

## Work in Progress

### Introduction

- 3.1 This section provides a brief description of Committee inquiries and other activities active as at June 30 2003.

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

- 3.2 The Committee reviewed eleven of the 29 reports tabled by the Auditor-General in the first, second and third quarters of 2002—2003. The eleven reports were:
- *Audit Report No. 2, Grants Management;*
  - *Audit Report No. 3, Facilities Management at HMAS Cerberus;*
  - *Audit Report No. 7, Client Service in the Child Support Agency: Follow-up Audit;*
  - *Audit Report No.18, Management of Trust Monies;*
  - *Audit Report No.19, The Australian Taxation Office's Management of its Relationship with Tax Practitioners;*

- *Audit Report No.20, Employee Entitlements Support Scheme;*
  - *Audit Report No.23, Physical Security Arrangements in Commonwealth Agencies;*
  - *Audit Report No. 25, Audits of the Financial Statements of Commonwealth Entities for the Period Ended 30 June 2002;*
  - *Audit Report No. 26, Aviation Security in Australia;*
  - *Audit Report No. 27, Management of Commonwealth Guarantees, Warranties, Indemnities and Letters of Comfort; and*
  - *Audit Report No. 28, Northern Territory Land Councils and the Aboriginal Benefit Account.*
- 3.3 Public hearings were held in March, April and May 2003 in Canberra. An inspection of Kingsford Smith International Airport was also conducted in May as part of the review of *Audit Report No. 26, Aviation Security in Australia.*
- 3.4 At the end of the reporting period, the Committee was deliberating on its findings. The report of this review, Report 396, *Review of Auditor-General's Reports, 2002-2003, First, Second and Third Quarters* was tabled in Parliament on 8 October 2003.

### **Review of Auditor-General's Reports, 2002-2003, Fourth Quarter**

- 3.5 The Committee will review three of the 26 tabled by the Auditor-General in the fourth quarter of 2002—2003. The three reports are:
- *Audit Report No. 42, Managing Residential Aged Care Accreditation;*
  - *Audit Report No 51, Defence Housing and Relocation Services; and*
  - *Audit Report No 55, 2002-2003, Goods and Services Tax Fraud Prevention and Control.*
- 3.6 At 30 June 2003, public hearings were yet to be scheduled. The Committee expects to table the report of its review in early 2004.

### **Inquiry into the Draft Financial Legislation Amendment Bill**

- 3.7 On 12 February 2003, the Committee announced its inquiry into the Draft Financial Legislation Amendment Bill under the following terms of reference:

The Joint Committee of Public Accounts and Audit will inquire into the draft Financial Framework Legislation

Amendment Bill to determine whether the Bill makes an appropriate contribution to improving the financial framework and reporting of the Commonwealth public sector, including in relation to:

- alignment of financial management provisions and practices with the *Financial Management Legislation Amendment Act 1999*;
- consolidation of approval powers in relation to money raising, investments and guarantees by, and for, specific entities that are legally separate from the Commonwealth; and
- information to be included in determinations of the Finance Minister under the Financial Management and Accountability Act 1997 that establish Special Accounts.

3.8 A public hearing was held on 7 March 2003 in Canberra and as of 30 June 2003, the Committee was still deliberating on its findings.

3.9 The report for this inquiry, Report 395, *Inquiry into the Draft Financial Legislation Amendment Bill* was tabled in Parliament on 20 August 2003.

## **Inquiry into the Management and Integrity of Electronic Information in the Commonwealth**

3.10 On 23 October 2002, the Committee announced its inquiry into the Management and Integrity of Electronic Information in the Commonwealth under the following terms of reference:

The Committee shall inquire into and report on the potential risks concerning the management and integrity of the Commonwealth's electronic information.

The Commonwealth collects, processes and stores a large amount of private and confidential data about Australians. This information is held by various Commonwealth agencies and private bodies acting on behalf of the Commonwealth. For example, the Australian Taxation Office keeps taxpayer records, the Australian Electoral Commission keeps electoral roll information and Centrelink keeps social security, family and health information. The Committee is concerned that the Commonwealth's electronic information is kept securely and in a manner that ensures its accuracy.

In conducting its inquiry the Committee will consider:

- the privacy, confidentiality and integrity of the Commonwealth's electronic data;
  - the management and security of electronic information transmitted by Commonwealth agencies;
  - the management and security of the Commonwealth's electronic information stored on centralised computer architecture and in distributed networks; and
  - the adequacy of the current legislative and guidance framework.
- 3.11 Public hearings were held in March, April and June in Canberra and Sydney and as at 30 June 2003, the Committee was still deliberating on its findings.
- 3.12 In September 2003, the Committee resolved to hold a further public hearing in response to certain instances of computer theft from Commonwealth premises. The Committee expects to table the report of this inquiry in late 2003.

## Review of Aviation Security in Australia

- 3.13 In May 2003, the Committee held a public hearing to review, among other audits from the Auditor-General, an audit review of Aviation security in Australia.<sup>1</sup>
- 3.14 Following this public hearing, the Committee was prompted to extend its review of the audit report into a broad inquiry under expanded terms of reference as a result of a number of concomitant aviation security breaches in Australia.
- 3.15 Accordingly, on 5 June 2003, the Committee announced its review of aviation security in Australia under the following terms of reference:

As part of its statutory responsibility to examine reports from the Auditor-General, the Joint Committee of Public Accounts and Audit is expanding its review of *Audit Report No. 26, 2002-2003, Aviation Security in Australia, Department of Transport and Regional Services* to inquire and report on:

- regulation of aviation security by the Commonwealth Department of Transport and Regional Services;
- compliance with Commonwealth security requirements by airport operators at major and regional airports;

---

<sup>1</sup> Auditor General, *Audit Report No. 26, 2002-2003, Aviation Security in Australia, Department of Transport and Regional Services*. See also JCPAA, *Report No. 396, Review of Auditor General's Reports, 2002-2003, First, Second & Third Quarters*

- compliance with Commonwealth security requirements by airlines;
- the impact of overseas security requirements on Australian aviation security;
- cost imposts of security upgrades, particularly for regional airports;
- privacy implications of greater security measures; and
- opportunities to enhance security measures presented by current and emerging technologies.

3.16 As at 30 June 2003, public hearings were yet to be scheduled. The Committee expects to table the report of its inquiry in the first half of 2004.

Bob Charles MP  
Chairman  
5 November 2003

