

Report 371

- **Aviation security**
- **Planning of aged care**
- **Costing of services**

Review of Auditor-General's Reports
1998–99
First Half

Joint Committee of Public Accounts and Audit

September 1999
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Foreword

This report is the review by the Joint Committee of Public Accounts and Audit (JCPAA) of the Auditor-General's reports tabled in the first half of 1998–99. From these, the Committee selected three reports for further examination.

The Committee reviewed *Audit Report No. 16*, into aviation security in Australia, partly because of the importance of this issue in the lead-up to the Sydney Olympic Games in 2000. The audit concluded that the Department of Transport and Regional Development had established a regulatory regime which ensured Australia's compliance with international standards. However, the report also identified areas where Australia's aviation security regime could be strengthened. The review focussed on risk management practices and auditing and compliance procedures. This report recommends that particular security arrangements be reviewed by relevant Commonwealth agencies.

The Committee also examined *Audit Report No. 19*, into the planning of aged care. The quality and availability of services for the aged are sensitive issues that are growing in importance. The ability of the Commonwealth to plan effectively in this area is crucial. The audit found that, while the Commonwealth fulfils its legislative obligations in this area, there is scope for enhancing the planning process. The review focussed on a range of issues, including local input into planning, screening for quality, and setting and achieving targets for places. This report recommends that the input of local communities be harnessed when planning is undertaken.

Audit Report No. 21 reviewed the costing of services in Commonwealth agencies. With the adoption of accrual budgeting and the increasingly contestable environment in which agencies operate, it is vital that Commonwealth services are costed appropriately. The audit report found that there was scope for substantial improvement. The review focussed on costing methodologies, assistance and oversight, and staffing issues. This report recommends that the Department of Finance actively facilitate the development of appropriate costing methodologies.

Bob Charles MP
Chair



Membership of the Committee

Chair Mr R Charles MP

Deputy Chair Mr D Cox MP

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Senator H Coonan

Mr M Brough MP

Senator the Hon J Faulkner

Mr P Georgiou MP

Senator the Hon B Gibson AM

Ms J Gillard MP

Senator J Hogg

Mr A Griffin MP
(until 9 August 1999)

Senator A Murray

Hon A Somlyay MP

Senator J Watson

Mr L Tanner MP
(from 9 August 1999)

Mr S St Clair MP

Ms T Plibersek MP

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Chair	Mr R Charles MP	
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Members	Mr M Brough MP	Senator the Hon B Gibson AM
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	Mr L Tanner MP (from 11 August 1999)	

Committee Secretariat

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Duties of the Committee

The Joint Committee of Public Accounts and Audit is a statutory committee of the Australian Parliament, established by the *Public Accounts and Audit Committee Act 1951*.

Section 8(1) of the Act describes the Committee's duties as being:

- (a) to examine the accounts of the receipts and expenditure of the Commonwealth, including the financial statements given to the Auditor-General under subsections 49(1) and 55(2) of the *Financial Management and Accountability Act 1997*;
- (b) to examine the financial affairs of authorities of the Commonwealth to which this Act applies and of inter-governmental bodies to which this Act applies;
- (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;
- (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;
- (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;
- (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;

- (g) to consider:
 - (i) the operations of the Audit Office;
 - (ii) the resources of the Audit Office, including funding, staff and information technology;
 - (iii) reports of the Independent Auditor on operations of the Audit Office;
- (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;
- (i) to report to both Houses of the Parliament on the performance of the Audit Office at any time;
- (j) to consider draft estimates for the Audit Office submitted under section 53 of the *Auditor-General Act 1997*;
- (k) to consider the level of fees determined by the Auditor-General under subsection 14(1) of the *Auditor-General Act 1997*;
- (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);
- (m) to determine the audit priorities of the Parliament and to advise the Auditor-General of those priorities;
- (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.



List of abbreviations

ANAO	Australian National Audit Office
AQIS	Australian Quarantine Inspection Service
ASIO	Australian Security Intelligence Organization
DHAC	Department of Health and Aged Care
DoFA	Department of Finance and Administration
DTRD	Department of Transport and Regional Development
DTRS	Department of Transport and Regional Services
ICAO	International Civil Aviation Organisation
JCPAA	Joint Committee of Public Accounts and Audit



List of recommendations

2 Audit Report No. 16, 1998–99

Aviation Security in Australia

Recommendation 1

The Committee recommends that the Department of Transport and Regional Services and the Attorney-General's Department review arrangements for cooperation between airport authorities and police forces in dealing with criminal activity at airports.

The Committee recommends that the Department of Transport and Regional Services review passenger and hand luggage screening, including: the training, capability and responsibilities of operators; and the effectiveness of response by relevant authorities (Federal Police or Protective Services officers) in the event of contraband being detected, or other critical events occurring during screening procedures. (para 2.27)

3 Audit Report No. 19, 1998–99

The Planning of Aged Care

Recommendation 2

The Committee recommends that the Department of Health and Aged Care take action to ensure that local government input becomes an integral component of the planning process for the provision of aged care services. (para 3.12)

4 Audit Report No. 21, 1998–99

The Costing of Services

Recommendation 3

The Committee recommends that the Department of Finance and Administration actively facilitate the development of appropriate costing methodologies. (para 4.24)

