



EXECUTIVE MINUTE

on

JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT REPORT [No. 396]

Review of Auditor-General's Reports 2002-2003, First, Second and Third Quarters

General comments

The Australian Taxation Office's current information technology outsourcing contract is due to expire on 30 June 2004. An intention to renew this contract has been conveyed to the present contractor and negotiations are progressing to agree on the terms and conditions to be incorporated into the new contract.

Response to the recommendation(s)

Recommendation No. 5 paragraph .7.66.

"The Australian Taxation Office should review the terms of its information technology outsourcing contract when the contract is renewed so that the nature of the lease is clarified and the subsequent accounting treatment does not attract an audit qualification."

Response:

The recommendation is supported.

The Australian Taxation Office will review the terms and conditions of the new contract and will determine the appropriate accounting treatment of the leasing arrangement at that time. This review will be conducted in collaboration with the ANAO.

Michael Carmody
Commissioner of Taxation

29 February 2004