

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
SUPPLEMENTARY BUDGET ESTIMATES 2016

Prime Minister and Cabinet Portfolio

Department/Agency: Australian National Audit Office

Outcome/Program:

Topic: Airservices Onesky Program

Senator: Xenophon

Question reference number: 128

Type of question: WRITTEN

Date set by the committee for the return of answer: 2 December 2016

Number of pages: 2

Question:

1. In relation to Airservices Onesky program, please detail the difference in scope between the recently conducted audit (ICCPM) and the audit on foot?
2. With respect to audits finding?
 - a. Can the Auditor General make recommendations or referrals to the DPP?
 - b. Can the Auditor General come to the conclusion that the Commonwealth should exercise a termination clause in the contract?

Answer:

1. The Auditor-General decided to undertake three pieces of work following written requests in August 2015 from the former Chair of the Senate Standing Committees on Rural and Regional Affairs and Transport, and the former Deputy Prime Minister and Minister for Infrastructure and Regional Development. The requests were made as a result of issues raised in the context of the Senate Committee's inquiry into the performance of Airservices Australia.

The first piece of work related to Airservices administration of corporate credit cards that was examined in the ANAO's financial statement assurance audit program. The results were reported in the *Interim Phase of the Audits of the Financial Statements of Major General Government Sector Entities for the year ending 30 June 2016* on 31 August 2016. The second piece of work was a performance audit that examined whether consultancy contracts entered into with ICCPM in association with the OneSKY Australia program were effectively administered. The results of the audit were tabled on 31 August 2016 in ANAO Report No.1 2016–17. The third piece of work is a performance audit that is underway and is examining the conduct of the OneSKY Australia tender process from initiation to finalisation of the selection process.

- 2a. The Auditor-General cannot refer matters to the DPP for the purposes of prosecuting alleged offences against Commonwealth law. The Auditor-General can make

recommendations to the DPP to address a shortfall or deficiency identified in a performance audit, or in response to audit issues identified during a financial statement audit.

- 2b. The Auditor-General could conclude or recommend that the Commonwealth should exercise a termination clause in a contract.

The objective of a performance audit is to express a conclusion concerning the economy, efficiency or effectiveness of an activity against identified criteria. The audit conclusion directly addresses the question of whether or not the audit objective has been met, based on a comparison of the conditions against the identified audit criteria.

Where audits find deficiencies, the Auditor-General would make a recommendation in regards to what needs correction to address the shortcomings and identified issues.

It is the Accountable Authority's responsibility to determine and make decisions about the specific actions that they will take in response to audit conclusions and recommendations.