Joint Committee of Public Accounts and Audit

Commonwealth Performance Framework

Issue date: 6 December 2017

Improving public sector performance reporting

The <u>Joint Committee of Public Accounts and Audit</u> has tabled its <u>report</u> on the Commonwealth Performance Framework.

Committee Chair <u>Senator Dean Smith</u> said that improving the Commonwealth performance framework, to improve line of sight between the use of public resources and the outcomes achieved by Commonwealth entities, has been a long-term focus of the Committee.

"To build on momentum in the implementation of the Commonwealth performance framework, the Committee has recommended that the *Public Governance, Performance and Accountability Act 2013* be amended to enable mandatory annual audits of performance statements by the Auditor-General, with Commonwealth entities to be consulted on the implementation timeframe," Senator Smith said.

"The Parliament and the Australian public would then receive the same assurance on non-financial performance reporting as on financial reporting, where an independent audit is mandatory."

The Committee has also recommended that:

- the Australian National Audit Office considers conducting an audit of one complete Commonwealth performance reporting cycle;
- the Australian Government amends the PGPA Rule and guidance to clarify the functions and charter of Commonwealth entity audit committees to reflect their role in assurance of the appropriateness of performance reporting;
- the four audited Commonwealth entities from Audit Report No. 54 on 2016-17 Corporate Planning report back on how their senior management teams are working to further embed the corporate planning requirements in future cycles;
- the Department of Finance undertakes a more comprehensive monitoring and evaluation program for the ongoing implementation of the Commonwealth performance framework;
- the Australian Public Service Commission conducts a review on whether non-financial
 performance reporting and evaluation requires strengthening as a training and research
 discipline in consultation with other relevant agencies, and Finance reports back on progress in
 developing capacity training in this area; and
- Finance reports back on Commonwealth entity progress in implementing a more mature approach to risk management and 'joined up' government.

The Commonwealth performance framework, established under the *PGPA Act*, requires Commonwealth agencies to produce corporate plans, Portfolio Budget Statements and annual reports, including annual performance statements.

The Committee's inquiry was based on the following Audit Reports:

- No. 58 (2016-17), Implementation of the Annual Performance Statements Requirements
- No. 6 (2016-17), Corporate Planning in the Australian Public Sector
- No. 31 (2015-16), Administration of Higher Education Loan Program Debt and Repayments

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Interested members of the public may wish to track the Committee via the <u>website</u>. Click on the blue 'Track Committee' button in the bottom right hand corner and use the forms to login to My Parliament or to register for a My Parliament account.

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