



JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT

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17 March 2016

Mr Grant Hehir
Auditor-General
Australian National Audit Office
Canberra ACT 2601

Email: grant.hehir@anao.gov.au

Dear Auditor-General

**JCPAA Inquiry into Independent Auditor Report,
*Review of Communications Processes: ANAO***

On Thursday 11 February 2016, the Joint Committee of Public Accounts and Audit (JCPAA) resolved to inquire into the Independent Auditor's report, *Review of Communications Processes: Australian National Audit Office* (December 2015).

Under section 8 of the legislation establishing the JCPAA, the *Public Accounts and Audit Committee Act 1951*, one of the duties of the Committee is to 'consider ... reports of the Independent Auditor on operations of the Audit Office' and 'report to both Houses of the Parliament on any matter arising out of the Committee's consideration ... that the Committee considers should be drawn to the attention of the Parliament'.

I am writing to advise that, having considered the Independent Auditor's report and the evidence provided by the ANAO and the Independent Auditor at the public hearing on 25 February 2016, the Committee has determined there are no outstanding matters arising from this inquiry that require being drawn to the attention of the Parliament.

Accordingly, the Committee has concluded its inquiry on this matter and resolved to authorise this correspondence for publication on its website, to communicate its findings.

Overall, the Committee commends the ANAO for its ongoing effective communication with stakeholders and, in particular, with the Parliament via the JCPAA. The Committee sets out its findings in further detail below.

Committee comment

The objective of the Independent Auditor's performance audit was to assess the effectiveness of communication processes undertaken by the ANAO internally and externally. Under section 45(1) of the *Auditor-General Act 1997*, the Independent Auditor may at any time conduct a performance audit of the ANAO. In selecting this audit, the Independent Auditor took into consideration a range of matters, including discussions with the JCPAA.

The Committee notes that the Independent Auditor's report was comprehensive in its scope and thorough in its findings. The ANAO accepted all of the report recommendations. At the public hearing, the Independent Auditor noted that work by the ANAO to address the report's findings was 'well advanced' and that the ANAO *Corporate Plan 2015-10* had identified communications as 'one of the key capabilities the ANAO is investing in so that the ANAO can deliver on its strategic focus and purpose' (Mr Peter Van Dongen, Independent Auditor, *Committee Hansard*, 25 February 2016, p. 1).

The Committee was pleased to note the ANAO's progress in implementing the Independent Auditor's recommendations, as set out in ANAO's evidence at the public hearing on 25 February 2016. In particular, the Committee welcomes the progress made by the ANAO against each of the three recommendations of the Independent Auditor, as follows:

Recommendation 1: communication with stakeholders

The Committee notes that the ANAO is 'well down the path of having a communication strategy developed' and expects this to be 'finalised in the near future'. The ANAO has also commenced a number of processes at 'communicating insights from audits with the broader community' (Mr Grant Hehir, Auditor-General, *Committee Hansard*, 25 February 2016, p. 2). In addition, the ANAO is improving its citizen engagement mechanisms (Ms Rona Mellor, Deputy Auditor-General, *Committee Hansard*, 25 February 2016, p. 3).

Recommendation 2: electronic communication of reports

The Committee notes that the ANAO is 'fairly well down the path' of its digital-first strategy, to publish reports online rather than in hard copy. The ANAO also expects to have its new website up and running by end March (Mr Hehir, *Committee Hansard*, 25 February 2016, p. 2).

Recommendation 3: performance audit reporting

The Committee notes that the ANAO is seeking to prepare more succinct performance audit reports 'without losing content but making the recommendations and findings clearer and sharper in the reports and utilising more graphics in that process'. The ANAO is also including timelines in its reports. The ANAO will be seeking stakeholder feedback on its new report structure (Mr Hehir, *Committee Hansard*, 25 February 2016, p. 2).

Overall, the Committee commends the ANAO for its ongoing effective communication with stakeholders and, in particular, with the Parliament via the JCPAA.

The Committee's key finding is that there would be benefit in the ANAO reporting back to the JCPAA in the 45th Parliament on its continued progress implementing an improved communication system, by way of also briefing the new Committee on the role of the Auditor-General and the ANAO's forward work plan.

The Committee looks forward to continuing its regular consultations and public hearings with the ANAO in support of effective public sector performance and accountability.

Yours sincerely

A handwritten signature in blue ink, reading "Ian Macfarlane". The signature is fluid and cursive, with the first name "Ian" and the last name "Macfarlane" clearly legible.

Hon Ian Macfarlane MP
Chair