



Australian Government

Department of Finance and Administration

Reducing Red Tape

Dispelling some myths in Australian
Government administration

Myths



Introduction

The Management Advisory Committee (MAC) report on *Reducing Red Tape in the Australian Public Service* highlights the need for a change in thinking and approach across the APS in order to achieve a sustained reduction in internal red tape. The report sets out a framework to assist agencies with this task.

The framework promotes the development of requirements that are fit for purpose. In many cases this will involve agencies establishing new processes that take account of their specific circumstances. However, agencies will sometimes be able to learn from or adapt the processes of other agencies to their needs. This can help to reduce duplication of effort in developing requirements across the Australian Government, as well as promote the development and take-up of better practice.

Red tape can arise from a risk averse approach to administration. However, it is also caused by misconceptions, or myths, that have grown up around areas of Australian Government administration and which may no longer, or may never have been, well aligned with requirements.

The MAC report dispels some common myths in the areas of procurement and recruitment, activities that occur across the Australian Government. However, these activities are just the ‘tip of the iceberg’ when it comes to myth and misconception. This brochure complements the work of the MAC by identifying some of the myths in three other areas of Australian Government administration:

- Chief Executive’s Instructions (CEIs);
- Chief Executive’s financial delegations to officials; and
- recordkeeping.

Of course, officials performing responsibilities in these areas need to ensure that they meet legislative requirements and follow required policies and procedures. Our purpose in presenting these myths is to assist in separating the reality of those requirements from the myths, to reduce the red tape in the work that we do.

Myths about Chief Executive's Instructions

Myth	Reality
<p>All agency CEIs should address the same topics and include the same level of detail</p>	<p>No. While many agency functions and responsibilities are similar, their systems, practices, sizes, level of devolution and geographical dispersion can be very different. CEIs, including the topics addressed and the level of detail provided, should be tailored to agency needs.</p>
<p>All legislative requirements and policies governing financial management need to be included in full in CEIs</p>	<p>Not true. Chief Executives have the discretion to determine the amount of detail provided on legislative and policy requirements in CEIs.</p> <p>Reproducing all financial management requirements is likely to result in a lengthy set of CEIs that is not accessible or well focused, reducing the efficiency and effectiveness of administrative processes. Agencies may find merit in focusing CEIs on key financial management requirements.</p>
<p>A portfolio agency should adopt identical CEIs to its portfolio department</p>	<p>No. Chief Executives have the discretion to issue CEIs appropriate for their agency and should tailor them to take account of their specific requirements.</p> <p>Adoption of a portfolio department's CEIs may result in a portfolio agency undertaking processes that are unnecessary and inappropriate.</p>
<p>A Chief Executive can issue CEIs on any matter</p>	<p>No. A Chief Executive cannot issue CEIs on matters outside the Financial Management and Accountability (FMA) framework.</p>
<p>CEIs must prescribe all processes for officials to follow</p>	<p>Not true. CEIs can be expressed in terms of desired policy outcomes and provide officials with the discretion to determine the best way to achieve those outcomes.</p> <p>In fact, it is better that CEIs are not lengthened by too much information or process. If such information is necessary, it can be included in supporting guidance, rather than in CEIs.</p>

Myth	Reality
<p>Agencies need to obtain legal advice on all CEIs before they are issued</p>	<p>Not so. Agencies should determine the need to obtain legal advice on CEIs in light of their character.</p> <p>CEIs of an administrative character apply the law. There is no need for agencies to obtain legal advice on CEIs of this type.</p> <p>CEIs of a legislative nature determine or alter the law and are subject to the provisions of the <i>Legislative Instruments Act 2003</i>. Agencies may wish to consider seeking legal advice on such CEIs.</p>
<p>Agencies should clear their CEIs through the Department of Finance and Administration (Finance) before they are issued</p>	<p>Not true. Finance does not have a role in reviewing CEIs. However, Finance can assist agencies to address any FMA framework queries that may arise during the development of CEIs.</p>
<p>CEIs should be reviewed annually</p>	<p>No. However, regular review ensures the continuing relevance of CEIs. The MAC report proposes that internal requirements, such as CEIs, be reviewed on a rolling basis every 3 to 5 years.</p>
<p>Operational guidelines in support of CEIs need to be approved by the Chief Executive</p>	<p>No. Chief Executives may authorise an official, such as the Chief Financial Officer, to issue guidelines providing more detailed guidance on operational matters.</p>
<p>All CEIs must contain delegations</p>	<p>Not true. CEIs should be closely aligned with agency delegations. They may or may not include delegations or authorisations.</p>

Myths about Chief Executive's Financial Delegations to Officials

Myth	Reality
<p>Financial delegations must be reissued when a new Chief Executive is appointed</p>	<p>No. The delegations of the former Chief Executive will continue to apply until they are revoked or varied. However, a new Chief Executive may wish to review their financial delegations.</p>
<p>Powers must be delegated to individuals, rather than positions</p>	<p>Powers may be delegated to an individual or a position. In some cases, it is preferable to delegate a power to a position, rather than an individual. This can reduce the potential for red tape and disruption to business as well as incorrect exercise of delegations if personnel change.</p>
<p>Powers should not be delegated below Senior Executive Service level</p>	<p>Not true. The choice of delegate, including the level, is largely a matter for the Chief Executive. The efficient operation of the agency should be the primary consideration, rather than the level of the official.</p>
<p>Approval should be sought from the most senior delegate</p>	<p>No. Approval may be sought from any delegate holding the required delegation.</p>
<p>The full extent of a financial power should never be delegated</p>	<p>Financial powers may be delegated either in full or in part. The approach to take will be informed by the role and functions to be performed by the proposed delegate.</p>
<p>Delegates must consult the Chief Executive before exercising a financial delegation on significant matters</p>	<p>Not true. A delegate is required to apply their own discretion when exercising a delegated power. Involving the Chief Executive of an agency may result in delay and unnecessary process.</p>

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Myth	Reality
Delegates are bound by guidelines in all circumstances	Not true. Guidelines are generally non-binding in law. It would generally be appropriate to apply guidelines with discretion and regard to the particular circumstance.
Chief Executives should only delegate their financial powers to a small number of positions/individuals	There is no limit to the number of positions/individuals to whom a Chief Executive may delegate their financial powers. Factors such as the efficient operation of the agency, its structure and systems will determine the appropriate number of delegates.
All Chief Executives must issue financial delegations	While delegations will promote the efficient operation of most agencies, Chief Executives are not required to issue financial delegations. In some circumstances (for example very small agencies) delegations may not be necessary.

Many of these myths will also apply to other forms of delegations

Myths about Recordkeeping

Myth	Reality
Officials need to be experts in recordkeeping	No. Officials simply need to understand their recordkeeping responsibilities, as set out in agency policies and procedures. ¹ Agencies are responsible for providing good recordkeeping systems, clear policies and procedures, and training.
All records require the same degree of management	No. Recordkeeping should be fit for purpose. That is, it should be commensurate with the significance of, and accountability requirements for, the decision/activity to which it relates.

¹ Agency policies and procedures on recordkeeping have to comply with the *Archives Act 1983*.

Myth	Reality
<p>All electronic records need to be converted into paper form</p>	<p>No. However, agencies may decide to convert records that are stored electronically into paper form to assist their day-to-day business.</p> <p>Electronic records that have not been converted to paper still need to be managed consistent with the agency's recordkeeping policies and procedures.</p>
<p>All records need to be preserved for future access</p>	<p>No. In fact, most records can be disposed of. Agency recordkeeping procedures provide guidance on what should be retained.</p>
<p>All drafts of documents need to be retained</p>	<p>No. Most drafts do not need to be retained. There should, however, be a record trail of significant changes, consultations and decisions.</p>
<p>All work-related e-mails should be retained</p>	<p>No. The same principles and procedures – and rigour – applies to e-mails containing official information as for other forms of records.</p>
<p>Records cannot be deleted from personal computers</p>	<p>Not true. Maintenance – and deletion – of electronic records on personal computers should be in accordance with the agency's recordkeeping policies and procedures.</p>
<p>It is efficient for officials to establish their own systems to manage records</p>	<p>No. It is generally not efficient for officials to establish personal recordkeeping systems in addition to corporate recordkeeping systems. This can involve duplication or the risk that key documents are stored in offices or personal cabinets, rather than being attached to files that are accessible by all staff.</p> <p>Officials may sometimes find it useful to keep copies of key documents on hand for ease of reference if issues are ongoing, or likely to be raised, and to support teamwork.</p>

The Management Advisory Committee report (the MAC report), entitled *Reducing Red Tape in the Australian Public Service*, is available from the Australian Public Service Commission.

Australian Public Service Commission

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Further information on the red tape framework outlined in the MAC report is available from the Department of Finance and Administration.

Red Tape Taskforce, Financial Management Group

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Further information on Chief Executive's Instructions and financial delegations is available from the Department of Finance and Administration.

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Further information on recordkeeping requirements is available from the National Archives of Australia.

National Archives of Australia

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