

DEPARTMENT OF THE SENATE
PAPER NO. 3209
DATE 23 MAR 1966
PRESENTED
<i>J.R. Odgers</i>
Member of the Senate

1966

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

JOINT COMMITTEE OF PUBLIC ACCOUNTS

SEVENTY-NINTH REPORT

TREASURY MINUTES ON THE  
SIXTY-EIGHTH, SEVENTIETH AND  
SEVENTY-SECOND REPORTS

TOGETHER WITH

SUMMARIES OF THOSE REPORTS

By Authority

A. J. AXFORD, Commonwealth Government Printer, Canberra.  
(Printed in Australia)

JOINT COMMITTEE OF PUBLIC ACCOUNTS

SIXTH COMMITTEE

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SENATOR I. E. WEDGWOOD	

The Senate appointed its Members of the Committee on 4th March, 1964, and the House of Representatives its Members on 5th March, 1964.

(1) Resigned 29th April, 1965.      (2) Appointed 29th April, 1965.

DUTIES OF THE COMMITTEE

Section 8 of the Public Accounts Committee Act 1951-1965 reads as follows :-

8. The duties of the Committee are --
- (a) to examine the accounts of the receipts and expenditure of the Commonwealth and each statement and report transmitted to the Houses of Parliament by the Auditor-General in pursuance of subsection (1.) of section fifty-three of the Audit Act 1901-1950;
  - (b) to report to both Houses of the Parliament, with such comment as it thinks fit, any items or matters in those accounts, statements and reports, or any circumstances connected with them, to which the Committee is of the opinion that the attention of the Parliament should be directed;
  - (c) to report to both Houses of the Parliament any alteration which the Committee thinks desirable in the form of the public accounts or in the method of keeping them, or in the mode of receipt, control, issue or payment of public moneys; and
  - (d) to inquire into any question in connexion with the public accounts which is referred to it by either House of the Parliament, and to report to that House upon that question,

and include such other duties as are assigned to the Committee by Joint Standing Orders approved by both Houses of the Parliament.

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JOINT COMMITTEE OF PUBLIC ACCOUNTS

SEVENTY-NINTH REPORT

TREASURY MINUTES ON THE SIXTY-EIGHTH, SEVENTIETH  
AND SEVENTY-SECOND REPORTS OF YOUR COMMITTEE.

CHAPTER I - INTRODUCTION

In its Sixteenth Report of 2nd November, 1954, Your Committee described in detail the arrangements that had been made with the Treasurer to ensure follow-up action on Your Committee's Reports.

FP No. 36  
of 1954

2. On 9th April, 1964, Your Committee held a discussion with officers of the Department of the Treasury relating to delays which had occurred in the submission of Treasury Minutes. Following that discussion, the Department of the Treasury undertook to supply Your Committee with biannual reports on outstanding Treasury Minutes indicating the progress made by the Department in dealing with the Committee's comments. The Department indicated that it would implement this practice during August, 1964.

3. Biannual Reports on Treasury Minutes have been submitted by the Department of the Treasury to Your Committee since 26th August, 1964.

4. In its Seventy-second Report of 30th September, 1965, relating to Treasury Minutes on the Fifty-fourth, Sixty-first and Sixty-sixth Reports, Your Committee observed that, in the case of the Treasury Minute relating to the Sixty-sixth Report, a number of statements made reflected incomplete or tentative action.

It stated :-

"Your Committee views with considerable concern the submission to it of Treasury Minutes which reflect incomplete or proposed action following Your Committee's Reports and will, at an early opportunity, discuss with the Department of the Treasury the matters referred to which are a source of concern".

5. Arising from the observations referred to above, Your Committee held a discussion with officers of the Department of the Treasury on 28th October, 1965, following which Your Committee advised the Treasurer on 3rd December, 1965, that it desired to continue the arrangements laid down in 1954. Whilst those arrangements provided for the submission of Treasury Minutes containing recommendations not fully dealt with or subject to a further Minute, Your Committee informed the Treasurer that in the cases of such Minutes it would propose to hold exploratory discussions with Treasury officers prior to their submission to the Parliament. On 19th January, 1966, the Treasurer expressed his agreement to this variation of the procedure agreed to in 1954.

6. As they now stand, the arrangements relating to follow-up action on Your Committee's Reports are :-

- (1) The Report of the Committee is tabled by the Chairman in the House of Representatives and by a Member of the Committee in the Senate; motions are moved in both Houses of the Parliament that the Report be printed as a Parliamentary Paper.
- (2) The Chairman of the Committee thereafter forwards a copy of the Report to the Departments affected and to the Treasurer with a request that he give the Report his consideration and inform the Chairman of the action taken to deal with the Committee's comments.
- (3) The replies received, which are in the form of Treasury Minutes, are then examined by Your Committee and, together with the conclusions of the Report to which they relate, are submitted as soon as possible to the Parliament as a Report.
- (4) Where during its examination of a Treasury Minute Your Committee finds that there are recommendations not fully dealt with or which are subject to a further Minute, it holds an exploratory discussion with officers of the Department of the Treasury prior to the submission of the Minute to the Parliament.

- (5) In reporting a Treasury Minute to the Parliament, Your Committee does not usually make any comment on the Minute other than to note recommendations not fully dealt with or subject to a further Minute. In special cases where comment is thought to be necessary, however, Your Committee makes it.
- (6) Your Committee reviews a Treasury Minute, if necessary, when it again examines the department concerned.
- (7) The Department of the Treasury furnishes Your Committee with a half-yearly report on outstanding Treasury Minutes, indicating the progress made in dealing with Your Committee's comments.

CHAPTER II -- TREASURY MINUTE ON THE SIXTY-EIGHTH REPORT RELATING TO EXPENDITURE FROM ADVANCE TO THE TREASURER, 1963-64

In the Sixty-eighth Report concerning Expenditure from the Advance to the Treasurer, 1963-64 -

Conclusions - Sixty-eighth Report  
(15th October, 1964)

Treasury Minute  
(11th January, 1966)

Your Committee concluded :

I am directed to state :

The Treasury has examined the Report and has discussed with the departments concerned the observations and conclusions of the Committee.

DEPARTMENT OF THE INTERIOR

Division No. 243/1/02 - News and Information Bureau -  
Salaries and Payments in the nature of Salary -  
Temporary and casual employees.

17. Your Committee accept the Department's explanations except insofar as they relate to marginal increases. In this regard we consider that insufficient care was taken in assessing the effect of the increases. Failure to provide for them in the No. 2 Appropriation casts some doubt as to the efficiency of the Department's estimates revision.

The Department has advised that, in an endeavour to examine the original and additional estimates more thoroughly prior to submission to Treasury, an additional officer has taken up duty in the estimates sub-section. Because of increasing work-loads and expansion of the Department's works programming functions, the Public Service Board approved the creation of a further, and more senior, position in the Finance and Supply Section. An officer has been appointed to this position and is expected to take up duty later this month.



Conclusions -- Sixty-eighth Report  
(15th October, 1964)

Treasury Minute  
(11th January, 1966)

Division No. 766/4/03 - Australian Capital Territory  
General Sources - Other Services - Flats - Caretaking  
and maintenance.

28. Your Committee are concerned that the Department failed to provide for this expenditure in the Original Appropriation. As the intention to establish the A.C.T. Electricity Authority had been known for a considerable time, there was every reason for the Department to be fully prepared for eventualities such as this. We recall having looked at this Item in the course of our 1962-63 inquiry also and trust that we shall not have cause to do so again next year.

Division No. 766/5/08 - Australian Capital  
Territory Services - Education -  
Canberra Technical College.

33. Your Committee appreciate that the Department of the Interior has been at some disadvantage in having to rely on the Technical Education Department of N.S.W. for details of probable expenditure. We note the assurance referred to in paragraph 32 above, given by that Department. However, we still fail to see why the Department sought only £4,535 in the Appropriation Act (No. 2). Apparently no provision was sought for salary increases announced in January, 1964, or for a higher level of administrative expenditure which would normally be expected to result from the expansion of college activity in the first half of the financial year.

Conclusions - Sixty-eighth Report  
(15th October, 1964)

Treasury Minute  
(11th January, 1966)

DEPARTMENT OF EXTERNAL AFFAIRS

Division No. 141/1/02 - Administrative - Salaries and Payments in the nature of Salary - Temporary and casual employees.

52. Your Committee are disturbed that the need for additional funds was overlooked. We note the Department's difficulties in dealing with a high rate of staff turn-over but would suggest that periodic reviews of expenditure are of such importance as to require priority. We consider that the Department should review its estimating arrangements with a view to eliminating possible oversights in the future.

The Department has advised that it is reviewing expenditure regularly in an endeavour not to overlook the need for seeking funds in Additional Estimates. The organisation and establishment of the Estimates section is also being examined as part of a complete review of the Department's Management Services Branch, prior to the submission to the Public Service Board of a proposal for appropriate staff positions to provide for a continuous review of expenditure.

Division No. 177/1/04 - High Commission, India - Salaries and Payments in the nature of Salary.

62. Your Committee note that the Department has acted promptly to prevent a recurrence of such errors as were revealed in our examination of this Item. We trust that their implementation will result in a higher standard of estimating in the future.

Division No. 184/1/01 - Commission - Singapore - Salaries and Payments in the nature of Salary.

65. Your Committee are concerned that insufficient care was taken in revising the expenditure estimate for this Item. As mentioned in paragraph 62 above, we trust that the implementation of new procedures will produce satisfactory results.

Conclusions - Sixty-eighth Report  
(15th October, 1964)

Treasury Minute  
(11th January, 1966)

DEPARTMENT OF TRADE AND INDUSTRY

Division No. 304/1/01 - Tariff Board - Salaries  
and Payments in the nature of Salary - Salaries  
and Allowances.

81. Your Committee agree that the Department took a rather conservative attitude particularly as it was apparent when the estimates were revised in February that expenditure had exceeded the pro-rata estimate for the year. The weight of evidence strongly suggests that the Department should have made some provision in the Appropriation Act (No. 2) for additional expenditure.

DEPARTMENT OF PRIMARY INDUSTRY

Division No. 357/2/01 - Division of Agricultural  
Economics - Administrative Expenses - Travelling  
and Subsistence.

94. Your Committee were given an assurance that, as an aid to accurate estimating in future, the Bureau of Agricultural Economics would endeavour, as far as possible, to work on a basis of at least six months' programme ahead although to some extent the Bureau is dependent on approvals made by the Government and the Australian Agricultural Council.

95. Your Committee accept the explanations given but emphasise the need to ensure that the estimated costs of known commitments are included in the relevant Appropriation. We trust that the Assurance given on behalf of the Bureau of Agricultural Economics will be implemented without undue delay.

Conclusions - Sixty-eighth Report  
(15th October, 1964)

Treasury Minute  
(11th January, 1966)

DEPARTMENT OF THE TREASURY

Division No. 196/1/03 - Superannuation Branch -  
Salaries and Payments in the nature of Salary -  
Extra Duty Pay.

116. Your Committee accept generally the Department's explanations but are concerned by the failure of the Department to take into account the apparently foreseeable quinquennial investigation to be undertaken by the Commonwealth Actuary, when framing its original estimates for 1963-64.

Departmental records show that the quinquennial investigation of the Defence Forces Retirement Benefits Fund was taken into consideration in preparing the original estimate; however, the extent of the adjustments to contributors' records, occasioned by the investigation, was not foreseen.

Division No. 197/2/05 - Bureau of Census and  
Statistics - Administrative Expenses - Hire, service and  
maintenance of machines for tabulation of statistics.

121. Your Committee are satisfied with most of the explanations submitted by the Department. However, we are concerned that the Department should have to rely on the second Appropriation for funds to cover expenditure which evidently was provided for incorrectly in the original Appropriation under Capital Works and Services.

DEPARTMENT OF WORKS

Division No. 255/08 - Repairs and Maintenance -  
Department of Works.

137. Whilst recognising the problems confronting the Department of Works in respect of this Item, Your Committee are satisfied that at least a portion of the amount of £5,156 charged to the Advance to the Treasurer should have been foreseen in time for its inclusion in the second Appropriation Act.

Conclusions - Sixty-eighth Report  
(15th October, 1964)

Treasury Minute  
(11th January, 1966)

Division No. 255/19 - Repairs and Maintenance -  
Commonwealth Scientific and Industrial Research Organisation.

142. As in the case of Item 255/08, Your Committee are satisfied that at least a part of the amount of £10,041 charged to the Advance to the Treasurer could have been avoided had steps been taken late in February or even into March, 1964, by officers in the New South Wales Branch of the Department to advise the Central Office of a change in their financial needs.

Division No. 494 - Department of the Navy -  
Repairs and Maintenance.

148. Your Committee are satisfied that the method employed by the Department in forecasting its financial requirements is inadequate and should be supplemented by a regular monthly check of actual expenditure against a monthly pro-rata of the Appropriation.

The Department established a working party, to examine repairs and maintenance procedures and to consider the Committee's suggestion for a regular monthly check of actual expenditure against a monthly pro-rata of the appropriation.

The working party concluded that such monthly checking is of value in certain areas of the repairs and maintenance programme, e.g. for urgent minor operational and recurring maintenance, and found that such checks were being made, in varying degree, in each of the Department's Branches, but should be more extensively utilised. The existing procedures have, therefore, been amended accordingly. In other areas, e.g. for specific maintenance jobs, the working party concluded that these monthly checks could be misleading. To strengthen control, the Department now schedules the specific repairs and maintenance projects to be carried out month by month, and imposes a monthly check of expenditure on these projects; this will enable prompt corrective action to be taken when necessary.

Conclusions - Sixty-eighth Report  
(15th October, 1964)

Treasury Minute  
(11th January, 1966)

Division No. 524 - Department of the Army -  
Repairs and Maintenance.

154. Your Committee find that the circumstances relating to the Department's method of assessing its financial requirements under this Item are similar to those found in the case of Division No. 494. We consider that the present method of assessment should be supplemented by a regular monthly check of actual expenditure against a monthly pro-rata of the Appropriation.

Division No. 756/06 - Northern Territory - General  
Services - Electric Supply - Generation,  
Distribution and Maintenance.

161. It appears to Your Committee that factors beyond the control of the Department gave rise to the need for additional funds when the second Appropriation was obtained. However, it is clear from the evidence that when the Department revised its financial requirements at that stage in the year, errors in estimating resulted in the amount sought falling substantially short of the Department's requirements. We trust that, in the light of its experience, the Department will institute such safeguards as will prevent a recurrence of similar errors in the future.

The Chief Electrical Engineer and the Chief Finance Officer visited the Northern Territory in November, 1964, and reviewed the procedures of the Electricity Supply Undertakings. The officers responsible for supervising operations have been suitably instructed, and impressed with the necessity for exercising due care, in the preparation of estimates.

GENERAL

163. The initial examination of the explanatory statements submitted by Departments showed that in many cases the explanations were unsatisfactory. The statements submitted by some Departments appeared to display a lack

Treasury officers discussed with the Committee's Secretary means to give effect to the conclusions set out in paragraphs 162 to 165 of the Report. The Treasury Circular seeking explanations for the expenditure from the Advance to

Conclusions - Sixty-eighth Report

(15th October, 1964)

of appreciation of the Committee's requirements and a disinterest on the part of the Departments concerned. Generally, the documents showed a lack of uniformity in the presentation of figures and explanations. In many cases, the statements failed to disclose separately the amounts provided under the first and second Appropriations and the amount provided from the Advance to the Treasurer. Also, in many instances, no attempt was made to explain separately the need for a second Appropriation and the need for funds from the Advance to the Treasurer. In some cases, Departments confined their explanations to a mere statement of the factors that had contributed to over-expenditure without seeking to explain their necessity or justification. It is emphasised that the use of such explanatory statements as "the progress of expenditure was kept continually under review and application was made to Treasury when it became apparent that additional funds would be required to meet increased expenditure" are inadequate and must invite detailed examination by this Committee in order to establish the full circumstances relevant to the over-expenditure.

164. During the course of the public inquiry the attention of witnesses was drawn to these defects in the statements. The representatives of the Department of the Treasury undertook to prepare in collaboration with members of the Committee's staff, a suitable pro-forma statement and to circulate copies of this to departments, together with the Treasury circular that is sent to departments each year in connection with expenditure from the Advance to the Treasurer.

Treasury Minute

(11th January, 1966)

the Treasurer 1964-65 publicised the Committee's conclusions and included a pro-forma statement for the use of Departments.

CHAPTER III - TREASURY MINUTE ON THE SEVENTIETH REPORT RELATING TO THE REPORTS OF THE AUDITOR-GENERAL. FINANCIAL YEAR 1963-64.

In the Seventieth Report concerning the Reports of the Auditor-General for the financial year 1963-64 -

Conclusions - Seventieth Report

(8th April, 1965)

Treasury Minute

(31st December, 1965)

Your Committee concluded :-

I am directed to state :-

The Treasury has examined the Report and has discussed with Departments and Authorities concerned the observations and conclusions of the Committee.

POSTMASTER-GENERAL'S DEPARTMENT

(a) Telephone Debtors

21. Your Committee is disturbed to find that in the space of four years and notwithstanding a decline in the proportion of terminated telephone service accounts being outstanding, the value of outstanding accounts relating to these services has risen from £651,022 to £1,102,407. Your Committee are also disturbed to find that more than one half of this amount has been outstanding for more than twelve months whilst more than 30 per cent has been outstanding for more than two years.

22. Your Committee notes that in 1960 the Postmaster-General's Department made a change in procedure, in relation to transfers of telephone services, but did not institute the payment of rental in advance to cover this new arrangement until 5th August, 1964. In this period of time the level of outstanding debts on telephone services rose from £435,457 (21,189 accounts) to £1,102,407 (39,917 accounts). We are of the opinion on this evidence, that the decision to abolish the transfer system

The Postmaster-General's Department has advised that :-

- (a) staff has been strengthened so that the arrears of debt recovery can be overtaken as quickly as possible;
- (b) close liaison is being maintained with the Deputy Crown Solicitors on outstanding accounts, and with the Commonwealth Police on collection of debts;
- (c) procedures have been re-organised to facilitate the speedy rendering of final accounts and appropriate follow-up action.

These arrangements, together with the re-introduction of rental in advance, as noted by the Committee, should ensure that the number and value of irrecoverable accounts, in relation to the expansion in telephone services, is minimised. The figures at 30th June, 1965, already indicate an improvement in the position in the majority of States.



Conclusions - Seventieth Report  
(8th April, 1965)

Treasury Minute  
(31st December, 1965)

was not accompanied by an adequate detailed analysis of the probable outcome of the new procedure. The Department set aside a vital principle which it had followed in respect to telephone rentals, namely, collection of rent in advance, which after a costly experimental period it had to reinstate. We believe that in taking the decision to treat successive subscribers to a telephone service as though they were initial subscribers to a new service and not simply as the recipients of a transferred service, the Department should have collected from each successive subscriber, six months rent in advance in accordance with its own established treatment of initial subscribers. By discarding this principle temporarily, the Department lost its valuable deterrent against the defaulting subscriber, permitted accounts to be established without the protection of any pre-payments and placed an undue strain on the resources of the Commonwealth Police Force and the Crown Solicitor's Office in Sydney. This absence of foresight by the Department calls for criticism not only on the grounds that recovery action has multiplied but also because increased unrecovered debts which must be written off ultimately, will affect adversely the profitability of the Post Office. Your Committee also believes that the Department, being aware of the deterioration, should have instituted appropriate action at an earlier date.

Conclusions - Seventieth Report

(8th April, 1965)

Treasury Minute

(31st December, 1965)

(b) Internal Audit

34. Your Committee agrees fully with the view expressed by the Audit Observer that internal audit functions are of great importance in administrative activities. We are surprised that as internal checks have been an essential part of accounting practice in the Australian Post Office since its inception, the problem encountered by the Postmaster-General's Department has not been brought to a satisfactory conclusion sooner and trusts that the discussions proposed between the Department and the Audit Office will be held without delay. Your Committee will continue to pursue this matter until a satisfactory conclusion has been reached.

The Department has advised that during the period covered by the Auditor-General's criticism, approximately two-thirds of the internal audit programme was being executed; that no critical audits, such as cash checks, were being omitted and that the reduction was in frequency only. In July, 1964, just prior to the Auditor-General's Report, the Public Service Board approved an increase of thirteen positions in the Internal Audit Section.

The Department further advised that, despite difficulties in filling the new positions and other factors, e.g. inexperience of staff, the situation has improved and continues to improve; that implementation of the internal audit programme is now approaching a satisfactory position.

The Department states that its plans to amend the internal audit programme were not a consequence of the present programme's being faulty or unsatisfactory. The form of the programme is kept continually under review especially in those areas where new techniques, e.g. Automatic Data Processing, are being implemented. Review of the Department's internal audit functions has been, and will continue to be, carried out in consultation with the Auditor-General's Office.

Conclusions - Seventieth Report

(8th April, 1965)

Treasury Minute

(31st December, 1965)

DEFENCE FORCES RETIREMENT BENEFITS BOARD AND SUPERANNUATION BOARD

56. The evidence submitted shows clearly that delays that have occurred in the presentation of the financial statements of both Boards have arisen mainly from large fluctuations in work loads arising primarily from changes in legislation and pay codes.

57. Your Committee notes the statement made by the Treasury observer that the Superannuation Board has not been neglected by the Treasury in regard to staff recruitment. We did not, however, receive a similar assurance in respect of the temporary provision of staff to assist that Board and the Defence Forces Retirement Benefits Board in regard to the handling of peak work loads. We suggest that, notwithstanding Mr. Burgess' statement that temporary staff is of limited value for the Board's purposes, every opportunity should be taken to ensure that such temporary staff as can usefully be made available by the Treasury during peak work load periods should be provided.

58. In examining the present organisation of the integrated staffs of the two Boards, we were concerned to find that there is a substantial gap in the salary structure between the Chairman and the President of the Boards and the next range of officers below him. Following an indication from the Chairman and President, Mr. Burgess, that the top structure of executive assistance is insufficient for the purposes of both

The Chairman of the Defence Forces Retirement Benefits Board, who is also the President of the Superannuation Board, has provided the following information concerning the Committee's observations :-

Annual Accounts:

The annual accounts for the Superannuation Board as at 30th June, 1964, have been completed and, following submission to the Audit Office on 30th June, 1965, certified by the Auditor-General. Arrears in accounting since 30th June, 1964, have been overtaken, and the annual accounts as at 30th June, 1965, for both Boards have been presented to and certified by the Auditor-General.

The Treasury has requested Permanent Heads to draw to the attention of all officers concerned the recommendation of the Committee at paragraph 63 of the Report for the early presentation of financial statements for examination by the Auditor-General.

Annual Reports:

The annual reports for 1963-64 and 1964-65, if presented in the traditional form, could not have been completed until December, 1965, at the earliest, because the computer systems from which certain statistics are produced were not sufficiently advanced. However, the annual reports of both Boards incorporating all available information were tabled during the last sittings of Parliament

Conclusions - Seventieth Report

(8th April, 1965)

Boards, we trust that this aspect of the organisation will be closely examined by the Public Service Board during its current overall examinations of the staff structure.

59. Your Committee is also concerned at the considerable difficulty experienced by the Boards in the past in filling the position of Accountant, a position clearly identified with the production and early availability of the financial statements that are the main subjects of this inquiry. We feel that the early resolution of the problem associated with that position will be of considerable benefit to both Boards.

60. The Committee examined the proposals of the Boards relating to automatic (electronic) data processing. It is clear that the implementation of these proposals will provide considerable relief for the Boards in regard to the effects of work fluctuations. We will observe the introduction of this system with great interest and would request the Boards to furnish us, towards the end of 1966, with a report on the achievements resulting from the introduction of automatic (electronic) data processing and the extent of any backlog of work on hand at that time.

61. In regard to the problems associated with accrual accounting, Your Committee considers that a strong case exists for the Boards to undertake some experimental work to establish whether or not accrual accounting can be brought to completion soon after

Treasury Minute

(31st December, 1965)

to provide Members with up-to-date information for use during the relevant debates. Statistical information which subsequently becomes available will be incorporated in later reports.

Organisation:

Since the Committee's hearings the Public Service Board has approved an increase in staff to 230 and a re-organisation to provide three divisions, each reporting to the President through a Director; this has involved an increase of 87 positions since December, 1964. The position of Accountant has been raised in classification to give stability in the Finance/Accounting area.

The total Task Force has been built up to 7 teams, i.e. a total of over 40 people who have been given initial training and absorbed into the organisation between February and June, 1965. As a consequence, all arrears of examination of variations were overtaken and manual records brought up-to-date during August, 1965.

Temporary Assistance from Treasury:

Assistance from staff on temporary loan from other Departments has not generally proved satisfactory because of the specialised technical nature of the clerical work involved.

However, temporary assistance in the form of trained specialist staff in times of peak workload has been of value in the area of computer developments. Unfortunately, the area of the Treasury

Conclusions - Seventieth Report  
(8th April, 1965)

the end of each financial year, thus permitting the financial statements concerned to be completed quickly and submitted for audit.

62. We note that, over the years, the principal cause of delay in the presentation of Reports to the Parliament has been the need to give priority to the payment of pensions if pension increases were known or pending. While the objective of making early payment to pensioners is commended, we would point out that a failure to present reports to the Parliament as soon as possible after the conclusion of a financial year can operate to the detriment of other and wider interests of the same pensioners.

Treasury Minute  
(31st December, 1965)

from which such assistance has been drawn is itself short of trained specialist staff and is also involved in tasks of high priority. Nevertheless, Treasury has provided a group of four skilled programmers over the past three months to assist in the completion of urgent work and has also provided clerical assistance as required.

Computer Development:

The Task Force has been used effectively on the arrears of coded material for the computer development and, as predicted to the Committee, the arrears have largely been overtaken. Owing to difficulties in the recruiting of programmers, it has not been possible to maintain the rate of development of conversion to computer indicated to the Committee at the hearing. The Committee will be provided with a progress report towards the end of 1966 as requested.

Accrual Accounting:

The Committee's reference in paragraph 61 to the desirability of further exploration of the possibility of introducing accrual accounting will be kept in mind in association with planned developments for the use of computers for the accounting activities of both Boards.

CHAPTER IV - TREASURY MINUTE ON THE SEVENTY-SECOND REPORT RELATING TO TREASURY MINUTES ON THE FIFTY-FOURTH, SIXTY-FIRST AND SIXTY-SIXTH REPORTS.

In the Seventy-second Report concerning Treasury Minutes on the Fifty-fourth, Sixty-first and Sixty-sixth Reports -

Observations - Seventy-second Report  
(30th September, 1965)

Treasury Minute  
(4th March, 1966)

Your Committee observed:-

Your Committee reports as follows on the foregoing Treasury Minutes:-

In regard to the Minute relating to the Sixty-first Report, Your Committee is satisfied with the action taken although it felt that further information should be obtained relative to deduction lines referred to under the heading "Appropriation Act". Accordingly, a discussion on this matter was held with the Department of the Treasury on 4th May, 1965.

In its examination of the Treasury Minute relating to the Sixty-sixth Report, Your Committee found that a number of the statements made reflected incomplete or tentative action. This is particularly apparent in the cases of advances for the purchase or construction of homes, accounting for Commonwealth Investment in Dwellings in the Australian Capital Territory and hotels and guest houses, under the control of the Department of the Interior; the Commonwealth Stores Supply and Tender Board; and Business Undertakings and Public Utilities under the control of the Department of Territories.

I am directed to state :-

In Chapter V of the Seventy-second Report, the Committee reported that it found in its examination of the Treasury Minute relating to the Sixty-sixth Report that "a number of the statements made reflected incomplete or tentative action" and said that it "views with considerable concern the submission to it of Treasury Minutes which reflect incomplete or proposed action following Your Committee's Reports and will, at an early opportunity, discuss with the Department of the Treasury the matters referred to which are a source of concern".

In these discussions, which took place on 28th October, 1965, and in related correspondence between the Treasurer and the Chairman, the standing arrangements set out in the Sixteenth Report, viz. :-

"(a) A Treasury Minute in reply to the Committee's report should be submitted to the Parliament as soon as possible after it is received.

(b) The Committee should not usually make any comment on the Treasury Minute other than to note recommendations not dealt with or subject to a further Minute. In special cases where comment is thought to be desirable, the Committee would make it.

Observations - Seventy-second Report  
(30th September, 1965)

Your Committee views with considerable concern the submission to it of Treasury Minutes which reflect incomplete or proposed action following Your Committee's Reports and will, at an early opportunity, discuss with the Department of the Treasury the matters referred to which are a source of concern.

Treasury Minute  
(4th March, 1966)

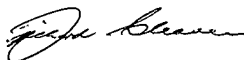
(c) The Committee should review a Minute, if necessary, when it again examines the department concerned." have been confirmed.

The Committee also informed the Treasurer that where it finds that there are recommendations not fully dealt with in a Treasury Minute, or are subject to a further Minute, it would propose to hold an exploratory discussion with Treasury officers, prior to the submission of the Minute to Parliament. The Treasurer has agreed to the proposed discussions with Treasury officers on recommendations not dealt with, or subject to a further Minute.

For and on behalf of the Committee :



David N. Reid,  
Secretary,  
Joint Committee of Public Accounts,  
Parliament House,  
CANBERRA. A.C.T.



Richard Cleaver  
Chairman

10th March, 1966.