



Australian Government

Department of Finance

EXECUTIVE MINUTE

on

JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT REPORT No. 492

Governance in the Stewardship of Public Resources

General Comments

On 12 April 2022 the Joint Committee of Public Accounts and Audit (the Committee) tabled Report 492 *Governance in the Stewardship of Public Resources*.

The Committee's inquiry was based on matters contained and associated with the following Auditor-General's Reports:

1. No.11 (2019-20) *Implementation of the Digital Continuity 2020 Policy*
2. No.31 (2019-20) *Management of Defence Housing Australia*
3. No.39 (2019-20) *Implementation of the Commonwealth Scientific and Industrial Research Organisation (CSIRO) Property Investment Strategy*
4. No. 2 (2020-21) *Procurement of Strategic Water Entitlements*
5. No. 9 (2020-21) *Purchase of the 'Leppington Triangle' Land for the Future Development of Western Sydney Airport.*

Report 492 made two recommendations directed to the Department of Finance (Finance).

The Finance response to Recommendation 1 is detailed in this Executive Minute. The second recommendation (recommendation 12) requires a Government Response and will be addressed separately.

Recommendation No: 1

The Committee recommends that the Department of Finance:

- *review, and update as required, its resource management guidance for Commonwealth entities under the Public Governance, Performance and Accountability Act 2013 (PGPA Act), having regard to Australian National Audit Office and Joint Committee of Public Accounts and Audit (JCPAA) findings concerning governance in the stewardship of public resources, as well as ANAO Audit Insights on this matter; and*
- *provide the JCPAA with an update on amendments made to resource management guidance to reflect these audit and JCPAA findings.*

Response:

Agreed.

Resource Management Guides (RMGs) and other guidance tools and resources support Commonwealth entities and companies in meeting the requirements of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule), and related policies. The RMGs are reviewed and updated in real-time to reflect changes in government policy or Finance law and to take account of recommendations made by Parliamentary Committees and Auditor-General (ANAO) Reports.

Given the nature of real-time updating and the ongoing review of RMGs, it is not possible to provide specific updates made to RMGs. Nonetheless, Finance notes that all reports released by the Committee and ANAO Reports tabled in the Parliament each reporting period are monitored by Finance. Analysis of the commentary and recommendations made is undertaken to identify trends and emerging issues that may require engagement with entities and any amendments to RMGs and other supporting tools and guidance.

Report 492 noted nine key RMGs that assist entities to meet the various requirements under the PGPA Act. A status update on these is provided below:

RMG 126 – Government Business Enterprises

The review of the GBE Guidelines is expected to be completed in 2022-23 and will consider the findings of all recent ANAO audits of GBEs as well as recent updates to legislation, good governance practice and matters identified in other GBE reviews. Digital enhancements to align with the digital first approach will also be undertaken at that time.

RMG 131 – Developing Good Performance Information

This RMG has been recently streamlined to focus on characteristics of performance measures set out in section 16EA of the PGPA Rule. It discusses each of the characteristics and offers practical examples for each requirement. It also provides tools, techniques and considerations for developing performance measures.

RMG-200 Duties of Accountable Authorities

This RMG was updated in October 2022. The updates include improving readability and visual enhancements to align with the digital first approach.

RMG-202 Audit Committees

This RMG is regularly updated to ensure that links provided within the templates are current. Further digital enhancements are proposed in last quarter of 2022.

RMG-203 General Duties of Officials

This RMG was updated in October 2022. The updates include improving readability and visual enhancements to align with the digital first approach.

RMG-206 Accountability Authority Instructions (AAIs)

This RMG is regularly updated to ensure that links provided are current. Further digital enhancements and consideration of any tabled reports recommendations are proposed in early 2023.

RMG-211 Implementing the Commonwealth Risk Management Policy

This RMG is currently being reviewed and enhanced to reflect the revised Commonwealth Risk Management Policy 2023 approved by the Minister for Finance, Senator the Hon Katy Gallagher, in September 2022. The revised policy will come into effect on 1 January 2023.

RMG-415 Commonwealth Grants and Procurement Connected Policies

This RMG is regularly updated to ensure that links provided are current. Further digital enhancements and consideration of content is proposed in early 2023.

RMG-500 Commonwealth Property Management Framework

This RMG is currently under review. As part of its content review, the RMG will be digitally enhanced to align with the digital first approach. This is expected to be updated in early 2023.

For the information of the Committee, a new RMG was released in September 2022.

RMG-129 Reporting performance information in Portfolio Budget Statements

This RMG was released to assist officials of Commonwealth entities to meet performance reporting requirements in the Portfolio Budget Statements. The guidance provides information on the requirement to report key activities in current corporate plans that programs relate to and clarifies the existing requirement to report linked programs. The guidance will be reviewed and updated following the Budget cycle to ensure it remains accurate.

The index of the suite of RMGs is provided at [Attachment A](#) (as at 5 October 2022).

Signed by

Jenny Wilkinson PSM

List of Resource Management Guides (RMGs)

Attachment A

RMG Number	RMG Title
100	<u>Guide to Appropriations (RMG 100)</u>
106	<u>Guidance on the Assurance Reviews Process (RMG 106)</u>
107	<u>Risk Potential Assessment Tool General Guidance (RMG 107)</u>
109	<u>Accounting for internally developed software and cloud computing arrangements (RMG 109)</u>
110	<u>Accounting for Leases (RMG 110)</u>
111	<u>Accounting for non-current assets held for sale (RMG 111)</u>
112	<u>Identification of general insurance contracts for accounting purposes (RMG 112)</u>
113	<u>Accounting for subsequent expenditure on property, plant and equipment (RMG 113)</u>
114	<u>Accounting for decommissioning, restoration and similar provisions to make good (RMG 114)</u>
115	<u>Accounting for concessional loans (RMG 115)</u>
116	<u>Accounting for annual appropriations (RMG 116)</u>
117	<u>General principles for the recognition of expenditure in budget aggregates (RMG 117)</u>
118	<u>Accounting for machinery of government changes (RMG 118)</u>
119	<u>Reporting requirements following machinery of government changes (RMG 119)</u>
120	<u>Foreign exchange risk management</u>
121	<u>Secondment arrangements and procedures for Commonwealth employees (RMG 121)</u>
122	<u>Disclosure of current and non-current assets and liabilities in financial statements (RMG 122)</u>
123	<u>Designating transfers of assets and liabilities as 'contributions by owners' (equity) (RMG 123)</u>
124	<u>Capital budgeting by Commonwealth entities in the general government sector (RMG 124)</u>
125	<u>Commonwealth Entities Financial Statements Guide (RMG 125)</u>
126	<u>Government Business Enterprises (GBEs) (RMG 126)</u>
129	<u>Reporting performance information in Portfolio Budget Statements (RMG 129)</u>
130	<u>Evaluation in the Commonwealth (RMG 130)</u>
131	<u>Developing performance measures (RMG 131)</u>
132	<u>Corporate plans for Commonwealth entities (RMG 132)</u>
133	<u>Corporate plans for Commonwealth companies (RMG 133)</u>
134	<u>Annual performance statements for Commonwealth entities (RMG 134)</u>
135	<u>Annual reports for non-corporate Commonwealth entities (RMG 135)</u>
136	<u>Annual reports for corporate Commonwealth entities (RMG 136)</u>
137	<u>Annual reports for Commonwealth companies (RMG 137)</u>
138	<u>Commonwealth entities' executive remuneration reporting guide for annual reports (RMG 138)</u>
139	<u>Commonwealth companies' executive remuneration reporting guide for annual reports (RMG 139)</u>
200	<u>Duties of Accountable Authorities (RMG 200)</u>
201	<u>Preventing, detecting and dealing with fraud (RMG 201)</u>
202	<u>Audit committees (RMG 202)</u>
203	<u>General duties of officials (RMG 203)</u>
206	<u>Accountable Authority Instructions (AAIs) - (RMG 206)</u>
211	<u>Implementing the Commonwealth Risk Management Policy (RMG 211)</u>
212	<u>Prescribing officials for non-corporate Commonwealth entities (RMG 212)</u>
214	<u>Notification of significant non-compliance with the finance law (RMG 214)</u>
301	<u>Investment by Commonwealth entities (RMG 301)</u>
302	<u>Australian Government Charging Framework (RMG 302)</u>
303	<u>Other CRF money (RMG 303)</u>
304	<u>Australian Government Cost Recovery Guidelines (RMG 304)</u>
307	<u>Retainable receipts (RMG 307)</u>
308	<u>Commonwealth Investments (RMG 308)</u>
400	<u>Commitment of Relevant Money (RMG 400)</u>
401	<u>Requests for discretionary financial assistance under the Public Governance, Performance and Accountability Act 2013 (RMG 401)</u>
402	<u>Payment pending probate (RMG 402)</u>
403	<u>Meeting the Senate Order for Entity Contracts (RMG 403)</u>
404	<u>Domestic Travel Policy (RMG 404)</u>
405	<u>Official International Travel – Use of the best fare of the day (RMG 405)</u>
407	<u>Restrictions on advertising for open Approaches to Market (ATMs) (RMG 407)</u>
408	<u>Recruitment Advertising Policy (RMG 408)</u>
409	<u>Scheme for Compensation for Detriment caused by Defective Administration (RMG 409)</u>

RMG Number	RMG Title
411	<u>Grants, Procurements and other financial arrangements (RMG 411)</u>
412	<u>Australian Government Grants – Briefing, Reporting, Evaluating and Election Commitments (RMG 412)</u>
413	<u>Banking and Management of CRF money (RMG 413)</u>
414	<u>Indemnities, guarantees and warranties by the Commonwealth (RMG 414)</u>
415	<u>Commonwealth Grants and Procurement Connected Policies (RMG 415)</u>
417	<u>Supplier Pay On-Time or Pay Interest Policy (RMG 417)</u>
418	<u>Payment terms for Australian Government Travel Arrangements – card services (RMG 418)</u>
419	<u>Classifying Australian Government payments to other levels of government (RMG 419)</u>
420	<u>Mandatory use of the Commonwealth Contracting Suite for procurement under \$200,000 (RMG 420)</u>
421	<u>Publishing and reporting Grants and GrantConnect (RMG 421)</u>
422	<u>Handling complaints under the Government Procurement (Judicial Review) Act 2018 (RMG 422)</u>
423	<u>Procurement Publishing and Reporting Obligations (RMG 423)</u>
500	<u>Commonwealth Property Management Framework (RMG 500)</u>
501	<u>Lands Acquisition Framework (RMG 501)</u>

Source: Department of Finance website: [List of Resource Management Guides \(RMGs\) - Number order | Department of Finance](#) accessed 5 October 2022.