



**Australian Government**  
**Department of Industry,  
 Innovation and Science**

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Minister for Industry, Science and Technology

Min ID: MS19-000651

For Information

**Subject:** ANAO INTERIM REPORT ON KEY FINANCIAL CONTROLS OF MAJOR ENTITIES

**Timing:** Routine – by 4 July 2019

**Recommendation:**

That you **note** the department was named in the Australian National Audit Office's Interim Report to Parliament, published on 13 June 2019.

Noted/Please discuss

Karen Andrews .....

Date: 24 / 6 / 2019

**Comments:**

Non-compliance is unacceptable.

**Key Points:**

1. The Australian National Audit Office (ANAO) tabled the *Interim Report on Key Financial Controls of Major Entities* in the Senate on 13 June 2019. The report shares the ANAO's insights across 26 Commonwealth entities, drawing on the work performed during the 2018-19 interim audit phase. The department is referred to throughout the report, along with a number of other agencies. There are two references to the department which could be perceived unfavourably.
2. One of the references relates to the department's compliance with the *Public Governance, Performance and Accountability Act 2013*. In 2017-18, the department undertook a review of the National Measurement Institute's procurement of contract personnel. The review identified a systematic issue, leading to over 2100 transactions undertaken in 2016-17 which did not comply with the Commonwealth Procurement Rules.
3. The report recognises that corrective action has been undertaken by the department which ensures the department's needs for operational efficiency and flexibility are met within a compliant framework. Disciplinary action was not required.
4. The then responsible Minister and the Minister for Finance were notified of the details relating to the significant instances of non-compliance (MS17-002593 and MS17-002930 refer). A statement outlining the non-compliance and corrective action taken was also included in the department's 2017-18 Annual Report.
5. The report also highlights that the department's compliance rate for the completion of mandatory online fraud awareness training was 19 per cent at 30 June 2018. Under the department's Fraud and Corruption Control Plan 2018-20, staff are required to complete training once every two years.
6. The low compliance rate was due to insufficient mechanisms to monitor and follow up training completion. Efforts are underway to increase compliance across the department and to put in place an automated solution to track and follow up training completion. The compliance rate is currently 66 per cent (at 1 June 2019).

**Consultation:** National Measurement Institute and the department's Chief Fraud Control Officer.

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