



Auditor-General for Australia



23 September 2015

Senator the Hon Nick Xenophon
Australian Senate
Parliament House
CANBERRA ACT 2600

Dear Senator Xenophon

Florist at Parliament House, DPS and LGW Design

Thank you for your letter of 8 September 2015 requesting an investigation into the treatment of Florist at Parliament House by the Department of Parliamentary Services (DPS). In particular, you have outlined a number of concerns that you have relating to the approach adopted by DPS in managing the florist's license agreement, the emergence of a competitor who you have indicated was a former employee of DPS, and the reduction in business for Florist at Parliament House from the Department of the Prime Minister and Cabinet.

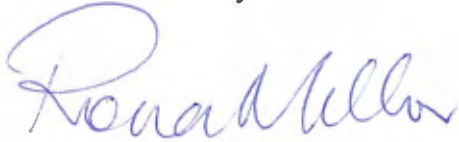
Given the Australian National Audit Office's (ANAO's) recent completion of a comprehensive audit of DPS' management of assets and contracts at Parliament House and the inclusion of a potential follow-up audit on our work program, outlined below, and competing audit priorities, I do not propose to undertake an audit examining the particular matters that you have raised with me.

As you will be aware, on 26 February 2015, the ANAO tabled Audit Report No. 24 2014–15, *Managing Assets and Contracts at Parliament House*. The audit included a review of DPS' management of retail licences. The audit identified that there was considerable scope for DPS to improve its management of retail licensing and recommended that DPS develop a retail strategy and operational plan that clarifies priorities for retail services and establishes a clearer basis for monitoring retailer performance. In part, the intent of the recommendation was to provide greater certainty for retailers, especially as their licences were subject to renewal.

The ANAO's *Audit Work Program July 2015* includes a potential follow-up audit on *Managing Assets and Contracts at Parliament House*, which would examine DPS' implementation of the recommendations in Audit Report No.24, 2014–15, including the

management of retail licences. Any audit is likely to include a review DPS's processes and management of retail licenses that may be informed by specific case studies of individual licences.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Rona Mellor". The signature is fluid and cursive, with a large initial "R" and "M".

Rona Mellor PSM
Acting Auditor-General