

JCPAA Purpose, Objectives and Methods of Operation

Introduction

- 1.1 The Joint Committee of Public Accounts and Audit (JCPAA) is a committee of the Commonwealth Parliament. The Committee is established pursuant to the *Public Accounts and Audit Committee Act 1951* (the PAAC Act) and is empowered to scrutinise the monies spent by Commonwealth agencies from funds appropriated to them. Its members are drawn from both the House of Representatives and the Senate.

Duties

- 1.2 The duties of the JCPAA are described in detail in sections 8 and 8A of the PAAC Act. In general terms, the duties are to:
- examine the financial affairs of authorities of the Commonwealth to which the Act applies;
 - examine all reports of the Auditor-General that are tabled in each house of the Parliament;

- consider the operations and resources of the Audit Office;
- approve or reject, the recommendation for appointment of the Auditor-General and the Independent Auditor; and
- increase parliamentary and public awareness of the financial and related operations of government.

Examining the Financial Affairs of Commonwealth Authorities

- 1.3 Pursuant to section 8(1)(a-b, f) of the PAAC Act, the Committee may examine the accounts of the receipts and expenditure of the Commonwealth and the financial affairs of authorities to which this Act applies. The Committee may determine to inquire into, and report on, any items or matters that it thinks should be drawn to the attention of the Parliament.

Reviewing Reports of the Auditor-General

- 1.4 A key element of the JCPAA's accountability work is its statutory responsibility to examine and report on audit reports tabled in Parliament by the Auditor-General, pursuant to section 8(1)(c-e) of the PAAC Act.
- 1.5 Early in the 38th Parliament, the Committee changed its review process. Under the new procedures, the JCPAA selects reports of the Auditor-General for review which raise significant accountability issues at 'round table' public hearings. Witnesses from the Australian National Audit Office (ANAO) and officials from each audited agency are examined at these hearings. In the 39th Parliament and the 40th Parliament, the committee has continued this review practice.¹
- 1.6 The purpose of the quarterly hearings is to allow the JCPAA to give immediate attention to recommendations of the Auditor-General, to enable matters at issue between ANAO and agencies under scrutiny to be raised and responded to in public. This process enables the Committee to make timely reports to Parliament on what further

1 The ANAO is referred to as the Audit Office in the PAAC Act.

action, if any, needs to be taken by agencies under review to protect the interests of the Commonwealth.

- 1.7 The adoption of the new procedures has facilitated more timely and effective parliamentary scrutiny of audit reports. The Committee also believes that the procedures have revitalised and focused agency attention on the findings of the Auditor-General.

Considering the Operations and Resources of the Audit Office

- 1.8 In its role as the Audit Committee of the Parliament, the JCPAA has assumed additional responsibilities concerning the Audit Office. Under section 8(1)(g-i) of the PAAC Act, the Committee is required to consider the operations and resources of the Audit Office, including funding, staff and information technology. It is also required to consider reports of the Independent Auditor on operations of the Audit Office. The Committee's responsibilities extend to reporting to the Parliament on any issues arising from these considerations, on any other matter relating to the Auditor-General's functions and powers or on the performance of the Audit Office, as it sees fit.
- 1.9 The JCPAA is also required, under section 8(1)(j-l) of the PAAC Act to consider draft estimates for the Audit Office and the level of fees determined by the Auditor-General and to make recommendations on the draft estimates to both Houses of Parliament and the Minister who administers the *Auditor-General Act 1997*.
- 1.10 Pursuant to section 8(1)(m-n) of the PAAC Act, the Committee in its role as the Audit Committee determines the audit priorities of the Parliament and advises the Auditor-General of those priorities. As the Audit Committee, members must also determine the audit priorities of the Parliament for audits of the Audit Office and advise the Independent Auditor of those priorities.

Improving Public Awareness of Committee Activities

- 1.11 Information about the JCPAA is available on the Internet. The Committee's web site contains background information on the Committee and its members; details of current inquiries; advice on

how to make submissions to the Committee and on appearing as witnesses at public hearings. Copies of recent JCPAA reports are published on the Internet. The Committee's web site address is: www.aph.gov.au/house/committe/jpaa/index.htm

- 1.12 In addition, members of the public can send submissions and requests for information through electronic mail. The committee's e-mail address is: jcpa@aph.gov.au

How the Committee Operates

Conduct of Inquiries

- 1.13 The Committee normally advertises its inquiries in the national media and on the Internet and invites interested individuals and organisations to make written submissions. Oral evidence is also taken at public hearings. The majority of hearings are open to the public and interested parties can obtain verbatim transcripts of the public hearings free of charge or access them on the Internet.
- 1.14 While the Committee can receive confidential submissions and take evidence in camera, the Committee prefers to take as much evidence as possible in public.
- 1.15 The Committee presents the findings of its inquiries in reports which are tabled in both houses of Parliament. Copies are distributed to all witnesses and Commonwealth agencies with a responsibility for matters raised in the reports. The reports are also available to the public free of charge and on the Committee's website.

Responses by Government to JCPAA reports

- 1.16 In all cases, the Chairman of the JCPAA refers reports of the Committee to the Minister for Finance and Administration once they have been tabled in the Parliament. The Minister for Finance and Administration then refers the recommendations made in the reports on to the responsible Minister(s) for attention.
- 1.17 JCPAA recommendations that involve matters of Government 'policy' are responded to directly by the responsible Minister(s). The Government has given a commitment to provide such responses within three months of the date of tabling the report.

- 1.18 Responsible agencies respond individually to recommendations of an administrative nature in the form of an *Executive Minute*. These individual responses replace the *Finance Minute* previously prepared by the Department of Finance and Administration (DOFA) which collated agency responses to the recommendations of each report.
- 1.19 Executive Minutes are expected to be provided to the JCPAA through the relevant Minister within six months of the tabling of the report. The Chair of the JCPAA tables Executive Minutes in the Parliament as soon as practicable after they are received.

The Committee Secretariat

- 1.20 The Committee is supported by a full time secretariat. Additional advice relating to particular inquiries is obtained from appropriate officers from DOFA and from ANAO. From time to time, officials from Government departments are seconded to the secretariat. In addition, the Committee may employ consultants to provide specialist advice.

