



## Clear guidance needed to ensure transparency

The Public Accounts and Audit Committee reviewed several audits by the Auditor-General focusing on key administrative practices of Australian Government agencies. These were:

- *Development and Implementation of Key Performance Indicators to Support the Outcomes and Programs Framework.*
- *Establishment, Implementation and Administration of the Infrastructure Employment Projects Stream of the Jobs Fund.*
- *Administration of Grant Reporting Obligations.*

Good Key Performance Indicators are integral to ensuring accountability, but the ANAO audit showed that only one third of the 50 agencies reviewed had developed meaningful and measurable KPIs and that the Department of Finance had reduced agency guidance. The Committee recommended that Finance substantially improve the guidance and provide a progress report within six months – including noting how the Auditor-General's new powers to assess KPIs will contribute to the Government's overall KPI framework.

Reviewing the Department of Infrastructure's administration of grants under the Infrastructure Employment Projects Stream of the Jobs Fund raised concerns about the transparency of decision-making processes and the quality of support offered to the Minister. 'Again we have heard evidence of poorly documented and questionable project selection processes in this Department' said Mr Oakeshott. In light of this, the Committee recommended that the Department be included in a further audit by the ANAO to ensure they are actually making efforts to improve.'

Further concerns were raised when reviewing Grant Reporting Obligations. Only 37 per cent of grant programs examined in the audit used competitive processes and a significant number of briefs to ministers did not clearly recommend whether grants should be accepted or rejected. The Committee's inquiry uncovered examples of confusion and oversight errors in grant reporting. In the interests of transparency, the Committee publicly released the ANAO's list of ministers who had failed to properly report grant approvals; and has now also released a number of exchanges between those ministers and the Auditor-General disputing the categorisation of grants.

"To help solve some of these problems the Finance Department needs to get out in the trenches and work with agencies to bring practices into line," Mr Oakeshott said. "Agencies also have a responsibility to take advantage of the documentation and training provided. There is a wealth of information out there such as the ANAO's *Better Practice Guides*, which I encourage agencies to look at to be aware of their requirements."

The Committee will be looking closely at future audits to determine whether the Departments examined in this report have delivered on the range assurances given to the Committee at the recent hearings, and that they have responded in a full and timely manner to both the recommendations of the ANAO and the JCPAA.

An electronic copy of the report can be found at  
[http://www.aph.gov.au/Parliamentary\\_Business/Committees/House\\_of\\_Representatives\\_Committees?url=jcpaa/auditgen2\\_12/report.htm](http://www.aph.gov.au/Parliamentary_Business/Committees/House_of_Representatives_Committees?url=jcpaa/auditgen2_12/report.htm)

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