

2001

**THE LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY**

FINANCIAL MANAGEMENT AMENDMENT BILL 2001

EXPLANATORY MEMORANDUM

Circulated by the authority of the Treasurer

Gary Humphries MLA

Financial Management Amendment Bill 2001

Outline

The *Financial Management Act 1996* provides for the financial management of the government of the Territory and provides for the scrutiny of that management by the Legislative Assembly by specifying financial reporting requirements.

The Government has committed to release a financial result for 2000-01 prior to the October 2001 Legislative Assembly elections. This will ensure that accurate financial information is available to the ACT community and Members of the Legislative Assembly prior to these elections.

The timeframes involved in meeting this commitment are such that it will impose a large administrative burden on ACT Government departments, Territory authorities and the Auditor-General.

The objective of this Bill is to streamline a number of financial reporting requirements so as to enable resources to be devoted to the preparation of the 2000-01 audited Territory financial statements. The opportunity has also been taken to introduce amendments that will improve the quality of information and analysis to be provided on the financial performance and position of the Territory during the course of the financial year.

Details of the Financial Management Amendment Bill 2001

Formal Clauses

Clauses 1, 2 and 3 are formal requirements. They refer to the name of the Act, the commencement date of the Act and defines which Act is amended. Sections 1, 2, 3, 4, 6 and 7 commence on the day this Act is notified. Section 5 commences on 1 July 2001.

Monthly financial statements

Clause 4 removes the requirement for the Treasurer to prepare and table the monthly financial statements for the month and period ending 30 June 2001. This will allow ACT Government agencies to concentrate on the preparation of the 2000-01 financial statements.

Section 26

Clause 5 replaces section 26 with new provisions. Section 26 requires the Treasurer to prepare Territory financial statements on a monthly basis. This amendment increases the reporting period for the preparation and tabling of financial statements for the Territory from a monthly basis to a four monthly basis. This will allow for improved quality of information and analysis to be provided on the financial performance and position of the Territory during the course of the financial year

This clause requires the Treasurer to provide the financial statements to Members of the Legislative Assembly within 45 days.

Financial statements, including operating statements, statements of assets and liabilities, and cashflow statements, will be required for each four month period and cumulatively, for the General Government Sector, Public Trading Enterprises Sector and Total Territory.

This clause takes effect from 1 July 2001.

Audit of financial statements of departments

Clause 6 inserts section 29A which has the effect of exempting the Auditor-General from having to provide an audit opinion on departments' 2000-01 financial statements within 30 days. This section expires on 31 December 2001.

This will allow the auditor-general to delay the audit of department performance measures to facilitate the completion of the audit of financial statements.

Audit of annual financial statements

Clause 7 inserts section 61A which has the effect of exempting the Auditor-General from having to provide an audit opinion on Territory authorities' 2000-01 financial statements within 30 days. This section expires on 31 December 2001.

