



PUBLIC ACCOUNTS COMMITTEE

ANNUAL REPORT 2002-2003

Report No. 4

In the Thirty-Sixth Parliament

2003

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Public Accounts Committee

Annual Report 2002-2003

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PUBLIC ACCOUNTS COMMITTEE

**ANNUAL REPORT
2002-2003**

Report No. 4

Presented by:
Mr J.B. D'Orazio, MLA
Laid on the Table of the Legislative Assembly
on 14 August 2003

COMMITTEE MEMBERS

Chairman	Mr J.B. D'Orazio, MLA Member for Ballajura
Deputy Chairman	Mr M.G. House, MLA Member for Stirling
Members	Mr J.L. Bradshaw, MLA Member for Murray-Wellington
	Mr A.J. Dean, MLA Member for Bunbury
	Mr M.P. Whitely, MLA Member for Roleystone

COMMITTEE STAFF

Principal Research Officer	Ms Andrea McCallum, BA, B Juris, LL B, LL M
Research Officer	Mr Alfred Opie, BA (Econ), BProc, MBA Mr Simon Kennedy, BA (Hons)

COMMITTEE ADDRESS

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COMMITTEE'S FUNCTIONS AND POWERS

The Public Accounts Committee inquires into and reports to the Legislative Assembly on any proposal, matter or thing it considers necessary, connected with the receipt and expenditure of public moneys, including moneys allocated under the annual Appropriation bills and Loan Fund.

The Committee may -

- 1 Examine the financial affairs and accounts of government agencies of the State which includes any statutory board, commission, authority, committee, or trust established or appointed pursuant to any rule, regulation, by-law, order, order in Council, proclamation, ministerial direction or any other like means.
- 2 Inquire into and report to the Assembly on any question which -
 - (a) it deems necessary to investigate;
 - (b) is referred to it by resolution of the Assembly;
 - (c) is referred to it by a Minister; or
 - (d) is referred to it by the Auditor General.
- 3 Consider any papers on public expenditure presented to the Assembly and such of the expenditure as it sees fit to examine.
- 4 Consider whether the objectives of public expenditure are being achieved, or may be achieved more economically.

CHAIRMAN'S FOREWORD

This report is a brief summary of the activities of the Public Accounts Committee from 1 July 2002 to 30 June 2003.

It has been another busy year for the Committee. We have tabled three reports in the Legislative Assembly during the reporting period, and are still working on another two inquiries. Our most recent inquiry involves a review of the role of the Public Accounts Committee. There have been a number of significant changes in the public sector and in parliamentary processes in recent years, including the establishment of portfolio-related standing committees in the Legislative Assembly in 2001. To carry out its work effectively, the Public Accounts Committee must be responsive to these changes.

On behalf of the Committee, I would like to thank the Committee's staff, Ms Andrea McCallum, Mr Alf Opie and Mr Simon Kennedy. They have been invaluable to the Committee throughout the year, providing sound and professional research and advice. They have demonstrated enormous initiative and commitment to the important work of the Committee.

I thank my fellow Committee Members, Hon. Monty House, Mr John Bradshaw, Mr Tony Dean and Mr Martin Whitely, for their hard work during the year. I am extremely proud of the collegiate manner in which the Committee deliberates upon contentious issues. Rather than being divided upon party lines, it works cohesively towards the common goal of ensuring the public's funds are managed effectively and efficiently, and that the public sector is truly accountable to the people of Western Australia.

MR J.B. D'ORAZIO, MLA
CHAIRMAN

CHAPTER 1 COMMITTEE ACTIVITIES

1.1 Introduction

In summary, during the reporting period the Committee:

- Tabled three reports in the Legislative Assembly;
- Commenced two new inquiries;
- Convened 19 deliberative meetings;
- Held 10 hearings with 17 witnesses;
- Undertook investigative travel to London and Norway;
- Presented a paper at the 9th Biennial Comparative International Government Accounting Research (CIGAR) Conference in Bodo, Norway;
- Attended the Australasian Council of Public Accounts Committees (ACPAC) mid-term meeting in Melbourne, Victoria;
- Presented a paper at the 7th Biennial Conference of the Australasian Council of Public Accounts Committees (ACPAC) in Melbourne, Victoria;
- Hosted delegates from the Public Accounts Committee of the Kenyan Parliament;
- Hosted Members of Parliament from the Pacific Islands of Tonga, Samoa, Tuvalu and Vanuatu;
- Hosted delegates from the NSW Parliamentary Committee on the Health Care Complaints Commission; and
- Hosted a Department of Treasury and Finance information session on the 2003-2004 State Budget Papers for all Members of Parliament.

Table 1 Summary of Committee activities from 1 July 2002 to 30 June 2003

Description	Activity
Deliberative meetings	19
Hearings	10
Witnesses appearing	7
Reports tabled	3

1.2 Hearings

Pursuant to Standing Order 264, the Committee has the power to send for persons, papers and records. During the reporting period the Committee held 10 hearings, four of which were public, and six of which were closed hearings. In total, the Committee took evidence from 17 witnesses (Table 2).

Table 2 Public Hearings of the Committee from 1 July 2002 to 30 June 2003

Date	Witness	Position	Organisation
13/11/02	Mr Philip Aylward	Acting Group Director Policy and Resources	Department of Health
13/11/02	Mr Andrew Chuk	Deputy Director General, Corporate and Finance	Department of Health
13/11/02	Mr Alex Kirkwood	Director of Finance	Department of Health
13/11/02	Mr Michael Daube	Director General	Department of Health
13/11/02	Dr Brian Lloyd	Deputy Director General and Chief Medical Officer	Department of Health
19/3/03	Mr Des Pearson	Auditor General for Western Australia	Office of the Auditor General for Western Australia
19/03/03	Mr Kerry O'Neil	Deputy Auditor General for Western Australia	Office of the Auditor General for Western Australia
2/04/03	Mr Donald Doig	Commissioner	Anti-Corruption Commission
2/04/03	Mr Terence O'Connor	Chairman	Anti-Corruption Commission
2/04/03	Ms Moira Rayner	Commissioner	Anti-Corruption Commission

1.3 Briefings

In addition to obtaining formal evidence at hearings, the Committee held a number of briefings to gather information in relation to current inquiries and other general matters. The Committee staff also had many informal briefings throughout the reporting period, including regular monthly meetings between the Principal Research Officer and senior officers from the Office of the Auditor General.

1.4 Investigative Travel

The Chairman, Deputy Chairman and Principal Research Officer travelled to London and Norway in June 2003, as part of the Committee's research for two current inquiries. Meetings were held in London with:

- The House of Commons' Public Accounts Committee;
- The House of Commons' Public Administration Select Committee;
- The House of Commons' Public Accounts Commission;
- The Comptroller and Auditor General for England and Wales;
- The Agent General for WA;
- The Charity Commission for England and Wales; and
- The UK Health Department.

Following the series of meetings in London, the Committee representatives went to Norway to present a paper at an international conference. Whilst in Norway, the Committee also met with the Standing Committee on Finance and Economic Affairs of the Norwegian Parliament, which is equivalent to the Public Accounts Committee.

1.5 Conferences

(a) 7th Biennial Australasian Council of Public Accounts Committees Conference

The Australasian Council of Public Accounts Committees (ACPAC) meets biennially in the form of a conference, with mid-term meetings of Committee Chairs and Principal Research Officers. The Deputy Chairman and Principal Research Officer attended the ACPAC mid-term meeting in Melbourne, Victoria in October 2002.

The 7th Biennial ACPAC conference was attended in Melbourne by four Committee members and two staff members in February 2003. The Deputy Chairman presented a paper entitled "Reshaping the old - charting the new - the changing nature of the Public Sector and what it means for Public Accounts Committees."

There were approximately 200 conference participants, including Public Accounts Committee members and staff and Auditors General from all Australian states and territories, New Zealand, Papua New Guinea, Fiji, East Timor, several South African provinces, Namibia, Canada, Ireland, Singapore and the United States. A World Bank representative also participated in the conference proceedings.

(b) 9th Biennial Comparative International Government Accounting Research Conference

In June 2003 the Committee's Chairman, Deputy Chairman and Principal Research Officer attended the 9th Biennial Comparative International Government Accounting Research (CIGAR) Conference in Bodo, Norway. Participants from 21 countries attended the conference, at which the Chairman presented a paper entitled "The Role of Public Accounts Committees in Ensuring Public Sector Accountability: A Western Australian Perspective."

1.6 Reports Tabled

The Committee tabled three reports during the reporting period:

1. *Annual Report 2001-2002*, tabled on 22 August 2002;
2. *Inquiry into the Use of Visiting Medical Practitioners in the Western Australian Public Hospital System*, tabled on 5 December 2002; and
3. *The 2001-2002 Annual Report of the Office of the Auditor General: A Performance Review*, tabled on 15 May 2003.

1.7 Work in Progress

(a) Inquiry into Hospital Trust Accounts

On 5 November 2001 the Committee resolved to examine and report on issues relating to the administration and use of hospital trust accounts in the Western Australian public hospital system, with particular reference to:

- the nature and purpose of trust accounts;

- the sources of funding;
- the use, administration and management of trust accounts;
- the statutory requirements, accountability and compliance;
- the costs, benefits and potential liabilities to the health system of trust accounts; and
- any other matter that the committee deems necessary to investigate.

The Committee has held 20 hearings with 37 witnesses to date. The Committee is in the process of obtaining certain important evidence before completing the inquiry.

**(b) Review of the Role of the Public Accounts Committee:
Ensuring Public Sector Accountability in the 21st Century**

On 16 October 2003 the Committee resolved to review its role in light of significant changes in the public sector and parliamentary processes since the Committee was established in 1971. The Committee will examine, report and make recommendations on:

- The scope of the powers, functions and role of the Public Accounts Committee;
- The source of powers of the Public Accounts Committee; and
- The appointment and composition of the Public Accounts Committee.

The Committee expects to table its report in the Legislative Assembly by November 2003.

CHAPTER 2 FINANCIAL STATEMENT

The Committee's expenditure for the reporting period follows:

Advertising		\$3,500
Report Printing		\$2,200
Conference Fees		\$3,800
Consultants		\$2,700
Miscellaneous		\$100
Protocol (Food / Beverages / Gifts)		\$2,600
Travel		
Members' Fares	\$19,400	
Members' Allowances	\$10,600	
Staff Fares	\$9,500	
Staff Allowances	\$4,700	
Other Expenses	\$9,500	\$53,700
	TOTAL	\$68,600

Notes:

1. Figures rounded off to nearest \$100
2. Salaries of committee staff not included
3. Costs of shared administrative expenses, including building lease costs not included