

# Appendix E:

## Follow-up on other prior-year recommendations

### Recommendation to the Department of Treasury and Finance

| Recommendation                                                                                                                                       | DTF response | Year raised | Status in 2025–26                                                                                                                                                                              |
|------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 Consider why quality issues with information provided by material entities arise and determine whether further training and guidance are required. | Accepted     | 2022–23     | <b>Actioned</b><br><br>We did not identify any material data integrity issues this year. DTF continued their training and support of material entities in the compilation of their data feeds. |

### Recommendations to the Department of Premier and Cabinet

| Recommendation                                                                                                                                                                                                                                                                                                                                                                                     | DPC response | Year raised | Status in 2025–26                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
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| 1 Work with the government, departments and state-controlled entities to reconsider the tabling schedule of annual reports, to reduce the information burden on parliamentarians and the Victorian community, of tabling high volumes at the same time.                                                                                                                                            | Not accepted | 2022–23     | <p>The August 2025 amendments to the <i>Financial Management Act 1994</i> changed how annual reports are provided to Parliament. Reports may now be transmitted on non-sitting days from 15 October, after publication of the AFR, to 31 October. Ministers must disclose when they received each report and cannot direct entities to submit reports on a particular date.</p> <p>Where an entity's expenses and obligations do not exceed \$5 million, the Minister only needs to notify Parliament of receipt and is only to transmit in Parliament if a member requests it.</p> <p>As a result of these changes, many entities that complete their financial reporting and audits before this date must wait until the transmission window opens before providing their annual report to Parliament. As we have prepared this report before the transmission window in 2026, we are unable to see whether these changes have had any impact on the timeliness of annual reporting or the concentration of reports being provided to Parliament.</p> |
| 2 Undertake a post-implementation review of the 2022 machinery of government changes, including: <ul style="list-style-type: none"> <li>working together with impacted departments to understand collective experiences</li> <li>sharing findings and lessons learnt with the government to improve planning, implementing and operationalising future machinery of government changes.</li> </ul> | Accepted     | 2023–24     | <b>Actioned</b><br><br>DPC completed a post-implementation review of the 2022 machinery of government changes, involving consultation with central agencies and affected departments to understand their experiences and identify lessons learned. The review identified strengths and challenges in the planning, implementation and operationalisation of the changes and made 11 recommendations to improve future machinery of government processes. DPC shared the review findings and proposed actions with the Public Service Administration Committee (PSAC) to inform future whole-of-government planning and implementation arrangements. We consider this recommendation implemented.                                                                                                                                                                                                                                                                                                                                                        |

## Recommendations to material entities

| Recommendation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Year raised | Status in 2025–26                                                                                                                                                                                                                                                                                                                                                    |
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| 1 Material entities responsible for administering trust accounts assess whether the current spending patterns are effectively achieving the purposes for which these funds were established.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 2024–25     | <b>Not implemented</b><br>Trust account balances continue to grow.                                                                                                                                                                                                                                                                                                   |
| 2 <ul style="list-style-type: none"> <li>Consider the requirements relating to <i>Standing Directions 2018 under the Financial Management Act 1994</i>, Standing Direction 3.4: Internal control system and Instruction 10 – managing shared services and outsourcing arrangements when entering into such arrangements and outline those requirements clearly in the service level agreements.</li> <li>Obtain an appropriate level of assurance annually, as required by the <i>Standing Directions 2018 under the Financial Management Act 1994</i> over the outsourced service providers and shared services, and document it.</li> </ul>                                      | 2024–25     | <b>Not implemented</b><br>We continue to see material entities that do not have the appropriate assurance over their shared and outsourced service providers.<br>DTP, DTF and DPC did not obtain independent assurance from DGS as their shared service provider. DGS plans to provide this as a 3402 Type II report in 2026–27 for financial management activities. |
| 3 Strengthen transparency by delivering targeted training and practical guidance to staff responsible for preparing key management personnel and related party disclosures.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 2024–25     | <b>Not implemented</b><br>We continue to find errors in the compilation and calculation of these notes in material entity financial statements.                                                                                                                                                                                                                      |
| 4 We recommend relevant material entity chief financial officers: <ul style="list-style-type: none"> <li>develop and implement robust quality assurance processes over the financial information provided to the Department of Treasury and Finance</li> <li>ensure: <ul style="list-style-type: none"> <li>internal processes are documented well enough to enable a new starter to understand what submission processes and obligations are required by the Department of Treasury and Finance, how these processes are to be done and by when</li> <li>adequate training and knowledge transfer occurs for all key finance staff to support the process.</li> </ul> </li> </ul> | 2023–24     | <b>Actioned</b><br>We did not identify significant issues in the data transmitted.                                                                                                                                                                                                                                                                                   |
| 5 Prioritise the resolution of information technology control deficiencies that pose a risk to achieving complete and accurate financial reporting, business objectives or compliance with legislation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 2022–23     | <b>Not implemented</b><br>IT control deficiencies continue to emerge on new system implementations, and current issues are not being addressed as a priority.                                                                                                                                                                                                        |