



Auditor-General for Australia



29 May 2017

Senator James Paterson
Chair
Senate Standing Committees on Finance and Public Administration
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Senator Paterson

Inquiry into the provisions of the Prime Minister and Cabinet Legislation Amendment (2017 Measures No. 1) Bill 2017

The Auditor-General is an independent officer of the Australian Parliament who is assisted by the Australian National Audit Office (ANAO) under the enabling legislation of the *Auditor-General Act 1997*.

Formerly under the *Auditor-General Act 1997* miscellaneous functions and powers, the Auditor-General prepared and presented in the Parliament an annual report on the operations of the ANAO as soon as practicable after 30 June. The *Public Governance, Performance and Accountability (Consequential and Transitional Provisions) Act 2014* subsequently removed the Auditor-General's ability to table the ANAO's annual report in the Parliament under the enabling legislation. The presentation of the Auditor-General's annual report to the Parliament is now determined by the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), which requires the entity's responsible Minister to present the annual report to the Parliament.

For the purposes of the PGPA Act, the ANAO is a listed non-corporate Commonwealth entity and the Auditor-General is the accountable authority of the ANAO. The ANAO sits within the Prime Minister and Cabinet Portfolio for administrative purposes, and so the Prime Minister is the responsible Minister. The Joint Committee of Public Accounts and Audit is responsible for considering the operations and resources of the ANAO and the Auditor-General has a direct reporting line to the Australian Parliament, through the Speaker of the House of Representatives and the President of the Senate, and may at any time cause a report to be tabled in either House of the Parliament on any matter. The indirect presentation of the annual report through a responsible Minister is therefore inconsistent with the Auditor-General's otherwise direct reporting lines to the Australian Parliament.

The current position of causing an annual report to be tabled through the responsible minister as required by section 46 of the PGPA Act is inconsistent and logically does not fit with the Auditor-General's powers to table reports directly in the Parliament. Further, by tabling through a responsible Minister, members of Parliament and the broader community may have a perception that the responsible Minister 'owns' or is associated with the views of the Auditor-General.

The Auditor-General is seeking to reinstate his ability to table the ANAO's annual report in the Parliament under the enabling legislation. As an entity covered by the PGPA Act, the Auditor-General will continue to ensure his annual report meets the PGPA Rule and prescribed requirements for annual reports for non-corporate Commonwealth entities, with the exception of presentation of the report to the Parliament through a responsible Minister.

Yours sincerely

Rona Mellor PSM
Acting Auditor-General