



Government procurement in the spotlight

Review of Auditor-General's Reports 24 to 32

Government procurement is the key theme of a report released today by Parliament's Public Accounts and Audit Committee.

The committee examined in detail two of the Auditor-General's performance audits:

- *Administration of the Australia Network Tender Process (Report 29)*
- *Establishment and Use of Procurement Panels (Report 31)*

The \$223 million Australia Network tender was terminated in November 2011 following repeated leaks of confidential tender information to the media.

While the responsibility for the problems found in the audit rests with the parties involved, the committee considered that lessons from the Australia Network tender process could be shared more broadly and therefore made a range of suggestions for improvement. These suggestions include considering the public disclosure of approval processes at the beginning of a tender procurement and providing clearer guidance to staff about their responsibilities when handling confidential tender information.

In relation to procurement panels, the committee was pleased to hear that the Finance Department is taking a more active role in helping agencies improve their compliance with financial management obligations. The committee supports the role of Central Procurement Units (CPUs) within agencies, which can serve as the link with Finance and take a proactive role in assisting procurers, although notes a large variation in the roles played by CPUs across agencies. The report makes two recommendations aimed at improving panel evaluations and CPU effectiveness.

"Both audit reports looked at in this inquiry contain valuable lessons for agencies to improve their management of public resources," the Committee Chair, Mr Rob Oakeshott MP, said. "The committee will continue to keep a close eye on government procurement activities to ensure public money is being spent in a way that ensures value for money and compliance with financial framework regulations."

An electronic copy of the report can be downloaded from the Committee's website at <http://www.aph.gov.au/jcpaa>

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