

## PART 3: MANAGEMENT AND ACCOUNTABILITY

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## MANAGEMENT AND ACCOUNTABILITY

### Corporate governance

The AOFM operates under governance arrangements that were agreed in 2002-03 between the Treasurer, the Secretary to the Treasury and the Chief Executive Officer of the AOFM in the Commonwealth Debt Management Charter. The Charter sets out the roles and accountabilities of the principal stakeholders in the conduct of Commonwealth debt management. These stakeholders are the Treasurer, the Secretary to the Treasury, the AOFM Advisory Board, The Treasury and the AOFM.

The Treasurer is the Minister responsible for Commonwealth debt management. Acting on advice from the Treasury and the AOFM, the Treasurer makes decisions on strategic debt management issues and approves debt management risk benchmarks.

The Secretary to the Treasury is responsible for advising the Treasurer on debt policy and debt management issues more generally, drawing on the resources of both the AOFM and the Treasury. In discharging his accountability, the Secretary also draws on advice from the AOFM Advisory Board. The Board does not possess executive powers or decision-making authority in its own right.

The Treasury is responsible for advising the Treasurer on strategic debt policy issues and wider public policy issues as they relate to debt management.

The AOFM has accountability for design and execution of all aspects of debt management operational policy. The AOFM is responsible for managing the Commonwealth debt portfolio in line with approved policy and objectives and undertaking related risk reporting. Additionally, the AOFM conducts research, analysis and provides advice to the Treasurer, the Secretary and the Advisory Board, on operational policy matters.

The Chief Executive Officer of the AOFM reports, and is accountable to the Treasurer, through the Secretary to the Treasury. The Chief Executive Officer is responsible for the operation and performance of the AOFM.

## AOFM Advisory Board

The AOFM Advisory Board was established to provide general counsel and guidance to the Secretary to the Treasury on all aspects of operational debt policy matters and the performance of the AOFM generally.

The Board comprises a mix of public policy and specialist financial market skills. In 2003-04 the only change to the composition of the Board resulted from the appointment of a new Chief Executive Officer of the AOFM. The Advisory Board members at 30 June 2004 were:

- Dr Ken Henry, Secretary to The Treasury (Chair);
- Tony Cole, Executive Director at William M Mercer Pty Ltd;
- Greg Maughan, consultant and member of the Investment Committee of UniSuper;
- Peter Warne, Chairman of Next Financial Pty Ltd, Australian Leisure & Entertainment Property Management Ltd and The Capital Market Cooperative Research Centre Ltd. He is also a Director of Australian Repackaging Transaction Ltd and SFE Corporation Ltd and subsidiary companies;
- Richard Murray, Executive Director, Fiscal Group, The Treasury;
- Phil Bowen, General Manager, Budget Group, Department of Finance and Administration; and
- Neil Hyden, Chief Executive Officer, AOFM.

The Board met on six occasions in 2003-04.

## Audit Committee

Section 46 of the *Financial Management and Accountability Act 1997* requires that the Chief Executive Officer establish and maintain an Audit Committee. The AOFM Audit Committee is a forum for review of audit and related issues and operates to:

- assist the Chief Executive Officer in ensuring and confirming resolution of all internal and external audit issues;
- ensure the maintenance of efficient and effective audit functions and programs; and

- assist in carrying out the Chief Executive Officer's statutory responsibilities in relation to the audit, financial reporting and control framework of the AOFM.

In February 2004, the Audit Committee operated for the first time under a revised Audit Committee Charter. This new Charter strengthens the independence of the Audit Committee.

The Audit Committee membership comprised:

- Peter Warne, independent member of the AOFM Advisory Board (Chair);
- David Lawler, former Group Auditor, Financial Controller of Institutional Banking and Executive General Manager of the Commonwealth Bank of Australia;
- Matthew Flavel, Manager, Financial Frameworks and Management Unit, The Treasury;  
and
- Paul Power, Chief Operating Officer, AOFM.

Invited observers included the AOFM Internal Auditor, the Australian National Audit Office, and the AOFM Chief Finance Officer.

The AOFM Chief Executive Officer is not a member of the Audit Committee, but attends as an observer at his or her own discretion. In addition to the formal responsibilities for Audit Committees set out in the Finance Minister's Orders, the Committee seeks to improve the financial control framework and reporting of the AOFM by:

- acting as a forum for review of audit issues including the AOFM's accounting policies;
- focusing audit functions on risk management policies, control frameworks and compliance with appropriate standards;
- considering the recommendations of all internal and external audits and monitoring the implementation of those recommendations;
- providing advice on the selection of the internal auditor, for final decision by the AOFM Chief Executive Officer;
- approving and reviewing the Fraud Control Plan;
- monitoring developments in legislation, regulations, Government policy and accounting standards for their impact on the accountabilities of key stakeholders; and

- reporting to the Chief Executive Officer and Advisory Board on findings in relation to the above.

## Senior management committees

### Liability Management Committee

The Liability Management Committee has primary responsibility for advising the Chief Executive Officer on operational debt policy and risk management issues. The Committee reviews policy and operational settings for consistency with approved policy and strategy objectives, and compliance with approved risk limits. Deal execution, market communication and associated operational practices are also reviewed and monitored.

The Chief Executive Officer of the AOFM chairs the meeting. Besides the Chief Executive Officer, the Committee comprises the Chief Operating Officer, the Director, Financial Risk, the Head of Treasury Services, and a number of other senior AOFM staff with functional responsibilities relevant to the Committee's purview. The Committee generally meets every two to three weeks.

### IT Steering Committee

This Committee oversees all current and planned IT projects and operations to ensure appropriate identification and control of strategic and business risks, as well as consistency with AOFM objectives. The Committee is responsible for reviewing and endorsing IT business cases and project plans, and monitors the overall progress in the context of budgets and timeframes.

Membership of the Committee is the Chief Executive Officer of the AOFM (Chair); the Chief Operating Officer; the Director, Financial Risk; the Chief Finance Officer; and the IT Systems Administrator. The Committee meets monthly.

### Other senior management committees

The AOFM also maintains an Executive Committee and a Human Resources Committee that oversee the running of the agency, and a Financial Policy Development Committee.

## Operational risk management

The AOFM maintains a comprehensive operational risk management framework, consistent with the requirements of the *Financial Management and Accountability Act 1997*. Key components of the risk framework are as follows:

- A Fraud Control Plan that establishes the minimum controls and behaviours required of AOFM staff to perform their duties whilst minimising the risk of fraud.
  - During 2003-04, the AOFM Audit Committee endorsed the revised Fraud Control Plan, following KPMG's review of the potential fraud risks at the AOFM.
  - KPMG's overall assessment of the AOFM's risk of material fraud occurring was low.
  - The revised Fraud Control Plan was prepared in accordance with the Fraud Control Guidelines issued by the Minister for Justice and Customs.
- The Chief Executive Instructions, which were comprehensively reviewed and updated during 2003-04, establish an administrative framework for the delegation of the Chief Executive's statutory powers under the *Financial Management and Accountability Act 1997*.
- Each committee created to support the AOFM's governance structure is supported by a committee charter. These are reviewed periodically and updated where necessary. The Chief Executive Officer approves any changes or updates of committee charters.
- The Business Continuity Plan (BCP) establishes the processes required to restore critical IT-reliant functions in the aftermath of a significant disruption or disaster. The BCP also addresses the relationship with, and obligations of Treasury in such circumstances, under the Service Level Agreement.
  - Continual development of the BCP occurred during 2003-04 with an agency-wide initiative to document all business critical processes and procedures. This additional documentation will further supplement the existing BCP, and provide resilience to the AOFM's internal processes in the event of a disruption occurring.
- The Disaster Recovery Plan documents in detail the activities that AOFM IT staff need to undertake to recover IT services in the event of a disaster occurring within the AOFM. The Disaster Recovery Plan relates to servers, system databases and key software applications.
  - During the year, the AOFM established a Disaster Recovery Site. Appropriate off-site facilities are available for the AOFM to perform core functions, in the event of an incident that prevents access to the AOFM's offices. An emergency response team was established and undertook preparation and training to occupy the site should such an emergency arise.

- The Contract Management Policy, which establishes guidelines for the AOFM to manage contractual relationships with suppliers of goods and services through sound operational procedures, based on Commonwealth legislative requirements and best practice principles.
- Other policies and procedures relevant to operational risk management include: the IT Security Policy; Internet and Email Acceptable Use Policy; Network Access Control Policy; Incident Response Policy; Network Backup and Offsite Storage procedures; Network Access procedures, and IT Change Control procedures.

## External scrutiny

### Audit

The AOFM Audit Committee met on five occasions in 2003-04. The Committee adhered to a regular schedule of quarterly meetings through the year. There was also an ad hoc meeting of the Committee in August 2003 to sign off on the AOFM Financial Statements for 2002-03.

The Committee operates principally as a forum for oversight and review of the AOFM risk control environment and for ensuring compliance with legislative and related obligations. The Committee is also responsible for overseeing management follow-up and response to audit issues raised by the Australian National Audit Office and PricewaterhouseCoopers, the AOFM's Internal Auditor.

During the year, the review of the AOFM Fraud Control Plan was endorsed, the proposed External Audit Plan and Internal Audit program for 2004-05 were discussed, and a range of issues surrounding the preparation of the AOFM Financial Statements were addressed. The Audit Committee also received verbal advice from the ANAO on the intended plan and scope of its proposed performance audit of the management of Commonwealth debt.

### Internal audit

PricewaterhouseCoopers undertook a substantive program of internal audit activities through 2003-04, consistent with an audit plan established in 2002. In addition to the regular annual audit review of internal operational controls and IT specific controls, PricewaterhouseCoopers completed one major internal review in 2003-04.

### Quantum post-implementation review

This review assessed the application controls established by the AOFM to support the dealing, settlements, accounting and risk management reporting processes of the Quantum treasury system, which was implemented in June 2003. The review also identified the main risks affecting these processes and considered whether the controls implemented by the AOFM adequately addressed these risks.

The review also assessed compliance with the processes implemented by the AOFM to manage changes to the Quantum application, database and static data administration function.

PricewaterhouseCoopers concluded that the system did not attract any high-risk exposures for the AOFM. PricewaterhouseCoopers made several minor recommendations, relating mainly to trade settlement and approval functions.

### Australian National Audit Office reports

In June 2004, the Australian National Audit Office (ANAO) commenced the initial stages of a performance audit on Commonwealth debt management. Discussions held with ANAO thus far indicate that the final report will be tabled in Parliament by March 2005.

The ANAO also conducted a performance audit of the Financial Management of Special Appropriations during the 2003-04 financial year. The AOFM participated in the fieldwork involved in this audit and responded to a discussion paper produced by the ANAO in early July 2004. The final report should be tabled during the 2004-05 year.

During 2003-04, The ANAO released the following reports relevant to the AOFM.

#### Audit Report No 14: Survey of Fraud Control Arrangements in APS Agencies

The Survey of Fraud Control Arrangements in APS agencies was conducted to identify improvements made by agencies since the 1999 survey, and in response to the revised *Commonwealth Fraud Control Guidelines* released in May 2002. Its objective was to assess the key aspects of fraud control arrangements in place across the APS against the *Commonwealth Fraud Control Guidelines 2002*.

The AOFM has not detected or experienced any instances of fraud. The AOFM's *Fraud Control Guidelines* use definitions and concepts consistent with those promulgated in the *Commonwealth Fraud Control Guidelines 2002*.

### Audit Report No 24: Agency Management of Special Accounts

A Special Account is a mechanism used to record amounts in the Consolidated Revenue Fund that are set aside for specified purposes. The audit examined the establishment, management and abolition of Special Accounts by Commonwealth agencies, as well as compliance with legal requirements.

The AOFM administers one Special Account on behalf of the Commonwealth. None of the conclusions reached by the ANAO specifically impacted on the manner in which the AOFM operates and reports on this account.

### Audit Report No 42: Financial Delegations for the Expenditure of Public Monies in FMA Agencies

The objectives of this audit were to assess whether financial delegations associated with the expenditure of public monies were determined, applied and managed in accordance with applicable legislation, Government policy and applicable internal controls; and identify better practices and recommend improvements, as necessary, to current practices.

The AOFM undertook an extensive exercise in reviewing and updating the Chief Executive Instructions. In doing so, the AOFM applied the major findings from this ANAO report to enhance the final document and hence support a stronger governance framework that met best practice recommendations.

### Judicial decisions

In 2003-04, no matters relating to the AOFM were the subject of judicial proceedings, tribunal hearings or consideration by the Ombudsman.

## Management of human resources

### The AOFM workforce

As the AOFM finishes its fifth year of operation, the focus for people management has started to shift from Agency building to consolidation. Much effort has been put into attracting key staff to Canberra. The new senior management team has targeted positive career management as an important focus for maintaining and developing its highly skilled workforce.

As at 30 June 2004, the AOFM employed 35.9 full-time equivalent (FTE) staff under the *Public Service Act 1999*. Table 1 provides a summary of the AOFM workforce by broadband classification.

**Table 1: Operative and paid inoperative staff by classification and gender as at 30 June 2004**

Classification	Ongoing				Non-ongoing				Total
	Full-time		Part-time		Full-time		Part-time		
	Male	Female	Male	Female	Male	Female	Male	Female	
<b>2004</b>									
AOFM1	1	4	0	0	0	3	0	0	8
AOFM2	9	8	1	2	0	1	1	0	22
AOFM3	5	0	0	0	0	0	0	0	5
AOFM4	0	0	0	0	1	0	0	0	1
AOFM5	1	0	0	0	0	0	0	0	1
<b>Total</b>	<b>16</b>	<b>12</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>4</b>	<b>1</b>	<b>0</b>	<b>37</b>
<b>2003</b>									
AOFM1	2	2	0	0	0	1	0	0	5
AOFM2	12	6	0	0	0	0	0	1	19
AOFM3	5	1	0	0	0	0	0	0	6
AOFM4	1	0	0	0	1	0	0	0	2
AOFM5	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>20</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>32</b>

Note: The AOFM classifications correspond to the following Australian Public Service classifications:  
 AOFM 1 = APS1 to APS 4, AOFM 2 = APS5 to EL1, AOFM 3 = EL2, AOFM 4 = SESB1 equivalent,  
 AOFM 5 = SESB3 equivalent

One EL 1 employee is performing duties in the Solomon Islands as part of the Solomon Islands Budget Stabilisation Program funded by AusAID. All other employees are based in Canberra.

### Changes to senior management

In October 2003, Neil Hyden was engaged as Chief Executive Officer (replacing Blair Comley). Paul Power was employed in the position of Chief Operating Officer in January 2004 (replacing Peter McCray). In May 2004, the Director of Financial Risk, Paul Ferris resigned and was replaced on a temporary basis by Michael Bath. This arrangement will continue until the selection process for this Director role is completed.

### Other staffing changes

In addition to the above changes to senior management, ten ongoing employees were recruited during 2003-04 – one SES Band 3, two EL 1s, one APS 6, three APS 5s and three APS 4s. There were a total of 16 terminations during the year – ten were ongoing employees (including one

retirement) and six non-ongoing. For ongoing employees, departures represented 28.6 per cent of average staffing levels in 2003-04 (23.8 per cent in 2002-03).<sup>1</sup>

### Australian Workplace Agreements

AOFM employees are employed under Australian Workplace Agreements (AWAs). The employment terms and conditions are consistent for all staff, with remuneration outcomes based on performance, position and level within the AOFM. All AWAs specifically reference the Australian Public Service Values in the context of setting out expected performance and behaviour.

The Chief Executive Officer of the AOFM is engaged on an Australian Workplace Agreement from The Treasury. Information on such agreements is available in The Treasury's Annual Report for 2003-2004.

### Remuneration

Staff remuneration (Table 2) is reviewed on an annual basis, with adjustments effective as at 1 July. The AOFM has set its remuneration policy to reflect market rates at the median for large conservative financial services organisations, including corporate treasury organisations. Remuneration adjustments are based on a combination of movements in this market index (determined independently by Mercer Human Resource Consulting) and individual staff performance.

Executive remuneration is reported in Note 12 of Part 4: Financial statements.

**Table 2: AOFM Australian Workplace Agreement salary ranges**

Classification	30 June 2004	
	Base Rate \$	Grade Rate \$
AOFM1	30,000	49,444
AOFM2	51,797	96,442
AOFM3	115,861	144,827
AOFM4	157,364	196,706

To be eligible for a remuneration review, employees must have completed a performance review. The performance rating is the main contributor to remuneration outcome. Performance ratings measure outputs achieved (linked to the corporate plan) and the methods for producing

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<sup>1</sup> This figure was described as staff turnover in the 2002-03 Annual Report.

those outputs (behaviours which include good communication and relationship management). Employees who are rated 'Outstanding' may access remuneration above the grade rate for their classification. There is no performance pay and performance-linked bonuses are not paid.

Non-salary benefits provided to AOFM employees principally comprise support for professional development through studies assistance, short courses and payment of job-relevant professional society membership fees. Where an employee has a business reason for a mobile phone, a mobile phone is provided.

### Training and development

The AOFM's performance management system provides for staff to identify and plan for training and development opportunities. While a significant proportion of development occurs through knowledge transfer in on-the-job training, staff also draw on external courses, conferences, workshops and seminars, run internally and externally, for development opportunities.

On average, AOFM employees spent approximately two days of paid work time in training and development activities during 2003-04. The AOFM invested 2.3 per cent of direct salary costs in training and development activity over the year.

As part of the AOFM's staff retention strategy, increased emphasis on career development and training has been identified as a priority in the AOFM's business plan for 2004-05.

### Occupational health and safety

Occupational health and safety services are provided to the AOFM under a Service Level Agreement with The Treasury. The AOFM has one Health and Safety Representative who assists all employees to meet their obligations under the *Occupational Health and Safety (Commonwealth Employment) Act 1991*.

The Treasury's Occupational Health and Safety Committee meets quarterly and deals with occupational health and safety issues and policies, staff wellbeing, health and safety performance reporting, accommodation issues and accident and incident reports. The committee also considers reports from the Employee Assistance Program provider, Davidson Trahaire.

AOFM staff had access to a number of ongoing health activities provided by The Treasury in 2003-04, which include posture and flexibility, yoga, Tai Chi, Pilates and aerobics classes. Flu vaccinations were also available to AOFM staff in 2003-04. To prevent injuries in the workplace

and to enhance the safety of staff members, workplace assessments are conducted for all new starters and on request.

There were no accidents, injuries or dangerous occurrences reported in 2003-04. The AOFM was not the subject of any directions under section 45 of the *Occupational Health and Safety (Commonwealth Employment) Act 1991*. No notices were given to AOFM under this Act.

### **Commonwealth disability strategy**

The AOFM works with The Treasury's Workplace Diversity Program 2003-06 and the Department's Disability Action Plan. These have been reviewed in line with the Australian Government Disability Strategy and help AOFM to eliminate, as far as possible, discrimination on the grounds of disability.

### **Purchasing**

The AOFM's Chief Executive Instructions outline the AOFM's policy and procedures on purchasing goods and services that are consistent with the Commonwealth Procurement Guidelines.

### **Competitive tendering and contracting**

No competitive tendering and contracting work was undertaken by AOFM during 2003-04, apart from those reported as Consultancies. The Treasury provides a range of corporate services to the AOFM under a Service Level Agreement. This agreement includes a range of performance measures and standards, and is subject to regular review.

### **Exempt contracts**

No contract in excess of \$2,000 (including GST) or standing offer has been exempted from being published in the Purchasing and Disposals Gazette on the basis that it would disclose exempt matters under the *Freedom of Information Act 1982*.

## **Assets management**

The assets of the AOFM are managed via policies and procedures set out in the Chief Executive Instructions and are predominately computers, plant and equipment and leasehold improvements.

## **Consultants**

The AOFM contracts services according to policies and procedures contained in the AOFM's Chief Executive Instructions. These policies and procedures are based on the Commonwealth Procurement Guidelines issued by the Department of Finance and Administration.

The AOFM used consultants to access specialist skills or knowledge not available in-house, or when an independent perspective was desired, or on occasions where specialist in-house resources were not available in the time allowed.

The AOFM contracted one consultancy valued at \$10,000 or more during 2003-04. Deloitte Touche Tohmatsu was engaged to provide an independent review of the interest rate benchmark at a total cost of \$88,120.

## **Advertising and market research**

During the 2003-04 financial year, the only payment the AOFM made to advertising agencies, market research organisations, polling organisations or direct mail organisations, was \$32,447.84 to HMA Blaze, a media advertising organisation, for job advertisements placed by the AOFM.

## **Discretionary grants**

No discretionary grants are administered by the AOFM.

## **Ecologically sustainable development and environmental performance**

The AOFM Service Level Agreement with The Treasury covers procurement and facilities management services. In the following, references to the Department include the AOFM.

Treasury participates in various government forums on environmental matters and actively pursues measures to minimise waste and conserve energy.

Treasury exchanges ideas and information on property, building and environmental management through its membership of property and building industry groups including the Australian Property Institute and the Facilities Management Association of Australia. Treasury adopts a range of best practice initiatives to meet or improve on targets relating to government policy on environmental issues.

### Energy management

Treasury has reduced its overall energy consumption, in line with Australian Government energy consumption targets.

A building management system which provides energy management and reporting facilities controls energy consumption in the Treasury building. The building owner reviewed metering in 2003, and tenants are now metered separately. This will allow Treasury to monitor, profile and diagnose energy consumption more effectively.

Incoming electricity supplies have power analysers to provide an instant reading of kilowatt consumption, load, power factor correction, kVA and line voltage.

Timer switches control all general lighting in the building. Lights operate during normal working hours although manually operated pass switches turn on lights in specific areas for up to two hours, after normal business hours. High performance light fittings are 35 per cent more efficient than standard fittings with low ballasts.

### Environmental management system

Treasury's Environmental Management System was implemented in December 2002 and complies with International Standard ISO 14001. Development of the system was a requirement of the 2002-03 Treasury Certified Agreement.

### Paper and cardboard recycling

Treasury recycles paper and cardboard products. A local recycling firm collects desktop and workplace containers of paper and cardboard products. Classified waste paper is pulped and paper hand towels are recycled. Staff kitchen facilities use a recycle bin system that simplifies the separation of recyclable items that previously went to landfill. This reduces the amount of waste sent to landfill by over 30 per cent.

Treasury's target is to reduce its waste to landfill by 90 per cent.

### Compost recycling

All of Treasury's staff kitchens have sealed compost waste containers. This service enables compost waste to be recycled organically. In 2002-03 Treasury recycled over 1600 kilograms of compost, 20 per cent more than in the previous year.

### Procurement practices

Treasury purchases goods and services in accordance with environmental procurement policy as set out in the Commonwealth Procurement Guidelines. This ensures that goods and services are:

- environmentally sound in manufacture;
- reusable or recyclable;
- designed and made for reliability and long life; and
- environmental best practice in energy efficiency and or energy consumption.

Paper made from 80 per cent recycled fibre is used in the reproduction areas. Treasury actively encourages all areas to purchase and use recycled paper and stationery products.

Treasury participates in the Cartridges 4 Planet Ark programme. Toner cartridges can be recycled and old cartridges are delivered to a recycling outlet. Cartridges that cannot be reused are broken down and recycled so they can be made into new products. This guarantees cartridges do not end up at landfill.

### Water usage

Treasury has installed tempered water supply thermostats on showers to reduce water usage.

### Freedom of information

The AOFM was established on 1 July 1999 as a 'prescribed' agency under the *Financial Management and Accountability Act 1997*. It is responsible for all operational aspects of Commonwealth debt management.

The Treasury is responsible for handling freedom of information matters in respect of the AOFM and the statement under section 8 of the *Freedom of Information Act 1982* appears in the Treasury

Annual Report. In reading this material, all references to 'Department' encompass the AOFM. Matters that relate specifically to the AOFM are contained in the following discussion.

### Treasury — Statement

Section 8 of the *Freedom of Information Act 1982* requires Treasury to publish detailed information about:

- how it is organised and what decision making powers it has;
- what arrangements it makes for public involvement in its work;
- what types of documents it holds; and
- how the public can obtain access to these documents.

The following information addresses these requirements in relation to the AOFM's role within the Treasurer's portfolio. The full Treasury statement is in the Treasury Annual Report.

### Organisation of the AOFM

The AOFM's debt management operations encompass the execution of instruments including Treasury bonds, Treasury notes and associated derivatives. AOFM activities also encompass risk management and compliance activities, financial reporting and portfolio administration. (See Part 1 of this report for other information on the AOFM's structure, functions and decision-making powers.)

### AOFM delegations

The Treasurer has delegated certain powers to AOFM officials under Acts of Parliament and agreements. These delegations stand in force until renewed, and are listed below.

- The Treasurer has authorised the Chief Executive Officer, AOFM to exercise certain powers under the *Commonwealth Inscribed Stock Act 1911*.
- The Treasurer has delegated certain powers under the Commonwealth Inscribed Stock Regulations to the Chief Executive Officer, AOFM.
- The Treasurer has delegated certain powers under the *Loans Securities Act 1919* to the Chief Executive Officer, AOFM and to holders of various positions within the AOFM.

- The Treasurer holds certain delegated powers under the Constitution and the *Financial Management and Accountability Act 1997* in relation to agency management. These powers have been delegated to the Chief Executive Officer, AOFM. In addition, the Minister for Finance and Administration has delegated certain powers under the Act and its Regulations to the Chief Executive Officer, AOFM.
- The Treasurer has delegated his power of investment under the *Financial Management and Accountability Act 1997* to the Chief Executive Officer, AOFM.

### Arrangements for outside participation

People or organisations outside the Australian Government administration may participate in forming policy or administering enactments and schemes for which the AOFM is responsible by writing to Treasury portfolio ministers, the Secretary to the Treasury, or directly to the AOFM. The AOFM Advisory Board is also a source of outside participation as three of its seven members are experts drawn from the financial sector.

### Categories of documents held by the AOFM

The AOFM holds the following categories of documents. The AOFM places an indexed list of its policy file titles on the AOFM web site every six months.

#### Representations to Treasury portfolio ministers

The AOFM holds representations made to Treasury ministers on matters relating to borrowing money on the public credit of the Commonwealth.

#### Working files

The AOFM holds files dealing with policy and administration in the area of borrowing money on the public credit of the Commonwealth. The documents on these files include correspondence, analysis and policy advice by AOFM officers, comments on cabinet submissions and drafts of these and other documents.

#### Documents on internal departmental administration

AOFM documents relating to staff and departmental organisation and operation include personal records, organisation and staffing records, financial and expenditure records, and internal operations such as office procedures and instructions.

## Documents open to public access

The AOFM has only one published document – its annual report. This document is available on the AOFM's web site.

## Facilities for access to documents

If a member of the public requests a document and access is approved, the AOFM will provide copies of documents after the applicant pays any charges.

Alternatively, applicants may arrange to inspect documents at the AOFM, Treasury Building, Langton Crescent, Parkes, ACT, between 9.00 am and 5.00 pm, Monday to Friday (except public and public service holidays).

## Freedom of information applications and initial contact points

Corporate Services Division of the Treasury coordinates requests under the *Freedom of Information Act 1982*. Applicants seeking access under the Act to Treasury or AOFM documents should apply in writing to:

The Secretary  
The Treasury  
Langton Crescent  
PARKES ACT 2600  
Attention: Freedom of Information Coordinator

An application fee of \$30 or a written request, pursuant to subsection 30A(1) of the Act, that the application fee be waived should accompany requests. Telephone inquiries should be directed to the Freedom of Information Coordinator, telephone (02) 6263 2976, between 9.00 am and 5.00 pm Monday to Friday (except public or public service holidays).

Officers of the senior executive service in Treasury can grant or refuse requests for access to documents under section 23 of the *Freedom of Information Act 1982*. In accordance with section 54 of the Act, an applicant may, within 30 days of receiving notification of a decision under the Act, apply to the Secretary to the Treasury, seeking an internal review of a decision to refuse a request. The prescribed fee of \$40 should accompany the application. A Treasury officer who has been authorised under section 23 to make decisions on internal review (usually an Executive Director) will conduct an independent review.

### Freedom of information activity

The AOFM received no requests for access to documents under the *Freedom of Information Act 1982* in 2003-04.

