



COMMONWEALTH JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT (JCPAA)

Committee Activity Report to the Australian Council for Public Accounts Committees Conference 2024

August 2022 - April 2024

Committee Role and Powers

The Joint Committee on Public Accounts and Audit of the 47th Parliament commenced on 2 August 2022.

The *Public Accounts and Audit Committee Act 1951* (PAAC Act) provides for the role and powers of the Joint Committee of Public Accounts and Audit (JCPAA). In particular section 8 of the PAAC Act lays out the duties of the JCPAA, which includes the power to self-refer any items or matters that the committee considers should be drawn to the attention of the Parliament. Other relevant legislation which intersects with the work of the Committee includes the: *Auditor-General Act 1997*, *Parliamentary Service Act 1999*, and *Public Governance, Performance and Accountability Act 2013* (the PGPA Act).

The Committee's work can be summarised into six key areas:

- conducting inquiries based on Auditor-General reports
- scrutinising Defence acquisition and sustainment
- overseeing the Australian National Audit Office (ANAO)
- overseeing the *Public Governance, Performance and Accountability Act 2013* (PGPA Act)
- overseeing the Parliamentary Budget Office (PBO)
- external engagement and communication.

Snapshot

- Under the *Public Accounts and Audit Committee Act 1951*, the Committee is required to examine all Auditor-General reports. To date the Committee of the 47th Parliament has examined 89 Auditor-General reports and chosen to initiate 12 inquiries based on 24 of the reports. Seven of these inquiries are completed. Two Annual Reports have also been tabled.
- These reports included a total of 46 recommendations. During the term of the Parliament, the Committee also received 55 Government responses to recommendations made in 11 previously presented reports. Government Responses are published on the JCPAA website on receipt. There is a requirement that all Committee Reports receive a Government Response within a six month period.
- For 2024, the Committee is maintaining a focus on Commonwealth procurement, with three related inquiries underway, and a further three specifically on Defence procurement.
- This Parliament the JCPAA while conforming with custom and practice regarding its focus and general bipartisanship, has sought and achieved a greater public impact with its work. For example, the Committee's work on Commonwealth procurement in its 'Commitment issues' report and its work on grants administration has received a significant amount of media interest. This has required the distillation of often complex messages into items that are of interest and importance to the general public. Media attention is especially important to help convey messages back to the public sector and public servants in order to impact culture and behaviours and effect change.

Oversight of Defence Acquisition and Sustainment

- Every year the Committee scrutinises the Defence Major Projects Report (MPR) and endorses the guidelines under which the MPR is drafted. The MPR provides review and analysis of the progress of selected major Defence acquisition projects managed by Defence.
- The Committee is currently undertaking an inquiry into the 2022-23 Defence Major Projects Report.
- This year the Committee is continuing its inquiry into the 2020-21 and 2021-22 Defence Major Project Reports. The Committee is also continuing its inquiry into the procurement of Hunter class frigates.

Oversight of the Australian National Audit Office

- This year has been an unusual year for the JCPAA in terms of its oversight role for the ANAO.
- Under Section 8A of the PAAC Act, the Committee must approve (or reject) the proposed recommendation for the appointment of the Auditor-General or the Independent Auditor.
- The Auditor-General, Mr Grant Hehir, announced his retirement in February 2024. A replacement Auditor-General is being sought. Ms Rona Mellor is acting Auditor-General.
- The term of the Independent Auditor expired in February and a new Internal Auditor was approved.

Ongoing inquiries

- Inquiry into the Defence Major Projects Report 2020-21 and 2021-22 and Procurement of Hunter Class Frigates
- Inquiry into procurement at Services Australia and the National Disability Insurance Agency
- Inquiry into Commonwealth Financial Statements 2022-23
- Inquiry into Policy and Program Design and Implementation
- Inquiry into probity and ethics in the Australian public sector
- Inquiry into the Defence Major Projects Report 2022-23
- Inquiry into the failed visa privatisation process and the implementation of other public sector IT procurements and projects

Reports Presented 2022-23

Report 493 – Annual Report 2021-22

Report 494 - Inquiry into the Department of Foreign Affairs and Trade's crisis management arrangements

Report 495 – Inquiry into Commonwealth Grants Administration

Report 496 – Inquiry into the Defence Major Projects Report 2020-21 and 2021-22 and Procurement of Hunter Class Frigates – Interim report

Report 497 – Inquiry into Commonwealth Financial Statements 2021-22

Reports presented 2023-24

Report 498 – 'Commitment issues'- An inquiry into Commonwealth procurement

Report 499 – Inquiry into the Annual Performance Statements 2021-22

Report 500 – Inquiry into procurement at Services Australia and the NDIA – Interim Report

Report 501 – Annual Report 2022-23

Government Responses

Report 481 - Efficiency and Effectiveness, received 25 November 2022

Report 484 - The administration of government grants, received 8 November 2022

Report 488 - Commonwealth Financial Statements 2019-20, received 22 August and 30 September 2022

Report 489 - Defence major projects report 2019-20, received 14 September 2022

Report 490 - Alternative Financing Mechanisms, received 30 September 2022

Report 491 - Review of the Auditor-General Act 1997, received 8 September 2022

Report 492 - Governance in the Stewardship of Public Resources, received 11 and 14 October and 10 November 2022, and 28 February and 2 August 2023

Report 494 - DFAT crisis management, received 14 July and 4 September 2023

Report 495 - Commonwealth Grants Administration, received 5 December 2023

Report 497 - Commonwealth Financial Statements, received 23 October and 4 and 15 December 2023

Report 498 - Commonwealth Procurement, received 28 September and 5 December 2023 and 18 and 23 January and 8 and 9 February 2024

Report 499 - Annual performance statements 2021-22, received 5 December 2023.

International Engagement

The Committee met with the following delegations:

- October 2022, Chair of the Audit Board of Indonesia and staff from the Directorate General of Audit
- November 2022, New Zealand Parliament Governance and Administration Committee
- November 2022, Public Management and Budgeting Division of the OECD
- March 2024, staff from the United States Government Accountability Office
- March 2024, Kiribati Public Accounts Committee.

Julian Hill MP

Chair

Joint Committee on Public Accounts and Audit

11 April 2024