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The Parliament of the Commonwealth of Australia

# Report 439

**Review of Auditor-General's Reports Nos. 11 to 31 (2012–13)**

Joint Committee of Public Accounts and Audit

June 2013  
Canberra

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## Foreword

In the 43<sup>rd</sup> Parliament, the Joint Committee of Public Accounts and Audit (JCPAA) has spent quite some time on how government measures its own performance, and the process of transparent (or otherwise) grant approvals.

It is therefore appropriate that one of our final oversight reports covers a Key Performance Indicator trial undertaken by the Audit Office; as well as looking at the Energy Efficiency Information Grants program, which once again showed concerns around process.

With public sector reform happening through the Commonwealth Financial Accountability Review, having a culture of very clear and measurable Key Performance Indicators is important.

Getting the processes right on grant programs is also important. The Auditor-General has repeatedly reported his concerns on this issue, and the JCPAA shares this frustration. It is time for Parliament and the Executive to place greater priority on getting this right.


This is the 100<sup>th</sup> anniversary of the oversight and scrutiny work of the JCPAA in Australia. Oversight and audit is expanding throughout many democracies, and Australia is increasingly being looked on for leadership and guidance in this area.

I make this point for two reasons. The JCPAA is a special institution of its own to be valued into the future. Its status deserves ongoing respect.

I also make this point to acknowledge the Secretariat, and their very good work over the past three years. They play a vital role between Executive Government and Parliament, and have done so very professionally. They have done the history of oversight in Australia proud.

Robert Oakeshott MP  
Chair





## Membership of the Committee

Chair Mr Robert Oakeshott MP

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(from 14 May 2013)

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## List of abbreviations

ACAG	Australasian Council of Auditors-General
ANAO	Australian National Audit Office
CFAR	Commonwealth Financial Accountability Review
DCCEE	Department of Climate Change and Energy Efficiency
EEIG	Energy Efficiency Information Grants
Finance	Department of Finance and Deregulation
JCPAA	Joint Committee of Public Accounts and Audit
KPI	Key Performance Indicator
PAC	Program Advisory Committee
PM&C	Department of the Prime Minister and Cabinet
RET	Department of Resources, Energy and Tourism





# List of recommendations

## The Australian Government Performance Measurement and Reporting Framework – Pilot Project to Audit Key Performance Indicators

### Recommendation 1

The Joint Committee of Public Accounts and Audit recommends that the Department of Finance and Deregulation, in consultation with the Australian National Audit Office, prioritise the review and update of the performance measurement and reporting framework. A goal should be to have clear policy and guidance in place for the 2014–15 financial year that can be used by agencies to produce auditable Key Performance Indicators, irrespective of the passage of the Public Governance, Performance and Accountability Bill 2013.

### Recommendation 2

The Joint Committee of Public Accounts and Audit recommends that:

- the Government reinforce the requirements for agencies to incorporate specific performance monitoring, reporting and evaluation activities into the design and costing of their programs;
- agencies be appropriately funded to carry out these activities; and
- monitoring be used to provide assurance that these activities are implemented.

