

There were no significant changes to the department's staffing arrangements during 2007–08. As in previous years, the number of non-ongoing staff increased at various times to meet the additional workload generated by the sittings of the Senate.

Figure 19 shows that the full-time equivalent (FTE) staffing level increased slightly this year, returning to the 2005–06 level of 152. Small increases were experienced in both the Procedure Office and the Committee Office. The FTE staffing level fell to a low of 145 in October 2007 during the election period, and rose to a high of 158 during the June sittings. It is anticipated that staffing levels will need to be increased next year to support the expected higher level of activity by select committees.

A breakdown of the FTE staffing level by office can be found in Appendix 3. Staffing levels were supplemented by ongoing Australian Public Service officers (two in 2007 and three in 2008) who participated in the department's Working in the Senate (WISE) executive development program, and by an apprentice who participated in the 2008 Australian Public Service Information and Communication Technology Apprenticeship Program.

Figure 19 Full-time equivalent staff numbers, 2003–04 to 2007–08



Note: To allow meaningful comparisons, the figure for 2003–04 has been adjusted to exclude parliamentary security and Pass Office staff, who were transferred to the then Joint House Department during 2003.

The department implemented a new workforce planning process this year. While the data collected was not new to departmental managers, the process brought a useful focus to matters such as the department's ageing workforce, succession planning, training, recruitment and retention. The process will be repeated annually.

The department also reviewed its recruitment and selection practices during the year. Staff selection processes were streamlined through changes to the ways in which referee comments are sought and selection committees report.

The number of staff separations in 2007–08 was fewer than in the previous two years. The number of staff completing temporary employment contracts continued to account for the highest number of separations. Table 6 shows the trends in separations.

**Table 6      Reasons for separations from the department, 2005–06 to 2007–08**

Reason	2005–06	2006–07	2007–08
Resignation	9	9	12
Retirement (age)	2	7	6
Retirement (other) or death	–	1	1
Return to home agency	–	–	4
End of non-ongoing employment	22	14	13
Transfer or promotion to another agency	12	11	4
<b>Total</b>	<b>45</b>	<b>42</b>	<b>40</b>

### Occupational health and safety

Two compensable injuries occurred during 2007–08: a foot injury and a back injury. One notifiable incident, involving machinery in the print room, was investigated by Comcare. The recommendations made by Comcare have been implemented. No claim for compensation was made in relation to the incident.

A range of measures were taken to minimise workplace injuries, including:

- an ergonomic assessment of all new employees' workstations
- an annual occupational health and safety (OH&S) inspection of all work areas
- regular publication of OH&S information in the department's bulletin, which is distributed to all staff
- prompt action by staff to report early signs of injury
- provision of an in-house training course on manual handling.

In accordance with the *Occupational Health and Safety (Commonwealth) Amendment Act 2006*, the department promulgated new Health and Safety Management Arrangements in October 2007. These were developed in consultation with the department's OH&S Committee and Workplace Consultative Committee.

The department's OH&S Committee met four times during 2007–08. During the year the committee conducted an audit of first aid boxes in the department, as a result of which two additional boxes were installed to improve access for staff. The committee reviewed all OH&S incident reports to ensure that appropriate follow-up action was taken. A parliament-wide OH&S Committee meeting was held in December 2007 to discuss issues affecting building occupants.

Under the terms of the department's collective agreement, flu vaccinations were made available to staff in April 2008. The department also participated in a National Prescribing Service campaign—'common colds need common sense, not antibiotics'—with boxes of tissues and information leaflets distributed to all staff.

### **Employee Collective Agreement 2006–2010**

The department's ECA commenced in July 2006 and will operate until July 2010. The agreement delivered a 4 per cent salary increase to staff in May 2008: 2 per cent based on 'effective or better' individual performance over the May 2007 to April 2008 assessment period, and 2 per cent based on productivity improvements arising from implementation of the objectives of the collective agreement.

### **Senior Executive Service remuneration**

The department's Senior Executive Service (SES) staff remain covered by individual Australian Workplace Agreements (AWAs). In accordance with their AWAs, and consistent with the provisions of the department's collective agreement, SES staff received a 4 per cent pay increase in May 2008 in recognition of individual and departmental performance outcomes. The salary ranges for SES staff are shown in Appendix 3.

### **Performance pay**

The department's workplace agreements do not provide for individual or team-based performance pay.

### **Training and development**

The department's training and development program during 2007–08 comprised formal training for new supervisors, a series of in-house information sessions for managers and supervisors, and, where relevant to individual performance improvement objectives, access to external training programs.

Senior departmental officers also delivered a series of seminars for staff at Australian Public Service Level 6 and above and for WISE participants, to broaden their knowledge of the Senate and its committee system.

The department implemented new induction arrangements whereby managers and supervisors were provided with more detailed checklists to help them introduce new employees into their work areas.

During the year, the department's Studybank scheme granted financial assistance or paid leave, or both, to 15 employees, to help them complete tertiary studies relevant to the department's objectives.

### **Management of information systems**

To minimise disruption to clients, the department completed a single consolidated upgrade to its human resource management system (CHRIS) during the year.

A new integrated process to enable staff to submit overtime claims online was phased in during the year. The online process, which reduces manual processing, will deliver efficiency gains when fully implemented across the department.

Issues related to network security caused delays in work on enhancing the system to enable external job applicants to apply for vacancies online. Those issues have been resolved, and the facility is expected to be operational in early 2008–09.

The department completed a major upgrade to the financial management information system, Finance One, midway through the financial year. The previous version had reached the end of its useful life and was no longer fully supported. The latest version provides:

- an improved and more intuitive user interface that offers a customisable home page, giving users easy access to the most common reports, system alerts and websites of relevance to them
- improved navigation
- the ability to display all critical processes as a series of on-screen interactive flowchart steps, making maintaining the system and updating system documentation more efficient.

The system's assets module is being reviewed to determine whether it is a suitable replacement for the department's current assets system. This has potential to deliver further efficiencies and greater assurance in accounting for and managing the department's assets.

### **Management of financial resources**

#### **Purchasing**

All goods and services were purchased in accordance with the *Financial Management and Accountability Act 1997*, the *Commonwealth Procurement Guidelines* and the Clerk's Instructions.

In addition to the procurement of internal audit services foreshadowed in the department's procurement plan for 2007–08, significant procurement activities during the financial year included:

- the replacement of
  - refrigerators in senators' suites
  - televisions in senators' suites and departmental areas
  - office chairs for senators' staff and departmental staff
  - printers
  - photocopiers in the Senate wing and committee rooms
- the purchase of a colour photocopier for the print room
- the purchase of video production equipment for the Parliamentary Education Office.

#### **Asset management**

The Senators' Services Section, the Information Technology Section and the Financial Management Section are responsible for the effective management of Senate assets.

At 30 June 2008, the department controlled 4,286 assets with a fair value of \$3.5 million (last year's total was 4,309 assets with a fair value of \$3.7 million). In 2007–08, 450 assets were added and 473 assets were written off.

On completion of the annual stocktake in June 2008, 97 assets—with a depreciated value of \$28,549—could not be located. Of these, 20 had not been found in the previous stocktake and have been written off.

This year's stocktake result was consistent with the results of previous years.

## Consultants and competitive tendering and contracting

The policies and procedures for selecting consultants, conducting tenders, contracting, and approving expenditure, are set out in the Clerk's Instructions. Those instructions take account of the requirements of the *Financial Management and Accountability Act 1997*, the *Commonwealth Procurement Guidelines* and Senate standing order 25(17) (relating to approval of consultants for committees).

In accordance with recommendation 9 of the Senate Finance and Public Administration Committee's second report on the operation of the Senate order for the production of lists of departmental and agency contracts, information on the department's expenditure on contracts and consultancies is available on the AusTender website: [www.tenders.gov.au](http://www.tenders.gov.au).

### Consultants

To facilitate specialist projects or to obtain independent professional and technical advice, the department was required to engage various consultants.

In 2007–08, the department let 10 consultancy contracts. A further eight consultancies continued from previous years. A total of \$344,160 (including GST) was paid in relation to consultancy services, an increase of \$57,940 on the figure for 2006–07.

Table 7 provides details of consultancy contracts let during 2007–08 to the value of \$10,000 or more.

**Table 7** Consultancy services let to the value of \$10,000 or more, 2007–08

Consultant name	Description	Contract price (\$)	Selection process <sup>a</sup>	Justification <sup>b</sup>
Business Aspects	Review of Table Office information technology	21,654	Select tender	B, C
Pickles Valuation Services	Valuation of departmental assets	12,100	Direct sourcing	B, C
WalterTurnbull	Review of fraud risk and fraud control plan	26,730	Direct sourcing	B, C
Professor J Davis	Legal advice	37,395	Direct sourcing	B, C
Deloitte Touche Tohmatsu	Internal audit services	250,000	Open tender	B, C
<b>Total</b>		<b>347,879</b>		

- a Explanation of selection process terms drawn from the Commonwealth Procurement Guidelines (January 2005):*
- Open tender—a procurement procedure in which a request for tender is published inviting all businesses that satisfy the conditions for participation to submit tenders. Public tenders are sought from the marketplace using national and major metropolitan newspaper advertising and the Australian Government AusTender internet site.*
- Select tender—a procurement procedure in which the procuring agency selects which potential suppliers are invited to submit tenders. Tenders are invited from a shortlist of competent suppliers.*
- Direct sourcing—a form of restricted tendering, available only under certain defined circumstances, with a single potential supplier or suppliers being invited to bid because of their unique expertise and/or their special ability to supply the goods and/or services sought.*
- Panel—an arrangement under which a number of suppliers, usually selected through a single procurement process, may each supply property or services to an agency as specified in the panel arrangements. Tenders are sought from suppliers that have pre-qualified on the agency panels to supply to the government. This category includes standing offers and supplier panels where the consultant offers to supply goods and services for a predetermined length of time, usually at a prearranged price.*
- b Justification for decision to use consultancy:*
- A—skills currently unavailable within agency*
  - B—need for specialised or professional skills*
  - C—need for independent research or assessment.*

**Competitive tendering and contracting**

All contracts with a potential value greater than \$80,000 are open to a competitive tendering process through AusTender.

The department listed all its contract details on the internet, at [www.aph.gov.au/Senate/dept/docs/contracts.htm](http://www.aph.gov.au/Senate/dept/docs/contracts.htm), in accordance with the Senate Order on Departmental and Agency Contracts.

**Commonwealth Disability Strategy**

Under the Commonwealth Disability Strategy, the department has the role of service provider. The strategy requires the department to have in place a Disability Action Plan which contains measures to eliminate disability discrimination as the department performs that role.

To help ensure people with disabilities had ready access to committee inquiries, Senate lectures and Parliamentary Education Office (PEO) programs, attendees were invited to identify their special needs. Services available for attendees with special needs included special parking arrangements, audio loops and interpreter services. Committee documents (such as reports, submissions and transcripts of hearings) were published in hard copy, on the

internet and on CD; large documents published on the internet were split into smaller files to aid downloading and printing.

The PEO adjusted its role-play techniques to meet the needs of students with:

- intellectual disabilities
- colour blindness (by making available handouts on different coloured papers)
- hearing difficulties (by providing them with written scripts and instructions).

To help people with disabilities to access its services, the department also provided:

- a captioning service for the televised proceedings of the Senate chamber, with functions to enable users to change the font size, colour and style of captions
- access to a TTY (teletypewriter) for people with hearing disabilities, and email contact details, internet addresses and details of the TTY service in publicity material
- access to the National Relay Service, which can provide information in a form suitable for converting to teletype
- information technology equipment for special needs, including special mouses, keyboards, flat screen monitors and wrist rests
- information on the internet in formats that facilitate user access and downloading, and layouts and font sizes that assist people with vision impairment
- tools to help people with vision impairment to access PDF documents on the Senate website.

The department's staff were provided with information on services and equipment available to assist people with disabilities, and ways to obtain that assistance. Senators and their support staff were informed that specialised furniture, equipment and transport were available to meet the needs of people with disabilities.

Disability groups were notified of committee inquiries that were directly relevant to their members.

## Outlook

Key projects within the department's management and accountability framework for 2008-09 include:

- coordinating the 2009 survey of senators' satisfaction with departmental services
- implementing a graduate program, in conjunction with the Department of the House of Representatives
- reviewing the department's record-keeping policy and practices
- implementing a new assets system.