

Report 380

- Army Individual Readiness Notice
- Examination of the Federation Cultural and Heritage Projects Program
- Management of Job Network Contracts

Review of Auditor-General's Reports, 1999–2000

Third Quarter

Joint Committee of Public Accounts and Audit

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ISBN



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Foreword

This report is the outcome of the review by the Joint Committee of Public Accounts and Audit (JCPAA) of the Auditor-General's audit reports tabled in the third and fourth quarter of 1999-2000. Of the 28 audit reports reviewed, the Committee selected three for further examination.

Audit Report No. 26, 1999-2000, Army Individual Readiness Notice; Audit Report No. 30, 1999-2000, Examination of the Federation Cultural and Heritage Projects Program; and Audit Report No. 44, 1999-2000, Management of Job Network Contracts were examined at public hearings on 6 October 2000.

Audit Report No 26 reviewed the Army Individual Readiness Notice (AIRN) which seeks to bring individual readiness components together into a single instruction and to establish a minimum level of individual readiness across Army. The audit found scope for improving the effectiveness of AIRN in achieving its then primary objective, namely to ensure that all Army members could be deployed on operations within 30 days.

Although Army is now reviewing AIRN, one area of particular concern to the Committee is the apparent lack of analysis being applied to what constitutes sufficient warning time in a conflict, what constitutes a sufficient level of readiness, and the cost implications of readiness sustainability. The Committee has recommended accordingly.

Audit Report No. 30 was an examination of the Federation Cultural and Heritage Projects Program which gave \$70.4 million to a total of 60 projects as part of the Centenary of Federation. The audit concluded that there were areas for improvement in the administration of the grants to ensure a clear audit trail for the selection of projects and the distribution of funds.

The Committee strongly supports a rigorous needs assessment process so program funds are well targeted. It therefore recommended that the Department of Communications, Information, Technology and the Arts implement its draft guidelines for the administration of grant programs.

The Committee also recommended that after grant decisions are finalised, all applicants, successful or otherwise, should be notified of the decision as soon as possible in writing, advised of relevant appeal processes and provided with guidance for improving subsequent applications.

Audit Report No. 44 reviewed the efficiency and effectiveness of the management of the first round of Job Network contracts. ANAO found that, on the whole, these contracts were managed in an efficient and effective manner by the Department of Employment, Workplace Relations and Small Business.

The Committee was informed by the department that it had taken into consideration all ANAO's recommendations in its development of the Job Network 2 contracts. In addition, it had ensured that the Auditor-General will have access to the premises of Job Network providers and access to confidential information involved in contracts, should ANAO request these.

The Committee is pleased to note the implementation of its earlier recommendations on this matter.

Bob Charles, MP
Chair



Membership of the Committee

Chair Mr Bob Charles MP

Deputy Chair Mr David Cox MP

Members	Senator Helen Coonan	Mr Kevin Andrews MP
	Senator the Hon Rosemary Crowley (from 12/10/00)	Mr Malcolm Brough MP (until 7/3/00)
	Senator the Hon John Faulkner (until 12/10/00)	Mr Petro Georgiou MP
	Senator the Hon Brian Gibson AM	Ms Julia Gillard MP
	Senator John Hogg	Mr Alan Griffin MP (until 9/8/99)
	Senator Andrew Murray	Mr Peter Lindsay MP (from 7/3/00)
	Senator John Watson	Ms Tanya Plibersek MP (until 10/4/00)
		The Hon Alex Somlyay MP
		Mr Stuart St Clair MP
		Mr Lindsay Tanner MP (from 9/8/99)
		Mr Kelvin Thomson MP (from 10/4/00)

Membership of the Sectional Committee

Chair Mr Bob Charles MP

Deputy Chair Mr David Cox MP

Members Mr Petro Georgiou MP Senator the Hon Brian Gibson AM
Ms Julia Gillard MP Senator Andrew Murray
Mr Peter Lindsay MP
Mr Alex Somlyay MP
Mr Lindsay Tanner MP

Committee Secretariat

Secretary Dr Margot Kerley

Research Officers Ms Maureen Chan
Ms Jennifer Hughson
Ms Paola Cerrato-D'Amico

Administrative Officers Ms Maria Pappas

Duties of the Committee

The Joint Committee of Public Accounts and Audit is a statutory committee of the Australian Parliament, established by the *Public Accounts and Audit Committee Act 1951*.

Section 8(1) of the Act describes the Committee's duties as being to:

- (a) examine the accounts of the receipts and expenditure of the Commonwealth, including the financial statements given to the Auditor-General under subsections 49(1) and 55(2) of the *Financial Management and Accountability Act 1997*;
- (b) examine the financial affairs of authorities of the Commonwealth to which this Act applies and of intergovernmental bodies to which this Act applies;
- (c) examine all reports of the Auditor-General (including reports of the results of performance audits) that are tabled in each House of the Parliament;
- (d) report to both Houses of the Parliament, with any comment it thinks fit, on any items or matters in those accounts, statements and reports, or any circumstances connected with them, that the Committee thinks should be drawn to the attention of the Parliament;
- (e) report to both Houses of the Parliament any alteration that the Committee thinks desirable in:
 - (i) the form of the public accounts or in the method of keeping them; or
 - (ii) the mode of receipt, control, issue or payment of public moneys;

- (f) inquire into any question connected with the public accounts which is referred to the Committee by either House of the Parliament, and to report to that House on that question;
- (g) consider:
 - (i) the operations of the Audit Office;
 - (ii) the resources of the Audit Office, including funding, staff and information technology;
 - (iii) reports of the Independent Auditor on operations of the Audit Office;
- (h) report to both Houses of the Parliament on any matter arising out of the Committee's consideration of the matters listed in paragraph (g), or on any other matter relating to the Auditor-General's functions and powers, that the Committee considers should be drawn to the attention of the Parliament;
- (i) report to both Houses of the Parliament on the performance of the Audit Office at any time;
- (j) consider draft estimates for the Audit Office submitted under section 53 of the *Auditor-General Act 1997*;
- (k) consider the level of fees determined by the Auditor-General under subsection 14(1) of the *Auditor-General Act 1997*;
- (l) make recommendations to both Houses of Parliament, and to the Minister who administers the *Auditor-General Act 1997*, on draft estimates referred to in paragraph (j);
- (m) determine the audit priorities of the Parliament and to advise the Auditor-General of those priorities;
- (n) determine the audit priorities of the Parliament for audits of the Audit Office and to advise the Independent Auditor of those priorities; and
- (o) undertake any other duties given to the Committee by this Act, by any other law or by Joint Standing Orders approved by both Houses of the Parliament.



List of abbreviations

AIRN	Army Individual Readiness Notice
ANAO	Australian National Audit Office
DEWRSB	Department of Employment, Workplace Relations and Small Business
DoCITA	Department of Communications, Information Technology and the Arts
DOEH	Department of Environment and the Heritage
FCHP	Federation Cultural and Heritage Projects
FTG	Federation Task Group
IES	Integrated Employment System [DEWRSB]
ISIS	Income Security Integrated System [Centrelink]
JCPAA	Joint Committee of Public Accounts and Audit
NCCOF	National Council for the Centenary of Federation
NESA	National Employment Services Association



List of recommendations

Audit Report No. 26, 1999–2000, Army Individual Readiness Notice

Recommendation 1 [paragraph 2.26]

The Committee recommends that Army define rigorously what constitutes sufficient warning time, a sufficient level of readiness and the cost implications of readiness and sustainability.

Audit Report No. 30, 1999–2000, Examination of the Federation Cultural and Heritage Projects Program

Recommendation 2 [paragraph 3.20]

The Committee recommends that the Department of Communications, Information, Technology and the Arts implement its draft guidelines for the administration of grant programs.

Recommendation 3 [paragraph 3.32]

The Committee recommends that, after the making of grant decisions, all applicants, successful or otherwise, should be notified of the decision as soon as possible in writing, advised of relevant appeal processes and provided with guidance for improving subsequent applications.

Audit Report No. 44, 1999–2000, Management of Job Network Contracts

Recommendation 4 [paragraph 4.41]

The Committee recommends that the Australian National Audit Office carry out a follow-up audit on Job Network to ensure its recommended improvements are incorporated the management of Job Network contracts.

