

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
SUPPLEMENTARY BUDGET ESTIMATES 2012-2013

Finance and Deregulation Portfolio

Department/Agency: Department of Finance and Deregulation

Outcome/Program: 1/1.1

Topic: Commonwealth Grants

Senator: Ryan

Question reference number: F40

Type of question: Written

Date set by the committee for the return of answer: Friday, 30 November 2012

Number of pages: 2

Question:

- a) How much funding is allocated across government departments and agencies towards ICT to ensure efficient grants management processes?
- b) How does the Department of Finance measure efficiency of the implementation of the Commonwealth's grant programs measured?
- c) What steps have been taken in the last 12 months to improve the efficiency of the management of Commonwealth grants?

Answer:

- a) Systems used by agencies to support grants processes are also used for other administrative purposes. As a consequence it is difficult to apportion this specific element of cost related to grants management.
- b) As part of the process of program development and costing (including for programs involving granting activities) there would be an assessment of matters, such as outcomes expected, governance arrangements and the number of resources required to implement and administer the program. Such matters would also be amongst those considered in the case of a review of the program and when assessing guidelines for any granting activities.
- c) To improve efficiency of grants administration, Finance Circular 2011/13 *National Standard Chart of Accounts for reporting by not-for-profit organisations* was issued on 9 June 2011. It provides for FMA Act agencies to accept information consistent with state governments, according to the Standard Chart of Accounts (SCOA). Agencies have been implementing the SCOA since June 2011. The SCOA is an agreed list of account categories and data dictionary for government entities to use when requesting financial information from not-for-profit (NFP) organisations. The SCOA provides consistency in financial reporting by NFP organisations to funding entities and can be taken up by NFP organisations voluntarily.

The Department of Finance and Deregulation (Finance) is currently working with stakeholders to develop a whole-of-government grant agreement template that can be used by agencies when entering into low risk grants. The purpose of the template is to streamline grant agreements between the Australian Government and grant recipients, particularly the NFP sector. Finance is currently in the process of piloting a draft version of the template with a planned release in mid-2013. Finance is also in the process of updating grants guidance material.