

REQUIREMENTS FOR ANNUAL REPORTS

FOR DEPARTMENTS, EXECUTIVE AGENCIES AND FMA ACT BODIES

**Approved by the Joint Committee of Public Accounts and Audit
under subsections 63(2) and 70(2) of the
*Public Service Act 1999***

**Department of the Prime Minister and Cabinet
23 June 2010**

www.dpmc.gov.au/guidelines/index.cfm

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Part 1 – Preliminary

1 Authority for Requirements

These annual report requirements are prepared pursuant to subsections 63(2) and 70(2) of the *Public Service Act 1999* and were approved by the Joint Committee of Public Accounts and Audit on 23 June 2010.

2 Commencement and Reporting Period

The requirements apply to annual reports for the financial year ending on 30 June 2010.

3 Application

- (1) The requirements apply to annual reports for departments of state pursuant to subsection 63(2) and for Executive Agencies pursuant to subsection 70(2) of the *Public Service Act 1999*. As a matter of policy, they also apply to prescribed agencies under section 5 of the *Financial Management and Accountability Act 1997* (FMA Act).

In respect of Commonwealth authorities and companies, section 9 of the *Commonwealth Authorities and Companies Act 1997* (CAC Act) provides that the directors of Commonwealth authorities must prepare an annual report for the responsible Minister who must, in turn, table the annual report in both House of the Parliament ‘as soon as practicable’. Part 1 of Schedule 1 to the CAC Act details content that must be included in annual reports.¹ Under section 36 of the CAC Act, the content of annual reports for Commonwealth companies is based on reporting requirements under the *Corporations Act 2001*.

- (2) In most cases the term ‘department’ is used in these Requirements to refer to all departments and agencies that will be preparing annual reports under these requirements. Similarly, ‘secretary’ is used to refer to a departmental secretary or to an agency head of one of those other bodies.
- (3) In the case of an agency (including an executive agency established under section 65 of the *Public Service Act 1999*) that is neither prescribed under the FMA Act nor comes within the CAC Act, these Requirements may be used to the extent that they are consistent with any reporting requirements contained in the agency’s own legislation (if any).
- (4) In cases of machinery of government change during the reporting period, where functions or offices are gained or lost, the established practice is that the gaining department must report on that function or

¹ See <http://www.finance.gov.au/financial-framework/cac-legislation/index.html>

office for the entirety of the reporting period, whether or not the losing department continues to exist. However, in relation to *financial statements*, the general rule is that each Chief Executive who had responsibility for a function must sign off on financial statements relating to the period of their individual responsibility and include them in their own annual reports. If, for any reason, the losing department does not produce an annual report that covers the period it had the function, the financial statements from the earlier period must be published in the gaining department's annual report. For agencies under the FMA Act, further details can be found in section 51 of the FMA Act.

4 Timetable

A copy of the annual report is to be presented to each House of the Parliament on or before 31 October in the year in which the report is given.² If Senate Estimates is scheduled to occur prior to 31 October, it is best practice for annual reports to be tabled prior to those hearings.

The provisions of subsections 34C(4) - (7) of the *Acts Interpretation Act 1901* apply in relation to an application for extension of the period.

Where an agency's own legislation provides a timeframe for its annual report, for example "within six months" or "as soon as practicable after 30 June in each year", that timeframe applies. An extension under the Acts Interpretation Act would need be sought only should a specified timeframe not be met. However, it remains the Government's policy that all annual reports should be tabled by 31 October.

² Guidance on the tabling requirements for annual reports is contained in the document prepared by the Department of the Prime Minister and Cabinet entitled: *Guidelines for the Presentation of Documents to the Parliament (including Government Documents, Government Responses to Committee Reports, Ministerial Statements, Annual Reports and Other Instruments)*, available at <http://www.dpmc.gov.au/guidelines/index.cfm>.

Part 2 - Introduction

5 Purpose of Annual Reports

- (1) The primary purpose of annual reports of departments is accountability, in particular to the Parliament.
- (2) Annual reports serve to inform the Parliament (through the responsible Minister), other stakeholders, educational and research institutions, the media and the general public about the performance of departments in relation to services provided. Annual reports are a key reference document and a document for internal management. They form part of the historical record.

6 Annual Reports and Accountability

- (1) Annual reports and Portfolio Budget Statements³ (PB Statements) are the principal formal accountability mechanisms between government and departments and from departments through (or on behalf of) government to the Parliament. Annual reports are reports from departmental secretaries to the portfolio minister, for tabling in the Parliament. PB Statements are authorised by ministers for use by the Parliament in the consideration of the Budget.
- (2) PB Statements set out the proposed allocation of resources to achieve Government outcomes. They set out performance information targets for departmental and administered programs. Annual reports report on the achievement of those targets. PB Statements and annual reports provide the Government and the Parliament with detailed information about the actual performance of departments and forecasts of future needs and expectations. The ‘clear read’ between PB Statements and annual reports is an essential part of the accountability system that compares budgeted targets and figures to those actually achieved, and places a strong emphasis on compatibility between the two documents regarding budget and **performance information**⁴.
- (3) The annual report requirements aim to provide a clear and concise framework for departmental annual reports which is consistent with enhancing the standard of annual reporting in the Commonwealth. They are periodically reviewed and updated to this end.
- (4) Annual reports co-exist with other annual whole-of-government reporting. While whole-of-government reports will traverse similar themes to those contained in annual reports, of necessity, they present an aggregated view of the performance of the Australian Public

³ There are also Portfolio Additional Estimates Statements (PAES) and portfolio statements accompanying any other additional appropriation bills.

⁴ An explanation of key terms can be found at [Attachment A](#). Terms included are identified by bold type when they are first used in these requirements.

Service as a whole. They should be seen as complementary to the more detailed departmental annual reports, which are important in the accountability of a secretary for the use of his or her employment and other powers. Bearing in mind the differing purposes of the types of reporting, duplication should be minimal.

- (5) Annual reports also co-exist with the availability of information through the Internet. Reporting and analysis in an annual report as a document of record, is complementary to the ongoing availability of information through the Internet.

7 Principles Underlying Annual Report Requirements

The content of annual reports should:

- (1) *be consistent with the purposes of annual reports* – in particular, annual reports should be written in plain English and provide sufficient information and analysis for the Parliament to make a fully informed judgement on departmental performance;
- (2) *align with the overall accountability framework;*
- (3) *reflect the harmonisation, as far as practicable, of reporting regimes within government (including PB Statements, Portfolio Additional Estimates (PAES)) and portfolio statements accompanying any other additional appropriation bills (other portfolio statements)) and between the government and non-government sectors; and*
- (4) *merit reporting* – the relative benefits and costs of reporting should be considered.

Part 3 –Annual Report Requirements

8 Specific Requirements

- (1) A core set of information is required in annual reports to ensure that accountability requirements are met and to provide consistency for readers. The annual report must include the following items:
 - (a) Review by departmental secretary;
 - (b) Departmental overview;
 - (c) Report on performance;
 - (d) Management and accountability;
 - (e) Financial statements; and
 - (f) Other mandatory information.

Required standards for these items are set out below.

Mandatory

- (2) The annual report must also include a letter of transmittal and aids to access, as set out in Attachment A.
- (3) Departments vary in role and size and secretaries have discretion as to the extent of information to include in annual reports and the sequence in which it is presented as long as the minimum amounts of information set out in these Requirements are met. In this regard, note the requirements specified in the Aids to Access section in Attachment A.
- (4) Whether or not particular information should be reported should be decided, in the absence of any contrary direction in these Requirements, having regard to the principles identified in paragraph 7.

9 Review by Departmental Secretary

Mandatory

- (1) The annual report must include a review by the departmental secretary.

Suggested

- (2) The review may include a summary of the significant issues and developments during the year, an overview of the department's performance and financial results, and the outlook for the following year.

Suggested
for portfolio
departments

- (3) For a portfolio department, the review may include a summary of the significant issues and developments for the portfolio.

10 Departmental Overview

Mandatory

(1) The annual report must provide a description of the department, including:

- (a) Role and functions⁵;
- (b) Organisational structure; and
- (c) **Outcome and program** structure.⁶

Mandatory

(2) The outcome and program structure must be consistent or reconcilable with information in the PB Statements, PAES or other portfolio statements relating to the department for the year covered by the annual report. Where a department is reporting using a different structure it must detail the variation and give the reasons for the change.

Mandatory
for portfolio
departments

(3) The annual report of a portfolio department must include an outline of the structure of the portfolio.

11 Report on Performance

The annual report must include:

Mandatory

(1) a review of how the department has performed during the year in relation to the deliverables and Key Performance Indicators (KPIs) of the department's programs and their effectiveness in achieving the planned outcomes. Descriptions of processes and activities should be avoided. Rather, reporting should be aimed at providing an assessment of how far the agency has progressed towards outcomes. The review must include:

- (a) reporting of actual results for all deliverables and KPIs for departmental and administered programs as set out in the PB Statements/PAES or other portfolio statements.⁷ A tabular presentation of information, in landscape format, may be helpful, especially if there are quantitative deliverables and/or KPIs. Where performance information has changed during the year, details of both the former and the new performance information must be provided, with reasons for the change, so as to fully inform the reader. The review should also note if the former KPI was achieved;
- (b) while departments must address how they have performed against their program deliverables and KPIs, departments have

⁵ Terminology may vary but it should include statements of vision, purpose, mission and objectives where they exist as well as principal functions or services performed.

⁶ All General Government Sector agencies are required to report in accordance with the outcome and program arrangements from the 2009-10 Budget.

⁷ Performance information is used in a generic sense to refer to performance measures, indicators and targets.

discretion as to the level of reporting below program level, unless a lower level was reported in the PB Statements/PAES or other portfolio statements (for example, program components). Discretionary reporting should have regard to **materiality**, parliamentary and public interest, and reader expectations; and

- (c) a statement noting if the department has historically met each KPI.⁸ For those KPIs that have not been achieved, a brief explanation is to be included.

Suggested

The performance information required above may include:

- the results of any evaluations, where appropriate;
- reference to any significant change in the nature of the department's principal functions or services that has occurred during the year, and has impacted on performance;
- if the department delivers outcomes through **purchaser/provider arrangements**, a report on the performance of those arrangements;
- reference to factors, events or trends influencing the department's performance and the achievement of outcomes over the year and in the future and how the department plans to deal with these issues;
- reference to the contribution of risk management in achieving the department's objectives by identifying areas of significant financial or operational risk and outlining the arrangements in place to manage these risks; and
- for departments whose activities may impact on social justice and equity outcomes in the community, reference to the social justice impacts.

Mandatory,
if applicable

- (2) for departments which are required to have **service charters** in place, reference to performance against the service charter customer service standards, complaints data, trend analysis, and the department's general response to complaints.⁹

⁸ Each department is to determine the appropriate timeframe for providing historical trends, however it is suggested that performance of KPIs over three years be provided, unless the KPI did not exist during that time. Reporting on the historic trends of KPIs will provide Parliament with information on the achievement of planned outcomes over multiple years.

⁹ For those departments which are required to have service charters in place or whose functions may impact on social justice and equity in the community, it would be expected that the outcome and program performance information would encompass service charter requirements and social justice impacts respectively. The narrative discussion and analysis (under 11(1)(b) of these requirements) could be cross-referenced to the relevant performance information. Further information is available at: <http://www.apsc.gov.au/charters/> and <http://www.apsc.gov.au/charters/principles.pdf>.

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|--------------------------|--|
| Mandatory | (3) discussion and analysis of the department’s financial performance for the year. |
| Suggested | <ul style="list-style-type: none"> • It is suggested that this include an overview discussion of any significant changes in financial results from the previous year, or from the budgeted financial statements for the financial year as set out in the PB Statements/PAES or other financial statements, and their implications;¹⁰ |
| Mandatory | (4) a summary table showing the total resources for the agency in comparison to the total payments made during the year, in addition to a series of summary tables showing the total resources for each outcome. A suggested format for each table, which is consistent with the corresponding table in the PB Statements, is set out in <u>Attachment E</u> . It is suggested that the tables be included in an appendix to the report; and |
| Mandatory, if applicable | (5) if applicable, details of any matter or circumstance that has arisen since the end of the financial year and has significantly affected or may significantly affect the department’s operations or financial results in future financial years and how the department plans to deal with these issues. |

12 Management and Accountability

(1) *Corporate Governance*

Mandatory	Under the Commonwealth Fraud Control Guidelines, agency heads are required to certify in their annual reports that their agency has prepared fraud risk assessments and fraud control plans and has in place appropriate fraud prevention, detection, investigation, reporting and data collection procedures and processes that meet the specific needs of the agency and comply with the Commonwealth Fraud Control Guidelines. ¹¹ Agencies may wish to include this certification in the letter of transmittal from the departmental secretary or agency head.
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Mandatory	The annual report must include a statement of the structures and processes that the department had in place during the year to implement the principles and objectives of corporate governance . ¹²
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Suggested	It is suggested that this include:
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10 Refer to the 2009-10 portfolio Budget Statements Constructors Kit available at <http://www.finance.gov.au/budget/budget-process/portfolio-budget-statements.html> for further information.

11 Further information can be found at www.ag.gov.au/fraud.

12 Australian Stock Exchange (ASX) listing rule 4.10.3 has been used as a guide. The ASX also publishes an indicative list for reporting purposes. Corporate governance items (d), (e) and (f) derive from this list.

- (a) the names of the senior executive and their responsibilities;¹³
- (b) senior management committees and their roles;
- (c) corporate and operational plans and associated performance reporting and review, including contribution to specified outcomes;¹⁴
- (d) internal audit arrangements including the approach adopted to identifying areas of significant operational or financial risk, and arrangements in place to manage those risks;
- (e) the department's policy and practices on the establishment and maintenance of appropriate ethical standards;¹⁵ and
- (f) how the nature and amount of remuneration for senior executive service officers is determined.¹⁶

(2) *External Scrutiny*

Mandatory

The annual report must provide information on the most significant developments in external scrutiny of the department and the department's response, including particulars of:

- (a) judicial decisions and decisions of administrative tribunals that have had, or may have, a significant impact on the operations of the department; and
- (b) reports on the operations of the department by the Auditor-General (other than the report on financial statements), a Parliamentary committee or the Commonwealth Ombudsman.

(3) *Management of Human Resources*

Mandatory

- (a) The annual report must include an assessment of the department's effectiveness in managing and developing its staff to achieve its objectives. The focus is on the human resource capability at year end.

¹³ The responsibilities of the senior executive should be able to be reconciled to the department's organisational and outcome/program structures as set out under 'Departmental Overview'. Departments may choose to locate this information in the 'Departmental Overview' section.

¹⁴ Terminology in relation to departmental plans may vary - it may, for example, involve strategic and business plans. The intent is to address longer-term and annual plans.

¹⁵ The requirement in relation to APS Values and the Code of Conduct applies to departments and executive agencies, and prescribed agencies staffed under the *Public Service Act 1999*. Under section 44 of the *Public Service Act 1999*, the Public Service Commissioner reports annually on these issues in the State of the Service report.

¹⁶ Financial reporting requirements prescribed by the Minister for Finance and Deregulation require agencies to disclose in their financial statements the number of executives whose total remuneration falls within each \$15,000 band, commencing at \$130,000, and the aggregate remuneration paid to all executives.

Suggested

It is suggested that this may include:

- workforce planning and staff retention and turnover;
- the main features of enterprise or collective agreements, determinations made under s.24(1) of the *Public Service Act 1999* (s.24(1) Determinations), Common Law Contracts (CLCs), any remaining Australian Workplace Agreements (AWAs) and developments regarding agreement making and the impact of making agreements;
- the department's key training and development strategies, the outcomes of training and development, and evaluation of effectiveness;
- the department's occupational health and safety performance¹⁷; and
- productivity gains.

Mandatory

(b) The discussion must be supported by broad categories of statistics, for example, on the number of **APS employees**¹⁸ including **ongoing** and **non-ongoing**) as at 30 June for the current and preceding year, by:

- each classification level¹⁹;
- full-time/ part-time status;
- gender; and
- location.

Mandatory

(c) The annual report must include information on any enterprise or collective agreement(s), s.24(1) Determinations, CLCs and AWAs including:

- the number of APS employees covered by enterprise or collective agreements, s.24(1) Determinations, CLCs and AWAs by SES and non-SES;
- the salary ranges available for APS employees by classification level (note: the range should reflect the full

¹⁷ Specific information is also required pursuant to the *Occupational Health and Safety Act 1991* – [Attachment C](#) refers.

¹⁸ This terminology applies to departments and executive agencies, and to prescribed agencies staffed under the *Public Service Act 1999*.

¹⁹ Where departments have adopted broadbands then these broadbands, rather than the APS Classification levels, may be used as the basis of the categories

span of salaries available under an enterprise or collective agreement, s.24(1) Determination, CLC and/or AWA); and

- a description of the range of non-salary benefits provided by the agency to employees.

Note: for those agencies subject to a Determination made under s.24(3) of the *Public Service Act 1999*, a discussion of the effect of that Determination would be appropriate, including the number of employees covered by that Determination, any supplementary arrangements entered into via s.24(1) Determinations or CLCs as above, and progress towards replacement of that Determination with an enterprise or collective agreement.

Mandatory

(d) The annual report must include information on performance pay including²⁰:

- the number of APS employees at each classification level who received performance pay;²¹
- the aggregated amount of such performance payments at each classification level;
- the average bonus payment and the range of such payments at each classification level; and
- the aggregate bonus payment for the agency as a whole.

Note: Detailed guidance on how to compile information on performance pay is contained in Attachment B.

Mandatory,
if applicable

(4) *Assets management*

- (a) Where assets management (including assets of which the day to day management has been outsourced) is a significant aspect of the strategic business of the department, an assessment of the effectiveness of assets management is required.²²
- (b) Departments may wish to include a discussion of their asset management plans, particularly if a significant portion of its asset base has a life of 50 years or greater.

²⁰ Departments that do not pay, or no longer pay, performance pay should include a statement to that effect in their annual report.

²¹ In the case of a small agency, or a small number of employees at each classification level, say five or less, a lesser disaggregation would be necessary to ensure that individuals cannot be identified.

²² Departments may find it useful to refer to the JCPAA's Report 363, *Asset Management by Commonwealth Agencies*.

Mandatory

(5) *Purchasing*

The annual report must include an assessment of the department's performance against core purchasing policies and principles as articulated in the *Commonwealth Procurement Guidelines*.²³

Mandatory

(6) *Consultants*

Many individuals, partnerships and corporations provide services to agencies under contracts for services. However, not all such contractors should be categorised as consultants for the purposes of annual reporting. Consultants are distinguished from other contractors by the nature of the work they perform.

For annual reporting purposes, officials need to be able to distinguish consultancies from “non-consultancy” contracts and employment contracts. Briefly, however, a consultant is an individual, a partnership or a corporation engaged to provide professional, independent and expert advice or services.

In deciding whether a particular contractor should be categorised as a consultant for annual reporting purposes, the two key questions to ask are:

- Do the services involve the development of an intellectual output that assists with agency decision-making?
- Will the output reflect the independent views of the service provider?

If the answer to both questions is ‘yes’, the arrangement should be categorised as a consultancy for annual report purposes.

The annual report **must** include a summary statement detailing:

- a) the number of new consultancy services contracts let during the year;
- b) the total actual expenditure on all new consultancy contracts let during the year (inclusive of GST);
- c) the number of ongoing consultancy contracts that were active in the reporting year; and
- d) the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST).

To ensure consistency in agencies' reports, agencies **must** include a statement along the following lines in the annual report:

²³

The *Commonwealth Procurement Guidelines* produced by the Department of Finance and Deregulation can be found at <http://www.finance.gov.au/publications/fmg-series/procurement-guidelines/index.html>

“During 2009-10, XX new consultancy contracts were entered into involving total actual expenditure of \$A million. In addition, YY ongoing consultancy contracts were active during the 2009-10 year, involving total actual expenditure of \$B million.”

Consistent with the policy of including trend data in annual reports, agencies could also include a table showing expenditure on consultancy contracts over the three most recent financial years.

Care needs to be taken to ensure that expenditure on consultancies in previous years is not included in the annual report for subsequent years. By way of example, if a consultancy contract is let on 1 May 2010, and the contract expires on 30 September 2010 and expenditure under the contract is \$10,000 per month, the annual report for the 2009-10 financial year should record one consultancy contract (for paragraph (a) above) and \$20,000 expenditure (for paragraph (b) above) in relation to that contract. The annual report for the next financial year (2010-11 financial year) would then record that consultancy contract as one ongoing consultancy contract (for paragraph (c) above) and \$30,000 expenditure (for paragraph (d) above). The ongoing consultancy contract should not be included again in the number of consultancy contracts let during the 2009-10 financial year.

All FMA agencies are currently required to report on AusTender procurement contracts awarded where contract value is \$10,000 or more. For all procurement contracts reported on AusTender, agencies are required to indicate whether the contract is a consultancy and the reason for the consultancy.

In accordance with recommendation 9 of the Senate Finance and Public Administration Committee second report on the operation of the Senate order for the production of lists of departmental and agency contracts, departments should include a note in their annual reports referring readers to the AusTender site for information on contracts and consultancies. The Committee’s report is available at http://www.aph.gov.au/Senate/committee/fapa_ctte/contracts/report2/index.htm.

To comply with the recommendation, all agencies **must** include the following statement in the body of the annual report.

Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website www.tenders.gov.au.

Further, more detailed, information on consultancy services is also required, either as an appendix to the report or through the Internet, as set out in Attachment D to these Requirements. The information must be presented in accordance with the pro forma at Attachment D. This

will ensure that the presentation of information is consistent across all agencies. This additional information requires departments to list each consultancy contract let to the value of \$10,000 or more and the total *value* of each of those contracts over the life of each contract. In other words, this additional information is not concerned with expenditure in the reporting year, but estimated expenditure over the life of each contract that is reported.

Mandatory

(7) *Australian National Audit Office Access Clauses*

Departments must provide details of any contract let during the reporting period of \$100,000 or more (inclusive of GST) that does not provide for the Auditor-General to have access to the contractor's premises. The annual report must include the name of the contractor; the purpose and value of the contract; and the reason why standard access clauses were not included in the contract.

Mandatory

(8) *Exempt Contracts*

If any contract in excess of \$10,000 (inclusive of GST) or a standing offer has been exempted by the Chief Executive from being published in AusTender on the basis that it would disclose exempt matters under the *Freedom of Information Act 1982*, the fact that the contract has been exempted and the value of the contract or standing offer must be reported to the extent that doing so does not in itself disclose the exempt matters.

Mandatory

(9) *Commonwealth Disability Strategy*

The annual report must include an assessment of the department's performance in implementing the Commonwealth Disability Strategy (CDS) in the terms set out in the Guide to the Performance Reporting Framework. To assist agencies the Guide includes performance indicators and measures as well as guidance on how to apply the performance reporting framework. A suggested reporting template is also available. Both the Strategy and the Guide are available from the CDS website:
<http://fahcsia.gov.au/sa/disability/pubs/policy/Documents/cds/default.htm>. For further assistance and for a copy of the performance reporting template, please contact the Disability and Carer Policy Branch, Department of Families, Housing, Community Services and Indigenous Affairs at cds@fahcsia.gov.au.

Mandatory

13 Financial Statements

- (1) Section 57 of the *Financial Management and Accountability Act 1997* requires a copy of the audited financial statements and the Auditor-General's report thereon to be included in each department's annual report tabled in the Parliament. The annual report must include

audited financial statements prepared in accordance with the prescribed Finance Minister's Orders.

Mandatory

14 Other Mandatory Information

- (1) The annual report must include in an appendix(s) any matters required to be included in the annual report of the department by legislation. There are currently specific legislative requirements in relation to:
 - (a) occupational health and safety (section 74 of the *Occupational Health and Safety Act 1991*);
 - (b) freedom of information (section 8 of the *Freedom of Information Act 1982*); and
 - (c) advertising and market research (section 311A of the *Commonwealth Electoral Act 1918*). In addition to this statutory reporting requirement, agencies must include a statement on advertising campaigns, as set out in Attachment C.
 - (d) in the case of the following agencies, ecologically sustainable development and environmental performance reporting (section 516A of *Environment Protection and Biodiversity Conservation Act 1999*):
 - portfolio departments (NB: not parliamentary departments);
 - executive agencies;
 - agencies declared to be statutory agencies for the purposes of the *Public Service Act 1999*;
 - Commonwealth authorities and companies as defined under the *Commonwealth Authorities and Companies Act 1997*; and
 - any other Commonwealth agency that is established by or under a law of the Commonwealth and is required by law to give an annual report to the responsible Minister.

Details of these requirements are set out in Attachment C.

- (2) Annual reports must also include information on grant programs. Details of these requirements are set out in Attachment D.
- (3) If the previous annual report of a department contains any significant statement on a matter of fact, which has proved to be wrong in a material respect, the annual report must include information to correct the record.

Attachment A

PRODUCTION AND DISTRIBUTION GUIDELINES AND REQUIREMENTS

1. Commonwealth Printing Standards for Documents Tabled in Parliament

The production standards for annual reports tabled in the Parliament are set out in the document entitled '*Printing standards for documents presented to Parliament*' - available at:

http://www.aph.gov.au/house/committee/publ/printing_standards.htm.

2. Publishing Online

Departments are required to publish a range of public accountability information online, including but not limited to annual reports.

The *Australian Government Web Publishing Guide*, available at <http://webpublishing.agimo.gov.au>, provides information about the legal and policy obligations of agencies in relation to online publishing.

3. Distribution Arrangements

Information on the printing and distribution requirements for annual reports is contained in the *Guidelines for the Presentation of Documents to the Parliament* (the Guidelines), available at <http://www.pmc.gov.au/guidelines/index.cfm>. The Guidelines also provide guidance on the tabling requirements for annual reports.

Departments need to account for the copies required for tabling (184 when Parliament is sitting and 185 for presentation out of sitting when Parliament is not sitting), the copies required for the Parliamentary Papers series (a total of 100), the copies required for the Commonwealth Library Deposit and Free Issues Schemes (currently 36), the copies required for the department's own use, and the copies required for sale and free issue. Departments should ensure that copies (20 in all) are provided for the Senate and House of Representatives committee systems which have the annual reports of departments and agencies within their portfolio areas referred to them. Annual reports are generally required to be printed in the Parliamentary Paper Series.

4. Letter of Transmittal

- (1) The letter of transmittal to be signed by departmental secretaries should specify that the annual report has been prepared in accordance with section 63 of the *Public Service Act 1999* and any other legislation applicable to the preparation of the annual report by the department. The letter of transmittal to be signed by the Head of an

Executive Agency should specify that the annual report has been prepared in accordance with section 70 of the *Public Service Act 1999*.

- (2) The letter of transmittal should indicate that subsection 63(1) (or 70(1) in the case of an Executive Agency) of the *Public Service Act 1999* requires that the Agency Head must give a report to the Agency Minister, for presentation to the Parliament.
- (3) The letter of transmittal to be signed by the heads of budget-funded agencies should specify any relevant (eg, enabling) legislation under which the annual report has been prepared.
- (4) The letter of transmittal is to be dated on the day the signatory approves the final text of the report for printing.

5. Aids to Access

- (1) The annual report must contain:
 - (a) a table of contents;
 - (b) an alphabetical index – covering the contents of any appendixes as well as the contents of the main body of the report;
 - (c) a glossary to make clear the meanings of any abbreviations and acronyms used; and
 - (d) a list of requirements as set out in Attachment F.
- (2) The annual report must give details (eg, title, telephone, facsimile, e-mail address) of the contact officer(s) to whom enquiries are to be addressed for further information.
- (3) The annual report must include the address of the Internet homepage for the department, and the Internet address for the annual report (if available electronically).

6. Explanation of Terms

The terms set out below which are first identified in the requirements by means of bold type, have the following meanings in these requirements (unless the contrary intention appears):

- **APS employee:** a person engaged under section 22, or a person who is engaged as an APS employee under section 72, of the *Public Service Act 1999*.

- **corporate governance:** the process by which agencies are directed and controlled. It is generally understood to encompass authority, accountability, stewardship, leadership, direction and control.
- **financial results:** the results shown in the financial statements of an agency.
- **grant:** Commonwealth financial assistance as defined under Regulations 3A(1) and 3A(2) of the *Financial Management and Accountability Regulations 1997*.
- **materiality:** takes into account the planned outcome and the relative significance of the resources consumed in contributing to the achievement of that outcome.
- **non-ongoing APS employee:** a person engaged as an APS employee under subsection 22(2)(b) or 22(2)(c) of the *Public Service Act 1999*.
- **ongoing APS employee:** a person engaged as an ongoing APS employee under subsection 22(2)(a) of the *Public Service Act 1999*.
- **operations:** functions, services and processes performed in pursuing the objectives or discharging the functions of an agency.
- **outcomes:** the results, impacts or consequence of actions by the Commonwealth on the Australian community. They should be consistent with those listed in agencies' PBS/PAES.
- **performance information:** evidence about performance that is collected and used systematically which may relate to appropriateness, effectiveness and efficiency and the extent to which an outcome can be attributed to an intervention. Performance information may be quantitative (numerical) or qualitative (descriptive), however it should be verifiable.
- **programs:** an activity or groups of activities that delivers benefits, services or transfer payments to individuals, industry/business or the community as a whole and are the primary vehicles for government agencies to achieve the intended results of their outcome statements.
- **purchaser / provider arrangements:** arrangements under which the services of one agency are purchased by another agency to contribute to outcomes. Purchaser / provider arrangements can occur between Commonwealth agencies or between Commonwealth agencies and State/Territory government or private sector bodies.
- **service charters:** it is Government policy that departments which provide services directly to the public have service charters in place. A service charter is a public statement about the service that a department will provide and what customers can expect from the department. In particular the service charter advises what the department does, how to

contact and communicate with the department, the standard of service that customers can expect, and their basic rights and responsibilities, and how to provide feedback or make a complaint.

Attachment B

PERFORMANCE PAY - ADDITIONAL GUIDANCE ON REPORTING REQUIREMENTS

Each department's annual report must include information about performance pay, also known as performance-linked bonuses and usually taking the form of a one-off payment in recognition of performance.

In compiling the information about performance pay, departments should:

- Include all eligible ongoing and non-ongoing APS staff;
- Include staff who left the department during the financial year, even if the performance payment was made after their departure;
- Include staff on leave of any kind at the end of the financial year;
- Report the aggregate of actual payments, not payments before moderation;
- Include each employee under one classification only. If an employee was promoted during the year and received performance pay at the lower classification only, include that employee in the report for the lower classification. If the promoted employee received performance pay at both classifications or at the higher level only, include the employee in the report for the higher level only and include the total payment in the aggregated payment report for that classification. Do not include the same employee in both classifications and do not break up the payment when aggregating the total payments for the various classifications;
- Not include performance-linked advancement (advancement to a higher pay point which then becomes the employee's nominal salary). If an employee receives a performance bonus and a performance-linked advancement, only the bonus element should be reported;
- Not include payments in the nature of retention payments, job loadings or skills and responsibilities loadings; and
- Not include bonuses that accrued wholly in a previous financial year, even if they were paid in the financial year to which the report relates. Accordingly, if a payment was made in the 2009-10 financial year for performance in respect of the periods 1 July 2007 to 30 June 2008 or 1 October 2007 to 30 September 2008, it should not be included in the 2009-10 annual report. If a significant number of payments fall in to this category, consideration should be given to correcting the information in the previous year's annual report.

Attachment C

INFORMATION ON SPECIFIC STATUTORY PROVISIONS RELATING TO ANNUAL REPORTS

1. Occupational Health and Safety

Section 74 of the *Occupational Health and Safety Act 1991* (the OHS Act) relates to the annual reports of departments and Commonwealth authorities.

In accordance with subsection 74(1) of the OHS Act, the annual report is to include details of the following matters:

- the health and safety management arrangements of the department or authority;
- initiatives taken during the year to ensure the health, safety and welfare at work of employees and contractors of the department or authority;
- health and safety outcomes (including the impact on injury rates of employees and contractors of the department or authority) achieved as a result of initiatives mentioned under the above paragraph or previous initiatives;
- statistics of any accidents or dangerous occurrences during the year that arose out of the conduct of undertakings by the department or authority and that required the giving of notice under section 68;
- any investigations conducted during the year that relate to undertakings carried on by the employer, including details of all notices given to the employer under section 29, 46 or 47 during the year; and
- such other matters required by guidelines approved on behalf of the Parliament by the Joint Committee of Public Accounts and Audit.

Where the Act establishing a Commonwealth authority does not require the authority's annual report to be tabled in Parliament, the portfolio department or a Commonwealth authority holding a controlling interest in the above-mentioned Commonwealth authority may need to include occupational health and safety information relating to that authority in the department's annual report. Subsection 74(2) of the OHS Act refers.

2. Freedom of Information

Subsection 8(1) of the *Freedom of Information Act 1982* sets out the information, which the responsible Minister of the agency shall cause to be published and updated each year.

In summary, the information required under subsection 8(1) includes particulars of the following:

- the organisation, functions and decision-making powers of the agency;
- the arrangements for bodies or persons outside the Commonwealth to participate in the formulation of policy by the agency, or in the administration by the agency, of any enactment or scheme;
- the categories of documents that are maintained by the agency;
- the facilities that are provided by the agency for enabling members of the public to obtain physical access to the documents of the agency; and
- FOI access procedures and initial contact for inquiries.

Subsection 8(3) provides that the information is to be published by including it in the annual report of the agency or, if there is no such report, in the annual report of the department or a department administered by the responsible Minister.

Further information on these requirements is available from the Department of the Prime Minister and Cabinet FOI Guidelines, *Reporting and Disclosure Obligations of Agencies*, available online at <http://www.dpmc.gov.au/foi/guidelines.cfm>.

3. Advertising and Market Research

Please note that the following replicates the substance of the reporting requirements contained in section 311A of the *Commonwealth Electoral Act 1918*.

Section 311A of the *Commonwealth Electoral Act 1918* requires certain annual reporting by each Commonwealth Department (defined as a department of State of the Commonwealth; or a department of the parliament; or an agency within the meaning of the *Public Service Act 1999*).

The reporting requirements below are based on the *Commonwealth Electoral Act 1918*. Please note that the **reporting on advertising and market research is not restricted to electoral matters**.

The annual report is to include a statement setting out particulars of all amounts paid by, or on behalf of the Commonwealth Department during the financial year to:

- advertising agencies – meaning creative advertising agencies which have developed advertising campaigns. The amount of money paid to them should be the amount paid in creative head hours. Recruitment and tender notices are not required to be reported under this item but should be reported in relation to the item below on payments to media advertising organisations;
- market research organisations;
- polling organisations;

- direct mail organisations – includes those organisations which handle the sorting and mailing out of information material to the public. The costs reported should cover only the amount paid to the organisation and not the cost of postage or production of the material sent out. Where a creative agency or direct marketing agency has been used to create the direct mail materials, the amount paid to the agency should be reported here; and
- media advertising organisations – the master advertising agencies which place government advertising in the media. This covers both campaign and non-campaign advertising.

The statement must identify the persons or organisations to whom those amounts were paid. For the 2009-10 financial year, particulars of payments of \$11,200 or less (inclusive of GST) are not required. Note that the reporting threshold is indexed and the method of calculating the amount of indexation each year is specified in section 321A of the *Commonwealth Electoral Act 1918*.

In addition to this statutory reporting requirement, agencies must include a statement on advertising campaigns, along the following lines, in the annual report:

During 2009-10, the [insert name of agency] conducted the following advertising campaigns: [insert the name of the advertising campaigns undertaken]. Further information on those advertising campaigns is available at [insert details of agency website] and in the reports on Australian Government advertising that are prepared by the Department of Finance and Deregulation. Those reports are available at <http://www.finance.gov.au/advertising/index.html>.

If no advertising campaigns were undertaken then a statement to that effect should be included in the annual report.

4. Ecologically Sustainable Development and Environmental Performance

Section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* (the EPBC Act) requires Commonwealth departments, agencies, authorities and companies to report on:

1. how the activities of, and the administration (if any) of legislation by, the reporter during the period accorded with the principles of ecologically sustainable development (ESD);
 - the EPBC Act notes that ‘activities’ includes developing and implementing policies, plans, programs and legislation, and the operations of the organisation;
 - the principles of ESD are detailed below;
2. how the outcomes (if any) specified for the reporter in an Appropriations Act relating to the period contribute to ESD;
3. the effect of the reporter’s activities on the environment;
 - the EPBC Act defines the environment to mean:
 - (a) ecosystems and their constituent parts, including people and communities;

- (b) natural and physical resources;
 - (c) the qualities and characteristics of locations, places and areas;
 - (d) heritage values of places (including places on the Register of the National Estate kept under the *Australian Heritage Council Act 2003*); and
 - (e) the social, economic and cultural aspects of the things mentioned above;
4. any measures the reporter is taking to minimise the impact of activities by the reporter on the environment; and
 5. the mechanisms, if any, for reviewing and increasing the effectiveness of those measures.

Further information about the EPBC Act, including a link to the Act, can be found at <http://www.environment.gov.au/epbc>.

Promoting ESD is a key objective of the EPBC Act. Section 3A of the EPBC Act identifies the following as principles of ESD:

- (a) decision-making processes should effectively integrate both long-term and short-term economic, environmental, social and equitable considerations (the ‘integration principle’);
- (b) if there are threats of serious or irreversible environmental damage, lack of full scientific certainty should not be used as a reason for postponing measures to prevent environmental degradation (‘the precautionary principle’);
- (c) the principle of inter-generational equity – that the present generation should ensure that the health, diversity and productivity of the environment is maintained or enhanced for the benefit of future generations (the ‘intergenerational principle’);
- (d) the conservation of biological diversity and ecological integrity should be a fundamental consideration in decision-making (the ‘biodiversity principle’); and
- (e) improved valuation, pricing and incentive mechanisms should be promoted (the ‘valuation principle’).

The *ESD Reporting Guidelines and working template* has been developed to assist organisations in meeting their statutory ESD reporting requirements under Section 516A of the EPBC Act. These guidelines outline an approach that aims to enhance the quality and consistency of ESD reporting across the Commonwealth.

Further information on ESD including the *ESD Reporting Guidelines and working template*, can be found at <http://www.environment.gov.au/esd>.

Given the need for flexibility and autonomy due to the diversity of organisations in terms of size and operations, and in line with principles of CEO independence, individual reporters should have regard to their own circumstances in determining how best to meet ESD reporting requirements and what information is appropriate to their agency.

Agencies are encouraged to base their reports on the suggested core environmental indicators for operations and to provide both numerical and qualitative data that highlight actual performance, progress in setting and achieving goals and targets, and

efficiency improvements and risk mitigation measures that have been implemented during the reporting period or will be introduced in the future.

The proposed key performance indicators address: environment policies and management systems; compliance and reporting obligations; procurement practices; and efficient use of energy, water, paper and other resources.

Further information on reporting requirements under Section 516A of the EPBC Act is available from the Strategic Advice Branch, Department of the Environment, Water, Heritage and the Arts by contacting: esd.enquiries@environment.gov.au.

Attachment D

OTHER SPECIFIC REQUIREMENTS

1. Grant Programs

As part of the Government's reforms introduced to improve the transparency and accountability of grants administration, the *Commonwealth Grant Guidelines* came into effect on 1 July 2009. The Guidelines apply to all departments subject to the *Financial Management and Accountability Act 1997*.

The Guidelines require that departments publish details of grants on their website, no later than seven working days after the funding agreement for the grant takes effect. Details must remain on the website for two years.

The annual reports must contain a list of all grant programs administered by departments. As departmental websites now provide information about all grants made, there is no longer any need for departments to compile lists of grant recipients for their annual reports. Instead, departments should include the following statement in their annual reports:

'Information on grants awarded by the [insert agency name] during the period 1 July 2009 to 30 June 2010 is available at [insert web address].'

Further information on grants administration is available from the Grants Policy Team, Department of Finance and Deregulation at: grants@finance.gov.au.

2. Consultancy Services

In addition to the summary information in the body of the report (section 12(6) of the Requirements refers) on the number of consultancy services contracts let during the year and the total expenditure on consultancy services, departments **must** provide in either an appendix to the report or through the Internet, the following information on consultancy services for the year. The information **must** be presented in accordance with the proforma set out at the end of this section:

- a summary of the department's policy on the selection and engagement of consultants, its selection procedures, and the main categories of purposes for which consultants were engaged;
- a list of all consultancy contracts let in the reporting year to the value of \$10,000 or more (inclusive of GST), with details as follows for each individual consultancy, except where the large number of consultancies renders this impractical:
 - (a) the name of the consultant;
 - (b) a summary description of the nature and purpose of the consultancy;
 - (c) the contract price for the consultancy;

- (d) the selection process used, including whether the consultancy was publicly advertised; and
- (e) the justification for the decision to employ consultancy services.

Where no total fixed price exists for a consultancy agreement, or where actual expenditure exceeds the originally agreed contract price, the value of the consultancy contract should be taken as the actual expenditure. In each case the reason for the absence of, or going over, a fixed price should be noted.

Typical reasons for engaging consultancy services include a requirement for specialist expertise not available within the department or where an independent assessment is considered desirable. The selection process may involve, for example, open tender, selective tender, direct sourcing, or a panel of: a recognised and pre-eminent expert, a consultant who had previously undertaken closely related work for the department, or a consultant known to have the requisite skills where the value of the project did not justify the expense or delay associated with seeking tenders.

If a consultancy is let for advertising and market research, that consultancy should be reported in both the 'consultancy' and 'advertising and market research' categories but flagged as such.

Detailed guidance on this issue is available in the Department of Finance and Deregulation's publication *Guidance on Procurement Publishing Obligations*, available on their website at <http://www.finance.gov.au/publications/fmg-series/15-guidance-on-procurement-publishing.html>

Information on definitional and technical issues relating to consultancies should be directed to a department's own contract manager. Information on the Australian Government's Procurement Framework can be found on the Department of Finance and Deregulation website <http://www.finance.gov.au/procurement/> or directed to the Procurement Agency Advice Branch, Department of Finance and Deregulation email procurementagencyadvice@finance.gov.au

PROFORMA PRESENTATION OF INFORMATION - REPORTING OF CONSULTANCY CONTRACTS TO THE VALUE OF \$10,000 OR MORE

The following proforma is based on the way that the information is presented in the 2003-04 annual reports of Centrelink and the Department of Finance and Deregulation. Columns 4 and 5 of the table below can be completed using abbreviations for the selection method and the reason for engaging the consultant, as explained in the footnotes. The footnotes would form part of the annual report.

To satisfy the requirement to report all consultancy contracts to the value of \$10,000 or more, departments must present the information by way of a table with explanatory footnotes, as set out below.

Table X: Consultancy services let during 2008-09, of \$10,000 or more

Consultant Name	Description	Contract Price	Selection Process (1)	Justification (2)
ABC Consulting	Provision of independent advisory services for IT program	\$95,000	Select Tender	B
DW & Associates	Provision of specialist project management expertise	\$75,000	Open Tender	A
Australian Government Solicitor	Legal Services in relation to application of legislation	\$12,000	Panel	B
XYZ P/L	Assessment of training needs	\$50,000	Direct Sourcing	C
TOTAL		\$232,000		

(1) Explanation of selection process terms drawn from the *Commonwealth Procurement Guidelines* (December 2008):

Open Tender: A procurement procedure in which a request for tender is published inviting all businesses that satisfy the conditions for participation to submit tenders. Public tenders are generally sought from the Australian Government AusTender internet site.

Select Tender: A procurement procedure in which the procuring agency selects which potential suppliers are invited to submit tenders (this includes tenders submitted through Multi Use Lists). This procurement process may only be used under certain defined circumstances.

Direct Sourcing: A form of restricted tendering, available only under certain defined circumstances, with a single potential supplier or suppliers being invited to bid because of their unique expertise and/or their special ability to supply the goods and/or services sought.

Panel: An arrangement under which a number of suppliers, initially selected through an open tender process, may each supply property or services to an agency as specified in the panel arrangements. Quotes are sought from suppliers that have pre-qualified on the agency panels to supply to the government. This category includes standing offers and supplier panels where the supply of goods and services may be provided for a pre-determined length of time, usually at a pre-arranged price.

(2) Justification for decision to use consultancy:

- A – skills currently unavailable within agency
- B – need for specialised or professional skills
- C – need for independent research or assessment

Attachment E
AGENCY RESOURCE STATEMENTS AND RESOURCES FOR OUTCOMES

1. Agency Resource Statements

The annual report must include in an appendix an Agency Resource Statement table. Agency Resource Statements were introduced to Portfolio Budget Statements (PB Statements) in 2008-09 to provide information about the various funding sources that the agency may draw upon during the year.

The Agency Resource Statement in the annual report has been designed to allow agencies to reconcile the final usage of all resources in cash terms, by declaring the actual available appropriation for 2009-10 (including carried forward cash balances and further adjustments such as section 32 transfers under the FMA Act and advances to the Finance Minister), and comparing this to the actual payments made.

Additionally, for departmental appropriations and special accounts, information about any remaining balance that will be carried over to the next financial year must also be reported.

A suggested format for the table, which is consistent with the similar table in the PB Statements, is set out below.

Agency Resource Statement 2009-10

	Actual available appropriation for 2009-10 \$'000	Payments made 2009-10 \$'000	Balance remaining 2009-10
	(a)	(b)	(a) – (b)
Ordinary Annual Services			
Departmental appropriation ¹			
Total			
Administered expenses			
Outcome xxxxx			
Outcome yyyyy			
Outcome zzzzz			
Payments to CAC Act Bodies			
Total			
Total ordinary annual services A	*	#	
Other services²			
Administered expenses			
Specific payments to States, Act, NT and local government			
Outcome aaaaa			
Outcome ccccc			
Total			
New administered expenses			
Outcome bbbb			
Total			
Departmental non-operating			

Equity injections			
Previous years' outputs			
Total			
Administered non-operating			
Administered Assets and Liabilities			
Payments to CAC Act Bodies - non-operating			
Total			
Total other services	B	*	#
Total Available Annual Appropriations and payments			
Special appropriations			
Special appropriations limited by criteria/entitlement			
Special Appropriation Act x			
Special Appropriation Act y			
Special appropriations limited by amount			
Special Appropriation Act z			
Total special appropriations	C		
Special Accounts			
Opening balance			
Appropriation receipts ³			
Appropriation receipts - other agencies ⁴			
Non-appropriation receipts to Special Accounts			
Payments made			
Total Special Account	D		
Total resourcing			
A+B+C+D			
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or CAC Act bodies through annual appropriations			
Total net resourcing for agency X			

¹ Appropriation Bill (No.1) 2009-10 and Appropriation Bill (No.3) 2009-10 [include any further bills as necessary]. This may also include Prior Year departmental appropriation and S.31 relevant agency receipts.

² Appropriation Bill (No.2) 2009-10 and Appropriation Bill (No.4) 2009-1 [include any further bills as necessary]

³ Appropriation receipts from agency X annual and special appropriations for 2009-10 included above

⁴ Appropriation receipts from other agencies credited to agency xxxx's special accounts

Note for drafters (not to be included in final tables)

Shaded areas denote that no data is required in these fields

Actual Available Appropriation column should commence with the 2009-10 figures disclosed in the 2010-11 PB Statement – Agency Resource Statement. Adjustment lines can then be inserted against particular resourcing categories to explain any final resourcing movements such as, but not limited to, S32 transfers and Advances to the Finance Minister.

*# Combined total should reconcile to the relevant agency total line the appropriation notes, after adjusting for GST payments/receipts and payments into special accounts.

^ Actual available appropriation for 2009-10 for Total C should be equal to Payments Made 2009-10 for Total C

2. Resources for Outcomes

The annual report must include in an appendix a table for each outcome showing the total resourcing for the outcome on an expense basis.

Department must present the information by way of a table that corresponds to that contained in the Budget Expenses and Resources Per Outcome table in the 2009-10 Portfolio Budget Statement (on an expense basis). This table is now presented by appropriation source rather than against specific programs and administered expenses.

The information in the table must reconcile with the relevant portion in the financial statements. In reconciling the information for each Outcome, the actual expenses (column 2 in the table below) should agree with the appropriate line in the financial statements (as represented by Table A Division 121 (Reporting of Outcomes) in the 2009-10 Finance Ministers' Orders) <http://www.finance.gov.au/financial-reporting-and-accounting-policy/index.html>

A suggested format for the table, which is consistent with a similar table in the PB Statement, is set out below.

Expenses and Resources for Outcome x			
Outcome x: (Insert Outcome Statement)	Budget*	Actual	Variation
		Expenses	
	2009-10	2009-10	2009-10
	\$'000	\$'000	\$'000
	(a)	(b)	(a) – (b)
Program 1.1: (Insert program name)			
Administered expenses			
Ordinary Annual Services (Appropriation Bill No. 1)			
Other Services (Appropriation Bill No. 2)			
Special appropriations			
Special Accounts			
Departmental expenses			
Ordinary annual services (Appropriation Bill No. 1)			
Revenues from independent sources (Section 31)			
Special appropriations			
Special Accounts			
Expenses not requiring appropriation in the Budget year			
Total for Program 1.1			
Program 1.2: (Insert program name)			
Administered expenses			
Ordinary annual services (Appropriation Bill No. 1)			
Other services (Appropriation Bill No. 2)			
Special appropriations			
Special Accounts			
Departmental expenses			
Ordinary annual services (Appropriation Bill No. 1)			
Revenues from Independent Sources (Section 31)			
Special appropriations			
Special Accounts			
Expenses not requiring appropriation in the Budget year			

Attachment F

LIST OF REQUIREMENTS

The List of Requirements must be included as an appendix to the annual report. If an item specified in the checklist is not applicable to an agency, it should be reported as not applicable rather than omitted from the list. Agencies should include a column indicating the location of the information in the annual report.

Ref*	Part of Report	Description	Requirement
A.4		Letter of transmittal	Mandatory
A.5		Table of contents	Mandatory
A.5		Index	Mandatory
A.5		Glossary	Mandatory
A.5		Contact officer(s)	Mandatory
A.5		Internet home page address and Internet address for report	Mandatory
9.1	Review by Secretary	Review by departmental secretary	Mandatory
9.2		Summary of significant issues and developments	Suggested
9.2		Overview of department's performance and financial results	Suggested
9.2		Outlook for following year	Suggested
9.3		Significant issues and developments – portfolio	Portfolio departments – suggested
10	Departmental Overview	Overview description of department	Mandatory
10.1		Role and functions	Mandatory
10.1		Organisational structure	Mandatory
10.1		Outcome and program structure	Mandatory
10.2		Where outcome and program structures differ from PB Statements/PAES or other portfolio statements accompanying any other additional appropriation bills (other portfolio statements), details of variation and reasons for change	Mandatory
10.3		Portfolio structure	Portfolio departments – mandatory
11.1	Report on Performance	Review of performance during the year in relation to programs and contribution to outcomes	Mandatory
11.1		Actual performance in relation to deliverables and KPIs set out in PB Statements/PAES or other portfolio statements	Mandatory
		Performance of purchaser/ provider arrangements	If applicable, suggested
11.1		Where performance targets differ from the PBS/ PAES, details of both former and new targets, and reasons for the change	Mandatory
11.1		Narrative discussion and analysis of performance	Mandatory
11.1		Trend information	Mandatory
11.1		Significant changes in nature of principal functions/ services	Suggested
11.1		Factors, events or trends influencing departmental performance	Suggested
11.1		Contribution of risk management in achieving objectives	Suggested
11.1		Social justice and equity impacts	Suggested

* The reference is to the location of the item in the requirements – eg, 'A.4' refers to the fourth item in Attachment A.

11.2		Performance against service charter customer service standards, complaints data, and the department's response to complaints	If applicable, mandatory
11.3		Discussion and analysis of the department's financial performance	Mandatory
11.3		Discussion of any significant changes from the prior year or from budget.	Suggested
11.4		Agency resource statement and summary resource tables by outcomes	Mandatory
11.5		Developments since the end of the financial year that have affected or may significantly affect the department's operations or financial results in future	If applicable, mandatory
	Management Accountability		
12.1	Corporate Governance		
12.1		Statement of the main corporate governance practices in place	Mandatory
12.1		Names of the senior executive and their responsibilities	Suggested
12.1		Senior management committees and their roles	Suggested
12.1		Corporate and operational planning and associated performance reporting and review	Suggested
12.1		Approach adopted to identifying areas of significant financial or operational risk	Suggested
12.1		Agency heads are required to certify that their agency comply with the Commonwealth Fraud Control Guidelines.	Mandatory
12.1		Policy and practices on the establishment and maintenance of appropriate ethical standards	Suggested
12.1		How nature and amount of remuneration for SES officers is determined	Suggested
12.2	External Scrutiny	Significant developments in external scrutiny	Mandatory
12.2		Judicial decisions and decisions of administrative tribunals	Mandatory
12.2		Reports by the Auditor-General, a Parliamentary Committee or the Commonwealth Ombudsman	Mandatory
12.3	Management of Human Resources	Assessment of effectiveness in managing and developing human resources to achieve departmental objectives	Mandatory
12.3		Workforce planning, staff turnover and retention	Suggested
12.3		Impact and features of enterprise or collective agreements, determinations, common law contracts and AWAs	Suggested
12.3		Training and development undertaken and its impact	Suggested
12.3		Occupational health and safety performance	Suggested
12.3		Productivity gains	Suggested
12.3		Statistics on staffing	Mandatory
12.3		Enterprise or collective agreements, determinations, common law contracts and AWAs	Mandatory
12.3		Performance pay	Mandatory
12.4	Assets management	Assessment of effectiveness of assets management	If applicable, mandatory
12.5	Purchasing	Assessment of purchasing against core policies and principles	Mandatory

12.6	Consultants	The annual report must include a summary statement detailing the number of new consultancy services contracts let during the year; the total actual expenditure on all new consultancy contracts let during the year (inclusive of GST); the number of ongoing consultancy contracts that were active in the reporting year; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST). The annual report must include a statement noting that information on contracts and consultancies is available through the AusTender website. (Additional information as in Attachment D to be available on the Internet or published as an appendix to the report. Information must be presented in accordance with the pro forma as set out in Attachment D.)	Mandatory
12.7	Australian National Audit Office Access Clauses	Absence of provisions in contracts allowing access by the Auditor-General	Mandatory
12.8	Exempt contracts	Contracts exempt from the AusTender	Mandatory
12.9	Commonwealth Disability Strategy	Report on performance in implementing the Commonwealth Disability Strategy	Mandatory
13	Financial Statements	Financial Statements	Mandatory
	Other Information		
14.1		Occupational health and safety (section 74 of the <i>Occupational Health and Safety Act 1991</i>)	Mandatory
14.1		Freedom of Information (subsection 8(1) of the <i>Freedom of Information Act 1982</i>)	Mandatory
14.1		Advertising and Market Research (Section 311A of the <i>Commonwealth Electoral Act 1918</i>) and statement on advertising campaigns	Mandatory
14.1		Ecologically sustainable development and environmental performance (Section 516A of the <i>Environment Protection and Biodiversity Conservation Act 1999</i>)	Mandatory
14.2	Other	Grant programs	Mandatory
14.3		Correction of material errors in previous annual report	If applicable, mandatory
F		List of Requirements	Mandatory