

Senate Community Affairs Legislation Committee

SUPPLEMENTARY BUDGET ESTIMATES - 20 OCTOBER 2011 ANSWER TO QUESTION ON NOTICE

Department of Human Services

Topic: External Accounting

Question reference number: HSW 54

Senator: Fifield

Type of question: Written

Date set by the committee for the return of answer: 9 December 2011

Number of pages: 2

Question:

- a) How much (if anything) did the department spend overall on external accounting in the financial year:
 1. 2010-2011?
 2. 2011-2012 (estimated)?
- b) How much (if anything) did the department spend on external accounting broken down by Program in the financial year:
 1. 2010-2011?
 2. 2011-2012 (estimated)?
- c) How much (if anything) did CRS Australia spend overall on external accounting in the financial year:
 1. 2010-2011?
 2. 2011-2012 (estimated)?
- d) If there was any expenditure, why was external accounting necessary in 2010-2011?
- e) Is it likely that expenditure on external accounting will be necessary in 2011-2012? If so, why?
- f) Who directed external accountants' work in 2010-2011?
- g) Who currently directs external accountants' work?
- h) Who authorised the engagement of external accountants in 2010-2011?
- i) Who is currently authorised to engage external accountants?
- j) Did the department seek out quotes from a number of different accountants before making a final decision to engage particular accountants?
 1. If so:
 - i. How many different accountants/firms were approached?
 - ii. Were the cheapest options chosen? If not, why not?
 2. If not, why not?

Answer:

- a) 1. DHS - \$32,511.
Medicare Australia - \$35,510.
Centrelink - nil.
CRS Australia - \$191,281.
- 2. At this stage of the financial year it is not possible to accurately estimate the whole-of-year expenditure.
- b) 1. For 2010-11, the department did not have this information broken down at program level.
- 2. See (a)(2).
- c) 1. See (a)(1).
- 2. See (a)(2).
- d) To provide independent quality assurance and accounting advice.
- e) Yes. See (d).
- f), g), h) and i) Senior departmental officers.
- j) 2. DHS and Medicare Australia - No. A tool for financial statement preparation has been used in previous years. A reassessment of possible tools showed that the existing provider had the most suitable tool, and this purchase arrangement was extended to cover the provision of Quality Assurance services as the knowledge held by the provider supported the delivery of a more effective service.
CRS Australia - A provider rate comparison was completed for eight providers. The selected provider was comparatively cheaper, along with one other provider. The provider selected was considered to be the best value for money.