



Newsletter

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Committee Chair, Dr Andrew Southcott MP

Australasian Council of Public Accounts Committees

In April, the Chair of the Joint Committee of Public Accounts and Audit (JCPAA), Dr Andrew Southcott MP, attended the Australasian Council of Public Accounts Committees' (ACPAC) conference in Adelaide.

ACPAC facilitates the exchange of information and opinions about public accounts committees from all across Australia, New Zealand, Papua New Guinea, Fiji, and the Solomon Islands, as well as associate members from further afield. ACPAC aims to improve how public accounts committees communicate with Auditors-General, experts in the field, the media, and the public.

The Chair represented the JCPAA on a number of panels, discussing how the JCPAA and the Auditor-General work cooperatively—but independently—to improve public accountability at the national level, and the roles and responsibilities of Public Accounts Committee members.

Appointment of Auditor-General

The JCPAA has the responsibility under the Public Accounts and Audit Committee Act 1951 to approve or reject a proposed recommendation for appointment to the office of Auditor-General.

This is a significant statutory duty of the JCPAA. As an independent officer of the Parliament, the Auditor-General is responsible for ensuring accountability and transparency in the delivery of

government programs and services. It is therefore appropriate that the JCPAA has the power to scrutinise a nomination to this important position.

On 14 May 2015 the Joint Committee of Public Accounts and Audit unanimously approved the appointment of Mr Grant Hehir as the new Auditor-General. The Auditor-General is appointed by the Governor-General, under the *Auditor-General Act 1997*, for a term of 10 years, and Mr Hehir commenced office on 11 June 2015. Prior to his appointment, Mr Hehir was the New South Wales Auditor-General. He has held a range of senior positions in state and Commonwealth public sectors, including as Secretary of the Victorian Department of Treasury and Finance and Department of Education and Training, and in the Commonwealth Department of Finance.

The Committee acknowledges the significant achievements of Mr Ian McPhee AO PSM, who served as Auditor-General for the past 10 years and thanks Mr McPhee for his dedicated commitment to: improving public sector accountability; promoting better practice public administration; and assisting the Parliament in holding executive government to account and informing the wider Australian community of the state of public administration.



Committee Hearing, June 2015

Review of Australian National Audit Office Reports

The ANAO produces approximately 50 performance audits each year. Although the Committee examines all reports of the Auditor-General, only a limited set of reports are selected for detailed inquiry (averaging around 12 inquiries per year). JCPAA reports on recently reviewed audit reports are tabled in the Parliament, including any recommendations it wishes to make additional to those already made by the Auditor-General.

In this first half of 2015, the Committee has reviewed and reported on the following reports:

- Audit Report No. 42 (2013-14) Screening of International Mail

- Audit Report No. 43 (2013-14) Managing Compliance with *Environment Protection and Biodiversity Conservation Act 1999* Conditions of Approval
- Audit Report No. 48 (2013-14) Administration of the Australian Business Register
- Audit Report No. 50 (2013-14) Cyber Attacks: Securing Agencies' ICT Systems
- Audit Report No. 52 (2013-14) Multi-Role Helicopter Program

Report 447: EPBC Act, Cyber Security, Mail Screening, ABR and Helicopter Program is published on the Committee's website.

The Committee is currently conducting a review into the following ANAO reports:

- Audit Report No. 9 (2015-16) The Design and Conduct of the Third and Fourth Funding Rounds of the Regional Development Australia Fund
- Audit Report No. 19 (2015-16) Management of the Disposal of Specialist Military Equipment
- Audit Report No. 20 (2015-16) Administration of the Tariff Concession System
- Audit Report No. 23 (2015-16) Administration of the Early Years Quality Fund
- Audit Report No. 25 (2015-16) Administration of the Fifth Community Pharmacy Agreement

Review of 2013-14 Defence Major Projects Report

In May, the JCPAA tabled the report of its annual review of the Defence Materiel Organisation (DMO) Major Projects Report (MPR). The 2013-14 MPR covered 30 projects with a combined approved budget of \$59.4 billion. Specific areas of focus in the Committee's review included some particular projects listed in the 'Projects of Concern' as well as broader issues regarding governance and business processes.

The Committee, in conjunction with Defence and the ANAO, is now focussed on establishing a mechanism through which sustainment reporting can be better scrutinised. Sustainment expenditure is currently at approximately \$5 billion per annum and is predicted to increase significantly over time. The Committee considers sustainment expenditure to be an area requiring further parliamentary scrutiny. *Report 448: Review of the 2013-14 Defence Material Organisation Major Projects Report* is published on the Committee's website.

Commonwealth Performance Framework

The *Public Governance, Performance and Accountability Act 2013* (PGPA Act) established a single resource management framework for all Commonwealth bodies. Establishing this Act formed stage one of the Public Management Reform Agenda (PMRA). The Committee has an ongoing role in scrutinising the operation of the PGPA Act, and has previously conducted inquiries into the PGPA Bill and the first set of PGPA rules.

The PMRA has entered its second stage, which focuses on improving the Commonwealth performance framework, including key performance reporting documents such as Annual Reports, Corporate Plans, and Portfolio Budget Statements. The Committee has long held an interest in improving the measurement and reporting performance framework. On 26 March 2015, the JCPAA

resolved to inquire into and report on the development of the Commonwealth Performance Framework to ensure an effective, integrated performance management system that continues to improve accountability to the Parliament and the public, with particular reference to:

- enhancing the effectiveness of key performance information under the framework, including:
- performance measures that both foreshadow and subsequently assess the impact of government programs
- criteria that performance information must satisfy, to enable performance comparisons across Commonwealth entities and ensure auditable performance information
- reporting of high level, quantitative key performance information across Australian government
- enhancing the effectiveness of performance documentation under the framework, including annual reports, corporate plans and Portfolio Budget Statements
- enhancing the effectiveness of the Public Governance, Performance and Accountability Act 2013 rule and Department of Finance Resource Management Guides for the Commonwealth performance framework
- Commonwealth entity requirements concerning implementation of the performance framework
- Australian and international models
- any other relevant matters



Annual Parliamentary Committee Exchange Program

Each year one New Zealand parliamentary committee visits Australia and one Australian parliamentary committee visits New Zealand. The purpose is to enable Australian and New Zealand parliamentarians working on committees to explore issues of common interest that are the subject of consideration by their committees. In 2014, the committee visit to New Zealand was adjusted to include a visit to one other Pacific region country. The JCPAA was selected by the Presiding Officers to participate in the 2015 committee exchange program. The committee nominated the Republic of Fiji as the Pacific country of its choice.

The Committee will be travelling to New Zealand and the Republic of Fiji in September. The delegation will enable the JCPAA to gain important insights into the roles of the different public account and audit bodies in each country, and explore the parallels between the JCPAA's current inquiries and their New Zealand and Fijian counterparts.