

The Parliament of the Commonwealth of Australia

Joint Committee of Public Accounts and Audit

REPORT 366

**Review of Auditor-General's Reports
1997-98**

Second Quarter

March 1999

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CHAIRMAN'S FOREWORD

This report contains advice to Parliament on the review by the Joint Committee of Public Accounts and Audit of the 20 audit reports presented by the Auditor-General in the second quarter of 1997-98.

The main feature of the review was the conduct of public hearings on 29 April 1998 at which evidence was taken in relation to two audit reports: *Audit Report No. 16, 1997-98, Equity in Employment in the Australian Public Service* and *Audit Report No. 24, 1997-98, Matters Relevant to a Contract with South Pacific Cruise Lines Ltd.*

Audit Report No. 16, 1997-98, on equity in the Australian Public Service (APS), reported to the Government and the Parliament on progress in achieving equity outcomes in the APS. It also aimed to assist agency heads and the Public Service Merit Protection Commission (PSMPC) to respond to changes signalled by the Public Service Bill 1997 and the *Workplace Relations Act 1996*.

The issues raised in the Committee's review of the audit were Equal Employment Opportunity (EEO) targets and data collection, equity progress reporting and diversity management in the APS.

While key targets of the EEO program have been met overall, there has been a wide variation in performance between individual APS agencies, and within agencies over time.

More attention needs to be given to under-reporting of EEO data and to refining data requirements. Greater clarity in performance and reporting requirements would enable both agencies and the PSMPC to more effectively communicate performance.

The PSMPC is facing a considerable challenge in facilitating the development of agency diversity management programs and reporting on diversity management in the APS. Agencies need to appreciate the usefulness of information relating to their own achievement in managing workplace diversity.

The Committee's review of *Audit Report No. 24, 1997-98*, on matters relating to a contract between the Department of Employment, Education Training and Youth Affairs' (DEETYA)¹ and South Pacific Cruise Lines, focused on changes to DEETYA processes and the relevance of the cruise ship project's shortcomings for the administration of Job Network. In October 1998, the employment aspects of DEETYA were located in the new portfolio of Employment, Workplace Relations and Small Business. The new portfolio has responsibility for Job Network.

1 The Department of Employment, Education, Training and Youth Affairs (DEETYA) became the Department of Education, Training and Youth Affairs (DETYA) on 18 October 1998.

As a result of this audit, the former DEETYA implemented changes to its contract approval, advance payments and risk management processes and placed more emphasis on personal responsibility principles in its guidelines and staff training program. However, DEETYA's improvements to administrative processes are not an assurance that the underlying risks have been appropriately addressed.

Concern remains about the practice of fully expending annual program funds to avoid the lapsing of appropriations. DEETYA Queensland's decision to make such a payment in relation to the cruise ship project led exactly to the sort of outcome that Finance Directions were designed to avoid.

Payments made in response only to actual progress are a tangible way of clearly indicating dissatisfaction with under-performance and prompting action to achieve full performance.

Bob Charles MP
Chairman

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² Discharged 10 December 1998

³ Appointed 10 December 1998

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