

PART 3: MANAGEMENT AND ACCOUNTABILITY

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MANAGEMENT AND ACCOUNTABILITY

Corporate governance

The AOFM operates under governance arrangements agreed between the Treasurer, the Secretary to the Treasury and the Chief Executive Officer of the AOFM on roles and accountabilities in the conduct of Commonwealth debt management.

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.

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. The Secretary also approves debt management operational policies and sets targets and limits around the AOFM's portfolio management operations. In discharging his responsibilities, the Secretary is advised by the AOFM Advisory Board.

The AOFM is responsible for the design and execution of all aspects of debt management operations. The AOFM manages the Commonwealth debt portfolio in line with approved policy and objectives and undertakes related risk reporting. Additionally, it conducts research and analysis and provides advice to the Treasurer, the Secretary and the Advisory Board on operational 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 and exercises powers delegated by the Treasurer and the Secretary.

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 does not possess executive powers or decision making authority in its own right. It comprises a mix of public policy and specialist financial market skills. The Advisory Board members at 30 June 2006 were:

- Dr Ken Henry, Secretary to the Treasury (Chair);
- Tony Cole AO, Business Leader, Mercer Investment Consulting – Asia Pacific;

- 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;
- David Tune, Executive Director, Fiscal Group, Treasury;
- Phil Bowen, General Manager, Budget Group, Department of Finance and Administration; and
- Neil Hyden, Chief Executive Officer, AOFM.

The Board met on five occasions in 2005-06.

Senior management committees

Several senior management committees operate to assist the Chief Executive Office in the management of the Office and to facilitate communication and coordination.

Executive Committee

The Executive Committee coordinates the overall management of the Office, including consideration of strategic issues, coordination of priorities, financial management, organisational arrangements and resource management. Its membership as at 30 June 2006 comprised the Chief Executive Officer, Chief Operating Officer, Director of Financial Risk and Head of Treasury Services.

Human Resources Committee

The committee advises on the management of human resources, including employment policies, training and development, recruitment, performance management and remuneration. It consists of members of the Executive Committee and the Human Resource Manager.

Information Technology (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 as at 30 June 2006 consists of the Chief Executive Officer (Chair); the Chief Operating Officer; the Chief Finance Officer; and the IT Manager.

Liability Management Committee

The Liability Management Committee is responsible 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.

Membership of the Committee as at 30 June 2006 included the Chief Executive Officer (Chair), the Chief Operating Officer, the Director of Financial Risk and the Head of Treasury Services as well as a number of other senior AOFM staff with functional responsibilities relevant to the Committee's purview.

Operational Risk Committee

This committee manages the ongoing review of the AOFM's operational and compliance risks. It recommends and determines compliance priorities and control procedures and oversees the identification, categorisation and prioritisation of operational risks.

Membership of the Committee as at 30 June 2006 comprised the Chief Operating Officer (Chair); Compliance Manager and Compliance Analyst and from time to time senior AOFM staff with functional responsibilities relevant to the Committee's activities.

Other elements of the governance framework

The AOFM maintains a comprehensive management framework, consistent with the requirements of the *Financial Management and Accountability Act 1997* and the *Public Service Act 1999*. Key components of the risk framework are:

- Formal delegations and authorisations from the Treasurer to officers of the AOFM of the Treasurer's powers under various Acts that provide the legal authority for the AOFM's debt management activities.
- Policies that govern the AOFM debt management activities, including a Balance Sheet Policy, Interest Rate Risk Policy, Credit Policy and Liquidity Policy. These policies set out the AOFM's approach to managing these risks and are approved by the Secretary to the Treasury. The AOFM Advisory Board reviews the AOFM annual debt management strategy, and the Secretary to the Treasury approves the resulting benchmark targets and limits.
- The Chief Executive Instructions and internal financial delegations, which establish an administrative framework for the exercise of functions and powers under the *Financial Management and Accountability Act 1997*.

- A 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.
- A Fraud Control Plan that establishes controls to minimise the risk of fraud. This plan complies with the Commonwealth Fraud Control Guidelines.
- A Disaster Recovery Plan established to maintain the agency's critical activities in the event of a major disruption. There is also an Information Technology Disaster Recovery Plan relating to servers, system databases and key software applications.
- An Information Technology Business Continuity Plan which establishes the processes required to restore critical IT reliant functions in the aftermath of a significant disruption.

Audit

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 including accounting policies. It:

- approves the AOFM's internal audit plans;
- reviews all audit reports and provides advice to the CEO on action to be taken on matters raised in them;
- provides advice to the CEO on the preparation and review of the AOFM's financial statements; and
- reviews operational risk and approves the Fraud Control Plan.

The Audit Committee membership at 30 June 2006 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;
- Neil Richardson, Manager, Asset and Liability Analysis Unit, Treasury; and

- Paul Power, Chief Operating Officer, AOFM.

Invited attendees included the Australian National Audit Office, the AOFM Internal Auditor (PricewaterhouseCoopers) and the AOFM Chief Finance Officer. The Committee met on four occasions during 2005-06.

Internal auditor

PricewaterhouseCoopers undertook a substantive programme of internal audit activities during 2005-06. In addition to the regular annual audit review of internal operational controls and IT specific controls, PricewaterhouseCoopers completed three major reviews in 2005-06.

Collateralisation

PricewaterhouseCoopers examined the governance framework in place in relation to collateralisation including the AOFM's Credit Risk policy, documented business procedures, and IT controls and infrastructure. The review found that the controls designed to support collateral were generally sound but that some elements of the control environment could be further strengthened. All of the review's recommendations were addressed over the course of 2005-06.

Securities lending

This review examined the control framework around the AOFM's recently introduced securities lending arrangements, focusing on documented business procedures and whether these procedures had been adhered to. The review concluded that the securities lending transactions tested had been carried out in compliance with policy and found no matters of significance that required a detailed response from management.

Quantum application security

PricewaterhouseCoopers conducted a high level assessment of the general IT computer control environment of the AOFM and the security environment supporting the Quantum Treasury Management System. The review identified a number of opportunities to enhance the IT control framework, including recommendations to further align AOFM practice with the Australian Government Information and Communications Technology Security Manual. Significant progress was made in implementing these recommendations over the course of 2005-06.

Australian National Audit Office reports

In June 2006 the Australian National Audit Office (ANAO) tabled in Parliament a report titled 'Interim Phase of the Audit of Financial Statements of General Government Sector Entities for the Year Ending 30 June 2006'. The audit examined whether the financial statements of public

sector entities, including the AOFM, were prepared in accordance with the Finance Minister's Orders, and whether they give a true and fair view of the matters required by those Orders.

The audit identified no moderate or significant risk issues in relation to the AOFM. The review concluded that based on the audit work performed, internal controls were operating satisfactorily to provide a reasonable assurance that AOFM could produce financial statements free of material misstatement.

During 2005-06, the ANAO also conducted the following cross-agency audits which involved the AOFM.

Management of net appropriation (Section 31) agreements

This audit assessed agencies' financial management of the use of net appropriation agreements. The audit concluded that as a result of the Department of Finance and Administration's signatory to the AOFM's Section 31 agreement not holding a delegation, the AOFM did not have a valid Section 31 agreement in place for the period from 1 July 1999 to 16 July 2002. Several other agencies were similarly affected and on 24 June 2005 the Secretary of the Department of Finance and Administration executed an agreement to retrospectively validate all receipts up to 30 June 2005 that were ineligible due to ineffective Section 31 agreements.

Reporting of expenditure on consultants

This audit assessed the accuracy and completeness of Australian Government agencies' reporting of expenditure on consultants. The audit identified inadequacies in the reporting of expenditure on consultancies by all of the audited agencies, and recommended that those responsible for setting out reporting requirements consider rationalising the number of reporting regimes. Some inconsistencies were found between the AOFM's reporting of expenditure on consultants in the Gazette Publishing System and in its Annual Report. These were subsequently investigated and rectified.

IT security management

The objective of the audit was to determine whether agencies had developed and implemented sound IT security management principles and practices, supported by an IT security control framework, in accordance with Australian Government policies and guidelines. The audit, which involved eight government agencies including the AOFM, identified a number of opportunities for further improvement in agencies' policies and procedures relating to IT security management practices. The AOFM is enhancing its IT security arrangements consistent with the audit's recommendations, including development of a Physical (site) Security Plan, and improvements to network security and logical access management.

Judicial decisions

In 2005-06, 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

There was a small increase in the AOFM workforce during 2005-06. As at 30 June 2006, the AOFM employed 37.9 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 as at 30 June 2005 and 2006

Classification	Ongoing				Non-ongoing				Total
	Full-time		Part-time		Full-time		Part-time		
	Male	Female	Male	Female	Male	Female	Male	Female	
2006									
AOFM1	3	3	0	1	0	0	0	0	7
AOFM2	12	7	1	2	0	1	0	0	23
AOFM3	5	0	0	0	2	0	0	0	7
AOFM4	1	0	0	0	1	0	0	0	2
AOFM5	1	0	0	0	0	0	0	0	1
Total	22	10	1	3	3	1	0	0	40
2005									
AOFM1	2	3	0	0	0	0	0	0	5
AOFM2	11	7	0	1	0	0	0	0	19
AOFM3	6	0	0	0	1	0	0	0	7
AOFM4	1	0	0	0	1	0	0	0	2
AOFM5	1	0	0	0	0	0	0	0	1
Total	21	10	0	1	2	0	0	0	34

Note: AOFM1 = APS1 to APS4, AOFM2 = APS5 to EL1, AOFM3 = EL2, AOFM4 = SESB1 equivalent, AOFM5 = SESB3 equivalent.

Changes to senior management

Mr Paul Power, Chief Operating Officer, concluded his appointment at the end of the financial year to take up the position of Executive Director of the Financial Reporting Panel within Treasury. There were no changes to senior management during the period.

Other staffing changes

Nine ongoing employees were recruited during 2005-06 – five AOFM2s and four AOFM1s. They included four Graduate Analysts who joined in January 2006. The graduates participated in various training programmes relevant to their roles within the public sector. There were a total of six terminations during the year – five were ongoing employees and one non-ongoing.

For ongoing employees, departures represented 14.3 per cent of average staffing levels in 2005-06 (29.0 per cent in 2004-05).

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 refer to the Australian Public Service Values in setting out expected performance and behaviour.

The Chief Executive Officer of the AOFM is engaged on an Australian Workplace Agreement with the Treasury. Information on such agreements is available in the Treasury's Annual Report for 2005-06.

Remuneration

Staff remuneration (Table 2) is reviewed on an annual basis, with adjustments effective from 1 July each year. The AOFM has set its remuneration policy to reflect market rates for large conservative financial services organisations, including corporate treasury organisations. Remuneration adjustments are based on a combination of movements in market rates (independently assessed 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 2006	
	Base rate \$	Grade rate \$
AOFM1	33,888	55,852
AOFM2	56,458	104,215
AOFM3	125,198	156,498
AOFM4	170,039	212,549

Note: The AOFM5 classification applies to the CEO.

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 work plans) and the methods for producing those outputs (behaviours which include good communication and relationship management). In cases of exceptionally high performance, employees 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 superannuation, leave and support for professional development through studies assistance, short courses and

payment of job-relevant professional society membership fees. Where employees have business reasons for a mobile phone or laptop computer, such items are provided.

Training and development

The AOFM gave increased attention to staff training and development activities in 2005-06 and invested 3.3 per cent of direct salary costs in payments for training and development over the year. This included financial support to attend external courses, conferences, workshops and seminars, as well as knowledge and skill transfer through on the job training. During 2005-06 AOFM provided in-house programmes to supplement individual external programmes, including courses for accreditation with the Australian Financial Markets Association.

The AOFM continued its internal seminar series during 2005-06. It also encouraged employees to participate in a mentoring programme. Eighteen people participated in the mentoring programme during 2005-06 as either a mentor or protégé. During March 2006 all employees were offered individual career counselling and 56 per cent participated.

The AOFM has further supported its commitment to training and development through the development of a human resources development plan.

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 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 2005-06, which include posture and flexibility, yoga, Tai Chi, Pilates and aerobics classes. Flu vaccinations and health assessments were also available to AOFM staff in 2005-06. To prevent injuries in the workplace and to enhance the safety of staff members, workplace assessments were conducted for all new starters and for all other employees who had not been assessed.

There were no accidents, injuries or dangerous occurrences reported in 2005-06. 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.

Australian Government 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 the AOFM to eliminate, as far as possible, discrimination on the grounds of disability.

Assets management

The assets of the AOFM are managed via policies and procedures set out in the Chief Executive Instructions and are predominantly computers, equipment and leasehold improvements. During 2005-06 the AOFM undertook a formal revaluation of these assets (refer to Note 7: Non-financial assets of the financial statements).

Purchasing

The AOFM's policy and procedures on purchasing goods and services are consistent with the requirements of the Commonwealth Procurement Guidelines (January 2005) and are outlined in the AOFM's Chief Executive Instructions. No contract in excess of \$10,000 (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*.

Competitive tendering and contracting

During 2005-06 the AOFM conducted an open tender procurement process to establish an electronic system for the collection and processing of tender bids for the issue of Commonwealth Government securities (CGS). The Bloomberg Auction System in May 2006 was selected. Further information on this process may be found under Part 2 of this report.

Consultants

During 2005-06, 11 new consultancy contracts were entered into involving total actual expenditure of \$251,850. There were no open consultancy contracts as at 1 July 2005.

Table 3: Consultancy services let during 2005-06 of \$10,000 or more

Consultant name	Description	Price	Selection process(a)	Justification(b)
Adept Associates Pty Ltd	Provision of specialist human resource consulting services	\$11,093	Direct Sourcing	B
Hudson	Provision of specialist human resource consulting services in relation to staff survey	\$11,000	Direct Sourcing	B
Australian Government Actuary	Provision of specialist actuarial services	\$16,500	Direct Sourcing	B
PricewaterhouseCoopers	Provision of specialist consulting services in relation to Fraud Control Plan	\$31,521	Select Tender	B
Mercer Human Resource Consulting	Provision of specialist human resource services in relation to remuneration management	\$12,507	Direct Sourcing	B
Mercer Human Resource Consulting	Provision of remuneration benchmarking and job evaluation consulting	\$84,279	Open Tender	B
PricewaterhouseCoopers	Provision of specialist internal audit services	\$360,000	Open Tender	B
Total		\$526,900		

(a) Explanation of selection process terms are drawn from the Commonwealth Procurement Guidelines (January 2005):

Open Tender: A procurement procedure in which a request for tender is published inviting all businesses that satisfy the conditions for participation to submit tenders.

Select Tender: A procurement procedure in which the procuring agency selects which potential suppliers are invited to submit tenders in accordance with the mandatory procurement procedures.

Direct Sourcing: A procurement process, available only under certain defined circumstances, in which an agency may contact a single potential supplier or suppliers of its choice and for which conditions for direct sourcing apply under the mandatory procurement procedures.

(b) Justification for decision to use consultancy:

A — skills currently unavailable within agency

B — need for specialised or professional skills

C — need for independent research or assessment

Advertising and market research

During the 2005-06 financial year, total payments of \$37,501 were made by the AOFM to advertising agencies, market research organisations, polling organisations, direct mail organisations or media advertising organisations. The payments were made to media advertising organisations 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 Treasury covers procurement and facilities management services. In the following, references to Treasury or the Department include the AOFM.

In 2005-06, Treasury continued to develop and incorporate best practice strategies that enable the department to improve its overall energy consumption. Treasury participates in various government forums and has in place strategies to improve the environmental performance of its office-based activities in energy and water conservation and waste minimisation.

In addition, Treasury monitors and reviews 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.

Energy management

Treasury has further reduced its overall energy consumption, in line with government energy consumption targets for this reporting period. A planned Energy Audit in 2006-07 should provide the opportunity for Treasury to effect further reductions in energy consumption.

The Treasury building is controlled by a building management system that provides energy management and reporting facilities for three separate tenancies within the building. Tenancy areas are separately metered to allow monitoring and profiling and the diagnosis of consumption to the distribution board level.

Electricity supplies have power analysis facilities to provide instantaneous readings of kilowatt consumption, load, power factor correction, and line voltage.

Lights operate during normal working hours via timer switches that control all general lighting in the building. Manually operated switches turn on lights in specific areas for up to two hours after normal business hours. Lighting in areas that are not in constant use, such as conference rooms and meeting rooms, is controlled by infrared motion detection. High performance light fittings are 35 per cent more efficient than standard fittings with low ballasts.

Environmental Management System

Treasury's Environmental Management System, implemented in December 2002, complies with International Standard ISO 14001:1996. Consistent with its commitment to ongoing improvement in overall environmental performance, Treasury undertook a review of its Environmental Management Plan in early 2006, with a view to gaining certification to the revised International Standard 14001:2004.

Paper and glass and plastics 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 which simplifies the separation of recyclable items previously sent to landfill. In 2005-06, Treasury recycled 188 cubic metres of used paper, 10 per cent more than in 2004-05. In addition, there was 23 per cent more recycling of glass and plastics from the staff kitchens.

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

Compost recycling

Treasury currently has a two year contract with a compostable recycling service. The service enables compostable waste which would normally be sent to landfill to be recycled organically.

Treasury's staff kitchens have sealed compost waste containers. This service enables compost waste to be recycled organically. In 2005-06, Treasury recycled 3,044 kilograms of compost, 3 per cent more than in 2004-05.

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

Tenancies within Treasury building are not metered separately for water consumption. The overall water consumption for the building in 2005-06 was 14,311 compared with 17,150 kilolitres in 2004-05. Awareness of water conservation issues was raised through staff notices.

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 statement.

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.

Organisation of the AOFM

The AOFM's debt management operations encompass the issuance of Treasury Bonds and Treasury Notes and the execution of associated derivatives. The AOFM also undertakes 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 *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.
- The Treasurer also holds powers under a range of other Acts with regard to appropriations that are set out in Note 26C of the financial statements included in this report.

Arrangements for outside participation

People or organisations outside the Australian Government administration that have an interest in debt management or the administration of the AOFM may write to Treasury portfolio ministers, the Secretary to the Treasury, or directly to the AOFM. Further information on the agency and its activities can be found on the AOFM website. 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 publishes one 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 Treasury approves access, Treasury will provide copies of documents after the applicant pays any charges.

Alternatively, applicants may arrange to inspect documents at the Treasury, 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

Strategic Communications Division coordinates requests under the *Freedom of Information Act 1982* (the Act). Applicants seeking access under the Act to Treasury 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 SES 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. Executive Directors are authorised under section 23 to consider and make decisions on applications for internal review.

Freedom of information activity

The AOFM received no requests for access to documents under the *Freedom of Information Act 1982* in 2005-06.

