

The Senate

Finance and Public Administration
Legislation Committee

Annual reports (No. 1 of 2003)

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INTRODUCTION

1.1 Under Senate Standing Order 25(21) the annual reports of departments and agencies stand referred to legislation committees in accordance with the allocation of departments and agencies in a resolution of the Senate. Each committee is required to:

- (a) examine each annual report referred to it and report to the Senate whether the report is apparently satisfactory;
- (b) consider in more detail, and report to the Senate on each annual report which is not apparently satisfactory, and on the other annual reports which it selects for more detailed consideration;
- (c) investigate and report to the Senate on any lateness in the presentation of annual reports;
- (d) in considering an annual report take into account any relevant remarks about the report made in debate in the Senate;
- (e) if the committee so determines, consider annual reports of departments and budget-related agencies in conjunction with examination of estimates;
- (f) report on annual reports tabled by 31 October each year by the tenth sitting day of the following year, and on annual reports tabled by 30 April each year by the tenth sitting day after 30 June of that year;
- (g) draw to the attention of the Senate any significant matters relating to the operations and performance of the bodies furnishing the annual reports; and
- (h) report to the Senate each year whether there are any bodies which do not present annual reports to the Senate and which should present such reports.

1.2 In accordance with Procedural Order of Continuing Effect No. 1, relating to the allocation of departments and agencies to Committees and last amended by the Senate in the 40th Parliament on 13 February 2002, the Finance and Public Administration (F&PA) Legislation Committee has responsibility for the oversight of the following portfolios:

- Parliament;
- Prime Minister and Cabinet; and
- Finance and Administration.

REPORTS EXAMINED

1.3 Standing order 25(2)(b) requires the Committee to inquire into and report upon annual reports referred in accordance with departments and agencies allocated. For reports received by 31 October each year the Committee's report must be tabled

by the tenth sitting day of the following year, in this instance 20 March 2003. Reports referred to the Committee after 31 October and before 30 April each year are to be reported on by the tenth sitting day after 30 June of that year.

1.4 The following 17 annual reports for 2001-02 were tabled or presented to the President of the Senate by 31 October 2002 and referred to the Committee:

Executive Departments

- Department of Finance and Administration; and
- Department of the Prime Minister and Cabinet.

Statutory Offices or Bodies

- Australian Electoral Commission (AEC);
- Australian Industry Development Corporation (AIDC);
- Australian National Audit Office (ANAO);
- Commonwealth Grants Commission (CGC);
- Commonwealth Ombudsman (incorporating the Defence Force Ombudsman);¹
- Parliamentary Service Commissioner;
- Public Service Commissioner; and
- Office of the Official Secretary to the Governor-General.

Commonwealth Companies, including Government Business Enterprises

- Australian Submarine Corporation;²
- ComLand Ltd; and
- Employment National.³

*Parliamentary Departments*⁴

- Department of the Senate;
- Department of the Parliamentary Library;
- Department of the Parliamentary Reporting Staff; and
- Joint House Department.

1 Also referred to the Legal and Constitutional Legislation Committee.

2 Also referred to the Foreign Affairs, Defence and Trade Legislation Committee.

3 Also referred to the Employment, Workplace Relations and Education Legislation Committee.

4 As a matter of comity between the Houses, it is traditional that neither House inquires into the operations of the other House. For this reason, neither the annual report of, nor the proposed expenditure for, the Department of the House of Representatives is referred to a Senate committee for review.

OTHER REPORTS

1.5 In addition to the above annual reports, the following reports were referred to the Committee when tabled or presented to the President of the Senate on or before 31 October 2002:

- Public Service Commissioner—*State of the Service Report 2001-2002*;
- Public Service Commissioner—Workplace Diversity Report 2001-2002;

1.6 The Committee notes that the following reports were presented to Parliament *after* 31 October 2002. These reports will be canvassed in the Committee's second report on annual reports due to be tabled in September 2003:

- Australian Political Exchange Council;
- Bankstown Airport Limited;
- Camden Airport Limited;
- Commissioner for Superannuation (ComSuper);
- CSS Board;
- Hoxton Airport Limited;
- Inspector-General of Intelligence and Security;
- Members of Parliament Staff Act;
- National Australia Day Council;
- Official Establishments Trust;
- PSS Board; and
- Sydney Airports Corporation Limited.

SATISFACTORINESS OF REPORTS

1.7 The Committee considers that all the reports it examined were apparently satisfactory. Additionally, it notes that, where applicable, financial statements included in the reports of departments and agencies examined all received an unqualified report by the Auditor-General.

1.8 The Committee notes that a number of departments and agencies annual reports contain compliance indexes. This 'user friendly' feature is commended as it enhances transparency and accountability. On reflection, the Committee suggests that all agencies adopt the practice and include compliance indexes in their annual reports.

1.9 Furthermore, as stated in the Committee's earlier reports, the Committee suggests that when agencies have nothing to report in an area that is a mandatory reporting requirement that agencies state that that is the case. Reporting explicitly that

there is nothing to report against a criterion would clarify that the matter has not been overlooked or omitted.⁵

NON-REPORTING BODIES

1.10 Under standing Order 25(21)(h) the Committee is required to report to the Senate on whether there are any bodies which do not present annual reports to the Senate and which should present such reports. The Committee is not aware of any such bodies, but will keep this matter under review.

SENATE DEBATE

1.11 The financial statements in the annual report of the Department of the Parliamentary Library were raised at the Committee's Additional Estimates hearing on 10 February 2003.⁶

1.12 During the same round of hearings, the financial reporting and accounting treatments used in AIDC's annual reports came under scrutiny. There were concerns about possible losses not being disclosed in earlier AIDC reports due to a change in the accounting treatments used between the 1997 and 1998 annual reports. Although DOFA assured the Committee that there were no undisclosed losses, it agreed to ask the Auditor-General to examine the accounting arrangements for the period in question and subsequently, to check that the accounting treatment was proper and that any losses had not been left undisclosed in AIDC's annual reports.⁷

Senator Brett Mason

Chair

5 Committee, *Scrutiny of Annual Reports No.1 of 2002*, p.21

6 Committee, *Report on Additional Estimates 2002-03*, March 2003, p.5

7 Committee, *Report on Additional Estimates 2002-03*, March 2003, pp.12-13