

# Disclosed under FOI

## CERTIFICATE OF COMPLIANCE 2009-10 Office of the Commonwealth Ombudsman

Based on the agency's internal control mechanisms, management, and audit committee advice, I certify that:

- 1) for the financial year ended 30 June 2010, the Office of the Commonwealth Ombudsman, except to the extent known (as detailed in Appendix A) has:
  - a) complied with the provisions and requirements of the *Financial Management and Accountability Act 1997* (FMA Act) and the *Financial Management and Accountability Regulations 1997* (FMA Regulations);
  - b) exercised the powers delegated by the Finance Minister in the *Financial Management and Accountability (Finance Minister to Chief Executives) Delegation 2009* (the Delegation), as amended from time to time, in accordance with the Delegation;
  - c) complied with Australian Government requirements on foreign exchange risk management including any applicable exemptions and the associated reporting requirements;
  - d) complied with the legal and financial requirements for the management of the Special Accounts for which the agency is responsible, as listed below:  
nil  
and
  - e) complied with the financial management policies of the Commonwealth.
- 2) except to the extent detailed in Appendix B, my agency is operating within the agreed resources for the current financial year (as recorded in the Australian Government's central budget management system), and my agency has adopted, or will adopt, appropriate management strategies for all known risks that may affect the financial sustainability of my agency.



CHIEF EXECUTIVE OF  
THE OFFICE OF THE COMMONWEALTH OMBUDSMAN

Date: 8 September 2010

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## CERTIFICATE OF COMPLIANCE 2009-10 Office of the Commonwealth Ombudsman

### APPENDIX A: NON-COMPLIANCE SCHEDULE

Specify details of known instances of non-compliance with:

a) the FMA Act and/or the FMA Regulations

Area of non-compliance	Circumstances of non-compliance	Corrective action
Section 10 and FMA Regulation 17 and 18 – Public money must be promptly banked	There were <b>2 breaches</b> where public money was not deposited promptly (as per the time frame permitted under the office's CEIs).	The individuals involved were advised of the timeframe for deposit of public money. Office processes were updated to ensure Finance team were given all cheques directly to allow for prompt banking.
Section 11 – all money deposited into an official account	<p>There was <b>1 breach</b> when public money was paid into a non-official bank account. The money was paid directly to the organisation performing the financial task.</p> <p>There were <b>2 breaches</b> when public money was paid into a non-official bank account. The money was paid directly to the organisation performing the financial task.</p>	<p>Note: this breach is a carry-over from 2008-09.</p> <p>The office created an official bank account for the organisation and it was operational by 18 March 2010.</p> <p>The office used two providers during the year, 1 arrangement ceased during the year. The office intended to create a bank account for the other provider. However, it was administratively inefficient to do so. A new contract arrangement was intended to be in place prior to year end but this did not occur. It is expected that early in the new financial year the office will have compliant arrangements in place.</p>
Section 26 – 27 – drawing rights	<p>There was <b>1 breach</b> related to payment of public moneys when a payment was made in excess of the amount allowed on the drawing rights instrument.</p> <p>There was <b>1 breach</b> related to payment of public moneys when the organisation did not have drawing rights.</p>	<p>The individual involved were advised of the limits on issuing petty cash.</p> <p>The drawing rights instrument was reissued to include the provider's name as soon as the office became aware of the requirement. (Note: The office received from DoFD on this issue in February 2008 which conflicted with new advice received in February 2009.)</p>

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<p>Section 60 and FMA Regulation 21 – require credit card holders use their card for official purposes only except when there is coincidental private expenditure, which must be repaid.</p>	<p>There were <b>5 breaches</b> whereby official credit cards were used for private expenditure.</p>	<p>The officials were reminded in each case of the seriousness of the breach and to take additional measures to separate their official card so that inadvertent usage would not occur.</p>
<p>FMA Regulation 8 – Officials to have regard to the guidelines</p>	<p>There were <b>9 breaches</b> when mandatory requirements for publishing procurement information on AusTender within 6 weeks of the contract being let were not met.</p>	<p>The office has continued to improve its management and reporting of contracts. As a small agency it is a challenge to meet all the compliance requirements. Additional training was provided to staff on procurement in Sydney, Melbourne and Canberra. Regular reviews of the contract register occur however this does not always allow us to meet the 6-week timeframe of reporting.</p>
<p>FMA Regulation 9 – approving spending proposal without delegation</p>	<p>There was <b>1 breach</b> when a delegate did not follow the directions under the financial delegations.</p>	<p>Individual advised of directions.</p>

**b) the Delegation**

NIL

**c) the foreign exchange risk management guidelines including:**

- i. instances where the agency has entered into hedging arrangements without an exemption from the hedging restrictions; and/or
- ii. instances where the agency has not complied with the terms of an exemption from the hedging restrictions;

NIL

**d) the requirements for the management of Special Accounts; and**

NIL

**e) the financial management policies of the Commonwealth (where not already detailed above).**

NIL

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## APPENDIX B: FINANCIAL SUSTAINABILITY

The Office of the Commonwealth Ombudsman operated within agreed resources for 2009–10. For 2010–11 the Office anticipates that it will operate within agreed resources. The Office is managing known risks that affect the financial sustainability of the agency. However, financial sustainability for the Office is at risk in the medium term due to the lack of capital funding provided to the Office. During 2009–10, the Office moved into new Canberra accommodation with furniture and fitout cost of approximately \$2m. The Office advised DoFD in October that we had not been adequately funded for capital. At that time DoFD was reviewing capital funding on a whole-of-Government basis through operation sunlight. There was an indication that the Office may receive additional capital funding through that process. This did not occur. If the Office is not adequately funded for capital, in the future we will need to divert operating amounts to cover capital costs.

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## CERTIFICATE OF COMPLIANCE

2010-11

Office of the Commonwealth Ombudsman

Based on the agency's internal control mechanisms, management, and audit committee advice, I certify that:

- 1) for the financial year ended 30 June 2011, the Office of the Commonwealth Ombudsman, except to the extent known (as detailed in Appendix A) has:
  - a) complied with the provisions and requirements of the *Financial Management and Accountability Act 1997* (FMA Act) and the *Financial Management and Accountability Regulations 1997* (FMA Regulations);
  - b) exercised the powers delegated by the Finance Minister in the *Financial Management and Accountability (Finance Minister to Chief Executives) Delegation 2009* (the Delegation), as amended from time to time, in accordance with the Delegation;
  - c) complied with Australian Government requirements on foreign exchange risk management including any applicable exemptions and the associated reporting requirements;
  - d) complied with the legal and financial requirements for the management of the Special Accounts for which the agency is responsible, as listed below:  
  
N/A
  - e) complied with the financial management policies of the Commonwealth.
- 2) except to the extent detailed in Appendix B, my agency is operating within the agreed resources for the current financial year (as recorded in the Australian Government's central budget management system), and my agency has adopted, or will adopt, appropriate management strategies for all known risks that may affect the financial sustainability of my agency.



Chief Executive of the Office of the Commonwealth Ombudsman

15/09/2011  
Date

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## CERTIFICATE OF COMPLIANCE

2010-11

Office of the Commonwealth Ombudsman

### APPENDIX A: NON-COMPLIANCE SCHEDULE

Specify details of known instances of non-compliance with:

- a) the FMA Act and/or the FMA Regulations

Area of non-compliance	Circumstances of non-compliance	Corrective action
Section 10 and FMA Regulation 17 and 18 – Public money must be promptly banked	There were <b>2 breaches</b> where public money was not deposited promptly (as per the time frame permitted under the office's CEIs).	The individuals involved were advised of the timeframe for deposit of public money. Office processes were updated to ensure Finance team were given all cheques directly to allow for prompt banking.
Section 11 – all money deposited into an official account	There was <b>1 breach</b> when public money was paid into a non-official bank account. The money was paid directly to the organisation performing the financial task.	Note: this breach is a carry-over from 2008-09.  A new contract arrangement was intended to be in place prior to year end but this did not occur due to issues with using a Department's piggy-back clauses. On 1 July 2011 a contract was executed with a new provider which will be compliant. Transition arrangements with the old provider will continue until October 2011 therefore this breach will again carry-forward to next financial year.
Section 60 and FMA Regulation 21 – require credit card holders use their card for official purposes only except when there is coincidental	There were <b>2 breaches</b> whereby official credit cards were used for private expenditure.	The officials were reminded in each case of the seriousness of the breach and to take additional measures to separate their official card so that inadvertent usage would not occur.

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private expenditure, which must be repaid.		
FMA Regulation 8 – Officials to have regard to the guidelines	There were <b>7 breaches</b> when mandatory requirements for publishing procurement information on AusTender within 6 weeks of the contract being let were not met.	The office continues to improve its management and reporting of contracts. As a small agency it is a challenge to meet all the compliance requirements. Additional training was provided to staff on procurement in Adelaide and Brisbane. Regular reviews of the contract register occur however this does not always allow us to meet the 6-week timeframe of reporting.
FMA Regulation 9 – approving spending proposals	There were <b>3 breaches</b> where spending approvals were not obtained correctly. One related to not following the directions in the financial delegations, the second was not receiving approval in advance of spending money and the third related to not using Australian Government mandated coordinated procurement arrangements.	Individuals were reminded to follow the financial delegations, including the directions. As well they were informed of the mandatory requirement to use the mandated procurement arrangements.

b) the Delegation

Section 26 – 27 – drawing rights	There was <b>1 breach</b> related to payment of public moneys when an official did not have drawing rights	The individual involved was advised of the need to have drawing rights before approving the payment of public money.
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c) the foreign exchange risk management guidelines

Nil

d) the requirements for the management of Special Accounts

Nil

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- e) the financial management policies of the Commonwealth (where not already detailed above).

Nil

## APPENDIX B: FINANCIAL SUSTAINABILITY

The Office of the Commonwealth Ombudsman operated within agreed resources for 2010–11. The Office is managing known risks that affect the financial sustainability of the agency.

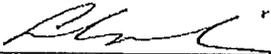
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## CERTIFICATE OF COMPLIANCE 2011-12 Office of the Commonwealth Ombudsman

Based on the agency's internal control mechanisms, management, and audit committee advice, I certify that for the financial year ended 30 June 2012, the Office of the Commonwealth Ombudsman, except to the extent known (as detailed in Appendix A) has:

- a) Complied with the provisions and requirements of the *Financial Management and Accountability Act 1997* (FMA Act) and the *Financial Management and Accountability Regulations 1997* (FMA Regulations);
- b) exercised the powers delegated by the Finance Minister in the *Financial Management and Accountability (Finance Minister to Chief Executives) Delegation 2010* (the Delegation), as amended from time to time, in accordance with the Delegation;
- c) complied with the requirements for the management of the Special Accounts for which the agency is responsible as listed in Appendix C; and
- d) complied with the financial management policies of the Commonwealth.

Except to the extent detailed in Appendix B, my agency has adopted appropriate management strategies for all known risks that may affect the financial sustainability of my agency and is operating within the agreed resources for the current financial year.

  
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Chief Executive of the Office of the Commonwealth Ombudsman

12.9.12  
Date

## APPENDIX A Non-compliance Schedule

CERTIFICATE OF COMPLIANCE 2011–12  
Office of the Commonwealth Ombudsman

This schedule specifies details of known instances of non-compliance with the Australian Government financial management framework.

Requirement of non-compliance	Title of relevant Section, Regulation or policy	No of instances of non-compliance	The circumstances of non-compliance with the requirements	Action taken
FMA Act	Section 44 Promoting proper use of Commonwealth resources.	17	There were 17 instances where appropriate approval was not sought prior to entering into an arrangement.	Individuals were advised of their delegation limits and of the framework and policies for procurement.
	Section 60 Misuse of Commonwealth credit card.	3	There were three instances where officials made personal purchases using public money.	Officials involved were reminded of the policies and guidelines relating to credit cards.
	Section 12 receipt and spending of public money by outsiders.	1	An outsider was not provided with authorisation to receipt public money.	Staff were advised of the requirements to seek authority prior to entering into arrangements.
	Section 14 Misapplication or misuse of public money	2	An ex-employee used two cab charge vouchers for personal use.	Procedures relating to the management of cab charge vouchers were improved. Exit declaration processes have been improved to include cab charge vouchers.

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Requirement of non-compliance	Title of relevant Section, Regulation or policy	No of instances of non-compliance	The circumstances of non-compliance with the requirements	Action taken
FMA Regulations	Regulation 9	15	<p>There were <b>six</b> instances of non-compliance relating to approvals given for individual transactions rather than the whole arrangement.</p> <p>There were <b>nine</b> instances of non-compliance relating to incorrect level of delegate to approve transaction.</p>	<p>Clarification and advice provided to delegates and officers regarding the need to apply framework requirements to arrangements not transactions.</p> <p>Officials reminded of delegation limits.</p>
	Regulation 10 Arrangements beyond available appropriation	5	<p>There were <b>three</b> instances of non-compliance resulting from approvals given to individual transactions rather than across arrangements (that spanned several financial years).</p> <p>There were <b>two</b> instances of non-compliance relating to indemnity clauses in contracts.</p>	<p>Officials provided with clarification and advice relating to how to exercise delegation over arrangements.</p> <p>Officials provided with training regarding Regulation 10 requirements and processes.</p>
The Delegation		NIL		
The requirements for the management of special accounts		N/A	The Office of the Commonwealth Ombudsman does not administer any special accounts.	
The financial management		NIL		

Requirement of non-compliance	Title of relevant Section, Regulation or policy	No of instances of non-compliance	The circumstances of non-compliance with the requirements	Action taken
policies of the Commonwealth				

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## APPENDIX B: FINANCIAL SUSTAINABILITY

The Office of the Commonwealth Ombudsman operated within agreed resources for 2012-13. The Office of the Commonwealth Ombudsman is managing known risks that affect the financial sustainability of the agency.

The Office of the Commonwealth Ombudsman has not sought nor obtained approval for an operating loss for the 2012-13 financial year.

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## APPENDIX C List of Special Accounts

For the financial year ended 30 June 2012 the Office of the Commonwealth Ombudsman did not have any special accounts for which it was responsible.