



## **Response to Questions on Notice**

### **JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT**

#### ***Australian Government Contract Reporting***

**Australian National Audit Office**

#### **GENERAL COMMENTS**

Nil

#### **SPECIFIC QUESTIONS ON NOTICE**

##### **Question 1**

Is the ANAO planning on conducting any further audit activity, particularly in the form of a performance audit, to delve further into a number of areas where potential issues were flagged (such as those identified with potential underreporting of consultancies, procurement contract thresholds, and financial year procurement contract trends)?

##### **Answer**

The procurement practices of Government entities and GBE's will continue to be examined by the ANAO in current and future performance audit work.

The ANAO is currently in the process of developing its Annual Audit Work Plan for 2018-19. The report on Austender data will inform the consideration of risks to the Australian Government in the preparation of that Plan.

##### **Question 2**

What is the ANAO's view on the available guidance for Commonwealth procurement: are the definitions clear? For example, so that entities can accurately identify a contract for the purpose of a consultancy or non-consultancy service, and appropriately report on such a contract?

##### **Answer**

The ANAO did not audit the available guidance or make findings on the accuracy or appropriateness of agencies classification of contracts.

### **Question 3**

What was the cost of the ANAO report—*Australian Government Procurement Contract Reporting*?

#### **Answer**

The report was conducted at a cost of \$109 291.

### **Question 4**

What was the process for determining the timeframe for the Audit? i.e. how was 2012–13 onwards decided?

#### **Answer**

ANAO selected 2012-13 as the earliest reported period for analysis based on an assessment that five financial years provided a sufficient historical trend of government procurement contracts and minimised the impact of historical machinery of government changes.

### **Question 5**

What consultations took place prior to the Auditor-General confirming that an audit would be undertaken?

#### **Answer**

This report was not an audit. It was conducted under the Section 25 of the *Auditor-General Act 1997* which enables the Auditor-General at any time to cause a report to be tabled in either House of the Parliament on any matter.

No external consultation was undertaken prior to the Auditor-General deciding to prepare the report. This information report sought to provide greater transparency to Parliament on procurement contract activity in the Australian public sector.

### **Question 6**

How many audit reports, over the past 10 years, have not contained recommendations?

#### **Answer**

Since 2007-08, the ANAO has presented 514 performance audits (as at 22 March 2018) to the Australian Parliament. Of those 514, 50 have not contained any recommendations.

## Question 7

Which departments were consulted on the draft audit report prior to it being released?

### Answer

As detailed in Paragraph 3 of the report appendix.

*3. In conducting this work, the ANAO did not obtain information from individual entities in respect of the data reported on, nor did the ANAO formally communicate with the entities included in this report in respect of this analysis. However, the ANAO did release relevant parts of the report to the Department of Finance, the Department of Veterans' Affairs and the Australian Bureau of Statistics for comment prior to publication.*

The ANAO also met with staff from the Department of Defence in the early stages of preparing the report to form a better understanding of how Defence use the Austender system to record amendments and related purchase order contracts, as well as Defence's role as the technical lead in a Department of Finance whole-of-government project to streamline and improve AusTender functionality.