



THIRTY-NINTH PARLIAMENT

REPORT 3
JOINT STANDING COMMITTEE ON AUDIT
REVIEW OF THE *AUDITOR GENERAL ACT 2006* –
APPOINTMENT OF A REVIEWER

Presented by Hon Ken Travers MLC (Chair) and

Sean L'Estrange MLA (Deputy Chair)

May 2015

JOINT STANDING COMMITTEE ON AUDIT

Date first appointed:

13 June 2013

Terms of Reference:

The following is an extract from Schedule 1 of the Legislative Council Standing Orders:

“7. Joint Audit Committee

- 7.1 A *Joint Standing Committee on Audit* is established.
- 7.2 The Committee consists of Members of the Legislative Council Standing Committee on Estimates and Financial Operations and the Members of the Legislative Assembly Public Accounts Committee.
- 7.3 The Chair of the Standing Committee on Estimates and Financial Operations will be the Chair of the Joint Standing Committee.
- 7.4 The Standing Orders of the Legislative Council relating to Standing Committees will be followed as far as they can be applied.”

Members as at the time of this inquiry:

Hon Ken Travers MLC (Chair)

Mr Sean L'Estrange MLA (Deputy Chair)

Hon Peter Katsambanis MLC

Hon Martin Aldridge MLC

Hon Alanna Clohesy MLC

Hon Rick Mazza MLC

Mr Ben Wyatt MLA

Mr Bill Johnston MLA

Mr Matt Taylor MLA

Mrs Glenys Godfrey MLA

Staff as at the time of this inquiry:

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REPORT OF THE JOINT STANDING COMMITTEE ON AUDIT

REPORT 3: REVIEW OF THE AUDITOR GENERAL ACT 2006 – APPOINTMENT OF A REVIEWER

1 BACKGROUND

1.1 Pursuant to s48 of the *Auditor General Act 2006* (the **Act**) the Joint Standing Committee on Audit (the **Committee**) must appoint a Reviewer to conduct a Review of the Act itself, and the performance of the Auditor General and the Office of the Auditor General (the **Review**).

1.2 The Committee has previously resolved to conduct the Review in two phases. The first phase of the Review will be the performance review phase (the **Performance Review**). The second phase of the Review will be the review of the Act itself. The basis of the Review can be found at s48 of the *Auditor General Act 2006* which provides that:

- (1) *The Joint Standing Committee on Audit is to carry out a review of the operation and effectiveness of this Act as soon as is practicable after —*
 - (a) *the fifth anniversary of its commencement; and*
 - (b) *the expiry of each 5 yearly interval after that anniversary.*
- (2) *In the course of a review under subsection (1) the Joint Standing Committee on Audit is to consider and have regard to —*
 - (a) *whether there is a need for this Act to continue; and*
 - (b) *how the process for appointing an Auditor General has operated in practice; and*
 - (c) *whether the Auditor General’s information gathering powers are adequate, particularly in relation to claims of legal professional privilege and Cabinet documents; and*
 - (d) *the impact of any exercise of the power to audit certain accounts of related entities; and*
 - (e) *the efficiency and effectiveness of the provisions for dealing with confidential information; and*
 - (f) *any other matters that appear to the Joint Standing Committee on Audit to be relevant to the operation and effectiveness of this Act.*
- (3) *For the purposes of subsection (1), the Joint Standing Committee on Audit is to appoint a suitably qualified person (the reviewer) to conduct a review (a performance and legislative review) as to such matters relating to —*
 - (a) *the operation and effectiveness of this Act; and*
 - (b) *the performance of the Auditor General’s functions by the Auditor General and the OAG*

- 1.3 The Committee has consulted with the Auditor General, Mr Colin Murphy, as required under the Act.
- 1.4 To identify the most appropriate Reviewer to conduct the Performance Review, the Committee called for Tenders adopting the standard Public Sector procurement methodology. In this process, the Committee has had the great benefit of the administrative support of the Department of the Legislative Council, legal services provided by the State Solicitor's Office, and its technical advisers.
- 1.5 A Tender Implementation Sub-Committee of this Committee was formed (the **Sub-Committee**) to implement the Review Process, including managing the detail of the appointment, recommending a preferred applicant to the full committee, and supervising the Review to the point of submission of the Final Report to the full Committee. Members of the Sub-Committee are:
- Hon Ken Travers MLC (Chair)
 - Mr Sean L'Estrange MLA (Deputy Chair)
 - Hon Peter Katsambanis MLC
 - Hon Martin Aldridge MLC
 - Hon Alanna Clohesy MLC
 - Hon Rick Mazza MLC
- 1.6 A "Request for Tender" document was released on Saturday, 14 February 2015 by advertisement in the local and national media, in addition to an extensive list of targeted potential Reviewers. The Tender Request closed on Monday, 30 March 2015.
- 1.7 On advice from the State Solicitor's Office, the President is named in the Tender Request as the contracting party (for and on behalf of the State of Western Australia).
- 1.8 A Tender Briefing was held in the Legislative Council Committees' Office for interested Reviewer candidates on Wednesday, 25 February 2015. This Briefing was led by the Chair and Deputy Chair of the Committee. Members were supported at the briefing by Mr Glen Clarke, Deputy Auditor-General, Mr Jon Petelczyc, of 2020 Global and Committee Staff. A significant number of interested parties attended the Briefing in person.
- 1.9 All Tenders received in response to the Tender Request were compliant as to time and delivery.

2 SUCCESSFUL APPLICANT

- 2.1 Following a thorough evaluation process, at a regularly constituted meeting of the Committee, it was resolved to appoint Vista Advisory Pty Ltd (the **Successful Applicant**) to conduct the Performance Review phase of the Review required at s48 of the *Auditor General Act 2006*.
- 2.2 The agreed Contract Price for the Performance Review phase of the Review is \$331,650.00 (GST inclusive).

3 NOTIFICATIONS

- 3.1 The Successful Applicant was formally engaged by letter, signed by Hon Barry House MLC, President of the Legislative Council for, and on behalf of, the State of Western Australia on

Monday, 4 May 2015. The Successful Applicant was notified of the outcome of its Tender Response immediately following the execution of the engagement letter by the President.

- 3.2 The Auditor General was briefed about the appointment of the Successful Applicant contemporaneously with the notification to the Successful Applicant above.
- 3.3 Unsuccessful Applicants were notified of the outcome of their Tender Applications following the notifications above.
- 3.4 The Committee acquaints the Legislative Council and Legislative Assembly accordingly.



Mr Sean L'Estrange MLA

Deputy Chair

5 May 2015