

## Introduction

### Background to the review

- 1.1 The Joint Committee of Public Accounts and Audit (JCPAA) has a statutory duty to examine all reports of the Auditor-General that are presented to the Australian Parliament, and report the results of its deliberations to both Houses of Parliament. In selecting audit reports for review, the Committee considers:
- the significance of the program or issues raised in audit reports;
  - the significance of audit findings;
  - the arguments advanced by the audited agencies; and
  - the public interest arising from the report.
- 1.2 On 11 December 2013, the Committee considered performance audit reports 23 and 25 of 2012-13, 32-55 of 2012-13 and 1-9 of 2013-2014. The Committee selected three reports for further review and scrutiny at public hearings.
- 1.3 The cross cutting theme of this review is the extent to which audited agencies have institutionalised agreed reforms arising from internal and external audit and reviews.
- 1.4 The reports, which form the basis of this review are:
- Audit Report No.25 2012 - 13, *Defence's Implementation of Audit Recommendations*, Department of Defence, and Defence Materiel Organisation;
  - Audit Report No.53 2012 - 13, *Agencies' Implementation of Performance Audit Recommendations* (various departments); and
  - Audit Report No.6 2013-14, *Capability Development Reform*, Department of Defence.

- 1.5 The public hearings for the reports were held on:
- 13 February 2014 (Audit Report 25 and 53);
  - 6 March 2014 (Audit Report 6); and
  - 7 April 2014 (Audit Report 6).

## **The Committee's report**

- 1.6 This report of the Committee's examination draws attention to the main issues raised in the original audit reports and at the respective public hearings. Where appropriate, the Committee has commented on unresolved or contentious issues, and has made recommendations.
- 1.7 This report is structured as follows:
- Chapter 2 Audit Report No.25 2012-13, *Defence's Implementation of Audit Recommendations*, Department of Defence, and Defence Materiel Organisation;
  - Chapter 3 Audit Report No.53 2012-13, *Agencies' Implementation of Performance Audit Recommendations* (various departments);
  - Chapter 4 Audit Report No.6 2013-14, *Capability Development Reform*, Department of Defence.
- 1.8 The following appendices provide further information:
- Appendix A - List of submissions; and
  - Appendix B - List of public hearings and witnesses.
- 1.9 Each chapter of this report should be read in conjunction with the relevant ANAO report.