



JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT

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**STATEMENT BY THE JOINT COMMITTEE OF PUBLIC ACCOUNTS
AND AUDIT ON THE 2012-13 DRAFT ESTIMATES
FOR THE AUSTRALIAN NATIONAL AUDIT OFFICE**

Mr Speaker, the *Public Accounts and Audit Committee Act* requires the Committee to consider draft budget estimates for the Australian National Audit Office, with the Chair making a statement to the House on Budget day on whether, in the Committee's opinion, the Auditor-General has been given sufficient funding to carry out his duties.

In support of this process, the Auditor-General is empowered to disclose their budget estimates to the Committee, which we then consider in making representations to Government as necessary. This process reflects both the Committee's status as the Parliament's audit committee, and the Auditor-General's status as an independent officer of the Parliament.

The Committee met with the Auditor-General in March to review the Audit Office's draft estimates for the coming financial year.

The Auditor-General advised that, while not seeking additional budget supplementation at this time, the Audit Office is facing a number of cost pressures.

These pressures include: the cumulative effect of the efficiency dividends; increased employee costs; and contractor rate pressures. In addition, the ANAO continues to absorb the costs of the increased requirements as a result of changes to the Australian Auditing Standards.

Furthermore, recent changes to the *Auditor-General's Act 1997* gave the ANAO new powers to undertake audits of key performance indicators and Commonwealth partners. These important expansions of the Auditor-General's mandate add further pressure to the ANAO's budget outlook.

The Committee recognises the essential role the Auditor-General plays in scrutinising Government processes and expenditure, and therefore endeavours to ensure the ANAO remains adequately resourced.

In this light, and although the Auditor-General has not requested additional funds in this budget, the Committee does not want to see the ANAO's new powers under-utilised or their discretionary work - such as the performance audit program - negatively impacted due to future budget constraints.

The Committee appreciates the efforts of the Auditor-General and his staff in maintaining a strong working relationship with the Committee. They have made themselves available to brief the Committee regularly and have been responsive to our requests for information on a variety of topics. The Committee looks forward to continuing a productive relationship with the Audit Office into the future.

The Audit Office's total revenue from Government is \$74.306 million in 2012-13.

Mr Speaker, the Auditor-General has advised that this appropriation is sufficient for him to discharge his statutory obligations and his work program for the year ahead.

On this basis, the Committee endorses the proposed Budget for the Audit Office in 2012-13 - but notes that any reduction in the draft estimates or additional pressure placed on the Audit Office without corresponding additional funds would be of concern.

I present a copy of my statement on behalf of the Joint Committee of Public Accounts and Audit.

Robert Oakeshott MP
Committee Chair

8 May 2012