

1990

THE LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

STATUTORY AUTHORITIES (AUDIT ARRANGEMENTS) BILL 1990

EXPLANATORY MEMORANDUM

**(Circulated by authority of the Treasurer, Trevor Thomas Kaine,
Chief Minister and Treasurer)**

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EXPLANATORY STATEMENT
AUSTRALIAN CAPITAL TERRITORY
STATUTORY AUTHORITIES (AUDIT ARRANGEMENTS) BILL 1990
ACT NO. OF 1990

The Statutory Authorities (Audit Arrangements) Bill 1990 will amend the enabling legislation of certain ACT public authorities to bring them under the provisions of Part IX of the Audit Act 1989 as modified for individual authorities. It will also have the effect of preserving Ministerial approvals for banking, investments and forms of financial statements by these authorities. Transitional arrangements will be provided for the timing of reporting and the preparation of financial statements by these authorities, administrative units and the special operations of administrative units.

The Bill will have the effect of maintaining similar arrangements for banking, keeping accounts, investment, audit and financial reporting for those authorities which were subject to Part XI of the Commonwealth Audit Act 1901 before Self-Government Day.

The principal features of the Bill are as follows:

Part I deals with commencement matters.

Part II deals with amendments to the Audit Act 1989 concerning the timing of the financial reporting of the special operations of administrative units and of the administrative units themselves.

Parts III through to XV deal with amendments to the enabling legislation of the following public authorities:

Building and Construction Industry Long Service
Leave Board
Canberra Theatre Trust
Casino Surveillance Authority
Cemeteries Trust
Community and Health Service
Electricity and Water Authority
Gaming and Liquor Authority
Legal Aid Commission (ACT)
Milk Authority
National Exhibition Centre Trust
Public Trustee
Schools Authority
Institute of Technical and Further Education

Part XVI deals with the validation of approvals made and financial statements submitted before this Bill comes into effect.

FINANCIAL IMPACT STATEMENT

The provisions have no direct budgetary impact but are fundamental in establishing a system of proper financial arrangements and public accountability for ACT public authorities.

NOTES ON CLAUSES

PART I - PRELIMINARY

Section 1 cites the short title of the Act.

Section 2 provides for the commencement of the provisions of the Bill.

PART II - AUDIT ACT AMENDMENT

Section 3 will amend section 58 of the Audit Act 1989 to provide that the first financial statements of special operations of administrative units will cover the period from 11 May 1989 to 30 June 1990. This provision will apply to the Housing Assistance Fund, Forestry and Transport Trust Accounts.

Section 4 will amend section 71 of the Audit Act 1989 to provide for the first financial statements of administrative units to cover the period from 11 May 1989 to the 30 June 1990.

PART III - BUILDING AND CONSTRUCTION INDUSTRY LONG SERVICE LEAVE BOARD

Section 5 will amend the Long Service Leave (Building and Construction Industry) Act 1981 to provide for the Building and Construction Industry Long Service Leave Board to be subject to the provisions of Divisions 1 and 2 of Part IX of the Audit Act 1989. This will mean that the Board will be an authority which is required to keep accounts in accordance with commercial practice. The provisions of Division 2 cover the opening and maintaining of bank accounts, investments of moneys, keeping of proper accounts, audit and annual reporting and the preparation of financial statements.

The Board will be required to submit an audited financial statement for the period from 1 July 1988 to 10 May 1989 to its appropriate Minister for presentation to the Legislative Assembly. If this has not already been done the Board will be required to submit the report within one month after the commencement of this Part of this Bill.

A further amendment will provide for the first period for annual reporting and the preparation of financial statements under section 93 of the Audit Act 1989 to cover from 11 May 1989 to 30 June 1990.

PART IV - CANBERRA THEATRE TRUST

Section 6 will amend the Canberra Theatre Trust Act 1965 to provide for the Canberra Theatre Trust to be subject to the provisions of Divisions 1 and 3 of Part IX of the Audit Act 1989. This will mean that the Trust will be an authority which is not required to keep accounts in accordance with commercial practice. The provisions of Division 3 cover the opening and maintaining of bank accounts, keeping of proper accounts, audit and annual reporting and the preparation of financial statements.

The Trust will be required to submit an audited financial statement for the period from 1 July 1988 to 10 May 1989 to its appropriate Minister for presentation to the Legislative Assembly. If this has not already been done the Trust will be required to submit the report within one month after the commencement of this Part of this Bill.

A further amendment will provide for the first period for annual reporting and the preparation of financial statements under section 97 of the Audit Act 1989 to cover from 11 May 1989 to 30 June 1990.

The Trust will be required to include in this report details of any directions given by the Minister to the Trust under section 20 of the Canberra Theatre Trust Act 1965.

PART V - CASINO SURVEILLANCE AUTHORITY

Section 7 will amend the Casino Control Act 1988 to provide for the Casino Surveillance Authority to be subject to the provisions of Divisions 1 and 3 of Part IX of the Audit Act 1989. This will mean that the Authority will be an authority which will be required to keep proper accounts although they will not be based on commercial practice. The provisions of Division 3 cover the opening and maintaining of bank accounts, keeping of proper accounts, audit and annual reporting and the preparation of financial statements.

PART VI - CEMETERIES

Section 8 will amend the Cemeteries Act 1933 to provide for the trustees of any public cemetery or private burial ground to be subject to the provisions of Divisions 1 and 3 of Part IX of the Audit Act 1989. This will mean that the trustees will be authorities which are not required to keep accounts in accordance with commercial practice. The provisions of Division 3 cover the opening and maintaining of bank accounts, keeping of proper accounts, audit and annual reporting and the preparation of financial statements.

The trustees will be required to submit an audited financial statement for the period from 1 July 1988 to 10 May 1989 to the appropriate Minister for presentation to the Legislative Assembly. If this has not already been done the trustees will be required to submit the report within one month after the commencement of this Part of this Bill.

A further amendment will provide for the first period for annual reporting and the preparation of financial statements under section 97 of the Audit Act 1989 to cover from 11 May 1989 to 30 June 1990.

PART VII - COMMUNITY AND HEALTH SERVICE

Section 9 will amend the Community and Health Service Act 1985 to provide for the Community and Health Service to be subject to the provisions of Divisions 1 and 3 of Part IX of the Audit Act 1989. This will mean that the Service will be an authority which is not required to keep accounts in accordance with commercial practice. The provisions of Division 3 cover the opening and maintaining of bank accounts, keeping of proper accounts, audit and annual reporting and the preparation of financial statements.

The Service will be required to submit an audited financial statement for the period from 1 July 1988 to 10 May 1989 to its appropriate Minister for presentation to the Legislative Assembly. If this has not already been done the Service will be required to submit the report within one month after the commencement of this Part of this Bill.

A further amendment will provide for the first period for annual reporting and the preparation of financial statements under section 97 of the Audit Act 1989 to cover from 11 May 1989 to 30 June 1990.

The Service will also be required to include in its reports of its operations details of any direction given under subsection 6(3) of the Community and Health Service Act 1985.

PART VIII - ELECTRICITY AND WATER AUTHORITY

Section 10 will amend the Electricity and Water Act 1988 to provide for the Electricity and Water Authority to be subject to the provisions of Divisions 1 and 2 of Part IX of the Audit Act 1989. This will mean that the Authority will be an authority which is required to keep accounts in accordance with commercial practice. The provisions of Division 2 cover the opening and maintaining of bank accounts, investment of moneys, keeping of proper accounts, audit and annual reporting and the preparation of financial statements.

The Authority will be required to submit an audited financial statement for the period from 1 July 1988 to 30 June 1989 to its

appropriate Minister for presentation to the Legislative Assembly. If this has not already been done the Authority will be required to submit the report within one month after the commencement of this Part of this Bill.

A further amendment will provide for the first period for annual reporting and the preparation of financial statements under section 93 of the Audit Act 1989 to cover from 1 July 1989 to 30 June 1990.

The Authority will also be required to include in reports of its operations details of any direction given under sections 36 or 41 of the Electricity and Water Act 1988.

PART IX - GAMING AND LIQUOR AUTHORITY

Section 11 will amend the Australian Capital Territory Gaming and Liquor Authority Act 1987 to provide for the Gaming and Liquor Authority to be subject to the provisions of Divisions 1 and 2 of Part IX of the Audit Act 1989. This will mean that the Authority will be an authority which is required to keep accounts in accordance with commercial practice. The provisions of Division 2 cover the opening and maintaining of bank accounts, investment of moneys, keeping of proper accounts, audit and annual reporting and the preparation of financial statements.

A modification to subsection 89(1) of the Audit Act 1989 allows for the Authority to pay into separate bank accounts moneys received for certain functions referred to in its Act and the Gaming Machine Act 1987.

The Authority will be required to submit an audited financial statement for the period from 1 July 1988 to 30 June 1989 to its appropriate Minister for presentation to the Legislative Assembly. If this has not already been done the Authority will be required to submit the report within one month after the commencement of this Part of this Bill.

A further amendment will provide for the first period for annual reporting and the preparation of financial statements under section 93 of the Audit Act 1989 to cover from 1 July 1989 to 30 June 1990.

The Authority will also be required to include in reports of its operations details of any directions given by the Minister under subsection 7(1) of its Act.

PART X - LEGAL AID COMMISSION

Section 12 will amend the Legal Aid Act 1977 to provide for the Legal Aid Commission to be subject, with the modifications contained in this Bill, to the provisions of Divisions 1 and 3 of Part IX of the Audit Act 1989. This will mean that the Commission will be an authority which is not required to keep accounts in accordance with commercial practice. For the Legal Aid Commission the provisions of Division 3 cover the keeping of proper accounts, audit and annual reporting and the preparation of financial statements.

Section 94 of the Audit Act 1989 covering the opening and maintaining of bank accounts does not apply to the Commission as provision is made in relation to these matters in Part VII of the Legal Aid Act 1977.

The Commission will be required to submit an audited financial statement for the period from 1 July 1988 to 30 June 1989 to its appropriate Minister for presentation to the Legislative Assembly. If this has not already been done the Commission will be required to submit the report within one month after the commencement of this Part of this Bill.

A further amendment will provide for the first period for annual reporting and the preparation of financial statements under section 97 of the Audit Act 1989 to cover from 1 July 1989 to 30 June 1990.

PART XI - MILK AUTHORITY

Section 13 will amend the Milk Authority Act 1971 to provide for the Milk Authority to be subject to the provisions of Divisions 1 and 2 of Part IX of the Audit Act 1989. This will mean that the Authority will be an authority which is required to keep accounts in accordance with commercial practice. The provisions of Division 2 cover the opening and maintaining of bank accounts, investment of moneys, keeping of proper accounts, audit and annual reporting and the preparation of financial statements.

The Authority will be required to submit an audited financial statement for the period from 1 July 1988 to 10 May 1989 to its appropriate Minister for presentation to the Legislative Assembly. If this has not already been done the Authority will be required to submit its report within one month after the commencement of this Part of this Bill.

A further amendment will provide for the first period for annual reporting and the preparation of financial statements under section 93 of the Audit Act 1989 to cover from 11 May 1989 to 30 June 1990.

The Authority will also be required to include in reports of its operations details of any direction given by the Minister under section 18A of its Act.

PART XII - NATIONAL EXHIBITION CENTRE TRUST

Section 14 will amend for the National Exhibition Centre Trust Act 1976 to provide for the National Exhibition Centre Trust to be subject to the provisions of Divisions 1 and 2 of Part IX of the Audit Act 1989. This will mean that the Trust will be an authority which is required to keep accounts in accordance with commercial practice. The provisions of Division 2 cover the opening and maintaining of bank accounts, investments of moneys, keeping of proper accounts, audit and annual reporting and the preparation of financial statements.

The Trust will be required to submit an audited financial statement for the period from 1 July 1988 to 10 May 1989 to its appropriate Minister for presentation to the Legislative Assembly. If this has not already been done the Trust will be required to submit the report within one month after the commencement of this Part of this Bill.

A further amendment will provide for the first period for annual reporting and the preparation of financial statements under section 93 of the Audit Act 1989 to cover from 11 May 1989 to 30 June 1990.

The Trust will also be required to include in reports of its operations details of any approvals or directions given under its Act.

PART XIII - PUBLIC TRUSTEE

Section 15 will amend the Public Trustee Act 1985 to provide for the Public Trustee to be subject to the provisions of Divisions 1 and 3 of Part IX of the Audit Act 1989. This will mean that the Trustee will be an authority which is not required to keep accounts in accordance with commercial practice. The provisions of Division 3 cover the opening and maintaining of bank accounts, keeping of proper accounts, audit and annual reporting and the preparation of financial statements.

The Trustee will be required to submit an audited financial statement for the period from 1 July 1988 to 10 May 1989 to its appropriate Minister for presentation to the Legislative Assembly. The Trustee will be required to do this within 3 months after the commencement of this Part of this Bill.

A further amendment will provide for the first period for annual reporting and the preparation of financial statements under section 97 of the Audit Act 1989 to cover from 11 May 1989 to 30 June 1990.

PART XIV - SCHOOLS AUTHORITY

Section 16 will amend the Schools Authority Act 1976 to provide for the Schools Authority to be subject to the provisions of Divisions 1 and 3 of Part IX of the Audit Act 1989. This will mean that the Authority will be an authority which is not required to keep accounts in accordance with commercial practice. The provisions of Division 3 cover the opening and maintaining of bank accounts, keeping of proper accounts, audit and annual reporting and the preparation of financial statements.

The Authority will be required to submit an audited financial statement for the period from 1 July 1988 to 10 May 1989 to its appropriate Minister for presentation to the Legislative Assembly. If this has not already been done the Authority will be required to submit the report within one month after the commencement of this Part of this Bill.

A further amendment will provide for the first period for annual reporting and the preparation of financial statements under section 97 of the Audit Act 1989 to cover from 11 May 1989 to 30 June 1990.

The Authority will also be required to include in reports of its operations details of all approvals and directions given under section 6 of its Act.

PART XV - TECHNICAL AND FURTHER EDUCATION INSTITUTE

Section 17 will amend the ACT Institute of Technical and Further Education Act 1987 to provide for the Institute of Technical and Further Education to be subject to the provisions of Divisions 1 and 3 of Part IX of the Audit Act 1989. This will mean that the Institute will be an authority which is not required to keep accounts in accordance with commercial practice. The provisions of Division 3 cover the opening and maintaining of bank accounts, keeping of proper accounts, audit and annual reporting and the preparation of financial statements.

An amendment will modify the Audit Act 1989 to clarify references to moneys, transactions and affairs and assets in sections of that Act referring to the keeping of proper accounts and audit.

Modifications to section 97 of the Audit Act 1989 will provide for the Institute to report on a calendar year basis.

The Institute will be required to submit an audited financial statement for the period from 1 January 1989 to 10 May 1989 to its appropriate Minister for presentation to the Legislative Assembly. If this has not already been done the Institute will be required to submit the report within one month after the commencement of this Part of this Bill.

A further amendment will provide for the first period for annual reporting and the preparation of financial statements under section 97 of the Audit Act 1989 to cover from 11 May 1989 to 31 December 1989.

The Institute will also be required to include in reports of its operations details of any directions given by the Minister under subsection 6(3) of its Act, and any approvals given under subsections 8(1), 9(1) and 10(1) of that Act, for which no statement has been laid before the Legislative Assembly.

PART XVI - VALIDATIONS

Section 18 will preserve for the period from 11 May 1989 up to the commencement of this section any approvals made under Commonwealth administration for public authorities to open and maintain bank accounts and to invest moneys, as though the approval had been given under the appropriate provisions of the Audit Act 1989.

Section 19 will provide that the provisions of this Bill will be deemed to have been complied with where an audited financial statement has already been submitted to a Minister for presentation to the Legislative Assembly.

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