

Introduction

- 1.1 One of the statutory duties of the Joint Committee on Public Accounts and Audit (JCPAA) is to examine all reports of the Auditor-General in terms of the significance of the program or issues raised; the significance of the findings; the arguments advanced by the audited agencies; and the nature of public interest in the report. The Committee is then required to report the results of its deliberations to both Houses of Parliament as it sees fit.
- 1.2 Upon consideration of the eleven audit reports presented to the Parliament by the Auditor-General during the first quarter of 2000–2001, the JCPAA selected four reports for further scrutiny at a public hearing. The public hearings were conducted in Canberra on Friday, 2 March 2001.
- 1.3 The reports selected were:
 - **Audit Report No.8, *Amphibious Transport Ship Project***, Department of Defence;
 - **Audit Report No.9, *Implementation of Whole-of-Government Technology and Infrastructure Consolidation and Outsourcing Initiative***;
 - **Audit Report No.10, *AQIS Cost-Recovery Systems***, Australian Quarantine and Inspection Service; and
 - **Audit Report No. 11, *Knowledge System Equipment Acquisition Projects in Defence***, Department of Defence.

Structure of the Report

- 1.4 This report draws attention to the main issues raised at the public hearings. Where appropriate, the Committee has commented on unresolved or contentious issues.
- 1.5 Chapter 2 of the report discusses the evidence taken in relation to Audit Report No.8, *Amphibious Transport Ship Project*, and examines the accountability issues of purchasing two decommissioned US ships.
- 1.6 Chapter 3 of the report addresses issues raised in relation to Audit Report No.9, *Implementation of Whole-of-Government Technology and Infrastructure Consolidation and Outsourcing Initiative*.
- 1.7 Chapter 4 of the report discusses the evidence taken relating to Audit Report No.10, *AQIS Cost-Recovery Systems* on the efficiency and effectiveness of the management of AQIS's cost-recovery systems, and whether the cost-recoverable programs are identifying and recovering the full costs of services provided, without cross-subsidisation.
- 1.8 Chapter 5 of the report discusses the evidence taken relating to Audit Report No. 11, *Knowledge System Equipment Acquisition Projects in Defence*, on the role played by the recently appointed Chief Knowledge Officer and on the ability of Defence to ensure that it can centralised management to preserve system integrity and maximise synergies in its development of its knowledge edge.
- 1.9 In addition, the report provides an outline of the conduct of the Committee's review (Appendix A). The report should be read in conjunction with the transcript of evidence collected at the public hearing (Appendix C).

Report

- 1.10 A copy of this report is available on the JCPAA website at <http://www.aph.gov.au/house/committee/jpaa/reports.htm>