



JCPAA Purpose, Objectives and Methods of Operation

Introduction

- 1.1 The Joint Committee of Public Accounts and Audit (JCPAA) is a committee of the Commonwealth Parliament. The Committee is established pursuant to the *Public Accounts and Audit Committee Act 1951* (the PAAC Act) and is empowered to scrutinise the monies spent by Commonwealth agencies from funds appropriated to them.¹ Its members are drawn from both the House of Representatives and the Senate.

Committee duties

- 1.2 The duties of the JCPAA are described in detail in sections 8 and 8A of the PAAC Act. In general terms, the duties are to:
- examine the financial affairs of authorities of the Commonwealth to which the Act applies;
 - examine all reports of the Auditor-General that are tabled in each house of the Parliament;

1 The PAAC Act can be viewed at: <http://www.aph.gov.au/house/committee/jpaa/act.pdf>.

- consider the operations and resources of the Audit Office²;
- approve or reject the Prime Minister's recommendation for appointment of the Auditor-General and the Independent Auditor; and
- increase parliamentary and public awareness of the financial and related operations of government.

Examining the financial affairs of Commonwealth authorities

- 1.3 Pursuant to section 8(1)(a-b, f) of the PAAC Act, the Committee may examine the accounts of the receipts and expenditure of the Commonwealth and the financial affairs of authorities to which this Act applies. The Committee may determine to inquire into, and report on, any items or matters that it thinks should be drawn to the attention of the Parliament. This power allows the Committee to essentially set its own work program – a power unique amongst parliamentary committees – and gives it a high degree of autonomy from the executive government.

Reviewing reports of the Auditor-General

- 1.4 A key element of the JCPAA's accountability work is its statutory responsibility to examine and report on audit reports tabled in Parliament by the Auditor-General, pursuant to section 8(1)(c-e) of the PAAC Act.
- 1.5 To facilitate the review process, the JCPAA receives a briefing from the ANAO on all Audit Reports, and then selects reports which raise significant accountability issues for further examination. Witnesses from the ANAO and officials from each audited agency are examined at public hearings, allowing the JCPAA to give immediate attention to recommendations of the Auditor-General, question agencies about their implementation of the recommendations, and to further scrutinise any other matters raised in the audit report in a public forum. This process enables the Committee to make timely reports to Parliament on what further action, if any, needs to be taken by agencies under review to protect the interests of the Commonwealth.

Considering the operations and resources of the Audit Office

- 1.6 In its role as the Audit Committee of the Parliament, the JCPAA has a number of responsibilities concerning the Audit Office. Under section 8(1)(g-i) of the PAAC Act, the Committee is required to consider the

2 The Australian National Audit Office (ANAO) is referred to as the Audit Office in the PAAC Act.

operations and resources of the Audit Office, including funding, staff and information technology. The JCPAA is also required to consider reports of the Independent Auditor on operations of the Audit Office. The Committee's responsibilities extend to reporting to the Parliament on any issues arising from these considerations, on any other matter relating to the Auditor-General's functions and powers or on the performance of the Audit Office, as it sees fit.

- 1.7 The JCPAA is also required, under section 8(1)(j-l) of the PAAC Act to consider draft estimates for the Audit Office, and the level of fees determined by the Auditor-General, and to make recommendations on the draft estimates to both Houses of Parliament and the Minister who administers the *Auditor-General Act 1997* (the Prime Minister).
- 1.8 Pursuant to section 8(1)(m-n) of the PAAC Act, the Committee in its role as the Audit Committee determines the audit priorities of the Parliament and advises the Auditor-General of those priorities. As the Audit Committee, members must also determine the audit priorities of the Parliament for audits of the Audit Office and advise the Independent Auditor of those priorities.

Improving public awareness of Committee activities

- 1.9 Information about the JCPAA is available on the Internet. The Committee's web site contains background information on the Committee and its members; details of current inquiries; advice on how to make submissions to the Committee and on appearing as witnesses at public hearings. Copies of recent JCPAA reports and Government responses to any recommendations contained in those reports are published on the Internet. The Committee's web site address is:
www.aph.gov.au/house/committee/jpaa/index.htm.
- 1.10 In addition, members of the public can send submissions and requests for information electronically to: jcpa@aph.gov.au.

How the Committee operates

Conduct of inquiries

- 1.11 The Committee normally advertises its inquiries in the national media and on the internet and invites interested individuals and organisations to make written submissions. Oral evidence is also taken at public hearings. The vast majority of hearings are open to the public and interested parties

can obtain verbatim transcripts of the public hearings free of charge or access them on the internet.

- 1.12 While the Committee can receive confidential submissions and take evidence in camera, the Committee prefers to take as much evidence as possible in public.
- 1.13 The Committee presents the findings of its inquiries in reports which are tabled in both houses of Parliament. Copies are distributed to all witnesses and Commonwealth agencies with a responsibility for matters raised in the reports. The reports are also available to the public free of charge and on the Committee's website.

Responses by Government to JCPAA reports

- 1.14 In all cases, the Chairman of the JCPAA refers reports of the Committee to the Minister for Finance and Administration once they have been tabled in the Parliament. The Minister for Finance and Administration then refers the recommendations made in the reports on to the responsible agency or agencies for attention. The agencies then determine whether the recommendations involve matters of Government 'policy' or whether they are of an administrative nature.
- 1.15 JCPAA recommendations that involve policy are responded to directly by the responsible Ministers. The Government has given a commitment to provide such responses within three months of the date of tabling the report.
- 1.16 Responsible agencies respond individually to recommendations of an administrative nature in the form of an Executive Minute. Executive Minutes are expected to be provided to the JCPAA through the relevant Minister or agency head within six months of the tabling of the report. The Chair of the JCPAA tables Executive Minutes in the Parliament as soon as practicable after they are received. If the Committee is not satisfied with the contents of an Executive Minute, it may seek additional information by correspondence or call officials to a meeting.
- 1.17 Government responses and Executive Minutes are published on the Committee's internet site.
- 1.18 During 2005 there has been some media attention concerning the rate of Governments responses to Parliamentary Committee reports. The Committee notes over the last two Parliaments (since 1998), the Government has responded to nearly 90 per cent of the 209 recommendations made by the JCPAA.

- 1.19 Of the recommendations responded to, the Government has supported some 85 per cent either wholly or in principle. However, the Committee has noted that nine recommendations have not yet been responded to, for periods dating back to June 2004. These are currently being pursued by the Committee.

The Committee secretariat

- 1.20 The Committee is supported by a full time secretariat employed by the Department of the House of Representatives. Additional advice relating to particular inquiries is obtained from appropriate officers from the Department of Finance and Administration (DOFA) and from the ANAO. From time to time, officials from Government departments are seconded to the secretariat. In addition, the Committee may employ consultants to provide specialist advice. Information on the Committee's expenses for 2004-05 is at Appendix B.
- 1.21 The Committee acknowledges the contribution of the secretariat staff in assisting the Committee to complete the backlog of outstanding reports arising from the election of a new parliament and expresses its appreciation for the secretariat's management of the additional and specialised travel required in this year's activities.