

Auditor-General Bill 2009

Explanatory Notes

Title of the Bill:

Auditor-General Bill 2009.

Objective of the legislation:

The policy objective of the Auditor-General Bill 2009 (the Bill) is to replace and update Parts 5 and 6 of the *Financial Administration and Audit Act 1977* (the FA&A Act). The Bill will:

- further emphasise and enhance the independence of the Queensland Auditor-General;
- address a number of operational issues to improve the ability of the Queensland Audit Office to carry out its functions; and
- consolidate audit provisions contained within other parts of the FA&A Act and the *Government Owned Corporations Act 1993* into one piece of legislation and make further miscellaneous amendments.

Reasons for the objective and how it will be achieved:

Part 5 of the FA&A Act establishes the role of the Auditor-General and the Queensland Audit Office and defines the method, terms and conditions of appointment for the Auditor-General. Part 6 of the Act defines the Queensland Audit Office's powers to audit the consolidated fund and public sector entities, and provides for the strategic review and independent audit of the Queensland Audit Office.

Parts 5 and 6 of the FA&A Act are administered by the Premier, while the remaining provisions are administered by the Treasurer.

The Treasury Department has undertaken a comprehensive review of the FA&A Act, with a view to introducing a new public sector financial management Act (the Financial Accountability Bill). It is considered that the separation of Parts 5 and 6 of the Act into audit specific legislation will

serve to emphasise and enhance the independence of the Auditor-General and clarify the administration of these parts of the FA&A Act.

The Public Accounts Committee and the Auditor-General support this approach.

Alternative method of achieving the policy objectives:

There is no alternative method of achieving the policy objectives as all require amendment of existing legislation.

Estimated cost for Government implementation:

None of the proposed substantive changes are expected to have any direct financial implications.

Consistency with Fundamental Legislative Principles:

The Bill has been drafted with due regard to the Fundamental Legislative Principles as outlined in the *Legislative Standards Act 1992*.

The Bill could be considered to infringe Fundamental Legislative Principles as clause 30 has the potential to authorise the amendment of the operation of the Bill through a regulation. The regulation could be used to exclude a public service entity from the requirement that it be audited by the Auditor-General.

However, it is considered that appropriate checks are in place to ensure that regulations are made only in appropriate cases. Clause 63 provides authority for the Auditor-General to report to the Legislative Assembly if he or she considers that a regulation should not have been made or should have been made differently. A report to the Legislative Assembly in accordance with clause 63 would facilitate parliamentary scrutiny of a proposed regulation.

Clauses 46(5), 47(3) and 48(8) of the Bill have been carried over from the FA&A Act and provide that self-incrimination is not a reasonable excuse for failing to provide information requested by an authorised auditor.

These clauses seek to ensure that authorised auditors retain the power to access documents, information or evidence relevant to an investigation, while also protecting the interests and liberties of the individual. While the provisions could be considered to infringe Fundamental Legislative Principles, they are considered to be justified in this instance as the

questions posed concern matters which are peculiarly within the knowledge of the person to whom they are directed, and would be difficult or impossible for the Crown to establish by any alternate evidentiary means.

In addition, clauses 46(6), 47(4) and 48(9), which have also been carried over from the FA&A Act, provide immunity in relation to any information obtained as a direct or indirect consequence of the information that the Auditor-General has obtained during an investigation. The breach of fundamental legislative principles is considered justified on the basis that the power is designed to encourage appropriate cooperation with the Auditor-General, which is necessary to allow the Auditor-General to perform his or her operational responsibilities.

Clause 55 provides for the protection of an authorised auditor from civil liability for acts or omissions done honestly and without negligence. Liability would instead attach to the State. While the provision could be considered to infringe Fundamental Legislative Principles, this is a standard clause in Queensland legislation where there is a need to protect a public official from personal liability. The protection only applies for actions taken honestly and without negligence in the course of the official's duties, and continues to provide an avenue of redress for any affected individuals by providing that liability attaches to the State.

Clauses 46(6), 47(4), 48(9) and 55 seek an appropriate balance between the abrogation of privilege and self incrimination.

Clause 46 also confers entry and post-entry powers for authorised auditors to enter premises without a duly issued warrant. These powers are considered necessary for the Auditor-General to carry out his or her operational responsibilities. The Bill is considered to contain sufficient safeguards to protect the rights and liberties of individuals through, for example, identity cards for authorised auditors (clause 44), compensation (clause 49) and confidentiality (clause 53).

Consultation:

Extensive consultation was undertaken with the Queensland Audit Office and the Treasury Department during drafting of the Bill. Crown Law was consulted on certain proposed amendments to the existing provisions contained within the FA&A Act.

Notes On Provisions

Part 1 Preliminary

Clause 1 states that, when enacted, the Bill will be cited as the *Auditor-General Act 2009*.

Clause 2 states that the Bill is intended to commence on a day fixed by proclamation.

Clause 3 is a new provision which details the main objects of this Act recognising the principle that the Queensland Auditor-General conducts independent audits of the Queensland public sector and related entities on behalf of the Parliament.

Clause 4 provides that the dictionary in the schedule defines particular words used in this Act.

Clause 5 provides for the definition of control and controlled entity. The concept of control has been derived from relevant Australian Accounting Standards to determine when a subsidiary entity is controlled, either directly or indirectly, by a parent entity.

Part 2 Queensland Auditor-General and Queensland Audit Office

Division 1 General

Clause 6 is sourced from sections 47 and 58 of the FA&A Act and establishes the office of Queensland Auditor-General, Queensland Deputy Auditor-General and the Queensland Audit Office.

Clause 7 is sourced from section 48 of the FA&A Act and provides that the Queensland Audit Office is under the control of the Queensland Auditor-General.

Clause 8 is sourced from section 49 of the FA&A Act and states the principle that the Queensland Auditor-General is not subject to any person in relation to the Auditor-General's exercise of powers or audit priorities

Division 2 Provisions relating to Auditor-General

Clause 9 is sourced from section 50 of the FA&A Act and provides for the Governor in Council to appoint an Auditor-General on the recommendation of the Minister. However, prior to making a recommendation to the Governor in Council, the Minister must place national press advertisements for suitably qualified persons for all new appointments to the office of Queensland Auditor-General. The Public Accounts Committee must be consulted on the selection process, and the proposed nomination, in respect of new appointments to the office of Queensland Auditor-General.

A new subsection is proposed which states that the requirement for press advertisements and consultation with the Public Accounts Committee on the process of selection for appointment does not apply to the reappointment of a person as Auditor-General.

Clause 10 is sourced from section 51 of the FA&A Act and provides that the Auditor-General holds office for the term, of not more than 7 years, stated in the instrument of appointment.

A new provision has been included that a person may be reappointed for a consecutive term. However, a person must not be reappointed if the total of the person's terms of appointment would be more than 7 years.

Clause 11 is partially sourced from section 52 of the FA&A Act and provides that the Auditor-General is to be appointed on a full-time basis and is to be paid remuneration and allowances decided by the Governor in Council. Prior to making a recommendation to the Governor in Council about the remuneration, allowances and other terms and conditions for the Auditor-General, the Minister must consult with the Public Accounts Committee.

A new provision has been included that the rate of remuneration of the Auditor-General must not be reduced during the term of office without the Auditor-General's written consent.

Clause 12 is sourced from section 53 of the FA&A Act and provides that the Queensland Auditor-General and the Deputy Auditor-General (under Clause 25) are to submit a statement of their pecuniary interests to the Speaker. The information contained in the statement must be the same as that required for Members of the Legislative Assembly.

The clause also provides for the Speaker to receive allegations from Members of non-compliance by the Queensland Auditor-General and Deputy Auditor-General with the requirements for registration of their pecuniary interests. However, the Bill does not address the procedure for the investigation of such allegations. It is considered that the procedure should be left to the Legislative Assembly to determine in the event of an allegation being made.

Clause 13 prohibits the Auditor-General from holding an office of profit other than that of the office of Queensland Auditor-General. The clause also prohibits the Auditor-General from taking on any remunerative employment or undertaking outside the duties of the office of Auditor-General.

Clause 14 is sourced from section 54 of the FA&A Act and provides that, where the person appointed as Auditor-General was a public service officer immediately before being appointed to be the Auditor-General, that person is entitled to retain any accruing and existing rights.

If the person ceases to be the Auditor-General and again becomes an officer of the public service, the person's service as Auditor-General is to be regarded as service of a similar kind in the public service for the purpose of working out the person's rights as an officer of the public service.

Clause 15 is sourced from section 55 of the FA&A Act and provides that the Minister is to approve the leave of absence for the Auditor-General in accordance with the terms and conditions of employment approved by the Governor in Council.

Clause 16 is sourced from section 56 of the FA&A Act and provides that the Auditor-General may, at any time, resign office as Auditor-General by signed writing, addressed to the Governor, the Speaker or the Clerk of the Parliament (in the absence of the Speaker).

Clause 17 is sourced from section 57(1) and (4) of the FA&A Act which establishes that proved incapacity, incompetence or misconduct and conviction of an indictable offence are grounds for removal or suspension of the Auditor-General from office. Additional reasons of insolvency and

holding an office of profit (under clause 12) other than that of the office of Auditor-General have been included as additional grounds for termination or suspension of the appointment of the Auditor-General.

Clause 18 is sourced from section 57(2), (3), (5) and (11) of the FA&A Act and provides that the Governor may, on an address from the Legislative Assembly, remove or suspend the Auditor-General from office. The motion for the address may be moved only by the Premier if:

- the Premier has given the Auditor-General a statement setting out the reasons for the motion;
- to afford natural justice, any written response by the Auditor-General has been tabled in the Legislative Assembly;
- the Premier has consulted with the Public Accounts Committee about the motion; and
- agreement to the motion has been obtained from all members of the Public Accounts Committee or a majority of members of the Public Accounts Committee other than a majority consisting wholly of members of the political party or parties in government in the Legislative Assembly.

Clause 19 is sourced from section 57(7) to (11) of the FA&A Act and provides a procedure to suspend the Auditor-General when the Legislative Assembly is not sitting.

This procedure is a temporary measure until the Legislative Assembly sits. The clause provides that the Governor in Council may suspend the Auditor-General from office only if the Premier has given the Auditor-General a statement setting out the reasons for the suspension and the Premier has considered any response by the Auditor-General to the statement.

The Premier must table the statement and any written response by the Auditor-General in the Legislative Assembly within 3 sitting days after the day the suspension begins.

The suspension stops having effect at the end of seven sitting days after the day the suspension begins and the procedure under clause 18 will need to be carried out to suspend the Auditor-General for a further period. During this period, the Auditor-General may be suspended or removed from office on an address from the Legislative Assembly in accordance with the procedure under clause 18 or 19.

If the suspension stops having effect at the end of seven sitting days after the suspension begins, the Auditor-General is entitled to be paid salary and allowances for the period of the suspension.

Clause 20 is sourced from section 66 of the FA&A Act and provides that the Auditor-General may delegate powers under an Act to an authorized auditor, with the exception of the delegation of a power to report to the Legislative Assembly.

Clause 21 is sourced from section 68 of the FA&A Act and provides that the Auditor-General must prepare for each financial year estimates of receipts and expenditure of the audit office with the Public Accounts Committee, and give the estimates to the Treasurer. The Treasurer must consult with the Public Accounts Committee in developing the budget for the Queensland Audit Office.

Division 3 Provisions relating to Deputy Auditor-General

Clause 22 is sourced from section 60 of the FA&A Act and provides for the Deputy Auditor-General to be a public servant. However, when the Deputy Auditor-General acts as Auditor-General, the Act applies to the Deputy as if he or she were the Auditor-General. For example, when acting as Auditor-General, the Deputy cannot be suspended from office except in accordance with clauses 18 and 19.

Clause 23 is sourced from section 59 of the FA&A Act and provides for the Deputy Auditor-General to act in the office of Auditor-General during any vacancy of that office or if the Auditor-General is absent from duty or unable to perform the functions of the office. While a person is acting in the office of Auditor-General, he or she is to perform all the functions of the Auditor-General and has the same immunities and independence as the Auditor-General. The actions of a person purporting to act in the office of Auditor-General are not invalid merely because the occasion to act had not arisen or had ceased.

Clause 24 is sourced from section 62 of the FA&A Act and states the principle that the Queensland Deputy Auditor-General is subject only to direction by the Auditor-General in the Deputy Auditor-General's exercise of powers or audit priorities.

Clause 25 is sourced from section 61 of the FA&A Act and provides that the Deputy Auditor-General is to submit a statement of pecuniary interests to the Speaker in the same way as required by the Auditor-General, as indicated at clause 12.

Division 4 Staff of audit office

Clause 26 is sourced from section 63 of the FA&A Act and establishes that the staff of the Queensland Audit Office are appointed as public servants.

Clause 27 is sourced from section 65 of the FA&A Act and provides that staff of the audit office are subject to direction only by the Auditor-General, the Deputy Auditor-General or a person authorised by the Auditor-General in the exercise of powers or audit priorities.

Division 5 Other matters

Clause 28 is sourced from section 70 of the FA&A Act and retains the position that specific directions or guidelines for the audit office can only be issued by the Public Service Commission Chief Executive with the prior approval of the Auditor-General.

Clause 29 is sourced from section 71 of the FA&A Act and provides that a management review of the Audit Office cannot be conducted without the invitation to do so by the Queensland Auditor-General. It is not considered appropriate that an agency of Executive Government should have the capacity to review the Audit Office, except at the invitation of the Auditor-General.

Part 3 Audit of consolidated fund and public sector entities

Division 1 Scope of Auditor-General's mandate

Clause 30 is sourced from section 73 of the FA&A Act and provides that the Queensland Auditor-General is to audit the public accounts and all public sector entities other than the Queensland Audit Office. The Auditor-General does not have the power to audit any entity exempt by regulation under clause 31 or any controlled entity that may be audited by an auditor approved by the Auditor-General under clause 32.

Public sector entities is defined in the Bill to include a department; a local government; a statutory body; a government owned corporation; an entity that is controlled by 1 or more public sector entities; or an entity controlled by an entity that is a public sector entity. The definition has been broadened to include government owned corporations and their subsidiaries.

The Auditor-General's mandate to audit government owned corporations and their subsidiaries is currently given effect through the *Government Owned Corporations Act 1993*. Government owned corporations have been included within the definition of a "public sector entity" for this Bill to ensure that all public sector entities that are audited by the Auditor-General are covered by one Act. Consequential amendments are proposed as part of the Financial Accountability Bill to the *Government Owned Corporations Act 1993* to remove the audit provisions from that Act.

Clause 31 is sourced from section 74 of the FA&A Act and enables the Governor in Council by regulation to exempt a public sector entity from audit by the Queensland Auditor-General. However, the Governor in Council may not exercise this delegated power without the Minister having first consulted with the Auditor-General.

Under clause 63, the Queensland Auditor-General may report to the Legislative Assembly if he or she considers that a regulation made under clause 31 should not have been made or should have been made differently.

Clause 32 is a new provision which recognises that, in certain circumstances, the Auditor-General may approve the appointment of a contract auditor to undertake audits of controlled entities. Such circumstances may be where a controlled entity is based in or has

significant operations outside of Australia, or operates within a corporate group or requires specialist skills to conduct the audit. The object of this clause is to ensure that, in these instances, the Auditor-General may approve the appointment of a contract auditor to undertake the work and receive a report on any audit undertaken in relation to the controlled entity.

Clause 33 is sourced from section 75 of the FA&A Act and ensures that the Queensland Auditor-General is informed where a public sector entity is abolished or an entity becomes a public sector entity. The clause amends section 75 of the FA&A Act by clarifying that the board of a government owned corporation or its subsidiaries provides information about a notifiable event directly to the Auditor-General. This procedure will continue to exclude changes in departmental arrangements.

Clause 34 is sourced from section 76 of the FA&A Act and places a duty on the shareholders of a public sector entity that is a company to appoint the Queensland Auditor-General as the company auditor. This section will apply to all companies controlled by a public sector entity, except where the company has been exempted from audit by the Auditor-General or where an auditor has been approved by the Auditor-General to undertake the audit.

Clause 35 is sourced from section 77 of the FA&A Act and recognises that there may be occasions where the Legislative Assembly wishes to request the Queensland Auditor-General to investigate a particular matter. Clause 35 requires the Auditor-General to comply with the request, notwithstanding clause 8 (Auditor-General not subject to direction).

Clause 36 is sourced from section 78 of the FA&A Act which authorises the Queensland Auditor-General to audit an entity that is not a public sector entity on a by-arrangement basis at the request of a Minister or a public sector entity. Such arrangements are instituted where there is a public interest in having the Auditor-General undertake the audit. The proposed clause requires the entity to agree to the audit by the Queensland Auditor-General.

Division 2 Conduct of audits

Clause 37 is sourced from section 79 of the FA&A Act which empowers the Auditor-General to conduct audits in the way in which the Auditor-General considers appropriate.

Clause 38 is sourced from section 80 of the FA&A Act and will retain the Auditor-General's mandate to conduct performance management systems audits to determine whether an entity's management systems enable it to assess whether its objectives are being achieved economically, efficiently and effectively. An assessment of the relevance of the published measures used by public sector entities can also be undertaken to assess an entity's performance. The requirement for the Auditor-General to have regard to any prescribed requirements relating to the establishment and maintenance of performance management systems will continue to exclude government owned corporations or a controlled entity of a government owned corporation in line with the previous provisions of the *Government Owned Corporations Act 1993*.

Clause 39 is sourced from section 81 of the FA&A Act and requires the Auditor-General to audit the consolidated fund accounts.

Clause 40 provides for the audit of the annual financial accounts of public sector entities and the preparation of an audit report. The section will cover the reporting requirements of all public sector entities and is to be similar to that currently contained in sections 40(4) to (7), 46G, 105M(3) to (7) and 105O of the FA&A Act. In accordance with current arrangements, it is enough for a government owned corporation or a controlled entity of a government owned corporation to provide the financial statements that it is currently required to provide under the Corporations Act.

Clause 41 is sourced from section 40AE of the FA&A Act and requires the Auditor-General to audit the expenditure of Ministerial Offices.

Clause 42 provides for the audit of the consolidated whole of government financial statements and the preparation of an audit report.

Clause 43 is sourced from section 82 of the FA&A Act and authorises the Auditor-General to appoint public accountants from outside the Audit Office to conduct an audit. In conducting an audit, "contract auditors" may exercise all the powers of the Auditor-General. Clause 58 requires the Auditor-General to prepare standards relating to the selection, engagement and quality control of contract auditors.

Clauses 44 to 52 are sourced from sections 83 to 91 of the FA&A Act and retain the existing powers of the Auditor-General and other authorised auditors to obtain information necessary to conduct audits.

Clause 53 is sourced from section 92 of the FA&A Act and maintains the obligation on authorised auditors and their staff to respect the

confidentiality of information obtained in the course of audits and not to divulge such information except where there is a duty to disclose. An additional provision has been included at subsection 1(d) to clarify that any person who receives a draft audit report under clause 64 must also treat the information as confidential.

The section permits disclosure of audit information to the Public Accounts Committee, the Public Works Committee, the Crime and Misconduct Commission, a Police officer or a court.

Significant penalties will continue to be imposed for breach of confidence.

A new provision has been included at clause 53(4) to ensure that discretion is retained over the disclosure of protected information to an entity responsible for an investigation or prosecution of offences.

New clause 53(5) has been included to enable matters to be disclosed to the Australian Securities and Investments Commission, where appropriate, without first being requested to provide the information or in cases where there is no investigation or prosecution already under way.

Clause 54 is sourced from section 93 of the FA&A Act and maintains the obligation on the Auditor-General to give observations or suggestions arising out of an audit which require attention to the appropriate person.

A new provision has been included within the clause which enables the Auditor-General to forward draft reports to any other person who, in the Auditor-General's opinion, has an interest in the audit report to provide comment. The process of considering submissions or comments from all relevant parties will not compromise the audit process and is likely to enhance the quality of audit reports. Clause 64 (Comments on proposed audit reports) has been amended to include a similar provision.

Clause 55 prevents civil action against an authorised auditor for acts or omissions done honestly and without negligence, but provides for liability in such circumstances to attach to the State. This personal protection for auditors is sourced from section 94 of the FA&A Act and is considered necessary and appropriate in view of the involvement of the Auditor-General in the audit of joint ventures and other commercial undertakings involving third parties.

Clause 56 is sourced from section 95 of the FA&A Act and allows the Auditor-General to charge fees for any audit conducted. The Auditor-General also charges direct costs associated with undertaking audits. A new provision has therefore been included which recognises the

current practice of the Auditor-General charging reasonable costs and expenses incurred in conducting the audit.

Clause 57 is sourced from section 96 of the FA&A Act and indicates that this Bill will not limit the powers of the Auditor-General apart from as indicated in this Bill.

Division 3 Reports to the Legislative Assembly

Clause 58 is sourced from section 97 of the FA&A Act and maintains the requirement for the Auditor-General to report to the Legislative Assembly on the general standards used or proposed to be used in audits. The report must be accessible to the public. When reporting on audits to the Legislative Assembly, the Auditor-General will be required to indicate where any audit departed significantly from the published standards.

Clauses 59 and 60 are sourced from sections 98 and 99 of the FA&A Act which deal with the Auditor-General's annual reports on the consolidated fund accounts and the audit of public sector entities. The clauses retain the provisions for the Auditor-General to report action or inaction by auditee management in remedying significant deficiencies noted in previous audit reports.

Clauses 61 to 63 are sourced from sections 100 and 102 of the FA&A Act which deal with the preparation of audit reports by the Auditor-General for the Legislative Assembly.

Clause 64 is sourced from section 103 of the FA&A Act and requires the Auditor-General to give a summary of findings of an audit to the Treasurer, Minister, accountable officer, chairperson or equivalent responsible officer of an entity, as the case may be, to ensure that organisations and individuals who are the subject of an audit are afforded an opportunity to respond to the findings, as required by natural justice.

Recipients have a time limit of 21 days to report to the Auditor-General. The Auditor-General must include any submission or comments, or a fair summary of them, in the report to the Legislative Assembly.

Clause 65 imposes a requirement on the recipient of a summary of findings to preserve confidentiality in respect to all matters contained in the summary of findings and not to disclose the contents, except in connection

with making submissions or comments to the Auditor-General or obtaining legal advice in relation to those matters.

Clause 66 is sourced from section 104 of the FA&A Act and details the circumstances under which the Auditor-General must not disclose information in an audit report on the basis that doing so would be against the public interest. Where such matters arise, the Auditor-General must instead include the information in a report to the Public Accounts Committee.

Clause 67 is sourced from section 105 of the FA&A Act and states that the Auditor-General must give audit reports to the Speaker or, in the absence of the Speaker, the Clerk of the Parliament. The Speaker or the Clerk must cause a copy of the report to be laid before the Legislative Assembly on its next sitting day.

Part 4 Strategic review of the audit office

Clause 68 is partially sourced from section 72 of the FA&A Act and retains provision for the Minister to appoint an appropriately qualified person to undertake a strategic review of the Queensland Audit Office at least once every five years. This is the maximum period between reviews and a strategic review may be commissioned at any time.

There is currently uncertainty regarding the timing of the strategic reviews in instances where the Minister tables a response to the Public Accounts Committee report on the previous strategic review which does not contain any recommendations. Subclause 68(2) provides that the five years commences from the date that the Minister's response to the Public Accounts Committee report is tabled, regardless of whether the Public Accounts Committee has made any formal recommendations. This will ensure that the Auditor-General is able to implement the strategic review recommendations in full knowledge of the views of the Public Accounts Committee and the Minister.

The Public Accounts Committee and the Auditor-General are to be consulted on the terms of reference for the review and the appointment of the person to conduct the review. The remuneration and other terms of appointment of the reviewer are to be decided by the Governor in Council.

Clause 69 is sourced from section 72(A) of the FA&A Act which establishes that, in conducting the strategic review, the reviewer has the powers that an authorised auditor has for an audit of an entity.

Clause 70 is sourced from section 72(B) of the FA&A Act and provides that the reviewer must give a copy of a proposed report on the review to the Minister and the Auditor-General. Provision currently exists within section 72(B) for the Auditor-General to comment on the draft report within 21 days after receiving the proposed report, and have those comments incorporated into the final report. A new provision has been included within this clause which also provides for the Minister to comment on and have those comments incorporated into the final report.

The Minister must table the review report in the Legislative Assembly within 3 sitting days after the Minister receives the report.

Part 5 Independent Audit of Queensland Audit Office

Clauses 71 and 72 are sourced from section 69 of the FA&A Act and provide for the Governor in Council to appoint an independent registered company auditor to undertake the audit of the Queensland Audit Office for each financial year for a period of up to five consecutive years. Audit reports on the Queensland Audit Office will continue to be provided

directly to the Minister, with a copy to the Treasurer and to the Auditor-General.

Part 6 General provisions

Clause 73 states that the Governor in Council may make Regulations which prescribe matters required or permitted by the Bill that are necessary for giving effect to the Bill. The Regulations may create offences and prescribe penalties for the offences of not more than 5 penalty units.

Part 7 Transitional Provisions

Clauses 74 to 85 aim to ensure that there is no ambiguity in relation to the change of legislation from the FA&A Act to the Auditor-General Act. Areas covered include:

- (a) the appointment, employment conditions and duties of the Auditor-General and Deputy Auditor-General are to continue;
- (b) any delegation of power by the Auditor-General made under section 66 of the FA&A Act is to continue;
- (c) any rulings on or requests for reviews under the *Public Service Act 2008* are to continue;
- (d) if a strategic review has commenced under the FA&A Act, it is to continue;
- (e) audits and reports commenced under the FA&A Act are to continue;
- (f) continuance of reports on auditing standards made under section 97 of the FA&A Act;
- (g) continuance of appointment of contract auditors of the Queensland Audit Office under section 82 of the FA&A Act;
- (h) the appointment of an independent auditor of the Audit Office and the audit of the Queensland Audit Office is to continue; and

- (i) a reference to the repealed FA&A Act is to be taken to be a reference to this Act.

© State of Queensland 2009