



Australian Government

Department of Finance

EXECUTIVE MINUTE

on

JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT

REPORT No. 499

Inquiry into the Annual Performance Statements 2021-22

General comments

On 17 October 2023, the Joint Committee of Public Accounts and Audit (the Committee) tabled Report 499 *Inquiry into the Annual Performance Statements 2021-22*.

The Committee's inquiry was based on the audit of the 2021-22 annual performance statements of six Commonwealth entities:

1. Attorney-General's Department
2. the then Department of Agriculture, Water and the Environment
3. the then Department of Education, Skills and Employment
4. Department of Social Services
5. Department of Veterans' Affairs
6. Department of the Treasury

Report 499 made two recommendations directed in part to the Department of Finance (Finance). The Finance responses to Recommendations 3 and 4 are detailed in this Executive Minute.

Recommendation 2, directed to the Government, will be addressed in the Government Response to JCPAA Report 491 *Review of the Auditor-General Act 1997*, being developed by the Department of the Prime Minister and Cabinet.

Recommendation No: 3

The Committee recommends that the Australian National Audit Office and the Department of Finance work together to develop and publish a revised annual performance statements audit schedule that allows the Australian National Audit Office to begin its work earlier in the cycle so findings from the interim stage contribute to an entity's annual portfolio budget statements and report back to the Committee on progress within six months.

Summary of response:

Agreed.

Finance and the ANAO expedited the process of scheduling performance statements audits for the 2023-24 audit program. As a result, work on the new cycle of performance statements audits commenced early in the 2023-24 reporting period.

Finance will continue to work with the ANAO regarding the timely selection of entities that are requested by the Finance Minister to be audited each year.

Recommendation No: 4

The Committee recommends that updated advice be provided to it within six months from:

- the Australian National Audit Office regarding the publication of its performance statements audit methodology, the flagged audit strategy documents and initial feedback from agencies on these documents, and*
- Department of Finance regarding any further guidance across the system that has been issued or is planned in relation to performance statements auditing.*

Summary of response:

Agreed.

Finance produces [Resource Management Guides \(RMGs\)](#) and other guidance tools and resources to support Commonwealth entities and companies in meeting the requirements of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule), and related policies. Within the RMG suite is [RMG 134 'Annual Performance Statements for Commonwealth Entities'](#). RMG 134 outlines the requirements for entities producing annual performance statements and provides guidance to assist accountable authorities to prepare and publish annual performance statements. RMGs (including RMG 134) are reviewed and updated to reflect changes in government policy or Finance law, and where appropriate to take account of recommendations made by Parliamentary Committee and Auditor-General reports.

Learnings from ongoing engagement with the ANAO (including Finance's representation on the Auditor-General's Performance Statements Expert Advisory Panel), published ANAO Audit Insights and the findings of the Auditor-General end-of-year reports on the annual performance statements audit program are also built into training and engagement sessions with entities and general advice and feedback to entities.

Signed by

Jenny Wilkinson PSM