



corporate services
division

The Corporate Services Division provides administrative and operational support to the Australia Council and its staff. The Australia Council is responsible for its own administration, subject to the *Australia Council Act 1975* and requirements applying generally to statutory authorities.

The Division is responsible for the development and administration of an efficient system of financial planning and control, the fair and effective management of human resources, the provision of information technology, services and the accounts, records and physical resources of the Australia Council.

FINANCE AND SERVICES

Finance and Services provides advice to Council on financial policy and procedures and the optimal use of its financial and physical resources. It comprises three major areas: Finance, Services and Central Records.

Finance

The Australia Council's main source of funds is the annual appropriation from the Commonwealth Government which

covers both support for the arts and administration. Council's secondary source of funds comes from previous years' returned grants, interest earned on investing Commonwealth funds, proceeds from the sale of publications or unwanted furniture or equipment, and special purpose grants. This miscellaneous income totalled \$1.4 million in 1997-98. All returned grants are returned to the appropriate Fund/Board, whereas the interest earnings and other miscellaneous income is distributed by Council. The year under review was the third year of the Council's rolling triennial funding arrangements. The provision of triennial funding has continued to promote an atmosphere of stability and predictability, not only within Council's Funds/Board, but also for a large number of artists and arts organisations. It has assisted arts

organisations to undertake more accurate forward planning and to enter into longer-term and more efficient financial commitments.

Of the allocation of \$69.8 million appropriated from the Federal Budget in 1997–98, \$61.7 million (88 per cent) was used for direct financial support of artists and arts organisations, and the balance of \$8.1 million (12 per cent) was used for other support for arts activities and administration.

Council strives for sound financial management and for a more cost-effective use of its finances and resources. Financial control systems are regularly reviewed and performance monitored.

The Finance Section also liaises with internal and external auditors, and contributes to ministerial correspondence. It reviews, develops and implements financial procedures, monitors controlling legislation and regulations, and is responsible for ensuring Council and staff are kept informed of current legislation affecting financial management.

Particular issues dealt with this reporting year include:

- **Internal Audit and Australian National Audit Office reviews**
KPMG Chartered Accountants continued as Council's internal auditors. In accordance with the audit program revised in 1997, KPMG conducted three audit examinations on disbursement, receipts, grant administration and the computer systems which confirmed that Council's internal controls were operating effectively.

The financial operations and accounts of Council along with the asset records were reviewed by the Australian

National Audit Office in pursuance of section 39 (1) of the *Australia Council Act 1975*. The results of the inspection and audit were satisfactory.

- **Audit Committee of Council**

To assist the Council and Council Members to comply with their corporate governance obligations, in particular, in relation to the *Commonwealth Authorities and Companies Act 1997*, Council established an Audit Committee in February 1998. The Committee comprised three 'non-executive' members of Council, the General Manager (ex-officio) and an experienced financial adviser external to Council. Mr John Rimmer, Chair of the New Media Arts Fund, was appointed by Council to chair the Committee. The Committee held its first meeting in February 1998, and another in May 1998.

- **Fraud Control**

Having developed a comprehensive Fraud Control Plan in 1995, Council did not undertake any further review of the system in the financial year 1997–98. No cases of fraud or misappropriation were reported in the financial year 1997–98.

Services

The Services Section is responsible for the maintenance of the Council's premises at Redfern, which includes the review of workplace conditions, meeting room facilities, arranging general maintenance and major refurbishment, the provision of cleaning and security services, and the overall management of Council's physical resources.

Central Records

The Central Records area is responsible for managing the records of the Australia Council. It provides advice on a daily basis to administrative officers of the

Council and delivers formal training to all Australia Council staff on the use of the registry database and on records management principles and procedures.

Both the registry database and Council files are extensively used for research. The registry database is continuously monitored so that accurate reports and statistics relating to applications received and grants made can be called up at any time. During the year, Records received an average of 7 requests per week for special reports.

During the 1997–98 year the section registered and created 7695 files.

Acquittals of grants are monitored and this financial year the Council acquitted 1689 grants. The acquittal procedures were revised this year in the interest of increased efficiency.

INFORMATION TECHNOLOGY

The principal functions of the Information Technology Section are to obtain, maintain, upgrade and assist with all matters relevant to the Council's computer and related software systems, and to provide Council and its staff with access to appropriate management information systems.

In particular the focus was on the following activities and accomplishments throughout the year:

- **Hardware Upgrade**

During the year, there were numerous hardware and system software upgrades and developments resulting in a number of quantitative and qualitative functional and performance improvements.

- **Remote Access System**

The focus was to increase the usefulness of remote access to the Council's Information System, through the adoption of concurrent access,

high level security, accessibility round the world and high level of integration with the existing system.

- **Peer Database**

In light of experience and feedback, additional reports were created for the Register of Peers.

- **Registry System**

Modifications to the Records Grant Administration system in relation to program descriptions, summary reports, and statistics were undertaken.

Work continued on the following two projects:

- the development of a centralised mailing database for Council which is close to finalisation; and
- Council's review of the grants administration/registry system as detailed in the 'Corporate Overview' section of this report.

Information Security Risk Management Plan

During 1997–98 Council undertook a comprehensive review of procedures and controls in relation to technology and communications. The review which was an extension of Council's internal audit process was conducted by KPMG. Comments and recommendations were discussed with staff and a Risk Management Plan developed.

Disaster Recovery Test

A disaster recovery test was conducted in conjunction with Council's internal auditors KPMG, during May 1998. The test was conducted to ascertain the readiness of the Australia Council to recover and restore its information services operation in case of a disaster, and was satisfactorily completed.

Year 2000 Compliance Review

Council has already initiated action on Year 2000 compliance. Council appointed DMR Consulting Group

(Australia) Pty Ltd to conduct a review of Council's Year 2000 program. The consultant was requested to:

- assess Council's approach to achieve Year 2000 compliance;
- evaluate the adequacy of Council's Year 2000 project planning processes and procedures; and
- identify deviations/slippages and advise on practical solutions.

Management has accepted the recommendations made by DMR and has commenced their implementation. Council is confident that all its own systems will be Year 2000 compliant and is undertaking an extensive process of consultation with third-party suppliers.

HUMAN RESOURCES

Staff of the Australia Council are employed under the Australia Council Act. The average staffing level over the 1997–98 financial year was 118. Permanent staff turnover for the year was 16%.

As part of the greater focus on internet use and communication, Council created a new position of Publications and Web Officer. This new position is part of Council's overall strategy to ensure wider promotion of its activities through new technologies.

Workplace Relations

Council has been developing its Certified Agreement, highlighting the importance of flexible, family-friendly working conditions; a formalised performance management system; and strengthening strategic links to our corporate planning goals. Discussions have been focussed on informing staff of the new industrial arrangements under the *Workplace Relations Act 1996* and on creating an agreement that provides site-specific benefits for Australia Council employees. At the close of the 1997–1998 financial

year, the draft Agreement had been circulated to all staff with the expectation that it be referred to the Australian Industrial Commission in the first few months of the next financial year.

Performance Appraisal

The Council has proposed, through the new Certified Agreement, to develop and implement a new Performance Management Scheme to operate across Council. The scheme will be developed in consultation with staff through a joint working party. It is intended that a more formal process of performance assessment will assist with strategic planning activities and the achievement of corporate objectives. In preparation for the Council-wide implementation of a new system, Senior Executive staff undertook Performance Management training.

Performance pay was paid for Senior Executive staff and the General Manager during the year for the financial cycle 1995–96. A total of six staff including the General Manager were eligible for performance pay and an aggregate amount of \$29,738 was paid.

Staff Development and Training

As part of Arts for a Multicultural Australia promotion, the Council supported an extensive Multicultural Awareness program this year to assist staff in managing client contact with non-English speaking groups more effectively and to ensure that appropriate statistical reporting obligations are met.

Planning on a Disability Awareness Action plan was undertaken with the intention that training for staff and peers be coordinated over the next eighteen months.

Other significant training activities included a session on Administrative and

Contract Law aimed to increase staff awareness of administrative and legal accountability issues.

Council supported 15 staff in their tertiary studies this year through a mixture of approved study leave, financial assistance and approval for workers' compensation coverage whilst attending lectures/tutorials. In addition, Council supported 10 students with financial assistance for expenses associated with their course of study through our Bursary allocations program.

The Council continues to support one senior staff member in our Aboriginal and Torres Strait Islander Arts section in a Full Time Professional Study Grant program with ATSIC.

Occupational Health and Safety (OHS)

Comcare, the Council's insurer, conducted a planned investigation of OHS compliance in November 1997. The report noted that the Council had a good to high overall compliance rate. This rating was particularly significant for such a small agency.

Council was commended for its proactive OHS Committee and its approach to training, audits and information dissemination.

Equal Employment Opportunity (EEO)/Workplace Diversity

The EEO Committee embraced the broader Australian Public Service (APS) workplace diversity concepts in developing the new 1998–2000 program, whilst acknowledging that there are still significant barriers to overcome for the four main target groups.

The Council has continued to exceed the APS-wide Year 2000 goals for the employment of EEO targeted groups:

- women comprise 70 per cent of Council staff and numbers continue to be evenly distributed across all sections and throughout all classifications;
- 60 per cent of all current SES staff are women;
- 29 per cent of staff identified as having either first- or second- generation non-English speaking backgrounds;
- eight per cent of staff identified as being Aboriginal or Torres Strait Islanders;
- five per cent of staff identify as having a disability.

New Payroll System

The Department of Finance and Administration (DoFA) introduced a new payroll input system during April 1997. All Human Resource staff undertook training in the new system.

Traineeships

The Council accepted two Enter Arts Media traineeships this year in Arts Administration. The two trainees were accepted for a six-month period to undertake a Certificate in Arts Administration through a combination of course work and on-the-job training as Administrative Assistants at Council. The two trainees are expected to complete their traineeships in less than the required time and have acknowledged the supportive environment provided by staff within the Arts Funding Division.