

Direct Source Procurement

Audit Report No.11 2010–11

Opening comments by Steve Chapman, Deputy-Auditor General

JCPAA Review 2 March 2011

- Chair, members of the Committee, in 2009, the Australian Government purchased over \$23.5 billion in property and services.
- Procurement by Australian Government entities is regularly examined as part of our annual Performance Audit Work Program, and is a current area of focus for the Program. ANAO performance audits examine procurement undertaken for particular government programs and projects, including where appropriate, individual procurements or contracts of an entity. Over the last decade, procurement has also been a focus of our cross agency audits.
- Our audits of procurement examine compliance with legislative and policy requirements, most importantly the core principle of value for money. The audit being reviewed today is the first cross agency audit to examine the application of a specific procurement method in practice across four agencies, being direct sourcing. Previous cross agency procurement audits have sought to provide an overview of agencies' procurement practices. Building on this audit we have also recently commenced an audit specifically focused on panel arrangements.
- With me today is Matt Cahill, the Group Executive Director, Stuart Turnbull, the Executive Director, and Tracey Martin, the Audit Manager.