



**Australian Government**  

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**Australian Financial Security Authority**

14 November 2017

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

***AFSA's submission to the Independent Review of the Public Governance, Performance and Accountability Act 2013 (PGPA Act)***

Dear Ms Alexander and Mr Thodey,

The Australian Financial Security Authority (AFSA) is pleased to provide this response to the review of the PGPA Act. Our response to each of the review's objectives is outlined below.

***1. Examine whether the operation of the PGPA Act and Rule are achieving their objects and meeting their guiding principles***

The impact of the PGPA Act on AFSA's operations is considered positive, as it's provided a framework to enable us to improve our corporate governance—and achieve the objectives of the Act.

In particular:

- the PGPA Act principles, such as the requirement for adequate systems around risk and control (section 16), have underpinned the continued development and maturity of AFSA's risk and control environment. AFSA has strengthened its risk assurance processes and compliance monitoring with an emphasis on 'significant non-compliance', rather than on compliance with prescriptive rules, as previously required under the 'Certificate of Compliance' framework.
- the PGPA Act requirements (such as sections 35, 37, 38 and 39) underpin AFSA's performance reporting and corporate planning. The enhanced Commonwealth performance framework (and associated RMGs) has been incorporated into AFSA's Corporate Planning – Reporting Framework, providing improved performance reporting.
- AFSA's Audit Committee constitution has been revised to be compliant with the PGPA Rule.

***2. Identify changes or initiatives that will enhance public sector productivity, governance, performance and accountability arrangements covered by the Act***

AFSA has no significant comments on this objective. However, we have identified a Portfolio Budget Statements activity that we suggest could be streamlined. This is the requirement to

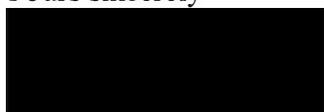
republish the prior year performance measures (and expected outcomes) in the Portfolio Budget Statements. This requirement makes this section of the PBS document unnecessarily complex and distracts from the intention of demonstrating the outcomes and measures of success that government funding will deliver.

***3. Examine whether the implementation of the Act and Rule supported operations of Commonwealth entities***

AFSA successfully implemented the PGPA Act framework into its operations. There was satisfactory provision of written guidance and other support by the Department of Finance.

We would be pleased to provide further information should it be required.

Yours sincerely



Hamish McCormick  
Chief Executive and Inspector-General in Bankruptcy