

## **The ANAO's 110<sup>th</sup> Anniversary**

**National Press Club, 16 National Circuit Barton, ACT**

**4 PM on 15 August 2011**

### **Address by Ian McPhee PSM, Auditor-General for Australia**

Mr Rob Oakeshott (Chair of the JCPAA), the Hon Gary Gray MP (Special Minister of State for the Public Service and Integrity), special guests and ANAO colleagues

- I am very pleased you were all able to be here at this celebration of the ANAO's 110 years of auditing service to the Parliament.

I thank Mr Oakeshott and the Minister for their kind remarks regarding the ANAO's contribution to improving public sector administration, and in the confidence the Parliament has in our audit work.

I am also appreciative of the very generous remarks made by the Prime Minister in her message commenting on the 'truly remarkable contribution to public administration by the Australian National Audit Office over 110 years.'

The confidence in the work of the office over such a long period says a lot about the office and the way it has discharged its mandate.

- It also says a lot about the governments and Parliaments since Federation respecting the role of the Auditor-General, and enhancing the audit mandate over the years as public administration evolved, and as community expectations have increased.

The ANAO is one of only a handful of Commonwealth entities that can trace their origins back to Federation.

The Office has seen significant shifts in the way it fulfils its statutory responsibilities.

- Initially, as required by the *Audit Act 1901*, the office conducted a complete checking and reporting of all transactions of government.

- It was not until the 1920 amendments to the Audit Act that the 100% check requirement was formally abolished.
- During this early period there many challenges for the fledgling Office including the introduction of commercial activities of government (the Post Office and the Commonwealth Bank) and the impact of the First World War.

The predominate focus on the integrity of financial reports, and on ensuring compliance of financial transactions with relevant laws and regulations remained until the 1970s.

- The catalyst for expanding the scope of the audit mandate to include performance auditing was the 1976 Coombs Royal Commission into Australian Government Administration which provided an opportunity for the then Auditor- General, Don Steele Craik, to successfully argue that parliamentary scrutiny would be greatly improved if the role of the Auditor-General was widened to allow Parliament to have independent and expert advice on the economy and efficiency achieved in government financial administration.

There have been two comprehensive reviews of the charter of the Australian National Audit Office by the Joint Committee of Public Accounts and Audit (and its predecessor Committee, the Joint Committee of Public Accounts):

- The first in 1989: *The Auditor-General: Ally of the People and Parliament* (Report 296) which, importantly, recommended that the Auditor-General continue to have responsibility for performance audits. The Committee also endorsed the importance of the performance audit function to the Parliament.
- The second, referred to earlier by Rob Oakeshott, was the JCPAA's Report 419 which recommended an expanded mandate for the Auditor-General including the authority in particular circumstances to 'follow the dollar' recognising that changes have occurred in the way the Commonwealth and states/territories, and the Commonwealth and contractors, interact today.

Over our 110 years there have been 14 Auditors-General and many staff members each contributing to where the Office is today.

To mark the contribution of past Auditors-General to the ANAO, we have named each of our conference rooms after them, with a plaque noting their individual contribution.

I have heard back from Pat Barrett who is currently in the US, he said is 'very chuffed' about having a room named after him.

- And also from Wendy Craik, daughter of Don Steele Craik and a Commissioner with the Productivity Commission, who was very pleased we had honoured her father in this way.

Also, for everyone here today, we have had a medallion printed by the Mint to commemorate our 110 years.

- It's not gold, but is as good as!

While events like today are a chance to look back at our rich history, we must also look forward.

Our role is unique and the audit work undertaken by the ANAO forms an important link in the accountability chain from the public sector, to the Parliament and, ultimately to the Australian community.

The Parliament and the community rely on our work – our understanding of the public sector, our analysis and our opinion.

We are also making an effective contribution internationally, including through our assistance to the audit institutions of Indonesia and Papua New Guinea

- And our office leading a peer review of the Canadian audit office last year, and India this year.

Each year the bar is raised in terms of the expectations on the Office.

- We understand this, and we are in good shape and well positioned to continue the valuable service we provide into the future.

As the Prime Minister has said ‘... the staff of ANAO, past and present, have every reason to be proud of your role in building a transparent and resilient democracy in which every Australian can have trust’.

For an office of some 350 people, that is quite a compliment.

To our staff and all of our special guests, thank you for all your support, and for being part of our history.

- And thank you to our Corporate Management Branch for the organisation of today’s event.

Thankyou

---

It is with great pleasure that I ask you to join me in toasting our 110<sup>th</sup> anniversary and continuing to meet the Parliament’s expectations into the future.