



Introduction

What is the Joint Committee of Public Accounts and Audit?

The Committee is the Parliament's joint public administration committee. Its purpose is to scrutinise the governance, performance and accountability of Commonwealth entities and companies. The Committee focuses on whether public money is used in an efficient, effective, economical and ethical manner.

In line with its establishing legislation, the [*Public Accounts and Audit Committee Act 1951*](#) (the Act), the Committee consists of six Senators and ten Members of the House of Representatives.

The Committee is one of the oldest of the Parliament, first established in 1913. The Committee is also one of the Parliament's most autonomous. The Act allows the Committee to initiate its own inquiries, unlike most other parliamentary committees, which receive references from Ministers or a House of the Parliament.

The Committee's duties

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

- Overseeing the Australian National Audit Office (ANAO)
- Overseeing the *Public Governance, Performance and Accountability Act 2013* (PGPA Act)
- Overseeing the Parliamentary Budget Office (PBO)
- Scrutinising Defence acquisition and sustainment
- External engagement, communication, and considering broader aspects of public administration

Overseeing the ANAO

The Committee has a strong, ongoing relationship with the ANAO. This allows the Committee to maintain a broad and informed view of Commonwealth expenditure across the public sector. Similarly, engaging with the Committee helps the ANAO fulfil its own purpose of providing the Parliament with independent assessments of public administration.

The Act outlines the Committee's official duties at Section 8 and 8A. Through examining the reports tabled by the Auditor-General in Parliament the Committee examines the performance and financial affairs of Commonwealth authorities. The Committee considers the ANAO's draft budget estimates with reference to its operations and functions, and determines the Audit Priorities of the Parliament to inform the Auditor-General's forward work program.

Sections 8 and 8A also require the Committee to consider the reports of the Independent Auditor, who audits the ANAO. The Committee advises the Independent Auditor of the Parliament's priorities for auditing the ANAO.

The Committee must approve any appointment of the Auditor-General and the Independent Auditor under the [Auditor-General Act 1997](#).

Overseeing the PGPA Act

The Committee plays an ongoing role in scrutinising the [PGPA Act](#) and its operations, which provide a new resource management, planning and performance framework for the Commonwealth.

The Committee maintains an active and significant interest in the government's broader Public Management Reform Agenda (PMRA). During the first stage of the PMRA, which involved establishing the PGPA Act, the Committee completed inquiries into the draft legislation and the first set of PGPA Rules.

The second stage of the PMRA focused on establishing the Commonwealth Performance Framework as set out by the PGPA Act. The Framework includes requiring entities to produce Corporate Plans, Portfolio Budget Statements, Annual Performance Statements, and Annual Reports. The Committee was heavily involved in ensuring the Commonwealth Performance Framework was developed effectively.

Some of the Committee's oversight role is specific to the legislation. For example, s46(4) of the PGPA Act requires the Committee's approval before any rules are made to prescribe annual report requirements for Commonwealth entities. In addition, s112(1) requires the Committee to be consulted on an independent review of the PGPA Act's rules and operation. This review is scheduled to occur as soon as is practicable after 1 July 2017 – three years after the commencement of s112(1) – under the direction of the Finance Minister.

Overseeing the PBO

Under the [Parliamentary Services Act 1999](#), the Committee oversees the operations and resourcing of the PBO. This includes approving the appointment of the Parliamentary Budget Officer. The Committee expressed its support for the PBO as an institution in a 2014 report:

The PBO is an important addition to our democratic arrangements and has already made a significant contribution to transparency and accountability in the country's finances.

Scrutinising Defence acquisition and sustainment

Defence acquisition and sustainment interests the Committee because it represents a sizeable investment of public money – in fact, it is the largest expenditure by any government agency. Defence 'acquisition' is the procurement of new infrastructure and resources, while Defence 'sustainment' refers to the maintenance of these assets and other defence enabling capabilities. Expenditure of Commonwealth resources by Defence has been an area of focus for the Committee since 2003, when a Senate committee requested an analysis of major Defence acquisition projects.

This analysis eventually became what is now called the [Defence Major Projects Report](#) (MPR), an annual production which the Committee oversees. The MPR analyses the progress of 25–30 major Defence projects worth approximately \$60 billion, to improve the accountability and transparency of Defence acquisitions. This is a joint project led by the ANAO and supported by Defence's Capability Acquisition and Sustainment Group. Every year, the Committee endorses the

guidelines within which the MPR is drafted and conducts an inquiry based on the tabled report.

External engagement, communication, and considering broader aspects of public administration

The Committee seeks to promote public awareness of its role and draw on strong relationships – across the Parliament, the public sector, and the broader community – to support meaningful engagement with its work.

The Committee is keenly interested in public administration trends, themes and issues, both in Australia and overseas. Examining best practice in the public sectors of other countries allows the Committee to identify and recommend approaches which are relevant to Australian Commonwealth entities. Similarly, the Committee itself learns from regional and international counterparts, adopting practices which improve its oversight of public expenditure.

The Committee engages with the Australasian Council of Public Accounts Committees (ACPAC) and values its work in connecting public accounts committees and promoting communication with Auditors-General, experts, the media, and the public. The Committee views the biennial ACPAC conference as an important opportunity to exchange views and experiences with public accounts committees from neighbouring jurisdictions. The Committee will actively participate in the next event in Queensland in April 2017.