



PARLIAMENT OF AUSTRALIA

# Report 508

Annual Report 2023-24

**Joint Committee of Public Accounts and Audit**

December 2024

CANBERRA

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# Chair's foreword

This report details the activities of the Joint Committee of Public Accounts and Audit (the Committee) during 2023–24 in accordance with its responsibilities under the *Public Accounts and Audit Committee Act 1951* (PAAC Act) and other relevant legislation. Its publication satisfies the requirement for the Committee to report annually to the Parliament on the work it has undertaken which represents a crucial component of the Parliament's oversight of Australian government agencies.

Under the PAAC Act, the Committee has the distinctive ability to determine its own work program and priorities, thus enabling it to examine issues of significance or concern in a timely manner.

The Committee reviews the reports of the Australian National Audit Office (ANAO) and conducts inquiries where it identifies there are issues requiring further consideration. It determines the audit priorities of the Parliament, makes recommendations to the government on the budget estimates of the ANAO and the Parliamentary Budget Office (PBO), and has responsibility for confirming key statutory appointments, two of which, the Independent Auditor of the ANAO and the Auditor-General, were made during the 2023-24 financial year.

In 2023–24 the Committee held 24 meetings in total including nine public hearings. The Committee commenced four inquiries and presented seven reports (including its 2022–23 Annual Report) and undertook a range of other non-inquiry activities pursuant to its statutory duties as mentioned above.

The Committee is known for its practice of working in a collaborative and non-partisan manner and I thank all of the Committee members for welcoming me as its new Chair in August of 2024 and continuing in that fine tradition.

Former Chair of the Committee, the Hon Julian Hill MP, had carriage of the Committee's activities throughout the 2023-24 period and I thank him for both his leadership and commitment to ensuring through this work that the Parliament had effective oversight of the Australian Public Sector and of its activities and expenditure on behalf of the Australian people. I also acknowledge and thank the Deputy Chair of the Committee, Senator the Hon Linda Reynolds CSC, for her collegiate approach and professionalism in fulfilling that role and for supporting me in my new role as Committee Chair.

I further thank the Committee secretariat for their continuing diligence and expertise in supporting our work, including the highly valued secondees of the Australian National Audit Office.

Hon Linda Burney MP

Chair



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# Abbreviations

ANAO	Australian National Audit Office
APS	Australian Public Sector
APSC	Australian Public Service Commission
CPRs	Commonwealth Procurement Rules
CV	Curriculum vitae
Defence	Department of Defence
ED	Efficiency dividend
Finance	Department of Finance
Health	Department of Health and Aged Care
ICT	Information and communications technology
JCPAA	Joint Committee of Public Accounts and Audit
MPR	Defence Major Projects Report
NDIA	National Disability Insurance Agency
PAAC Act	<i>Public Accounts and Audit Committee Act 1951</i>
PBO	Parliamentary Budget Office
PGPA	Public Governance, Performance and Accountability
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PS Act	<i>Parliamentary Service Act 1999</i>
the Committee	Joint Committee of Public Accounts and Audit
the Framework	the Commonwealth Performance Framework
the 'Watt review'	Independent Review of Services Australia and NDIA Procurement and Contracting







# Members

## ***Chair***

Hon Linda Burney MP (from 12 August 2024)

Mr Julian Hill MP (to 29 July 2024)

## ***Deputy Chair***

Senator the Hon Linda Reynolds CSC

## ***Members***

Dr Michelle Ananda-Rajah MP

Senator Catryna Bilyk

Senator the Hon Matthew Canavan

Senator Lisa Darmanin (from 24 June 2024)

Dr Carina Garland MP

Mr Ian Goodenough MP

Senator Karen Grogan (to 24 June 2024)

Mr Brian Mitchell MP (from 12 August 2024)

Dr Daniel Mulino MP

Ms Peta Murphy MP (to 1 August 2023, from 9 August 2023 to 28 November 2023)

Mr Graham Perrett MP (to 9 August 2023)

Mr Henry Pike MP

Senator Barbara Pocock (from 31 July 2023)

Mr Sam Rae MP (from 1 August 2023)

Senator Tony Sheldon

Mr Aaron Violi MP

Mr Josh Wilson MP (from 28 November 2023 to 12 August 2024)



# Terms of reference

The Joint Committee of Public Accounts and Audit (the Committee) is a joint statutory committee established by the *Public Accounts and Audit Committee Act 1951* (PAAC Act).

Pursuant to section 8B of the PAAC Act, the Committee is required to prepare a report on the performance of its duties during the year and table the report in each House of the Parliament.



# 1. Committee activities in 2023-24

- 1.1 The Joint Committee of Public Accounts and Audit (the Committee) is established by the *Public Accounts and Audit Committee Act 1951* (PAAC Act).
- 1.2 The duties of the Committee are set out in the PAAC Act, and in the *Parliamentary Service Act 1999* (PS Act) and the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). Relevant excerpts of these three acts are provided in Appendix A.
- 1.3 Pursuant to section 8B of the PAAC Act, the Committee is required to prepare a report on the performance of its duties during the year and table the report in each House of the Parliament. This report covers the period 1 July 2023 to 30 June 2024.

## Overview of activities

- 1.4 In 2023–24 the Committee held 24 meetings including nine public hearings. The Committee commenced four inquiries, presented seven reports (including the 2022–23 Annual Report), and undertook a range of other non-inquiry activities pursuant to its statutory duties.

**Table 1.1 Comparison of Committee activities: selected metrics**

Metric	2021–22	2022–23	2023-24
Number of sitting weeks	11	18	18
Total meetings held <sup>1</sup>	16	29	24
<i>Number of private meetings</i>	10	18	15
<i>Number of public hearings</i>	12	18	9
Number of inquiries commenced	3	8	4
Auditor-General's reports selected for detailed inquiry	9	20	12
Submissions received <sup>2</sup>	30	130	184
Committee inquiry reports tabled in Parliament	6	4	6
Recommendations made in reports tabled in the Parliament	58	21	46

<sup>1</sup> A single meeting may contain a private meeting and/or one or more public hearings.

<sup>2</sup> This number includes supplementary submissions.

Metric	2021–22	2022–23	2023-24
Recommendations with due dates falling during the year <sup>3</sup>	56	62	83
Recommendations for which responses were received <sup>4</sup>	10	30	42
<i>Percentage of recommendations where a response was due and provided</i>	18%	48%	50%
<i>Number where the recommendation was agreed to</i>	10	26	38
<i>Number received on time</i>	2	22	29
Recommendations for which responses remained outstanding at the end of the reporting period	46	32	39

Source: Committee records

## Committee inquiries and reports

1.5 As it relates to the Committee’s inquiry activities, in 2023–24, the Committee commenced four inquiries and presented six inquiry reports (including one interim report). Table 1.2 provides an overview of the Committee’s inquiry activities in this period.

**Table 1.2 JCPAA inquiry activities in 2023–24**

Inquiry	Status as at 30 June 2024	Basis of inquiry
Report 498: 'Commitment issues' - An inquiry into Commonwealth procurement	Report presented 9 August 2023	Auditor-General reports No. 6 (2021-22) No. 15 (2021-22) No. 30 (2021-22) No. 42 (2021-22) No. 5 (2022-23)
Report 499: Inquiry into the Annual Performance Statements 2021–22	Report presented 17 October 2023	Auditor-General report No. 13 (2022-23)
Report 500: Inquiry into procurement at Services Australia and the NDIA - Interim Report	Interim Report presented 13 September 2023	Independent Review of Services Australia and NDIA Procurement and Contracting (the 'Watt review').

<sup>3</sup> This number includes overdue responses (i.e. not received in a previous reporting year for which they were due).

<sup>4</sup> Some recommendations may require responses from more than one entity. The figure here is the number of recommendations for which responses were received (not the actual number of responses). Where a response to a single recommendation was required from two entities and only one entity responded, this recommendation is recorded as not responded to.

Inquiry	Status as at 30 June 2024	Basis of inquiry
Report 502: The never-ending quest for the golden thread - Inquiry into probity and ethics in the Australian public sector	Report presented 26 June 2024	Auditor-General reports No. 18 (2022–23) No. 30 (2022–23) No. 31 (2022–23) No. 36 (2022–23) No. 38 (2022–23)
Report 503: Inquiry into the Defence Major Projects Report 2020-21 and 2021-22 and Procurement of Hunter Class Frigates - Final Report	Report presented 26 June 2024	Auditor-General reports No. 13 (2021–22) No. 12 (2022–23) No. 21 (2022–23)
Report 504: Inquiry into procurement at Services Australia and the NDIA – Final Report	Report presented 26 June 2024	Independent Review of Services Australia and NDIA Procurement and Contracting (the 'Watt review').

Source: Committee records

1.6 Additionally, in the reporting period, the Committee received 38 executive minute responses and nine whole of government responses to 42 recommendations made in eight reports. The Committee also received updates to six executive minutes in the 2023-24 period. Details are provided in Appendix B.

1.7 The remainder of this section summarises the findings and recommendations contained in the six inquiry reports presented in 2023–24. Four of these were for inquiries based on Auditor-General reports, including one which was a final report. A further interim and final report were presented for an inquiry based on an independent review.

## Inquiries based on Auditor-General reports

1.8 Under the PAAC Act, the Committee is required to examine all reports of the Auditor-General that are tabled in the Parliament and to report on any matters connected with those reports that the Committee determines should be drawn to the attention of the Parliament.<sup>5</sup>

1.9 In 2023–24, 49 Auditor-General reports were tabled in the Parliament: 45 performance audit reports; two financial statement audit reports (including Audits of the Financial Statements of Australian Government Entities for 2022-23 and Interim Report on Key Financial Controls of Major Entities); the 2022–23 Defence

<sup>5</sup> *Public Accounts and Audit Committee Act 1951*, section 8(1)(c–d).

Major Projects Report; and one performance statement audit report examining 10 entities.<sup>6</sup>

- 1.10 The Committee continued its practice of conducting inquiries into Auditor-General reports on a thematic basis, allowing it to consider and address wider issues concerning governance and public administration.
- 1.11 In 2023–24, the Committee commenced four inquiries into 12 Auditor-General reports. It also tabled four inquiry reports based on Australian National Audit Office (ANAO) performance audits, which are summarised below.

#### **Report 498: 'Commitment issues' - An inquiry into Commonwealth procurement (9 August 2023)**

- 1.12 This inquiry was based on five Auditor-General Reports that examined whether different key Commonwealth procurement activities had been managed appropriately, and had demonstrated value for money, in keeping with the Commonwealth Procurement Rules (CPRs).
- 1.13 The audited activities included the longstanding Civil Maritime Surveillance Services Contract managed by the Department of Home Affairs and the Australian Border Force; Department of Defence's (Defence) procurement of Cape Class patrol boats; procurements by the National Capital Authority; the procurement of delivery partners for the Entrepreneurs' Programme by the Department of Industry, Science, and Resources; and the Digital Transformation Agency's Procurement of ICT Related Services.
- 1.14 The common themes that emerged during the inquiry included:
- public sector procurement capability
  - different aspects of the CPRs
  - the role of the Department of Finance (Finance) as a policy steward
  - the AusTender reporting platform
  - whether value for money had been demonstrated
  - standing offers and panels, probity and ethics, contract management practices and record keeping.
- 1.15 The Committee learned during the inquiry that procurement by the Commonwealth Government accounted for more than \$80 billion in committed value in 2021-22, with more than 90,000 contracts awarded to more than 12,000 businesses for a diversity of goods and services. Moreover, the five biggest consulting firms in Australia secured almost \$2 billion in government contracts in the 2021-22 financial year (\$1.6 billion in new contracts as well as more than \$300 million in contract variations or extensions).

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<sup>6</sup> Australian National Audit Office (ANAO), 'Reports and publications', [www.anao.gov.au/pubs](http://www.anao.gov.au/pubs), viewed 23 October 2024.



- 1.16 A number of stark findings arose from the evidence received and considered by the inquiry:
- there was noncompliance with the CPRs in four out of the five audit reports included in the inquiry
  - among the most significant issues identified were consistent failures to:
    - demonstrate value for money
    - conduct procurements in line with ethical requirements
    - keep adequate records
    - manage contracts to the appropriate standards.
- 1.17 The Committee's considered view was that as the CPRs are not particularly onerous and allow considerable flexibility, agencies should be able to demonstrate value for money when conducting their procurements. The 19 recommendations in the report included changes to the system of panels to prevent stifling of competition, better data entry and accessibility on AusTender, no exceptions to the value for money rule, and that the CPRs should apply to corporate as well as non-corporate Commonwealth entities. The Committee also took the view that Finance should take a much stronger lead in strengthening procurement capabilities and professionalism, and in collecting information on CPR compliance, across the Commonwealth public sector.

#### **Report 499: Inquiry into the Annual Performance Statements 2021–22 (17 October 2023)**

- 1.18 This inquiry was the first of its kind to be conducted by the Committee as it was based on the first performance statement audit report to be produced by the ANAO (Audits of the Annual Performance Statements of Australian Government Entities — 2021–22<sup>7</sup>).
- 1.19 The Commonwealth Performance Framework (the Framework) is a set of rules and guidelines that promote transparency and ensure government entities are held accountable for their performance. The Framework includes the *Public Governance, Performance and Accountability (PGPA) Act 2013*, the PGPA Rule 2014, and guidance from the Finance.
- 1.20 In 2017 the Committee recommended amending the PGPA Act to allow mandatory audits of annual performance statements to provide high-quality information for parliamentary accountability. With the Committee's support and approval from the Finance Minister, the ANAO began its pilot program of performance statements audits in 2020, involving three entities. The ANAO's audits of the 2021–22 performance statements was the first year implementing this ongoing program and six entities were included: the Departments of Social Services, Veterans' Affairs, Agriculture, and Education, the Attorney-General's Department, and the Treasury.

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<sup>7</sup> Auditor-General Report No. 13 2022–23 *Audits of the Annual Performance Statements of Australian Government Entities — 2021–22*.

- 1.21 The annual performance statements of the six audited entities were found by ANAO to have been largely effective in meeting the requirements of the framework. The ANAO noted instances however where entities did not have appropriate processes to prepare these statements, methodologies, or assurance over the completeness and accuracy of the results.
- 1.22 The Committee's inquiry examined the impact of machinery of government changes, lack of robust methodologies or supporting information for performance measures, and non-compliance with the PGPA Rule. The Committee also examined how the ANAO conducts its performance statements audits and the impact on the entities, including issues related to the audit methodology, timing, and frequency.
- 1.23 The Committee commented in the report that performance statements auditing has been the most significant change to public sector auditing in decades and brings greater reliability and transparency to how government entities are performing to both the public and the Parliament.
- 1.24 Scheduling and timing was a significant concern raised by a number of entities and was acknowledged by the Committee as it had recommended previously (in Report 491) that the *Auditor-General Act 1997* be amended to remove the need for the Finance Minister to approve these audits. The Committee reaffirmed that view in the report by making this same recommendation once again.
- 1.25 Among the four recommendations of this report, the Committee also requested that:
- The ANAO summarises key trends, issues, and better practice examples from these 2021-22 performance audits for public sector wide dissemination, and reports back to the Committee on the value of making this an annual product
  - The ANAO and Finance work together to develop and publish a revised annual performance statements audit schedule to allow work to commence earlier
  - The ANAO updates the Committee regarding the publication of its performance statements audit methodology, the flagged audit strategy documents and initial feedback from agencies on these documents
  - Finance updates the Committee on any further guidance on performance statements auditing that has been issued or planned
- 1.26 It was noteworthy also from the ANAO's report that its 2021–22 budget allocation will support an increase in the number of performance statement audits to 24 entities by 2025–26.

### **Report 502: The never-ending quest for the golden thread - Inquiry into probity and ethics in the Australian public sector (26 June 2024)**

- 1.27 The obligation to act with probity and ethically is contained in the legislation that governs the functioning of the Australian public sector (APS). A number of ANAO audits had found however that the APS had regularly failed to comply with either the intent or the requirements of its regulatory frameworks and lacked effective accountability for performance. The ANAO further emphasised that principles-based

legislation and frameworks under which the public sector operates establish 'high expectations' and that 'meeting mandatory requirements is not sufficient' to meet this standard.

- 1.28 The inquiry examined Auditor-General reports into probity management by three key Commonwealth Financial Regulators (Australian Prudential Regulation Authority, Australian Securities and Investments Commission, and Australian Competition and Consumer Commission); the administration of the Community Health and Hospitals Program by the Department of Health and Aged Care (Health); and the acquisition, management and leasing of artworks by Artbank.
- 1.29 In further evaluating the findings of these audits, the Committee noted that the public sector is often falling short of the high standards of professionalism required of it and failing to comply with both the intent and the requirements of its legal and regulatory frameworks. The Committee concluded from its investigations that there are three critical and interdependent aspects to public sector entities acting ethically and with probity: frameworks, culture and accountability.
- 1.30 Most notably, the Committee concluded that the key to ensuring that the public sector acts with probity and integrity is overwhelmingly not the rules *per se* but ethical leadership at all levels, especially by accountable authorities and senior officers. It is this that the Committee regarded as the 'golden thread' that binds and animates the system in a positive direction.
- 1.31 The Committee further found that current integrity metrics among Commonwealth entities were simply the minimum requirements of the law under which the public sector operates. In relation to finance law in particular, the Committee was firm in its contention that any viewpoint that it was somehow acceptable for an officer to breach finance law and fail to act with probity, but still be acting in good faith and for a proper purpose, is unambiguously wrong. The Committee's stated position was that acting with probity meant pursuing high standards of professionalism; doing the right thing at the right time; being ethical, impartial and accountable; demonstrating complete and confirmed integrity, uprightness and honesty; and complying with the intent and the letter of the law.
- 1.32 Among the 11 recommendations arising from the inquiry report were that:
- Finance is to issue clear guidance that a lack of malice or personal gain relating to financial breaches do not satisfy the requirements of officials to act in good faith and for a proper purpose
  - Health is to formally review the appropriateness of some of its corporate awards
  - The Australian Public Service Commission (APSC) is to develop guidance with a definition of culture and metrics to better assess culture and probity
  - A new requirement is to be implemented for entities to develop and maintain an overarching Integrity Framework
  - A greater focus is to be placed on the accountability of policy owners.

## **Report 503: Inquiry into the Defence Major Projects Report 2020-21 and 2021-22 and Procurement of Hunter Class Frigates - Final Report (26 June 2024)**

- 1.33 In an interim report for this inquiry, which commenced in March 2023 on consecutive Major Projects Reports (MPRs) and was expanded in May 2023 to incorporate the Hunter Class Frigates procurement by Defence, the Committee's focus was on the key issues that arose in the two MPRs under examination.
- 1.34 This final report on the inquiry complemented the interim report by considering the future conduct of the MPR. This report also examined the audit of the Hunter Class Frigates program.
- 1.35 The Committee concluded that the MPR is an important accountability mechanism that should continue for the foreseeable future, albeit with potential adjustments. The Committee noted, however, that it had not drawn any firm conclusions at that stage on its future scope. The Committee further determined in this final report that the MPR provides a structured level of scrutiny and granularity across major capability projects that would not be provided through other external accountability and assurance mechanisms that examine Defence activities.
- 1.36 The Committee accepted that national security would at times prevent the publication of certain Defence information but also agreed that the ANAO has an underlying duty to the Parliament to provide adequate transparency. The Committee recommended that the ANAO supplement the published MPR with a confidential submission and related briefings with Defence where information cannot be published.
- 1.37 Failings in the procurement of the Hunter Class Frigates were clearly identified in the Auditor-General's report yet only belatedly accepted by Defence after its own internal review. The Committee understood that this had been an accelerated program and supply chain issues had arisen but found it inexcusable that no value for money assessment was ever conducted before the former Government selected BAE as the tenderer for the then \$35 billion project.
- 1.38 The Committee further noted that no explanation had been given as to why the requirement for a value for money assessment was mysteriously removed from the Tender Evaluation Plan.
- 1.39 Another puzzling issue for the Committee was that no rationale had been provided by Defence for the seemingly unprecedented decision to knock 10 per cent off the price from all tenderers in the evaluation and advice to government on this procurement. Another issue of concern to the Committee was the fact that the design of the frigates had been assessed as mature despite the fact that it was a completely redesigned and updated vessel that was yet to actually exist.
- 1.40 Serious deficiencies in recordkeeping by Defence in relation to this procurement were also highlighted by the Auditor-General's report as certain key documents about the process, including minutes of the Defence Committee—the apex decision making forum of the entire enterprise, were unavailable.

- 1.41 Five recommendations were made in relation to the Hunter Class Frigate program, four of which requested updates from Defence on changes arising from its internal review, progress with the project, how it will assess design maturity in the future, and the implementation and impact of its new recordkeeping framework. The fifth recommended changes to the CPRs that will explicitly require a value for money assessment in a tender evaluation plan as a default option and that the Department of Finance must determine and then advise the procuring entity whether this has been completed appropriately.

## Other inquiries

### Report 500: Inquiry into procurement at Services Australia and the NDIA - Interim Report (13 September 2023)

- 1.42 During the course of the Committee's inquiry into Commonwealth procurement (see *Report 498*), evidence came to the Committee's attention that raised questions about procurements undertaken by Services Australia and the National Disability Insurance Agency (NDIA). Media reports on these specific procurements led to the appointment of Dr Ian Watt AC to lead an *Independent Review of Services Australia and NDIA Procurement and Contracting* (referred to as the 'Watt review').
- 1.43 The Watt review commenced in December 2022 and was completed on 6 March 2023. It addressed questions about the involvement of Milo Consulting (trading as Synergy 360) and associated entities in procurements at the two agencies.
- 1.44 The Committee then held a public hearing on 14 April 2023 to consider the findings of the Watt review as part of its existing procurement inquiry but, on the basis of the testimony received, subsequently made the decision on 12 May 2023 to inquire separately into the issues raised, particularly because the scope of this review was limited and related solely to the conduct of APS staff. The Committee presented both an interim and final report during the 2023-24 period for this separate *Inquiry into procurement at Services Australia and the NDIA*.
- 1.45 In the interim report, the Committee focussed on the activities of the consulting company Synergy 360 by examining the conduct of all parties involved in the relevant procurements, including Ministers, lobbyists, consultants, and vendors. Serious allegations were raised in evidence to the Committee about financial impropriety, improper relationships and undisclosed conflicts of interest with parties receiving contracts from the Commonwealth. In addition, previously undisclosed meetings were revealed between former Minister Stuart Robert, Synergy 360 and Infosys including during a tender process and when Infosys was being performance managed by Services Australia.
- 1.46 Mr Robert and other parties involved in these meetings denied any improper conduct and the Committee was not able to obtain any evidence of financial liabilities owed or payments occurring from Synergy 360 to the Australian Property Trust or other entities to the benefit of Mr Robert. Requests were made for certain documents in

this regard from parties involved but these were not responded to. The Committee therefore made no findings of malfeasance based on the evidence it received.

- 1.47 In light of this situation, the Committee recommended that the National Anti-Corruption Commission examine all material gathered through this inquiry to determine whether or not to conduct its own inquiry into procurements at Services Australia and the National Disability Insurance Agency involving Milo Consulting (trading as Synergy 360), the Hon Stuart Robert, and other parties.
- 1.48 During the course of the inquiry also, questions arose regarding the nature of the Committee's statutory powers to summons witnesses to appear before it and produce documents, as provided by *sections 13-15* of the PAAC Act. As these powers had not been used in recent memory, the Committee recommended that the Speaker of the House of Representatives approve the commissioning of legal advice in relation to these questions.

#### **Report 504: Inquiry into procurement at Services Australia and the NDIA – Final Report (26 June 2024)**

- 1.49 In the final report for this inquiry, the Committee focussed on the award of a large contract to the ICT (information and communications technology) vendor Salesforce by the NDIA for a new customer relationship and management software platform, known as the PACE system. Although the evidence to the Committee suggested that this system was working appropriately, aspects of its procurement clearly fell short of the CPRs and ethical requirements.
- 1.50 The Watt review did not make specific findings of misconduct in relation to the PACE contract award but did identify deficiencies in NDIA's procurement management. This led to an internal review being initiated by NDIA that remains ongoing. The Committee was surprised in the first instance to find that no explicit price weighting had been included in NDIA's value for money assessments when ranking the tender proposals for the PACE procurement and made a recommendation regarding this.
- 1.51 There were very significant contract variations that were closely scrutinised by the Committee. The Salesforce contract value rose from an initial \$27 million at inception in April 2020 to \$135 million by October 2023. The Committee found that while some of this was explicable by a necessary expansion of user licences, a substantial proportion was due to significant changes in scope. Of concern to the Committee was that other vendors would have had no opportunity to tender for the product that was ultimately delivered.
- 1.52 The most egregious issue to arise from this procurement activity however was what appeared to be clear breaches of the NDIA's Gifts and Hospitality policy by its officials over a long period of time. NDIA informed the Committee that any gifts or benefits of over \$100 in value needed to be pre-approved and then recorded in a compliance log, but no such disclosures had been made in relation to the Salesforce contract.

- 1.53 The Committee then received a detailed itemised list from Salesforce containing more than 100 instances of hospitality and/or gifts passing to NDIA officials over an almost 5-year-period before and after the PACE contract bid and award, and throughout the periods of the contract variations. These included close to 50 items above \$100 in value per person including meals, drinks and golf outings.
- 1.54 This was completely unacceptable to the Committee which has sought additional information from Salesforce regarding the operation of its self-styled 'Office of Global Ethics and Integrity' which is supposed to have individually approved every instance of hospitality to government officials worldwide. The receipt of this information is still pending.
- 1.55 The Committee further received evidence of overlap over a long period of time between the aforementioned hospitality events and gifts, undeclared meetings between former Minister Stuart Robert, Synergy 360, and Salesforce, and major and ongoing procurement activity and contract management by NDIA in relation to the PACE system. Although the issues surrounding former Minister Robert and Synergy 360 were largely dealt with in the Interim Report for this inquiry, it was concerning to the Committee that no records of discussions at three separate meetings with Salesforce were available.
- 1.56 The Committee made five recommendations in this final report that included updates from NDIA on both its internal procurement review and on the continuing implementation of the PACE system, including anticipated cost savings; action by the Department of Finance and the Digital Transformation Agency to assess whether any inappropriate cultivation of Commonwealth officials by different ICT vendors is occurring; and a consideration by ANAO of possible future audits in relation to gifts and hospitality issues in the public sector.

## **Non-inquiry activities**

- 1.57 This section outlines non-inquiry activities of the Committee undertaken in 2023–24 pursuant to the Committee's statutory duties.

## **Annual report**

- 1.58 As required under section 8B of the PAAC Act, the Committee presented an annual report to the Parliament on 15 November 2023 which covered the period from 1 July 2022 to 30 June 2023.<sup>8</sup>

## **Statutory appointments**

- 1.59 The Committee is empowered under section 8A of the PAAC Act to approve or reject a recommendation for appointment of Auditor-General or Independent Auditor of the

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<sup>8</sup> Joint Committee of Public Accounts and Audit (JCPAA), *Report 501: Annual Report 2022–23*, November 2023.



ANAO. The Committee was asked to consider nominations for both appointments during the 2023-24 period. Under these provisions in the Act, the Committee is required to approve or reject any such proposal within 14 days after receiving it or notify the Audit Minister within that same 14-day timeframe that it will require up to 44 days to make its decision.

### **Independent Auditor of the ANAO**

- 1.60 On 28 February 2024, the Committee Chair received a letter from the Prime Minister, The Hon Anthony Albanese MP, in his capacity as the current Audit Minister with responsibility for the *Auditor-General Act 1997*. This correspondence informed the Committee that following an open, merit-based selection process, Mr Shane Bellchambers of BellchambersBarrett, a Canberra-based professional services firm, was being proposed to fill the position of Independent Auditor of the ANAO for the period from 1 April 2024 to 31 October 2028, replacing Ms Eileen Hoggett.
- 1.61 The Committee was also provided in the Prime Minister's correspondence with Mr Bellchambers' written application for this role, including his Curriculum Vitae (CV).
- 1.62 The position of Independent Auditor of the ANAO is established under Section 41 of the *Auditor-General Act 1997*. Under section 45(1) of this Act, the Independent Auditor may at any time conduct a performance audit of the ANAO. This is an important process for providing valuable external scrutiny of the methodologies and processes used by the ANAO to ensure that they are best practice.<sup>9</sup>
- 1.63 At its private meeting on 29 February 2024, the Committee resolved that the Chair would write to the Prime Minister indicating its unanimous endorsement of Mr Bellchambers for this role. In endorsing this appointment, the Committee noted that Mr Bellchambers had over 30 years of experience in auditing and was well respected in the audit industry having conducted performance and financial audits of a large number of both private and public sector organisations.
- 1.64 The Committee further noted Mr Bellchambers' suitability for this role due to his considerable expertise in contemporary audit methodologies and techniques and their application to Government entities. The Chair responded to the Prime Minister by letter on 29 February 2024 conveying this decision of the Committee.
- 1.65 A formal statement regarding this decision was not subsequently made in the House of Representatives by the Chair, or tabled in the Senate, on this occasion. The reporting of the Committee's decision to the Parliament on this appointment, pursuant to section 8A(7) of the PAAC Act, has instead been made through the publication of the preceding paragraphs of this 2023-24 Annual Report of the Committee.

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<sup>9</sup> In performing or exercising their functions or powers, the Independent Auditor must have regard to the audit priorities of the Parliament for audits of the Audit Office, as determined by the JCPAA under paragraph 8(1)(n) of the PAAC Act.



## Auditor-General

- 1.66 The Prime Minister corresponded with the Chair on 31 January 2024 informing the Committee that Mr Grant Hehir, Auditor-General for Australia, had tendered his resignation to the Governor-General, to take effect from 15 February 2024. The Committee was informed at that time that the Deputy Auditor-General, Ms Rona Mellor PSM, had been appointed to act in the office of Auditor-General while a recruitment process was being undertaken.
- 1.67 Under Schedule 1 of the *Auditor-General Act 1997*, the office of the Auditor-General is a full-time position appointed by the Governor-General for a term of 10 years.
- 1.68 The Prime Minister wrote again to the Chair on 6 June 2024 informing the Committee that an open, merit-based selection process for selecting a candidate had been conducted and a Selection Advisory Committee had been established to consider suitable candidates from among a total of 111 applications. The Committee was informed in this correspondence that Dr Caralee McLeish PSM had been selected from the five candidates that were ultimately shortlisted for interview. Dr McLiesh was serving at that time as the Secretary and Chief Executive of the New Zealand Treasury.
- 1.69 As required under the legislation, the endorsement of the Committee was sought to enable the Prime Minister to recommend the appointment of Dr McLiesh as the new Auditor-General. Her written application for the role, including her CV, was provided to the Committee to assist with this process.
- 1.70 The Committee decided at its subsequent private meeting on 19 June 2024 to request the additional allowable time of up to 44 days to consider this appointment to give members further time to consider the candidate. The Committee subsequently resolved unanimously on 27 June 2024 to endorse the appointment of Dr McLiesh and the Chair wrote to the Prime Minister on that same day to convey this decision.
- 1.71 The formal statement by the Chair to the Parliament on the Committee's endorsement of Dr McLiesh had not been made as at 30 June 2024 as the Prime Minister had not publicly announced her appointment at that stage.

## Draft budget estimates

- 1.72 The Committee is required under the PAAC Act to consider draft budget estimates of the ANAO that are submitted under section 53 of the *Auditor-General Act 1997*.<sup>10</sup> Similarly, section 64S of the PS Act requires the Committee to consider draft estimates of the PBO (Parliamentary Budget Office).<sup>11</sup>
- 1.73 Draft budget estimates of the ANAO and PBO were provided to the Committee for its consideration ahead of the 2024–25 Budget. On 14 May 2024, prior to the handing

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<sup>10</sup> *Public Accounts and Audit Committee Act 1951*, section 8(1)(j).

<sup>11</sup> *Parliamentary Service Act 1999*, section 64S.

down of the budget, the Chair made and then tabled a statement in the House of Representatives on behalf of the Committee, which was also tabled in the Senate on the same day, indicating the views of the JCPAA with respect to these estimates.<sup>12</sup>

### **2024-25 draft estimates for the ANAO**

1.74 In was noted in this statement of the Committee that the ANAO received supplementations in both the 2021-22 and 2023-24 budgets to deal with acute cost pressures but had not requested any additional funding in the 2024-25 budget. The Committee further observed however that the cumulative budgetary impacts of the efficiency dividend (ED) on ANAO (predicted by ANAO to be \$10.9 million between 2014–15 and 2027–28) would require it to seek additional funding in subsequent years to meet its legislative requirements and other outputs.

1.75 It was further emphasised in the statement that:

For many years over successive Parliamentary terms, the Committee has been grappling with the unsustainability of ANAO's long term financial position and the risk arising to its operational independence and ability to perform its vital statutory roles at an appropriate level of output.<sup>13</sup>

1.76 It was also remarked that the detrimental impacts of imposing an ED on the ANAO had been raised by the Committee many years earlier in its 2008 report: *Report 413 The Efficiency Dividend: Size does matter*, and that the threatened value to the Australian Government of a robust audit function in fostering and driving efficiency, effectiveness and accountability throughout the public sector was significant.

1.77 The Committee reemphasised in the statement that its strong and considered recommendation was for the ANAO to be excluded from any future ED, which would also help the ANAO to reach the target of 48 discretionary performance audits per financial year that had been recommended be funded in the Committee's 2022 review of the *Auditor-General Act*. The Committee noted with interest in this regard that:

... the New South Wales Government has permanently excluded integrity agencies from an efficiency dividend since 2022-23 to safeguard their future independence, and that it did so in response to recommendations by the Public Accountability Committee of the NSW Parliament.<sup>14</sup>

### **2024-25 draft estimates for the PBO**

1.78 The Committee noted from the PBO's portfolio budget statement that its expected resourcing for 2024-25 would make it challenging for PBO to maintain its service

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<sup>12</sup> JCPAA, *2024–25 Draft Estimates for the Australian National Audit Office and the Parliamentary Budget Office*, 14 May 2024, pages 1–4.

<sup>13</sup> JCPAA, *2024–25 Draft Estimates for the Australian National Audit Office and the Parliamentary Budget Office*, 14 May 2024, p. 1.

<sup>14</sup> JCPAA, *2024–25 Draft Estimates for the Australian National Audit Office and the Parliamentary Budget Office*, 14 May 2024, pages 2–3.

levels for parliamentarian requests as well as meet its publication and election related responsibilities. The Committee commented in the budget statement that:

... the principal continuing budgetary issue facing the PBO has been sustained increases in demand for its work across the Parliament, coupled with the depletion of its special appropriation fund from \$6 million, allocated at its inception, to now around \$1.8 million.<sup>15</sup>

- 1.79 The PBO's estimated expenses for 2024-25 amounted to \$10.371 million. The Committee accepted that most of the PBO's fiscal requirements would need to be met from its departmental appropriation but noted that the special appropriation fund represented a crucial buffer to manage risks to the PBO's operational independence and in meeting unexpected costs such as the heightened demands for its services.
- 1.80 The Committee had supported the replenishment of this fund in previous budgets but acknowledged and accepted the Department of Finance advice that it was created to assist the PBO through its establishment phase only and that a new policy proposal (NPP) would be required to obtain additional funding.
- 1.81 The Committee supported the PBO's request for additional funding of \$1.1 million per year over 4 years from 2024-25, and ongoing, and the establishment a \$3 million special account to provide a reasonable measure of ongoing fiscal independence.

## **Audit priorities of the Parliament 2024-25**

- 1.82 In determining the ANAO's work program, the Auditor-General must have regard to the audit priorities of the Parliament as determined by the Committee.<sup>16</sup> The Committee is required under the PAAC Act to advise the Auditor-General of those priorities.<sup>17</sup>
- 1.83 On 26 February 2024, the acting Auditor-General wrote to the Committee seeking comments on the ANAO's draft Annual Audit Work Program for 2024–25. Consistent with past practice, the Committee sought feedback from all other parliamentary committees on the draft to determine the audit priorities of the Parliament.
- 1.84 On 16 May 2024, the Committee wrote to the Auditor-General with the audit priorities of the Parliament of 2024–25. The Committee proposed 25 audits as priorities.
- 1.85 The ANAO's Annual Audit Work Program for 2024–25 was subsequently published on 8 July 2024.<sup>18</sup>

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<sup>15</sup> JCPAA, *2024–25 Draft Estimates for the Australian National Audit Office and the Parliamentary Budget Office*, 14 May 2024, p. 3.

<sup>16</sup> *Auditor-General Act 1997*, section 10(a).

<sup>17</sup> *Public Accounts and Audit Committee Act 1951*, section 8(1)(m).

<sup>18</sup> ANAO, *Annual Audit Work Program 2024–25*.

## Parliamentary Budget Office work plan

- 1.86 In preparing the PBO's annual work plan, the Parliamentary Budget Officer is required under section 64Q of the PS Act to consult with the Committee.<sup>19</sup>
- 1.87 On 7 July 2023, the Parliamentary Budget Officer wrote to the Committee providing the PBO's draft Corporate Plan for 2023–24 for the Committee's consideration. The Corporate Plan sets out the PBO's priorities for the next four-year reporting period and serves as the PBO's work plan as required under the PS Act.
- 1.88 The Committee wrote to the Parliamentary Budget Officer on 3 August 2023 endorsing this draft Corporate Plan, which was subsequently published on 10 August 2023.

## Defence Major Projects Report Guidelines

- 1.89 Beginning in 2007–08, the ANAO reviews and reports to the Parliament each year on the status of major Defence materiel acquisition projects, as set out in the Defence Major Projects Report (MPR). Prior to commencing each review, the ANAO updates the MPR guidelines and submits the guidelines to the JCPAA for its endorsement.
- 1.90 On 30 August 2023, the Auditor-General wrote to the Committee providing the MPR proposed project selection and guidelines for 2023-24.
- 1.91 On 19 October 2023, the Committee wrote to the Auditor-General endorsing the MPR guidelines without amendment, noting the increase in the number of projects from 20 to 21. The Committee noted in this response that it was at that time inquiring into the scope and guidelines of the MPR to ensure it achieves its purpose of improving the accountability and transparency of Defence acquisitions.

## Engagement activities

- 1.92 The Committee has a long history of engaging with the broader community of auditing institutions and public accounts committees, and in past years has hosted parliamentary delegations and participated in the activities of national and international associations.
- 1.93 On 7 March 2024, the Chair met with a delegation from the United States Government Accountability Office (GAO), which was preparing a paper on grants reform in the US. The purpose of the meeting was to obtain the Committee's insights on Australia's grants landscape and relevant grants management reforms implemented at the central government level.
- 1.94 On 18 March 2024, the Chair and Deputy Chair met with a delegation from the Kiribati Public Accounts Committee including the Chair the Hon Tauanei Marea.

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<sup>19</sup> *Parliamentary Service Act 1999*, section 64Q.

1.95 On 22 April 2024, the Deputy Chair attended the Australasian Council of Public Accounts Committees biennial meeting in Perth Western Australia.

**Hon Linda Burney MP**  
**Chair**  
**10 December 2024**





# A. Legislative duties of the Committee

This appendix provides excerpts of the *Public Accounts and Audit Committee Act 1951*, the *Parliamentary Service Act 1999*, and the *Public Governance, Performance and Accountability Act 2013*, which set out the duties of the Committee.

## ***Public Accounts and Audit Committee Act 1951***

### **8 Duties of the Committee**

(1) The duties of the Committee are:

(a) to examine the accounts of the receipts and expenditure of the Commonwealth, including the financial statements given to the Auditor-General under paragraphs 42(1)(b) and 48(1)(b) of the *Public Governance, Performance and Accountability Act 2013*; and

(b) to examine the financial affairs of authorities of the Commonwealth to which this Act applies and of intergovernmental bodies to which this Act applies; and

(c) to examine all reports of the Auditor-General (including reports of the results of performance audits) that are tabled in each House of the Parliament; and

(d) to report to both Houses of the Parliament, with any comment it thinks fit, on any items or matters in those accounts, statements and reports, or any circumstances connected with them, that the Committee thinks should be drawn to the attention of the Parliament; and

(e) to report to both Houses of the Parliament any alteration that the Committee thinks desirable in:

(i) the form of the public accounts or in the method of keeping them; or

(ii) the mode of receipt, control, issue or payment of public moneys; and

(f) to inquire into any question connected with the public accounts which is referred to the Committee by either House of the Parliament, and to report to that House on that question; and

(g) to consider:

(i) the operations of the Audit Office; and

(ii) the resources of the Audit Office, including funding, staff and information technology; and

(iii) reports of the Independent Auditor on operations of the Audit Office; and

(h) to report to both Houses of the Parliament on any matter arising out of the Committee's consideration of the matters listed in paragraph (g), or on any other matter relating to the Auditor-General's functions and powers, that the Committee considers should be drawn to the attention of the Parliament; and

(i) to report to both Houses of the Parliament on the performance of the Audit Office at any time; and

(j) to consider draft estimates for the Audit Office submitted under section 53 of the *Auditor-General Act 1997*; and

(k) to consider the level of fees determined by the Auditor-General under subsection 14(1) of the *Auditor-General Act 1997*; and

(ka) to consider the level of fees determined by the Auditor-General under subsection 16(1) of the *Auditor-General Act 1997*; and

(l) to make recommendations to both Houses of Parliament, and to the Minister who administers the *Auditor-General Act 1997*, on draft estimates referred to in paragraph (j); and

(m) to determine the audit priorities of the Parliament and to advise the Auditor-General of those priorities; and

(n) to determine the audit priorities of the Parliament for audits of the Audit Office and to advise the Independent Auditor of those priorities; and

(o) any other duties given to the Committee by this Act, by any other law or by Joint Standing Orders approved by both Houses of the Parliament.

(1A) Nothing in subsection (1) authorises the Committee to direct the activities of the Auditor-General or the Independent Auditor.

(2) The duties of the Committee do not extend to:

(a) an examination of the financial affairs of the Australian Capital Territory or the Northern Territory or of the Administration of an External Territory (including the financial affairs of the Administration of an External Territory contained in any of the accounts and financial statements referred to in paragraph (a) of subsection (1)); or



(b) an examination of a report of the Auditor-General that relates to, or in so far as it relates to:

(i) the financial affairs of the Australian Capital Territory or the Northern Territory or of the Administration of an External Territory (including the financial affairs of the Administration of an External Territory contained in any of the accounts and financial statements referred to in paragraph (a) of subsection (1)); or

(ii) the results of an efficiency audit of operations of the Administration of an External Territory.

(2A) For the purposes of subsection (2), an External Territory does not include the Territory of Christmas Island or the Territory of Cocos (Keeling) Islands.

(3) For the purpose of this section, an authority of the Commonwealth to which this Act applies is:

(a) a body corporate or an unincorporated body established for a public purpose by, or in accordance with the provisions of, an enactment, not being an inter-governmental body;

(b) a body established by the Governor-General or by a Minister otherwise than in accordance with an enactment; or

(c) an incorporated company over which the Commonwealth is in a position to exercise control.

(4) Where the parties to an agreement relating to the establishment of an inter-governmental body consent to the examination, by the Committee, of the financial affairs of that body, the Minister shall notify the fact that they have so consented in the Gazette and the body shall thereupon become an inter-governmental body to which this Act applies.

(5) Where a party to an agreement relating to the establishment of an inter-governmental body (being an inter-governmental body which, by virtue of subsection (4), is an inter-governmental body to which this Act applies) withdraws its consent to the examination, by the Committee, of the financial affairs of that body, the Minister shall notify the fact that that party has withdrawn its consent in the Gazette and the body shall thereupon cease to be an inter-governmental body to which this Act applies.

(6) In this section, unless the contrary intention appears:

**enactment** means:

(a) an Act;

(b) an Ordinance of the Australian Capital Territory; or

(c) an instrument (including rules, regulations or by-laws) made under an Act or under such an Ordinance.

**inter-governmental body** means a body corporate or an unincorporated body established by, or in accordance with the provisions of, an agreement between the Commonwealth and a State or States or between the Commonwealth and the government of another country or the governments of other countries.

**State** includes the Australian Capital Territory and the Northern Territory.

## **8A Committee may approve or reject recommendation for appointment of Auditor-General or Independent Auditor**

(1) If the Audit Minister refers a proposed recommendation for an appointment of the Auditor-General or Independent Auditor to the Committee for approval, the Committee must:

- (a) approve or reject the proposal within 14 days after receiving it; or
- (b) notify the Audit Minister as provided for in subsection (2).

Note: Clauses 2 of Schedule 1 and 2 of Schedule 2 of the Auditor-General Act 1997 require proposed recommendations to be referred to the Committee for approval.

(2) The Committee may notify the Audit Minister within 14 days after receiving a proposal that it needs more time to consider the proposal. If the Committee does so, the Committee must approve or reject the proposal within 44 days after receiving it.

(3) The decision to approve or reject a proposal is to be by majority of the members of the Committee for the time being holding office.

(4) If the Committee does not make a decision on a proposal by the required time, the Committee is taken, at that time, to have approved the proposal.

(5) The Committee must notify the Audit Minister of its decision on a proposal as soon as practicable after making the decision.

(6) A notification under this section must be in writing.

(7) The Committee must report to both Houses of the Parliament on its decision on a proposal.

(8) In this section:

**Audit Minister** means the Minister administering the Auditor-General Act 1997.

## **8B Annual report**

(1) The Committee must, in relation to each financial year, prepare a report on the performance of its duties during the year.

(2) The Committee must table the report in each House of the Parliament.

# ***Parliamentary Service Act 1999***

## **64Q Annual work plan for Parliamentary Budget Office**

(1) The Parliamentary Budget Officer must, in consultation with the Joint Committee of Public Accounts and Audit, prepare a work plan for the Parliamentary Budget Office for each financial year.

(2) The work plan must be prepared:

(a) for the financial year in which the first Parliamentary Budget Officer is appointed—before the end of 3 months after the appointment; and

(b) for each following financial year—before 1 October in the financial year.

(3) The work plan must set out:

(a) the priorities of the Parliamentary Budget Office for the financial year; and

(b) protocols for the allocation of the resources of the Parliamentary Budget Office during the financial year.

(4) The Parliamentary Budget Officer must ensure that the work plan is made publicly available.

(5) A work plan prepared under subsection (1) is not a legislative instrument.

## **64R Joint Committee of Public Accounts and Audit may request draft estimates**

(1) The Joint Committee of Public Accounts and Audit (the Committee) may request the Parliamentary Budget Officer to submit to the Committee draft estimates for the Parliamentary Budget Office for a financial year before the budget for that financial year.

(2) The Parliamentary Budget Officer must comply with the request in time to allow the Committee to consider the draft estimates and make recommendations on them before the budget.

## **64S Duties of Joint Committee of Public Accounts and Audit**

(1) The Joint Committee of Public Accounts and Audit (the Committee) has the following duties:

(a) to consider work plans for the Parliamentary Budget Office prepared under section 64Q;

(b) to consider draft estimates for the Parliamentary Budget Office submitted under section 64R;

(c) to make recommendations to both Houses of Parliament, and to the Presiding Officers, on draft estimates referred to in paragraph (b);

(d) to consider:

(i) the operations of the Parliamentary Budget Office; and

(ii) the resources of the Parliamentary Budget Office, including funding, staff and information technology;

(e) to report to both Houses of the Parliament on any matter arising out of the Committee's consideration of the matters referred to in paragraph (d), or on any other matter relating to the Parliamentary Budget Officer's functions and powers, that the Committee considers should be drawn to the attention of the Parliament.

Note: These duties are additional to the duties of the Joint Committee of Public Accounts and Audit under section 8 of the *Public Accounts and Audit Committee Act 1951*.

(2) Nothing in subsection (1) authorises the Committee to direct the activities of the Parliamentary Budget Officer.

## **64T Review of operations of Parliamentary Budget Office**

(1) After a general election, the Joint Committee of Public Accounts and Audit (the Committee) may request the Parliamentary Budget Officer to cause an independent review of the operations of the Parliamentary Budget Office to be conducted in accordance with the request.

(2) The request must specify:

(a) the person or body who is to conduct the review; and

(b) the scope of the review; and

(c) the manner in which the review is to be conducted; and

(d) that a report of the review is to be provided to the Committee.

(3) In making the request, the Committee must have regard to the resources of the Parliamentary Budget Office.

(4) The review must be completed within 9 months after the end of the caretaker period for the election.

(5) The Committee must table the report of the review in each House of the Parliament as soon as practicable after receiving it.

## **64X Appointment of Parliamentary Budget Officer**

- (1) The Parliamentary Budget Officer is to be appointed by the Presiding Officers, for a term of 4 years.
- (2) The Parliamentary Budget Officer holds office on a full-time basis.
- (3) A Parliamentary Budget Officer is eligible for reappointment, but must not hold office for a total of more than 8 years.
- (4) An appointment is not affected by any defect or irregularity in or in connection with the appointment.

## **64XA Approval of proposed appointment by Joint Committee of Public Accounts and Audit**

- (1) The Presiding Officers must not make an appointment under subsection 64X(1) unless:
  - (a) the Presiding Officers have referred the proposed appointment to the Joint Committee of Public Accounts and Audit (the Committee ) for approval; and
  - (b) the Committee has approved the proposal.
- (2) A referral under paragraph (1)(a) must be in writing and may be withdrawn by the Presiding Officers at any time.
- (3) If the Presiding Officers refer a proposed appointment to the Committee for approval under paragraph (1)(a), the Committee must:
  - (a) approve or reject the proposal within 14 days after receiving it; or
  - (b) notify the Presiding Officers under subsection (5).
- (4) The Committee may request the Presiding Officers to provide further information in relation to the proposal.
- (5) The Committee may notify the Presiding Officers within 14 days after receiving a proposal that it needs more time to consider the proposal. If the Committee does so, the Committee must approve or reject the proposal within 44 days after receiving it.
- (6) The decision to approve or reject a proposal is to be by a majority of the members of the Committee for the time being holding office.
- (7) If the Committee does not make a decision on a proposal by the required time, the Committee is taken, at that time, to have approved the proposal.
- (8) The Committee must notify the Presiding Officers of its decision on a proposal as soon as practicable after making the decision.

(9) A notification under this section must be in writing.

(10) The Committee must report to both Houses of the Parliament on its decision on a proposal.

## ***Public Governance, Performance and Accountability Act 2013***

### **46 Annual report for Commonwealth entities**

(1) After the end of each reporting period for a Commonwealth entity, the accountable authority of the entity must prepare and give an annual report to the entity's responsible Minister, for presentation to the Parliament, on the entity's activities during the period.

Note: A Commonwealth entity's annual report must include the entity's annual performance statements and annual financial statements (see paragraph 39(1)(b) and subsection 43(4)).

(2) The annual report must be given to the responsible Minister by:

(a) the 15th day of the fourth month after the end of the reporting period for the entity;  
or

(b) the end of any further period granted under subsection 34C(5) of the *Acts Interpretation Act 1901*.

(3) The annual report must comply with any requirements prescribed by the rules.

(4) Before rules are made for the purposes of subsection (3), the rules must be approved on behalf of the Parliament by the Joint Committee of Public Accounts and Audit.

## B. Statistics: Government responses and executive minutes

This appendix provides an overview of responses to recommendations contained in reports of the Committee. In 2023–24, the Committee received nine government responses and 38 executive minute responses to 42 recommendations made in eight reports, as outlined below.

The expected response timeframes of the Committee are pursuant to the resolution of the House of Representatives, adopted on 29 September 2010, stipulating that Government responses to recommendations are expected to be made within six months of presentation of a report by a House or Joint Committee.<sup>1</sup> Senate Standing Orders require three months for responses to be received to recommendations of Senate committees but do not refer to Joint Committees in this respect.<sup>2</sup>

Responses to 83 recommendations were due in 2023–24 (including responses overdue from previous reporting periods). Responses to 42 recommendations were received, 29 of which were within the expected six-month time frame. At the conclusion of the reporting period, responses to 39 recommendations were outstanding. The Committee’s practice is to pursue overdue responses through the responsible Minister, and if required, seek the assistance of the Auditor-General or Presiding Officers.

**Table B.1 Government responses and executive minutes**

Report	Rec.	Agency	Agreed	On time
	7	Department of Home Affairs	Yes	No
Report 479: Australian Government Security Arrangements	8	Department of Home Affairs	Yes	No
	9	Department of Home Affairs	Yes	No
	10	Department of Home Affairs	Yes	No
	11	Department of Home Affairs	Yes	No
Report 492: Governance in the Stewardship of Public Resources	2	Australian Public Service Commission	Yes	No

<sup>1</sup> House of Representatives Standing Orders, *Government responses to committee reports*, as at 2 August 2022, p. 130.

<sup>2</sup> Standing orders and other orders of the Senate, *44 Committee reports – government responses*, as at October 2022, p. 156.

<b>Report</b>	<b>Rec.</b>	<b>Agency</b>	<b>Agreed</b>	<b>On time</b>
Report 494 - DFAT crisis management	1	Department of Foreign Affairs and Trade	Yes	Yes
	4	Australian National Audit Office	Yes	Yes
Report 495: Commonwealth Grants Administration	5	Australian National Audit Office	Yes	Yes
	7	Department of Finance	Yes	No
	8	Australian National Audit Office	Yes	Yes
Report 496: Defence Major Projects Report and Hunter Class-Interim Report	1	Department of Defence	Yes	No
	2	Department of Defence	Yes	No
	3	Department of Defence	Yes	No
Report 497: Commonwealth Financial Statements 2021-22	1	Department of Home Affairs	Yes	Yes
	2	National Disability Insurance Agency	Yes	Yes
	3	Finance Minister	Noted	Yes
	4	Finance Minister	Noted	Yes
	5	Department of Home Affairs	Yes	No
	6	Attorney-General's Department (response by Home Affairs, MOG change)	Yes	Yes
Report 498: Commonwealth Procurement	1	Department of Finance	Yes	No
	2	Department of Finance	Yes	No
	3	Department of Finance	Yes*	No
	4	Department of Finance	Yes	No
	5	Department of Finance	Yes	Yes
	6	Department of Finance	Yes	Yes
	7	Department of Finance	Yes	Yes
	8	Department of Finance	Yes*	Yes
	9	Department of Finance	Yes	Yes
	10	Department of Finance	Yes	Yes
	11	Digital Transformation Agency	Yes	Yes
	12	Australian National Audit Office	Yes	Yes
	13	Digital Transformation Agency	Yes	Yes



<b>Report</b>	<b>Rec.</b>	<b>Agency</b>	<b>Agreed</b>	<b>On time</b>
(Report 498: Commonwealth Procurement contd)	14	National Capital Authority	Yes	Yes
	15	Department of Home Affairs <sup>#</sup>	Yes	Yes
	16	Australian National Audit Office	Yes	Yes
	17	Department of Finance	Yes	Yes
	18	Department of Industry, Science and Resources	Yes	Yes
	19	Australian National Audit Office	Yes	Yes
Report 499: Annual performance statements 2021-22	1	Australian National Audit Office	Yes	Yes
	3	Australian National Audit Office <sup>#</sup>	Yes	Yes
	3	Department of Finance	Yes	Yes
	4	Australian National Audit Office <sup>#</sup>	Yes	Yes
	4	Department of Finance	Yes	Yes

Source: Committee records; \*agreed but with qualification; <sup>#</sup>update to the response also provided. Updates were also provided by the Department of Defence to close the executive minute responses to recommendations 3 and 5 of Report 489 - Defence major projects report 2019-20; ANAO updated its executive minute response to recommendation 26 of Report 491: Review of the Auditor-General Act 1997.