



***Compliance with Guidelines
for the Preparation of
Departmental Annual Reports***

**Report
299**
**Joint
Committee
of Public
Accounts**

**Parliament
of the
Commonwealth
of Australia
1989**

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA
JOINT COMMITTEE OF PUBLIC ACCOUNTS



R E P O R T 2 9 9

**COMPLIANCE WITH GUIDELINES FOR
THE PREPARATION OF DEPARTMENTAL
ANNUAL REPORTS**

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DUTIES OF THE COMMITTEE

Section 8.1(1) of the Public Accounts Committee Act 1951 reads as follows:

- Subject to sub-section (2), the duties of the Committee are:
- (a) to examine the accounts of the receipts and expenditure of the Commonwealth including the financial statements transmitted to the Auditor-General under sub-section (4) of section 50 of the Audit Act 1901;
 - (aa) to examine the financial affairs of authorities of the Commonwealth to which this Act applies and of intergovernmental bodies to which the Act applies;
 - (ab) to examine all reports of the Auditor-General (including reports of the results of efficiency audits) copies of which have been laid before the Houses of the Parliament;
 - (b) to report to both Houses of the Parliament, with such comment as it thinks fit, any items or matters in those accounts, statements and reports, or any circumstances connected with them, to which the Committee is of the opinion that the attention of the Parliament should be directed;
 - (c) to report to both Houses of the Parliament any alteration which the Committee thinks desirable in the form of the public accounts or in the method of keeping them, or in the mode of receipt, control, issue or payment of public moneys; and
 - (d) to inquire into any question in connexion with the public accounts which is referred to it by either House of the Parliament, and to report to the House upon that question,

and include such other duties as are assigned to the Committee by Joint Standing Orders approved by both Houses of the Parliament.

PREFACE

This report presents the results of an examination made by the Committee of the extent to which the 1987-88 annual reports of Commonwealth departments complied with the existing Guidelines under Section 25 of the Public Service Act for the Preparation of Departmental Annual Reports.

During the Inquiry the Committee was very concerned at the level of non-compliance with the Guidelines for the Preparation of Departmental Annual Reports. This concern was heightened as special attention had been drawn to the Guidelines and the Committee had put on notice its intention to review compliance with a mandatory requirement of Commonwealth law. On the positive side some departments have indicated that steps are being taken to ensure such problems will not be an attribute of the 1988-89 reports.

Information provided by annual reports can be assessed by a range of criteria. In this report, the Committee has addressed the adequacy of reporting under four broad headings: content, timeliness, accuracy and accessibility. This is intended to draw attention to the impact which non-compliance has upon the usefulness of the reports.

The 1988-89 reports are awaited with interest for several reasons. First, the reports should be prepared in accord with the Guidelines and thus they should provide more comprehensive and more consistent information on the operations of Commonwealth departments. Second, the reports will reflect the initiative and skill of departments in presenting the required information in a manner which is concise and accessible to the reader. A more informed basis will then exist for re-assessing the Guidelines.

The Committee encourages all parties concerned with annual reports to take an active interest in ensuring that they are useful documents. If scope to significantly improve the Guidelines is identified then this should be drawn to the attention of relevant bodies, the first being the Department of the Prime Minister and Cabinet. For its part this Committee intends to conduct a review of the Guidelines, during the current session of Parliament.

For and on behalf of the Committee

R E Tickner, MP
Chairman
Joint Committee of Public Accounts
Parliament House
CANBERRA
4 October 1989

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ABBREVIATIONS

JCPA - Joint Committee of Public Accounts
SSCFPA - Senate Standing Committee on Finance and Public
Administration

CHAPTER 1

INTRODUCTION

1.1 Last year in its Report 291¹, the Committee foreshadowed that it would 'review annual reports of departments for compliance with the relevant guidelines'. This inquiry followed on from the Committee's Report 262, *Guidelines for Annual Reports*, and its continuing interest in the maintenance and enhancement of the accountability of the public sector.

1.2 Originally the Committee's review was intended merely to confirm that secretaries of Commonwealth Government departments were complying with the requirement that they include certain information in their 1987-88 annual reports to Parliament. This requirement was established by Section 25 of the Public Service Act 1922 which required departmental annual reports to be prepared in accordance with Guidelines from time to time presented to the Parliament by the Prime Minister after approval by this Committee. The current Guidelines, titled *Guidelines for the Preparation of Departmental Annual Reports* (the Guidelines), were presented on 17 November 1987.

1.3 Adequate reporting by all departments is a prerequisite to assessing the performance of departments. The Parliament needs to receive the basic information necessary to assess the performance of all departments if the notion of accountability to the Parliament applies. Compliance with reporting requirements ought to be a simple administrative matter. However, non-compliance is a threat to one of the basic concepts of democracy - that it is the people's representatives and not unelected officials who have ultimate authority and responsibility and who are in turn accountable to the people. On a more pragmatic level non-compliance poses an immediate threat to recent managerial reforms which are based on the notion of devolving managerial authority while maintaining overall control through accountability for performance.

1. JCPA 1988, Revised Procedures for Reports of the Joint Committee of Public Accounts, Report 291, p. 4.

Conduct of the Inquiry

1.4 The Committee endeavoured to confirm that the 1987-88 annual reports of relevant Commonwealth departments complied with the Prime Ministers' Guidelines. Initially the Committee directed its attention to only one item of information required by the Guidelines. This item, which had been included in the Guidelines at the initiative of the Public Accounts Committee itself, was:

... information regarding any reviews by the Auditor-General or parliamentary committees which directly affect the department, showing recommendations arising from such reviews and the action taken to address them.²

1.5 A number of attributes made compliance with this requirement suitable for review by the Committee:

- it covers a topic of direct relevance to this Committee's normal area of interest;
- the requirement was clear and reasonably well suited to objective assessment of compliance; and
- the subject matter was of great importance, because of the vital role of the Auditor-General and parliamentary committees in promoting reform and accountability.

1.6 In May 1988, well in advance of the required tabling of the 1987-88 annual reports, the Committee wrote to departmental Secretaries drawing attention specifically to this guideline and also to the Committee's intention to review compliance with it and with other relevant guidelines³. The Committee's interest was to ensure compliance with the Guidelines and thus at least a minimum level of reporting to the Parliament.

1.7 During the course of its inquiry into the use of external consultants⁴, the Committee found some annual reports did not contain information on the use of consultants which was provided for in the Guidelines. This was therefore adopted as a second guideline for specific consideration.

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2. Guidelines for the Preparation of Departmental Annual Reports, Guideline 9(m).
 3. Evidence, p. 24.
 4. This inquiry was conducted during 1989.

1.8 Review of reporting under these two aspects of the Guidelines revealed a lack of compliance. This was a cause for surprise and concern. The Committee consequently invited the secretaries of five departments to appear before it to discuss compliance with the Guidelines. A list of witnesses is at Appendix 1.

1.9 Subsequent to that hearing the Committee sought advice from the thirteen other portfolio departments. They were asked to advise where their 1987-88 annual reports did not comply with the requirements of the Guidelines or where more comprehensive information could have been supplied. This request was made for two reasons:

- it would be more difficult for the Committee to quickly identify some elements of non-compliance, primarily those involving inaccuracy or incompleteness rather than a total lack of information; and
- preparation of the reply would once again draw the attention of departments to the requirements of the Guidelines.

1.10 Success in regard to the second point was indicated by various comments in replies from departments. One department observed that it had conducted a detailed audit of the 1987-88 report and this had proved invaluable in the preparatory work being undertaken on the 1988-89 report.⁵ Another department stated:

... we had some concerns about the nature of the request, which seemed in effect to be asking the Department to incriminate itself.⁶

This latter response at least indicated an acute awareness that the Guidelines were not optional.

5. JCPA file A7/4/13, Part 6, folio 45, Department of Aboriginal Affairs, undated, received 30 June 1989.

6. JCPA file A7/4/13, Part 6, folio 46, Department of Employment, Education and Training, 29 June 1989.

1.11 Responses from the various departments indicated that non-compliance with the Guidelines was widespread in the 1987-88 annual reports. The Committee appreciates the efforts of those departments which provided comprehensive responses to the Committee's request for detailed information on non-compliance. Such critical reassessment, it is believed, will contribute significantly to compliance in 1988-89 annual reports.

1.12 A list of the departments which provided submissions to the Committee is at Appendix 2.

CHAPTER 2

BACKGROUND TO THE INQUIRY

History of the Guidelines

2.1 The draft of the current Guidelines was prepared by the Department of the Prime Minister and Cabinet in consultation with the Public Service Board. The Department sought comments on the draft from all Commonwealth departments and from the Royal Australian Institute of Public Administration.

2.2 The draft Guidelines were then the subject of an inquiry by this Committee. During that inquiry comments were invited from the Senate Standing Committee on Finance and Government Operations, Joint Committee on Publications, Australian Accounting Research Foundation, Australian Institute of Public Administration, Australian Institute of Management NSW Limited, Institute of Chartered Accountants in Australia, Australian Society of Accountants, Department of the Prime Minister and Cabinet, Department of Finance, Public Service Board and the Auditor-General's Office.

2.3 That inquiry led to the tabling on 27 November 1986 of Report 262, Guidelines for Annual Reports. The Report recommended some changes and additions to the draft guidelines, and subsequently the Committee approved a further change. The Guidelines, replacing guidelines which dated from 1982, were then tabled in the Parliament by the Prime Minister.

2.4 Given the wide input during the drafting any provisions in the Guidelines which would cause major problems would have been expected to be identified.

2.5 During the 1987-88 financial year the Department of the Prime Minister and Cabinet did not receive any queries from departments as to the interpretation of the guidelines¹. This indicates that in attempting to apply the Guidelines departments did not encounter any particular areas of confusion.

1. Evidence, pp. 44-45 and JCPA file A7/4/13, Part 6, folios 21-18.

2.6 In evidence to this Committee and to the Senate Standing Committee on Finance and Public Administration (SSCFPA) in recent months it has been suggested that the Guidelines are in various respects inadequate. However, no evidence of any substance supported this view. Nevertheless it is desirable that the Committee review the Guidelines and the review will be initiated in the current session of Parliament.

Legal Requirement for Compliance with the Guidelines

2.7 To confirm the legal standing of the Guidelines the Committee sought advice from the Attorney-General's Department. The reply from the Secretary of the Department referred to sub-sections 25(6) - 25(9) of the Public Service Act 1922. His advice stated:

In my view, a Secretary of a Department is legally obliged to prepare the Annual Reports of the Department 'in accordance with' the Guidelines. In that general sense compliance with the Guidelines is mandatory.²

The opinion of the Attorney-General's Department also noted that whether there is a breach in relation to any particular provision of the Guidelines depends on the terms of that specific provision.

2.8 The Committee wishes to stress that it does not seek to adopt a narrow, impracticable, legalistic approach to annual reporting. While insisting on formal legal compliance the Committee does not seek the extensive publication of detailed information where this is clearly not strictly required by the Guidelines. Where such discretion is allowed by the Guidelines it can be exercised by a departmental secretary. The Committee is, however, committed to the view that if a discretion is exercised then the information ought to be identified in the annual report as available at an alternative, clearly identified, source.

2.9 Thus, the Committee believes that it is desirable to continue to leave some flexibility. This avoids making compulsory the inclusion of vast quantities of data when alternate procedures could achieve the intended goal of accountability.

2. Evidence, pp. 29-30.

2.10 An example of information which could have been made available other than by full disclosure in the annual report is that on the many consultants engaged by the Department of Administrative Services. The Department could have included a summary of the number and value of consultancies; the general reasons for the consultancies; and provided a means by which a reader with a particular interest could obtain the detailed information. This would need to have been available contemporaneously with the publication of the annual report. When the Guidelines permit discretion the Committee's concern is that the spirit of the Guidelines apply to ensure adequate public accountability.

Sanctions for Non-compliance

2.11 The failure of many departments to provide mandatory information required by the Guidelines in their present form is a major concern. Individual citizens and the private sector must have confidence that public sector managers are bound by the provisions of Commonwealth law directly applicable to them.

2.12 One issue raised by non-compliance is that of the sanctions available. Advice from the Attorney-General's Department on this topic advised of only one formal type of sanction.³ If a departure from the Guidelines was so substantial that the annual report could be regarded as not being 'in accordance with' the Guidelines it would be open for the relevant Minister to bring disciplinary proceedings against the departmental Secretary under s.57 of the Public Service Act.

2.13 Section 57 relates to the failure by a Secretary to 'fulfil his duty as an officer'. The Section provides that a Minister may suspend an officer from duty and charge him with failure to fulfil his duty. Subsequent procedures are also laid down in the Section.

2.14 Thus, the only legal sanction available for any non-compliance with the requirements for annual reporting involves the suspension of the secretary of a department. In accord with other moves to bring public sector management more into line with the private sector, it may be appropriate in this context to consider sanctions applying to equivalent reporting requirements in the private sector. However, while the law remains unchanged the Committee believes that Ministers have a crucial role to play in reinforcing the concerns of Parliament about non-compliance. This concern is reflected in the bipartisan reports of the Public Accounts Committee and the SSCFPA.⁴ This issue is further dealt with in the conclusion to this report.

3. Evidence, p. 30.

4. SSCFPA 1989, The Timeliness and Quality of Annual Reports, AGPS, Canberra.

The Role of Parliament

2.15 As the law currently stands Parliament has a limited role in ensuring accountability for compliance with the Commonwealth law which requires the mandatory provision of information to the Parliament in the annual reports of Commonwealth Government departments.

2.16 Both the Committee and the SSCFPA have reported to Parliament on clear breaches of the Public Service Act in this area. The effect of the publicity generated by the revelations of those committees should be conducive to an increased awareness by departmental secretaries of the ongoing commitment by Parliament to insist on compliance with the Guidelines as the minimum reporting standard to Parliament.

2.17 Under the current law, however, sanctions do not lie with Parliament but are a discretionary matter for the executive government.

2.18 There is an inconsistency with legal requirements in that legislation requires the provision of information to the Parliament but there is no power of parliamentary or public enforcement. The role of Ministers in ensuring compliance therefore has even greater importance.

CHAPTER 3

COMPLIANCE WITH THE GUIDELINES

3.1 Information provided by annual reports can be assessed by a range of criteria. In its examination, the Committee has addressed the adequacy of reporting under four broad headings: content, timeliness, accuracy and accessibility. This is intended to draw attention to the impact which non-compliance has upon the usefulness of the reports.

Content

3.2 The utility of a report is dependent upon its content and the relevance of that content to the reader. The Guidelines prescribe a considerable amount of information which is to be included in or referred to by departmental annual reports. This is the minimum amount of information which is to be provided through the annual reports, whilst clearly leaving scope for inclusion of additional information. The minimum content has a degree of flexibility in some cases.

3.3 The requirement regarding consultants, for example, is qualified by what is 'practicable'¹. Similarly, for some financial information the requirement is qualified by what is 'practicable' and whether departmental systems could produce the information².

3.4 There were instances where the Guidelines required substantial information yet some reports did not even provide basic information. For example, the Guidelines' Attachment B2 and B3, provide for certain financial information to be included or, where this could not be provided, a statement as to why and the action being taken to ensure it could be provided in the future. Several departments including Veterans' Affairs³, Aboriginal Affairs⁴, Industry Technology and Commerce⁵, Community Services and Health⁶, Transport and Communications⁷, and the Treasury⁸ failed to include either the information or a statement relating to the lack of information.

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1. Guideline, Attachment C3.
 2. Guideline, Attachments B2 and B3.
 3. JCPA file A7/4/13, Part 6, folio 48.
 4. JCPA file A7/4/13, Part 6, folio 41.
 5. JCPA file A7/4/13, Part 6, folio 40.
 6. JCPA file A7/4/13, Part 6, folio 38.
 7. JCPA file A7/4/13, Part 6, folio 30.
 8. The Treasury, Annual Report 1987-88, AGPS, Canberra, 1988.

3.5 The Annual Report of the Department of Defence did not satisfy Guideline 9(M) which required that departments report on reviews by the Auditor-General or Parliamentary committees. The non-compliance by Defence related to a failure to show 'recommendations arising from such reviews and the action taken to address them'.

3.6 In the course of this inquiry the Committee queried the Department of Defence regarding any non-compliance with the Guidelines. The reply from the Department stated:

With the exception of the incomplete information on the engagement of external consultants which has been the subject of previous correspondence, the account provided of the Department's operations during the 1987-88 financial year was in accordance with the Guidelines.⁹

3.7 It is of great concern to this Committee that the Department of Defence provided it with a reply which was clearly deficient.

3.8 Concern is caused when information which the Guidelines provide should be included in reports to Parliament is not included. The situation is worse when the information is left out without good reason and without any explanation.

Timeliness

3.9 To be useful information needs to be reported in a timely fashion. The desire for timeliness needs to be balanced against competing requirements, such as the requirements for accuracy and for economy in production of reports. It should, however, be possible to improve the timeliness of annual reports. This could be achieved by ensuring the information contained in reports was up to date and by bringing forward the date of tabling reports.

9. JCPA file A7/4/13, Part 6, folio 51.

3.10 The scope for information to be less than timely is illustrated by some information provided to the Committee by some Departments to compensate for not having included it in the annual report. Having failed to report progress on recommendations of the Auditor-General a few departments provided advice to the Committee which reported progress only to the time of the audit report¹⁰. Thus the information provided to compensate for lack of reporting, in some instances advised of the situation only to the first quarter of the financial year being reported.

3.11 It is also noteworthy that, if the same information had been included in the report, it may not have been possible for a reader to determine that it was not current to the end of the year to which the report related.

3.12 Timeliness requires that an annual report be tabled as soon as possible and, as far as is practicable, that the report on performance is up to the end of the year in question.

3.13 The SSCFPA recommended that all annual reports for the 1989-90 financial year should be tabled on or before 30 November 1990 and for subsequent financial years on or before 31 October.¹¹

3.14 To achieve these deadlines it would be necessary for each department to establish well in advance a program for the production of their annual report. It would also be necessary for the other key parties in the report production process, the Australian Government Publishing Service (AGPS) and the Australian Audit Office (AAO), to appropriately program their involvement.

3.15 Accountability to Parliament and the people requires that the financial statements supplied be both accurate and timely. To ensure acceptable accuracy it is necessary that the statements be audited and, as discussed in Report 296¹², that the audit be controlled by the Auditor-General.

10. JCPA file A7/4/13, Part 5, folios 110-18, Department of Foreign Affairs and Trade and folios 130-121, Attorney-General's Department.

11. SSCFPA 1989, The Timeliness and Quality of Annual Reports, AGPS, Canberra, pp. 31-2.

12. JCPA 1989, The Auditor-General: Ally of the People and Parliament - Reform of the Australian Audit Office, Report 296, AGPS, Canberra.

3.16 Of the 1987-88 departmental annual reports only the Annual Report of the Treasury (tabled 10 April 1989) failed to meet the requirements of the Guidelines with respect to timeliness. That the Report of the Department of Industrial Relations, tabled on 4 April 1989 more than nine months after the end of the relevant year, did not breach the Guidelines is indicative of the generosity of the time limits set by the Guidelines rather than indicating that the departmental processes for producing the report were admirable. The Committee found it entirely unacceptable that the Secretary of the Treasury failed to report within the time requirements.

3.17 As noted in Table 5.3 of the SSCFPA Report, The Timeliness and Quality of Annual Reports,¹³ annual reports of the eighteen major departments were tabled as follows:

- 1 in September 1988
- 1 in October 1988
- 8 in November 1988
- 6 in December 1988
- 2 in April 1989.

3.18 Thus, the majority of departments for 1987-88 met the 30 November deadline, recommended by the SSCFPA for 1989-90 annual reports. This majority included large departments with potentially difficult reports (such as the Department of Administrative Services, the Department of Defence and the Department of Social Security) which supports the conclusion that the schedule would be feasible for all departments.

Accuracy

3.19 To be useful to readers, information must be accurate. This does not imply total precision but rather that the reader is not misled.

3.20 This Committee, not having the detailed knowledge of specialist committees of the House of Representatives and the Senate, is not in the best position to assess the accuracy of information contained in annual reports. It is only where the inaccuracy is identifiable from the reader's knowledge from other sources that it is likely to be discovered.

13. SSCFPA 1989, The Timeliness and Quality of Annual Reports, AGPS, Canberra, p. 28.

3.21 An example is a reference in the Department of Finance Annual Report which claimed:

Another important activity ... is the monitoring of action ... to remedy deficiencies in financial administration reported upon by the Auditor-General in his reports to the Parliament ... This form of monitoring will in future be given a new visibility following recent amendments to the Audit Act 1901 governing the annual reporting requirements of departments: commencing with their 1988-89 reports, departments will list each year any adverse comments made by the Auditor-General and Parliamentary Committees and indicate the remedial actions taken.¹⁴

3.22 The Department's reference to amendments to the Audit Act was incorrect. The Audit Act had not been amended to require such reporting. It is perhaps ironic that a more comprehensive requirement was, however, already in the Guidelines under the Public Service Act and various departments, including the Department of Finance, did not comply with this Public Service Act requirement.

3.23 Another example is the advice in the Annual Report of the Department of Defence that expenditure on consultancies totalled \$6.646 million in 1987-88.¹⁵ In response to a query from this Committee the Department advised, after several months, that the correct figure was \$12.610 million.¹⁶

3.24 All readers of annual reports are reliant upon the producers of the reports to ensure accuracy. The Committee strongly urges secretaries of departments to ensure that their reports to Parliament are accurate.

Accessibility

3.25 To be useful, information in an annual report must be readily available and comprehensible to the reader.

14. Department of Finance, Annual Report 1987-88, p. 57.

15. Department of Defence, Annual Report 1987-88, p. 75.

16. JCPA file 1988/2, Part 4, 3 August 1989, Inspector-General Department of Defence.

3.26 A number of factors can contribute to or detract from the reader's capacity to gain access to information. Among these features are:

- the use and quality of indexes in reports; and
- the clarity of expression and conciseness of reports.

3.27 The 1987-88 departmental annual reports varied with regard to accessibility of information. A notable failing in a number of the reports was the lack of an alphabetic index. Some others had such an index, however, the index did not refer to some of the matters which the Guidelines required to be included in the report. For example, the index to the Annual Report of the Department of Industrial Relations included several references to comments on the Department's role in encouraging the adoption of industrial democracy in other organisations but no reference to the single sentence concerning the limited progress with the adoption of industrial democracy within the Department.¹⁷

3.28 This Committee does not consider that the Guidelines should always go into detail regarding how information is to be presented. It should not be necessary to prescribe such detail and initiative and the improvement in presentation should not be inhibited but should take into consideration the cost effectiveness of presentation.

3.29 There is a problem, however, as some departments clearly have not shown great initiative, indeed, have not even met a minimum standard.

3.30 The Committee therefore recommends that:

- All departmental annual reports contain, in addition to any other form of index, a section that cross references the requirements of the Guidelines for the Preparation of Departmental Annual Reports to the contents of the report.

17. Department of Industrial Relations, Annual Report 1987-88, AGPS, Canberra, pp. 65, 115.

3.31 This inclusion, which was also recommended by the SSCFPA¹⁸, should ensure ready access to the required information and should also act as a checklist for departments. This should reduce the incidence of non-compliance due to 'oversight'. It is not intended to serve as a substitute for departmental initiatives to ensure all information in the reports can be located by readers with reasonable ease. Rather it ensures that the reader at least has ready access to the information the Parliament considered necessary.

18. SSCFPA 1989, The Timeliness and Quality of Annual Reports, AGPS, Canberra, p. 24.

CHAPTER 4

CONCLUSION

4.1 The Committee was deeply distressed at the level of non-compliance with the Guidelines for the Preparation of Departmental Annual Reports. This distress was heightened as special attention had been drawn to the Guidelines and the Committee had put on notice its intention to review compliance with a mandatory requirement of Commonwealth law. On the positive side some departments have indicated that steps are being taken to ensure such problems will not be an attribute of the 1988-89 reports.

4.2 As highlighted in paragraph 2.17 Parliament has no power under current legislation to impose sanctions for non-compliance with the law in this matter, even though the reporting requirements directly impinge on the relationships between the Public Service and the Parliament. Ministers, therefore have a crucial role to play in ensuring compliance.

4.3 The Committee therefore recommends that:

- All Ministers write formally to each departmental secretary reminding them of their obligations to report to Parliament in conformity with the Prime Ministers Guidelines referred to in Section 25 of the Public Service Act 1922. Ministers are also requested to highlight the bipartisan reports of the Public Accounts Committee and the Senate Standing Committee on Finance and Public Administration on this issue.

4.4 The Committee wishes to place all departmental secretaries on notice that it would regard any repeated breach of a substantive nature as warranting action to be taken pursuant to Section 57 of the Public Service Act 1922.

4.5 The 1988-89 annual reports are awaited with interest for several reasons. First, the reports should be prepared closely in accord with the Guidelines. Thus they should provide more comprehensive and more consistent information on the operations of the departments. Second, the reports will reflect the initiative and skill of departments in presenting the required information in a manner which is concise and accessible to the reader. A better basis will then exist for re-assessing the Guidelines.

4.6 The Committee encourages all parties concerned with annual reports to take an active interest in ensuring that they are useful documents. If scope to significantly improve the Guidelines is identified then this should be drawn to the attention of relevant bodies, the first being the Department of Prime Minister and Cabinet. For its part, the Committee intends to conduct a review of the Guidelines, commencing during the current session of Parliament.¹



R E Tickner, MP
Chairman
4 October 1989

1. The timing of the proposed inquiry may be affected by factors such as the workload of the Committee and the progress of any review of the Guidelines which may be conducted by the Department of the Prime Minister and Cabinet.

Witnesses to the Inquiry

In the course of the Inquiry one hearing was held on 29 May 1989. The witnesses were:

ATTORNEY-GENERAL'S DEPARTMENT

Mr A Rose, Secretary

Mr L Glare, Deputy Secretary

**Mr D Jessop, Senior Assistant Secretary,
General Counsel Division**

DEPARTMENT OF FINANCE

Dr M Keating, Secretary

**Mr J Galloway, Assistant Secretary,
Resource Policies and Management Branch**

**Mr M Holmes, Acting Principal Adviser,
General Expenditure Division**

**Mr I McPhee, Assistant Secretary,
Public Administration and Accounting Development Branch**

DEPARTMENT OF FOREIGN AFFAIRS AND TRADE

Mr M Lightowler, Acting Secretary

**Mr D Goss, Principal Adviser,
Corporate Management Division**

**Ms M O'Brien, Acting Director,
Management Liaison Section,
Corporate Management Division**

**Mr M Proctor, Acting Assistant Director-General,
Contracts and Commercial Program Branch**

Mr R Ryan, Director, Executive Secretariat Branch

DEPARTMENT OF IMMIGRATION, LOCAL GOVERNMENT AND ETHNIC AFFAIRS

Mr R Brown, Secretary

Mr I Macara, Director, Internal Audit

**Mr V McMahon, Assistant Secretary,
Resource Management Affairs**

DEPARTMENT OF PRIME MINISTER AND CABINET

Mr M Codd, Secretary

**Mr M Bonsey, Acting First Assistant Secretary,
Parliamentary and Government Division**

Observers

AUSTRALIAN AUDIT OFFICE

Mr Cochrane

DEPARTMENT OF FINANCE

Mr Nicholson

Submissions Received

Submissions were invited and received from the following Commonwealth departments:

Aboriginal Affairs
Administrative Services
Arts, Sport, the Environment, Tourism and Territories
Attorney-General's
Community Services and Health
Defence
Employment, Education and Training
Finance
Foreign Affairs and Trade
Immigration, Local Government and Ethnic Affairs
Industrial Relations
Industry, Technology and Commerce
Primary Industries and Energy
Prime Minister and Cabinet
Social Security
The Treasury
Transport and Communications
Veterans' Affairs