

Queensland



**FINANCIAL
ADMINISTRATION AND
AUDIT AMENDMENT BILL
1996**



FINANCIAL ADMINISTRATION AND AUDIT AMENDMENT BILL 1996

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ACTS REPEALED

1996

A BILL

FOR

**An Act to amend the *Financial Administration and Audit Act 1977*, and
for other purposes**

The Parliament of Queensland enacts—

1

PART 1—PRELIMINARY

2

Short title

3

Clause **1.** This Act may be cited as the *Financial Administration and Audit Amendment Act 1996*.

4

5

Commencement

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Clause **2.** This Act commences on a day to be fixed by proclamation.

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PART 2—AMENDMENT OF FINANCIAL ADMINISTRATION AND AUDIT ACT 1977

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9

Act amended in pt 2

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Clause **3.** This part amends the *Financial Administration and Audit Act 1977*.

11

Amendment of s 5 (Interpretation)

12

Clause **4.(1)** Section 5, heading—

13

omit, insert—

14

‘Definitions’.

15

(2) Section 5(1), definitions **“department”**, **“permanent head”** and **“prescribed accounting standards”**—

16

17

omit.

18

(3) Section 5(1)—

19

insert—

20

Financial Administration and Audit Amendment

‘ “department” see section 5AA.	1
“financial-institution account” means an account established and kept at a financial institution.	2 3
“prescribed accounting standards” means the Australian Accounting Standards, the Statements of Accounting Concepts and the Urgent Issues Group Abstracts applied under this Act, either as made or changed, by the Public Finance Standards.	4 5 6 7
“summary report” see section 46KA(2).’	8
(4) Section 5(1), definition “accounting officer”, paragraph (b)— <i>omit, insert—</i>	9 10
‘(b) is charged with any duty relating to collecting, receiving, keeping in custody, depositing in a financial institution or accounting for public moneys or other moneys, or collects, receives, keeps in custody, deposits into a financial institution or accounts for public moneys or other moneys; or’.	11 12 13 14 15
(5) Section 5(1), definitions “losses” and “Public Finance Standards”— <i>omit.</i>	16 17 18
(6) Section 5(1)— <i>insert—</i>	19 20
‘ “financial management standard” means a standard made under section 46L. ¹ ’.	21 22
(7) Section 5(2)— <i>omit.</i>	23 24
Insertion of new s 5AA	25
Clause 5. After section 5— <i>insert—</i>	26 27

¹ Section 46L (Financial management standards)

‘Meaning of “department”**‘5AA.(1)** A department includes—

- (a) a part of a department; or
- (b) an authority, instrumentality or body corporate that—
 - (i) represents the State; or
 - (ii) is established under an Act; or
 - (iii) is established for a purpose connected with the government of the State.

‘(2) However, an authority, instrumentality or body corporate is a department under subsection (1)(b) only if—

- (a) its receipts are paid, in whole or part, into a fund of the public accounts; or
- (b) its expenditure is paid, in whole or part, out of a fund of the public accounts.

‘(3) For subsection (2)(b), the expenditure is not taken to be paid, in whole or part, out of a fund of the public accounts merely because a payment in the nature of a grant in aid, endowment or subsidy is made to the authority, instrumentality or body corporate from the public accounts under an appropriation.’.**Amendment of s 11 (Powers of Treasurer re trust and special funds)**Clause **6.** Section 11(3)—*omit.***Insertion of new s 11A**Clause **7.** After section 11, in part 2, division 1—*insert—***‘Payment of interest on funds****‘11A.** The Treasurer may approve the payment of interest on amounts in a fund of the public accounts in the way and at the rate the Treasurer decides.’.

Amendment of pt 2, div 3

Clause 8. Part 2, division 3, heading—
omit, insert—

‘Division 3—Accounts with financial institutions’.

Amendment of s 14 (Moneys to be kept at bank)

Clause 9.(1) Section 14, heading—
omit, insert—

‘Moneys to be kept at financial institution’.

(2) Section 14, ‘bank in accordance with the prescribed requirements’—
omit, insert—
‘financial institution’.

Amendment of s 15 (Bank accounts)

Clause 10.(1) Section 15, heading—
omit, insert—

‘Financial-institution accounts’.

(2) Section 15, ‘bank’—
omit, insert—
‘financial institution’.

Amendment of s 16 (Overdrafts)

Clause 11. Section 16, ‘bank’—
omit, insert—
‘financial-institution’.

Amendment of s 17 (The public bank accounts)

Clause	12.(1) Section 17(1)—	2
	<i>omit, insert—</i>	3
	‘ 17.(1) The public bank accounts consist of the bank accounts kept for the public accounts.’	4
		5
	(2) Section 17(3)(a), ‘bank’—	6
	<i>omit, insert—</i>	7
	‘financial-institution’.	8

Amendment of s 18 (Departmental bank accounts)

Clause	13.(1) Section 18(1), heading—	10
	<i>omit, insert—</i>	11
	‘ Departmental financial-institution accounts ’.	12
	(2) Section 18(1), ‘a bank’—	13
	<i>omit, insert—</i>	14
	‘a financial institution’.	15
	(3) Section 18(1), ‘bank accounts’—	16
	<i>omit, insert—</i>	17
	‘financial-institution accounts’.	18
	(4) Section 18(2), (3) and (4), ‘bank account’—	19
	<i>omit, insert—</i>	20
	‘financial-institution account’.	21

Amendment of s 27 (Charging of expenditure)

Clause	14. Section 27(1), ‘bank’—	23
	<i>omit.</i>	24

	Omission of s 28 (Manner of issue of moneys from the public bank accounts)	1 2
Clause	15. Section 28— <i>omit.</i>	3 4
	Amendment of s 34A (Recovery of expenditure)	5
Clause	16. Section 34A(2)— <i>omit, insert—</i> ‘(2) The Treasurer’s direction must be noted in the general purpose financial statements prepared under section 40.’.	6 7 8 9
	Replacement of s 34B (Appropriations where departments levy charges for goods and services)	10 11
Clause	17. Section 34B— <i>omit, insert—</i> ‘ Appropriation if department levies charges for goods or services or disposes of certain assets ‘ 34B.(1) The Treasurer may, in writing, authorise the accountable officer to apply this section to all or part of a department’s receipts from— (a) a levying of a charge for goods or services; or (b) a disposal of assets other than land or buildings. ‘(2) If the Treasurer acts under subsection (1), an amount equal to the receipts or part of the receipts, is taken to be appropriated to meet the department’s expenditure in the financial year in which this section is applied to them. ‘(3) The Treasurer’s authorisation must be noted in the general purpose financial statements prepared under section 40.’.	12 13 14 15 16 17 18 19 20 21 22 23 24 25
	Amendment of s 36 (Functions and duties of accountable officer)	26
Clause	18. Section 36(1)(d)(ii), ‘banking of and accounting for’—	27

Financial Administration and Audit Amendment

omit, insert— 1

‘depositing in a financial institution of, and accounting for,’. 2

Amendment of s 36A (Delegation by accountable officer) 3

Clause 19. Section 36A(2)— 4

omit. 5

Omission of s 37 (Departmental appropriation accounts) 6

Clause 20. Section 37— 7

omit. 8

Amendment of s 37B (Annual report by department) 9

Clause 21. Section 37B(3)(d), from ‘departmental’ to ‘account,’— 10

omit, insert— 11

‘general purpose financial statements’. 12

Amendment of s 39 (Treasurer’s annual statement) 13

Clause 22. Section 39(2)(a), after ‘question’— 14

insert— 15

‘either be in accordance with prescribed accounting standards or’. 16

Omission of s 39A (Departmental statements) 17

Clause 23. Section 39A— 18

omit. 19

Amendment of s 40 (General purpose financial statements) 20

Clause 24.(1) Section 40(3)— 21

omit. 22

Financial Administration and Audit Amendment

(2) Section 40(5)— 1

omit, insert— 2

‘(5) If subsection (6) applies to the department, the certificates under subsections (3) and (5) must be changed to refer to the consolidated financial statements.’. 3
4
5

(3) Section 40(2) to (5)— 6

renumber as section 40(5) to (7). 7

(4) Section 40(1)— 8

omit, insert— 9

‘40.(1) The accountable officer of a department must— 10

(a) prepare general purpose financial statements for the financial year in accordance with the prescribed requirements; and 11
12

(b) give the statements to the auditor-general. 13

‘(2) The accountable officer must comply with subsection (1) within 2 months after the end of each financial year or the longer period agreed to between the accountable officer and the auditor-general. 14
15
16

‘(3) The accountable officer and the officer responsible for the financial administration of the department or the activity or fund to which the statements relate (the “officers”) must each certify on the statements whether, in their opinion— 17
18
19
20

(a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and 21
22

(b) the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions for the financial year to which they relate and of the financial position at the end of the year. 23
24
25
26

‘(4) The officers must certify the statements before they are certified by the auditor-general.’. 27
28

Amendment of s 41 (Power of Treasurer to invest moneys) 29

Clause 25.(1) Section 41(1)(b)— 30

Financial Administration and Audit Amendment

<i>omit, insert—</i>	1
‘(b) at a financial institution an account relating to the Treasury investment suspense account called the ‘Treasury investment suspense financial-institution account’;’.	2 3 4
(2) Section 41(1), ‘departmental bank account’—	5
<i>omit, insert—</i>	6
‘departmental financial-institution account’.	7
(3) Section 41(2)(b)(i), ‘bank’—	8
<i>omit, insert—</i>	9
‘financial-institution’.	10
(4) Section 41(2)(b)(iii), ‘bank’—	11
<i>omit, insert—</i>	12
‘financial-institution’.	13
(5) Section 41(4)(a) and (c), ‘bank’—	14
<i>omit, insert—</i>	15
‘financial-institution’.	16

	Amendment of s 46 (Treasurer’s unclaimed moneys fund)	17
--	--	----

Clause	26. Section 46(1)—	18
	<i>omit, insert—</i>	19
	‘ 46.(1) The Treasurer must keep a fund called the ‘Treasurer’s unclaimed moneys fund’.	20 21
	‘ (1A) The fund does not form part of the public accounts.’.	22

	Amendment of s 46C (Functions and duties)	23
--	--	----

Clause	27.(1) Section 46C(c)—	24
	<i>omit, insert—</i>	25
	‘(c) subject to the prescribed requirements and the body’s investment powers under the <i>Statutory Bodies Financial Arrangements Act</i>	26 27

Financial Administration and Audit Amendment

1982—keep at a financial institution all moneys of, or under the control of, the statutory body;’.

(2) Section 46C(e)(ii), ‘banking of and accounting for’—

omit, insert—

‘depositing in a financial institution of, and accounting for,’.

Amendment of s 46F (Statutory body to prepare annual financial statements)

Clause 28.(1) Section 46F(1B)—

omit, insert—

‘(1B) If subsection (5) applies to the statutory body, the certificate under subsection (3) must be changed to refer to the consolidated financial statements.’.

(2) Section 46F(2)—

omit.

(3) Section 46F(5), ‘subsection (1)(b)’—

omit, insert—

‘subsection (3)’.

(4) Section 46F(1A) to (5)—

renumber as section 46F((5) to (9).

(5) Section 46F(1)—

omit, insert—

‘46F.(1) A statutory body must—

- (a) prepare annual financial statements for the financial year in accordance with the prescribed requirements, whether as general purpose financial statements or in another way required by the prescribed requirements; and

- (b) give the statements to the auditor-general.

‘(2) The statutory body must comply with subsection (1) within 2 months after the end of each financial year or the longer period

Financial Administration and Audit Amendment

agreed to between the body and the auditor-general. 1

‘(3) The chairperson of the statutory body and the person responsible for 2
the financial administration of the statutory body (the “**officers**”) must each 3
certify on the statements whether, in their opinion— 4

(a) the prescribed requirements for establishing and keeping the 5
accounts have been complied with in all material respects; and 6

(b) for— 7

(i) general purpose financial statements—the statements have 8
been drawn up to present a true and fair view, in accordance 9
with prescribed accounting standards, of the statutory body’s 10
transactions for the financial year to which they relate and of 11
the financial position at the end of the year; or 12

(ii) other financial statements—the statements have been drawn 13
up to present a true and fair view of the statutory body’s 14
transactions for the financial year to which they relate and of 15
the financial position at the end of the year. 16

‘(4) The officers must certify the statements before they are certified by 17
the auditor-general.’. 18

**Replacement of s 46K (Control of moneys and property of statutory 19
body) 20**

Clause 29. Section 46K— 21

omit, insert— 22

‘PART 3A—TABLING OF ANNUAL REPORTS 23

‘Appropriate Minister must table reports 24

‘**46K.** Within 14 days after receiving the annual report of a department or 25
statutory body, the appropriate Minister must table a copy of it in the 26
Legislative Assembly. 27

‘Summary reports

‘46KA.(1) This section applies if the appropriate Minister administers a number of statutory bodies of a like nature having the same financial year.

‘(2) The appropriate Minister may prepare a report (a “**summary report**”) for the statutory bodies for a particular financial year.

‘(3) Instead of tabling separate reports in the Legislative Assembly for the statutory bodies, the appropriate Minister may—

(a) table the summary report in the Legislative Assembly within 1 month after receiving the last of the annual reports for the statutory bodies; or

(b) incorporate the summary report in—

(i) a department’s annual report; or

(ii) the annual report of a body helping the Minister in administering the Act under which the statutory bodies are established.

‘(4) If the appropriate Minister acts under subsection (3)(b)(ii), the Minister must table the body’s annual report in the Legislative Assembly within 1 month after receiving the last of the annual reports for the statutory bodies.

‘Minister to explain late tabling of annual report

‘46KB.(1) This section applies if the appropriate Minister tables, in the Legislative Assembly—

(a) the annual report of a department or statutory body (other than a summary report) later than 4 months and 14 days after the end of a financial year; or

(b) a summary report later than 5 months after the end of the statutory bodies’ financial year.

‘(2) The Minister must also give the Legislative Assembly a written statement—

(a) stating the report is being tabled late; and

- (b) stating the length of the delay; and 1
- (c) explaining the reasons for the delay. 2

‘Procedure if Legislative Assembly not in session or sitting 3

‘46KC.(1) This section applies if the Legislative Assembly is not in 4
session or is not actually sitting when the appropriate Minister is required to 5
do any of the following things— 6

- (a) table a copy of an annual report in the Legislative Assembly; 7
- (b) give the Legislative Assembly a written statement about the late 8
tabling of an annual report; 9
- (c) if the Minister has given a department or statutory body an 10
extension of time for giving the Minister a copy of its annual 11
report—give the Legislative Assembly an explanation for giving 12
the extension. 13

‘(2) The appropriate Minister must give a copy of the report, the written 14
statement or the explanation to the clerk of the Parliament. 15

‘(3) The clerk must table the report, statement or explanation before the 16
Legislative Assembly on its next sitting day. 17

‘(4) The report, statement or explanation is taken to have been tabled in 18
the Legislative Assembly on the day it is given to the clerk. 19

‘(5) The day of receipt of the report, statement or explanation must be 20
recorded in the votes and proceedings on the next sitting day. 21

‘(6) If the Legislative Assembly orders the report, statement or 22
explanation to be printed, the report, statement or explanation is taken to 23
have been ordered to be printed by the Legislative Assembly on the day the 24
clerk receives it.’. 25

Amendment of pt 4 (Public finance standards) 26

Clause **30.** Part 4, heading— 27

omit, insert— 28

**‘PART 4—STANDARDS ABOUT FINANCIAL 29
MANAGEMENT’.** 30

	Replacement of s 46L (Public Finance Standards)	1
Clause	31. Section 46L—	2
	<i>omit, insert—</i>	3
	‘Financial management standards	4
	‘46L.(1) The Treasurer may make standards about the following—	5
	(a) the policies and principles to be observed in financial management, including planning, performance management, internal control and corporate management;	6 7 8
	(b) the content of financial statements and annual reports;	9
	(c) the matters to be included in financial management practice manuals.	10 11
	‘(2) A standard may, under the <i>Statutory Instruments Act 1992</i> , section 23, apply, adopt or incorporate the provisions of a document (as in force at a particular time) that is made by the Treasurer or published by the department within which this provision is administered.	12 13 14 15
	‘(3) Each accountable officer and statutory body must comply with relevant provisions of a standard.	16 17
	‘(4) A standard is subordinate legislation.	18
	‘Requirements before making a financial management standard	19
	‘46LA. Before making a financial management standard, the Treasurer must—	20 21
	(a) have regard to relevant standards made by appropriate professional bodies; and	22 23
	(b) consult with the auditor-general about the standard.	24
	‘Financial management standard may include commentary about its operation	25 26
	‘46LB.(1) If the Treasurer considers it desirable, a financial management standard may include a commentary about the operation of a provision of the standard.	27 28 29

‘(2) However, the commentary is not part of the standard.

‘(3) To remove any doubt, if the standard includes a commentary about the operation of a provision—

(a) the commentary is not meant to be exhaustive; and

(b) the commentary and the provision are to be read in the context of each other and the other provisions of the standard but, if the commentary and the provision so read are inconsistent, the provision prevails.

‘Exemption from financial management standards

‘46LC.(1) The Treasurer may, in writing, exempt a department or statutory body from complying with a financial management standard (in whole or part).

‘(2) However, before giving the exemption, the Treasurer must consult with the auditor-general about the proposed exemption.

‘(3) The Treasurer may impose conditions on the exemption.

‘(4) If the exemption relates to a prescribed accounting standard, the department or statutory body must disclose the extent and financial implications of non-compliance with the standard in its general purpose financial statements.’.

Omission of s 46N (Appropriate Minister to table reports)

Clause 32. Section 46N—

omit.

Amendment of s 52 (Terms of appointment)

Clause 33. Section 52—

insert—

‘(2A) For subsection (2), remuneration and allowances payable to the chief executive of a department does not include any part of a performance bonus payable to the chief executive under the chief executive’s contract.’.

	Amendment of s 85 (Access to documents and property)	1
Clause	34. Section 85(3)(a)(ii), ‘bank or other’—	2
	omit.	3
	Amendment of s 107 (Recovery of moneys and the value of property)	4
Clause	35. Section 107(4)(a), ‘bank’—	5
	omit, insert—	6
	‘financial-institution’.	7
	Amendment of s 109 (Delegation by Treasurer)	8
Clause	36.(1) Section 109(2)(e) to (h)—	9
	renumber as section 109(2)(f) to (i).	10
	(2) Section 109(2)(a) to (d)—	11
	omit, insert—	12
	‘(a) section 11(4) (Powers of Treasurer re trust and special funds);	13
	(b) section 11A (Payment of interest on funds);	14
	(c) section 14 (Moneys to be kept at financial institution);	15
	(d) section 16 (Overdrafts);	16
	(e) section 18 (Departmental financial-institution accounts);’.	17
	(3) Section 109(3)—	18
	omit.	19
	Amendment for “public finance standards”	20
Clause	37.(1) This section amends the following provisions—	21
	• section 5, definition “ prescribed accounting standards ”	22
	• section 5, definition “ prescribed requirements ”	23
	• section 12(a)	24
	• section 36(1)(h)	25

- section 37B(3)(b) 1
- section 40(6) 2
- section 46F(5) 3
- section 46G(1A) 4
- section 46M(1). 5

(2) In the provisions mentioned in subsection (1), ‘Public Finance Standards’— 6
7

omit, insert— 8

‘financial management standards’. 9

PART 3—AMENDMENT OF PUBLIC SECTOR MANAGEMENT COMMISSION ACT 1990 10 11

Act amended in pt 3 12

Clause 38. This part amends the *Public Sector Management Commission Act* 13
1990. 14

Replacement of s 4.15 (Inconsistency between standards and Act etc.) 15

Clause 39. Section 4.15— 16
omit, insert— 17

‘Inconsistency between standards and Acts etc.’ 18

‘4.15. If there is an inconsistency between a standard and this Act, 19
another Act or a financial management standard made under the *Financial* 20
Administration and Audit Act 1977, this Act, the other Act or the financial 21
management standard prevails to the extent of the inconsistency.’. 22

PART 4—REPEALS

1

Repealed Acts

2

Clause **40.** The Acts mentioned in the schedule are repealed.

3

SCHEDULE

1

ACTS REPEALED

2

section 40

3

Government Loan Act 1964 No. 31

4

Government Loan Act 1966 No. 2

5

Government Loan Act 1968 No. 28

6

Government Loan Act 1971 No. 7

7

Government Loan Act 1974 No. 67

8

Government Loan Act 1976 No. 70

9

Government Loan Act 1980 No. 50

10

11

12