

Introduction

- 1.1 One of the statutory duties of the Joint Standing Committee of Public Accounts and Audit (hereafter referred to as the Committee) 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 some 12 audit reports presented to the Parliament by the Auditor-General during the fourth quarter 1997-98, the Committee selected three reports for further scrutiny at a public hearing conducted in Canberra on 14 May 1999.
- 1.3 The reports selected were:
 - *Audit Report No. 43, 1997-98, Life Cycle Costing in the Department of Defence;*
 - *Audit Report No. 44, 1997-98, The Australian Diplomatic Communication Network—Project Management;* and
 - *Audit Report No. 47, 1997-98, Management of Commonwealth Guarantees, Indemnities and Letters of Comfort.*

Structure of the Report

- 1.4 This report draws attention to the main issues raised in the submissions and at the public hearing. 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. 43, 1997–98*, on the implementation of life cycle costing in the Department of Defence.
- 1.6 Chapter 3 of the report discusses the evidence pertaining to *Audit Report No. 47, 1997–98*, on the management of Commonwealth guarantees, indemnities and letters of comfort.
- 1.7 The issues raised in relation to *Audit Report No. 44, 1997–98*, on the project management of the Australian Diplomatic Communications Network, will be addressed by the Committee in a future report.
- 1.8 In addition, the report provides an outline of the conduct of the Committee’s review (Appendix A) and a list of written submissions (Appendix B). The report should be read in conjunction with the transcript of evidence collected at the public hearing (Appendix C).