



Submission No: 4



20 April 2009

Ms Kris Veenstra
Inquiry Secretary
Joint Committee of Public Accounts and Audit
Parliament House
CANBERRA ACT 2600

Dear Ms Veenstra

JCPAA Major Projects Report 2007-08 Transcript of Public Hearing

I refer to the request of 27 March 2009, enclosing the proof transcript, following the public hearing into the Major Projects Report 2007-08 on 19 March.

The following minor amendments are provided for the JCPAA's record.

1. PA 2 – **Mr McPhee** - Mr Tim Burr is the '*Comptroller and Auditor General*' not Controller and Auditor-General.
2. PA 4 – **Mr McPhee** – '*It is often a function of resources, I guess. I am very conscious that when we do performance audits, ...*' as opposed to the current wording where the punctuation has broken the flow of the sentence.
3. PA 8 – **Mr Peter White** – add *more widely*, following '*in a way this is using our resources...*'.

We would also like to provide the Secretariat with some additional comments in relation to the discussion surrounding the impact of our investment of \$500,000 in the start up of the Major Projects Report.

The ANAO committed \$500,000 from its 2007-08 performance audit budget towards the Major Projects Report. This funding was used in order to develop a sound basis for the proposed Major Projects Report and the ANAO committed these funds including, to recruit and train senior staff, to develop the review methodology and review the initial report, which covered 9 of the DMO's Top 30 Projects. This enabled the report to be tabled in November 2008. The ANAO was unsuccessful in obtaining budget funding to reimburse this initial investment.

However, the ANAO has been successful in obtaining budget funding to undertake the Major Projects Report for 4 years, with \$750,000 being provided for 2008-09 and \$1.5m for the following 3 years.

The ANAO does not intend to reduce the number of performance audits undertaken in the Defence portfolio. However, while Major Projects will still be subject to performance audits, the review work associated with the Major Projects Report does provide the opportunity to spread our resources in the Defence portfolio more broadly, rather than mainly focusing on the acquisition of Major Projects.

Should you have any further queries please feel free to contact me on 6203 7393.

Yours sincerely

A handwritten signature in cursive script that reads "Michael White".

Michael White
Executive Director
Performance Audit Services Group
Australian National Audit Office