



Australian Government

Department of Veterans' Affairs

OFFICE OF THE SECRETARY
PRESIDENT REPATRIATION COMMISSION

Review Secretariat
PGPA Act and Rule Independent Review Secretariat
Department of Finance
One Canberra Avenue
FORREST ACT 2603

Dear Review Secretariat

Thank you for your email of 30 May 2018, seeking comments on the draft report relating to the outcome of the independent review of the PGPA Act and Rule.

The department has considered the 46 recommendations outlined in the draft report and would like to provide the following comments:

- Performance Framework – in particular, Recommendations 2,3 and 4.

DVA supports the recommendations relating to the performance framework and we are currently undertaking a review to improve our performance reporting. Due to the changing nature of DVA business and an ongoing requirement to invest in replacement of legacy ICT systems, I would anticipate that it will take some time to fully address this recommendation. DVA is limited in its ability to provide up to date information due to outdated legacy systems. DVA would require capital investment in systems to improve the quality of performance reporting.

- Audit Committees – in particular, Recommendations 15,16 and 17.

DVA acknowledges that a fully independent committee may have relevant skills and qualifications in assessing the appropriateness of performance, financial, and risk management and systems of internal controls, however they may lack an essential understanding of the business. Departmental members have an innate knowledge of the business and our clients which assists the independent members during committee meetings. DVA's current audit committee membership consists of both independent and non-independent members and in my view this combination serves to complement the skills on the audit committee.

- Annual Report Timing and Parliamentary Scrutiny – in particular, Recommendations 29 and 30.

Whilst supportive of providing Parliament with information earlier, there are some impediments within the Department that would make this difficult to achieve. There are currently manual processes involved in compiling statistics for the annual report which will make the 30 September deadline difficult to achieve. As DVA continues to transform our

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business through investment in the replacement of legacy ICT systems, further automation of the data will be achievable and enable the Department to achieve these timeframes.

- Reporting of Executive Remuneration – in particular, Recommendations 34 and 35. DVA already reports on executive remuneration consistent with the Department of Prime Minister & Cabinet issued Executive Remuneration Reporting Guidelines. This would represent minimal change for the Department.
- Reporting of Contracts and Consultancies – in particular Recommendation 37. DVA already report on contracts and consultancies consistent with RMG 135 Annual Reports for Non-Corporate Commonwealth entities. This would represent minimal change for the Department.
- Other recommendations in the review are supported by DVA and achievable.

Thank you for giving DVA an opportunity to comment on the recommendations.

Yours sincerely

A solid black rectangular box redacting the signature of Mark Cormack.

Mark Cormack
Acting Secretary

2 July 2018