

OFFICE OF THE CEO

AUSTRALIAN
CRIMINAL
INTELLIGENCE
COMMISSION

TRIM Ref#: [REDACTED]

Ms Katy Balmaks

Review Secretary
PGPA Act Review
Department of Finance
One Canberra Avenue
FORREST ACT 2603

Dear Ms Balmaks,

Submission to the Independent Review of the Public Governance, Performance and Accountability Act 2013 (PGPA Act)

Thank you for the opportunity to participate in the Independent Review of the Public Governance, Performance and Accountability Act 2013 (PGPA Act). The ACIC response to the request for 'observations and input on the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and Rules and how they affect the arrangements for and operations of [our] entity; in particular, [you] are interested in what changed with the introduction of the PGPA Act, for better or worse' follows.

The requirement of the PGPA Act in relation to **financial management** is embedded in to the financial policies and processes of the agency. The agency considers the supporting rules and guidance provide sufficient clarity. Though the PGPA Act is more conceptual than the former *Financial Management and Accountability Act 1997* (FMA Act), the projected reduction in 'red-tape' and simplification of financial governance have not necessarily eventuated. For example, while the budget papers and annual financial reporting have been streamlined, in many instances that information is now required to be reported somewhere else, albeit on websites or through the supplementary reporting pack to Finance.

Agencies are no longer required to prepare a Certificate of Compliance for Parliament, however agencies are required to detect and report instances of significant non compliance, and Audit committees are required to provide an overview of the assessment of an agency's processes in making these assessments. This takes the same effort as a certificate of compliance process. Other processes such as central agency reporting and senates estimates still require the same very high level of detail and can be just as onerous as before the PGPA Act implementation.


Corporate planning within the agency has matured through the PGPA Act implementation. The agency has developed its linkages between **planning and risk** within the corporate planning process and the ACIC Corporate Plan is the primary planning document. However, the late settling of guidance and scheduling (particularly during the 2016 election) in the early cycles were disruptive. Contradictory guidance and feedback from the Department of Finance was not helpful.

The **performance** element of the PGPA Act implementation has been significantly disruptive and resource intensive for our small agency performance team. The ACIC (and the ACC, its predecessor agency) was already working towards a 'best practice' performance standard, specifically suited to ACIC Performance outcomes. While PGPA Act implementation mandated a generic standard of performance framework measurement and report development, the guidance was often not suited to the ACIC performance framework. Our framework reflects the complexities of our agency's work in achieving our purpose. ACIC performance is mostly reflected through shared agency outcomes with our many and varied domestic and international partners. ACIC won't often have line of sight of the outcomes. Many outcomes are not achieved within annual cycles meaning a four year performance comparison, even with updates included, is not always the best consolidated illustration of ACIC performance. Despite the Department of Finance efforts to introduce flexibility, guidance did not adequately address all ACIC complexity (including shared outcomes) and only provided simple examples of targets, case studies and reviews to demonstrate 'good performance'. There was no value add in the guidance provided to address ACIC specific needs and much effort has been invested by the ACIC in explaining why a simple framework is not adequate to assess our agency performance. This has included formal requests for feedback and in community of practice events.

The arrangements for the **Audit Committee** have also been disruptive, with changing advice and unwieldy demands. Our small team of performance professionals must constantly justify to the Committee how performance assessment takes place and justify activity to an extent that it delays making the planned improvements to the framework. The focus on Audit Committee requirements has diverted the engagement with the Executive in maturing the performance framework, which arguably would have been achieved had the PGPA Act not required so much documentation.

Changes to the **portfolio budget statements** (PBS) have been welcomed. Simplifying the content to exclude previous annual performance statements was supported. Aligning the PBS with Corporate Plan and APS has been achieved for the ACIC.

In summary, the PGPA Act changes have been disruptive to the planning and performance activities of the ACIC particularly due to limited specialised expertise and changing guidance from the Department of Finance as they negotiated expectations. Any further simplification to the requirements to reporting 'how' performance reporting occurs would be welcomed and allow the ACIC to further develop its performance framework.

Any queries can be directed to Sandra Christians, Manager Strategic Planning, Performance and Governance 

Yours sincerely



Col Blanch
Acting Chief Executive Officer

10 November 2017