



'If it's not documented, it's not done' Value for money and direct procurement

Government departments using direct source procurement may not always be achieving value for money according to a report released today by the Joint Committee of Public Accounts and Audit.

In its review of the Auditor-General's audit of direct source procurement (Audit Report No. 11 2010-11), the Committee was particularly concerned to see that departments across the Australian Public Service are tending to use direct source procurement instead of more competitive procurement options. The Committee reiterated throughout the review that government agencies have an obligation to achieve value for money in procurement processes.

The Australian National Audit Office (ANAO) found significant gaps in the documentation of procurement processes. While the ANAO did not feel that this necessarily indicated that value for the taxpayer's dollar had not been achieved, the Committee said that 'if it's not documented, it's not done.'

The Committee heard evidence of the complexity of the Commonwealth Procurement Guidelines (CPGs) and has urged the Department of Finance and Deregulation to address this issue in its current review of the Guidelines.

The Committee has recommended that the Department of Finance and Deregulation promote the use of Central Procurement Units (CPUs) and investigate the viability of whole-of-government procurement tools and examine the feasibility of regular, mandatory testing to ensure the competency of financial delegates.

Committee Chair Rob Oakeshott said, "We know that the procurement process is complex but it must achieve value for money for the Australian taxpayer. We want to see a whole-of-government approach that supports procurement at an agency level and improves compliance with the CPGs."

The relevant Minister is required to respond to any JCPAA recommendations within the next six months.

For media comment: please contact **Mr Robert Oakeshott MP**, on telephone **02 6277 4052 (Parliament House)**, **02 6584 2911 (electorate office)**.

All Auditor-General's reports can be found on the ANAO website at <http://www.anao.gov.au>

For more information, contact the inquiry secretary on telephone (02) 6277 4615 or for a copy of the latest report visit the Committee's website at <http://www.aph.gov.au/house/committee/jcpaa/reports.htm>