Joint Committee of Public Accounts and Audit Reports
A guide for Commonwealth entities when preparing a response

This guide aims to assist entities to prepare responses to reports of the Joint Committee of Public Accounts and Audit (JCPAA).

Role of JCPAA

The charter of the JCPAA is to scrutinise, usually by means of a public inquiry, the performance of all Australian Government entities in spending funds appropriated to them by Parliament. The specific duties conferred on the JCPAA by the Public Accounts Committee Act 1951 include powers to examine and report on any matters connected with the financial accounts or statements of Australian Government entities or raised in reports of the Auditor-General. The JCPAA has the capacity to determine its own work program and priorities and may consider matters referred by the Parliament.

An inquiry by the JCPAA may cover a range of policy and/or administrative matters and affect one or a number of entities.

In keeping with its role as the Audit Committee of the Parliament, the JCPAA also undertakes reviews of reports of the Auditor-General to assess whether entities have responded appropriately to the Auditor-General’s findings. The JCPAA considers whether significant issues and findings in the reports warrant further examination, for example, at a public hearing. The JCPAA reports on these reviews to Parliament.

Consideration of JCPAA reports

The Chair of the JCPAA refers all reports of the Committee (both general reports and reviews of Auditor-General reports) to the Minister for Finance once they have been tabled in the Parliament.

The Department of Finance (Finance) writes to those Commonwealth entities identified in the recommendations, advising that a response is required. Where the response to a recommendation by the JCPAA is considered inadequate, the Committee may follow up the matter with the entity and may decide to re-open its inquiry.

The process for entities to respond to recommendations depends on whether they are policy or administrative in nature.
All responses to recommendations must be provided within six months of the date of tabling of the report.

“Policy” versus “administrative” recommendations

JCPAA recommendations involve matters of Government “policy” when they warrant decisions by Ministers or Cabinet, for example, because they have implications for existing Government policy and/or involve legislative changes.

Recommendations that are “administrative” in nature will have no implications for existing Government policy. Consequently, administrative recommendations can be implemented or decided upon by the responsible Accountable Authority of the entity(s) affected.

Where entities are uncertain as to whether a recommendation is policy (and therefore requires consideration by the Prime Minister or Cabinet) they may choose to consult the relevant line area in the Department of the Prime Minister and Cabinet (PM&C).

Responding to Policy Recommendations

Policy recommendations should be addressed by way of a separate Government response from the responsible Minister(s) to the Chair of the JCPAA. Consistent with the standard practice for responding to the recommendations of Parliamentary Committees, Ministers should seek the agreement of the Prime Minister or Cabinet prior to the response being made to the Chair of the JCPAA.

Responses to policy recommendations should be prepared and tabled in accordance with the Guidelines for the Presentation of Documents to the Parliament (including Government documents, Government Responses to Committee Reports, Ministerial Statements, Annual Reports and Other Instruments), available on the PM&C website.

Responding to Administrative Recommendations

Administrative responses should be addressed by way of an Executive Minute. The response to administrative recommendations (the Executive Minute) is expected to be provided by the responsible Minister to the Chair of the JCPAA within six months of tabling of the report.

Where two or more entities are responding to a single administrative recommendation, the Accountable Authority with the primary interest in the matters raised should coordinate a single response from the responsible Minister to the Chair of the JCPAA.

☐ A single co-ordinated response is still required where the entities take alternative action in response to a recommendation (ie one is supporting and one is not supporting, or different aspects of the one recommendation affect each entity).
Preparation of an Executive Minute

The Executive Minute should address the substance and intent of each of the administrative recommendations raised in the JCPAA report that are relevant to the entity, or where the entity is coordinating a response to a recommendation. The Executive Minute must be signed by the responsible Accountable Authority and should be submitted to the Chair of the JCPAA through the responsible Minister.

The response should state whether the recommendation is supported, supported with qualification, or not supported. Each response to a recommendation should explain the entity’s rationale for its position. Where a recommendation is supported, or supported with qualification, the entity should outline action taken, or planned, to implement the recommendation.

A template for the Executive Minute is attached.

Responses to administrative recommendations are tabled in the Parliament by the JCPAA. However, the responsible Minister may decide to table responses to administrative recommendations in addition to the JCPAA tabling process.

For more information contact:

PMRA Implementation Branch
Department of Finance
John Gorton Building
CANBERRA ACT 2601

E-mail: finframework@finance.gov.au
Further information on the role and operation of the JCPAA may be obtained from: http://www.aph.gov.au/house/committee/jcpaa/index.htm
General comments

An entity can provide general comments which provide background information to the responses on the specific responses. This might, for example, explain the policy and legislative context for the entity’s actions in response to the recommendations. It might also provide an overview of the strategies or administrative actions being undertaken by the entity relevant to the recommendations.

Response to the recommendation(s)

<table>
<thead>
<tr>
<th>Recommendation No.</th>
<th>paragraph ......</th>
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<tbody>
<tr>
<td>State each recommendation, or part of a recommendation, for which a response is being provided, followed by the text of the response.</td>
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[Entity name – if more than one entity is providing a response]

Where there are responses to a recommendation from more than one entity, state the entity name followed by its response under each recommendation. Entities can provide a joint response where this makes sense in light of shared responsibilities for a matter.

The response should state whether the recommendation(s) is supported, supported with qualifications or not supported. Provide an explanation of why a recommendation is not supported or is supported with qualifications.

Where the recommendation is supported, provide comment on action taken or intended to be taken in implementing the recommendation or, at least the intent of the recommendation, possibly through different administrative means.

The response should address relevant issues concisely and be free of extraneous detail.

The timeframe for responding to the Committee report recommendations of an administrative nature is six months from the date of tabling of the report in Parliament.

Signed by
Secretary/Accountable Authority of Department/Entity