

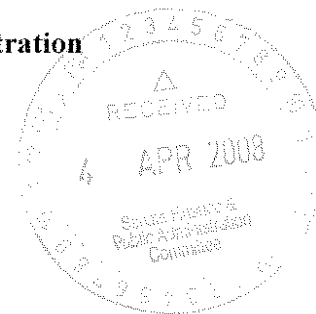
Standing Committee on Finance and Public Administration

ANSWER TO QUESTION ON NOTICE

Finance and Deregulation Portfolio

Department of Finance and Deregulation

Additional Estimates Hearing – February 2008



Question: F90

Outcome 2, Output 2.1.2

Topic: Insurance and Risk Management

Written Question on Notice

Senator Ronaldson asked:

What would be the impact on the risk to the Commonwealth if individual departments were not responsible for limiting their risk?

Answer:

Managing risk prudently is a requirement of the Commonwealth financial framework, as embodied in the *Financial Management and Accountability Act 1997* and the *Commonwealth Authorities and Companies Act 1997*. How risks are managed is central to the performance of Commonwealth entities. If responsible entities are not accountable for managing risk effectively then risk exposures would be expected to increase.