

**Senate Finance and Public Administration Standing Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**  
**ADDITIONAL BUDGET ESTIMATES 2009-10 (February 2010)**

Prime Minister and Cabinet Portfolio

**Department/Agency:** ANAO  
**Outcome/Output Group:** Outcome 2  
**Topic:** GroceryChoice website

**Senator:** XENOPHON

**Question reference number:** PM 102

**Type of question:** Hansard page reference 100 08/02/2010

**Date set by the committee for the return of answer:** Friday 26<sup>th</sup> March 2010

**Question:**

Following the Senate Inquiry into the GroceryChoice website, a recommendation was made that the ANAO investigate the tender process undertaken by the ACCC in relation to the data collection contract awarded to Retail\*Facts. The ANAO has responded that it won't seek to do this, as its resources are committed to an existing program of work, and that the issues surrounding the awarding of the contract have already been explored in detail through the committee.

- a) On what basis does the ANAO determine what investigations it will conduct?
- b) Given the extent of the concerns of the Committee regarding the tender process of the contract, is the ANAO completely satisfied with the ACCC tender process for the GroceryChoice website? Does it consider the process for future tenders could be improved, and if so, how?

**Answer:**

- a) Each year the ANAO reviews and updates its rolling program of performance audits to ensure that it continues to meet the needs of the Parliament. Our strategic audit planning approach (articulated in our published Audit Work Program the 'Blue Book') aims to ensure appropriate audit coverage of Commonwealth administration within the constraints of ANAO resources. The Blue Book is developed against the backdrop of trends in the Australian Public Sector with the identification of high risk areas an important consideration when designing the ANAO's audit program.

Key factors influencing which audits the ANAO proceeds with include portfolio risks and the potential to improve performance; thematic risks to sound public sector administration; parliamentary comment on potential audit topics; and ANAO capacity.

For individual audits the Auditor-General considers the:

- i. potential benefits from doing the audit (both financial materiality and the social and economic aspects of the activity);
- ii. importance of the operations under review to the Parliament and the public; and

iii. extent of previous coverage (by the ANAO and others).

Our recent and planned performance audit coverage within the Treasury Portfolio has focussed on the global financial crisis and significant government policy responses. We have also planned to undertake performance audit work on related initiatives such as the Deposit and Wholesale Funding Guarantee.

- b)** The ANAO has not undertaken an audit and so cannot express an audit opinion on the awarding of the contract. Of particular importance in deciding not to conduct an audit was that we noted that the issues surrounding the awarding of the contract were explored in detail by the Senate Committee in its inquiry. In addition, ANAO has undertaken a number of performance audits in the area of procurement including broad-scope audits examining the implementation of the Commonwealth Procurement Guidelines, contract management and, at present, the conduct of direct sourcing procurements by selected Commonwealth agencies (this latter audit is scheduled to be tabled during the Winter 2010 sitting period). These general performance audits, as well as audits examining procurement activities in particular agencies (such as, for example, the Department of the Defence and Defence Materiel Organisation), may provide general insights on opportunities for agencies to improve their procurement activities.

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