Queensland

Financial Administration and Audit Amendment Bill 2005

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Contents

2005

A Bill

for

An Act to amend the *Financial Administration and Audit Act 1977*

The Parliament of Queensland enacts—

Clause 1 Short title

This Act may be cited as the *Financial Administration and Audit Amendment Act 2005*.

Clause 2 Act amended

This Act amends the *Financial Administration and Audit Act 1977*.

Clause 3 Amendment of s 25 (Unforeseen expenditure)

Section 25, '2 weeks'—

omit, insert—

'4 weeks'.

Clause 4 Omission of ss 25A and 26

Sections 25A and 26—

omit.

Clause 5 Amendment of s 38 (Quarterly statement by Treasurer)

(1) Section 38(6), '2 weeks'—

omit, insert—

'4 weeks'.

(2) Section 38(6)(b), 'Treasurer's appropriation statement'—

omit, insert—

'consolidated fund financial report'.

Clause 6 Replacement of ss 38A and 38AA

Sections 38A and 38AA—

omit, insert—

‘38A Consolidated fund financial report

‘(1) This section applies to the quarterly statement the Treasurer must prepare under section 38 for the fourth quarter of a financial year (the ***consolidated fund financial report***).

‘(2) In addition to the matters included under section 38 in the consolidated fund financial report, the Treasurer must include the following in the report for each department for the financial year—

(a) the department’s vote, and the amounts for application to the department’s headings, under the Annual Appropriation Acts for the financial year and any change under this Act to the vote or 1 or more of the department’s headings;

(b) the total amount paid to the department for the financial year and the amounts allocated to the department’s headings;

(c) the amount of the equity withdrawal received by the Treasurer for the department;

(d) amounts paid to the department as unforeseen expenditure and particulars of the amounts;

(e) amounts appropriated to the department for the financial year that have lapsed under section 23(3);

(f) amounts written off by the Treasurer under section 106(1) as losses relating to the consolidated fund accounts.

‘(3) The consolidated fund financial report must not include a controlled receipt appropriated under section 9.

‘(4) The consolidated fund financial report must include a report on the investments made relating to TISFIA including the balance in TISFIA, and the investments held, at the end of the financial year.

‘(5) The Treasurer must, under section 38AA, sign and give the consolidated fund financial report to the auditor-general.

‘(6) The auditor-general must audit the consolidated fund financial report and prepare a report (the ***auditor’s report***) stating whether—

(a) the auditor-general has received all the information and explanations required by the auditor-general; and

(b) in the auditor-general’s opinion—

(i) the Treasurer’s consolidated fund operating account and Treasurer’s consolidated fund investment account have been properly kept under this Act; and

(ii) the consolidated fund financial report is in agreement with the accounts; and

(iii) the consolidated fund financial report has been properly drawn up to present a true and fair view of the transactions for the accounts in, and the position of the accounts at the end of, the financial year.

‘(7) As soon as practicable after the auditor-general has prepared the auditor’s report, the auditor-general must give the consolidated fund financial report and the auditor’s report to the Treasurer.

‘(8) Within 14 days after the Treasurer receives the consolidated fund financial report and the auditor’s report from the auditor-general, the Treasurer must table them in the Legislative Assembly.

‘38AA Timing for giving consolidated fund financial report to auditor-general

‘(1) For section 38A(5), the Treasurer must sign and give the consolidated fund financial report to the auditor-general by a date agreed between the Treasurer and the auditor-general.

‘(2) The agreed date must be one that allows the audit of the consolidated fund financial report, and auditor’s report for the consolidated fund financial report, to be completed no later than 3 months after the end of the financial year the consolidated fund financial report relates to.

'(3) However, if the Treasurer considers there is a whole-of-government reason that makes it impracticable to give the consolidated fund financial report for the financial year to the auditor-general by the date agreed under subsection (1), the Treasurer may give it to the auditor-general by a later date agreed with the auditor-general.

Example of a whole-of-government reason—

complex end of financial year changes to the machinery of government

'(4) The later date must allow the audit of the consolidated fund financial report, and the auditor's report for the consolidated fund financial report, to be completed no later than 6 months after the end of the financial year to which the consolidated fund financial report relates.'.

Clause 7 Insertion of new s 40AAA

After section 40—

insert—

'40AAA Financial reporting—when redistribution of public business of department takes effect

'(1) This section applies if public business of a transferor department is redistributed on a day other than the first day of a month and the transferor department is not abolished.

'(2) For preparing general purpose financial statements under section 40(1)(a) for the transferor department or the transferee department, the redistribution is taken to have happened on the first day of the month immediately after the month in which the redistribution happened.'.

Clause 8 Insertion of new pt 2, div 7AA

Part 2, before division 7A—

insert—

‘Division 7AA Ministerial offices expenses

‘40AB Definitions for div 7AA

‘In this division—

auditor-general’s report see section 40AE(2).

expenditure, for ministerial offices, means expenditure for the following—

(a) salaries and related payments;

(b) administrative costs;

Examples for paragraph (b)—

costs of communication, consumables, maintenance, rent, travel

(c) capital expenses, including depreciation.

full year report, see section 40AC(1)(b).

half year report, see section 40AC(1)(a).

ministerial offices means the offices maintained for Ministers and their staff.

relevant department means the department in which parts 5 and 6 of this Act are administered.

relevant Minister means the Minister administering the relevant department.

‘40AC Report of ministerial offices expenses

‘(1) The relevant chief executive must prepare—

(a) a report of expenditure for ministerial offices for the first 6 months of each financial year (a ***half year report***); and

(b) a report of expenditure for ministerial offices for each financial year (a ***full year report***).

‘(2) The relevant chief executive must sign each report and certify on it that it is an accurate report of expenditure for ministerial offices for the period concerned.

‘(3) The relevant chief executive may delegate the signing and certification of a report to an appropriately qualified officer of the relevant department.

‘(4) The relevant chief executive must give the relevant Minister—

(a) the half year report for a financial year by 15 February of the financial year; and

(b) the full year report for a financial year by 15 August of the next financial year.

‘(5) In this section—

appropriately qualified, for an officer to whom a power may be delegated, includes having the qualifications, experience or standing appropriate to exercise the power.

Example of standing—

an officer’s classification level in the relevant department

relevant chief executive means the chief executive of the relevant department.

‘40AD Tabling of half year report

‘The relevant Minister must table each half year report in the Legislative Assembly within 5 sitting days after the relevant Minister receives it.

‘40AE Audit of full year report

‘(1) The relevant Minister must, as soon as practicable after receiving a full year report, send it to the auditor-general.

‘(2) The auditor-general must audit the full year report and prepare a report (the ***auditor-general’s report***) about it.

‘(3) The auditor-general’s report must state whether—

(a) the auditor-general has received all the information and explanations required by the auditor-general; and

(b) in the auditor-general’s opinion, the full year report is an accurate report, in the required form, of expenditure for ministerial offices for the year concerned.

‘(4) The auditor-general must give the auditor-general’s report and the full year report to the relevant Minister.

‘40AF Tabling of full year report

‘The relevant Minister must table the auditor-general’s report and the full year report in the Legislative Assembly by 31 August of the next financial year mentioned in section 40AC(4)(b).’.

Clause 9 Amendment of s 46L (Financial management standards)

Section 46L(1)(b), ‘and annual reports’—

omit, insert—

‘, annual reports and final reports’.

Clause 10 Replacement of s 75 (Appropriate Minister to give auditor-general information relating to public sector entities)

Section 75—

omit, insert—

‘75 Appropriate Minister to give Treasurer and auditor-general information about public sector entities

‘(1) This section applies if—

(a) a public sector entity is established or abolished (a ***notifiable event***); or

(b) an entity becomes a public sector entity or stops being a public sector entity (also a ***notifiable event***).

‘(2) The appropriate Minister for the public sector entity must—

(a) give the Treasurer and the auditor-general a written notice about the notifiable event; and

(b) if the auditor-general asks the Minister for information about the public sector entity—give the auditor-general the information.

'(3) This section does not apply to a public sector entity that is, or is a part of, a department.'.

Clause 11 Amendment of s 81 (Audit of consolidated fund accounts)

Section 81(c), 'Treasurer's appropriation statement'—

omit, insert—

'consolidated fund financial report'.

Clause 12 Insertion of new pt 6B

Before part 7—

insert—

'Part 6B Provisions about abolished departments or statutory bodies

'Division 1 Definitions

'105J Definitions for pt 6B

'In this part—

abolished department means a department that has been abolished.

abolished statutory body means a statutory body that has been abolished.

abolition day means—

(a) for an abolished department—the day the department is abolished; or

(b) for an abolished statutory body—the day the statutory body is abolished.

administering department, for an abolished statutory body, means—

(a) the department (the ***first department***) in which the Act under which the abolished statutory body was established was administered immediately before the statutory body was abolished; or

(b) if the first department has been abolished, another department the Treasurer decides is the department best able to act in the place of the first department.

certified and audited means—

(a) for a department—certified under section 105M(2) and audited and reported about under section 105M(3); or

(b) for a statutory body—certified under section 105N(3) and audited and reported on under section 105O.

final financial statements, for an abolished department or an abolished statutory body, means the financial statements for the final period for the department or statutory body.

final period, for an abolished department or an abolished statutory body, means—

(a) if general purpose financial statements for the department's or statutory body's last financial year have been certified and audited before the abolition day for the department or statutory body—the period from the day immediately after the last financial year to the abolition day; or

(b) if general purpose financial statements for the abolished department's or statutory body's last financial year have not been certified and audited before the abolition day for the department or statutory body—the period from the beginning of the department's or statutory body's last financial year to the abolition day.

final report—

(a) for an abolished department, means a report about the operations of the department for the department's final period; or

(b) for an abolished statutory body, means a report about the operations of the statutory body for the statutory body's final period.

former accountable officer, for an abolished department, means—

(a) if the person who was the accountable officer of the department immediately before its abolition is employed in a public sector unit—that person; or

(b) otherwise—the next most senior officer of the department employed in a public sector unit.

former appropriate Minister, for an abolished department or abolished statutory body, means—

(a) if the person who was the appropriate Minister for the department or statutory body immediately before its abolition is a Minister—that person; or

(b) otherwise—the Minister the Treasurer decides is best able to act in the place of the person.

former chairperson, of an abolished statutory body means—

(a) if the person who was the chairperson of the statutory body immediately before it was abolished is available to act—that person; or

(b) otherwise—the person who was the next most senior board member of the abolished statutory body and is available to act.

former responsible financial officer, for an abolished department, means—

(a) if the person who was the officer responsible for the financial administration of the department immediately before its abolition is employed in a public sector unit—that person; or

(b) otherwise—the person who was the next most senior financial officer of the department and who is employed in a public sector unit.

former responsible person, for an abolished statutory body, means—

(a) if the person who was the person responsible for the financial administration of the statutory body immediately before its abolition is available to act—that person; or

(b) otherwise—the person who was the next most senior financial officer of the statutory body and is available to act.

last financial year means—

(a) for an abolished department—the department's financial year last ended before the abolition day for the department; or

(b) for an abolished statutory body—the statutory body's financial year last ended before the abolition day for the statutory body.

'Division 2 Abolished departments

'105K Application of div 2

'This division applies if a department is abolished.

'105L Final report

'(1) The former accountable officer for the abolished department must, within 1 month after the day agreed between the former accountable officer and the auditor-general under section 105M(1)(b), prepare a final report for the abolished department.

'(2) The former accountable officer must give the report to the former appropriate Minister for the abolished department.

'(3) Without limiting subsection (1), the former accountable officer must include in the report—

(a) information required under a financial management standard; and

(b) a copy of each set of final financial statements prepared under section 105M, and the certificates and auditor-general's report under that section for the statements.

‘(4) The former appropriate Minister for an abolished department may approve, for the final period, the former accountable officer preparing a short form final report for the abolished department in the form prescribed under a financial management standard.

‘(5) If the former accountable officer prepares a short form final report, the former accountable officer must ensure both the final report and short form final report are available for the final period.

‘(6) The former accountable officer may prepare the final report, or a short form final report, in electronic form if—

(a) copies of the report are also available in paper form; and

(b) the electronic form of the report states, in a prominent way, that copies of the report are also available in paper form and how the copies may be obtained.

‘(7) A set of the final financial statements mentioned in subsection (3)(b) may be included in electronic form in a final report if—

(a) copies of the statements are available in paper form; and

(b) the report states, in a prominent way, that copies of the statements are available in paper form and how the copies may be obtained.

Example of electronic form—

a CD-ROM

‘105M Final financial statements

‘(1) The former accountable officer for an abolished department must—

(a) prepare final financial statements for the abolished department; and

(b) give the statements to the auditor-general by a day agreed between the former accountable officer and the auditor-general.

‘(2) The former accountable officer and the former responsible financial officer for the abolished department must each certify on the final financial statements whether, in their opinion—

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

(b) the statements have been drawn up to show a true and fair view, under prescribed accounting standards, of the transactions for the final period and of the financial position at the end of the final period.

'(3) The auditor-general must audit the final financial statements and prepare a report about the statements.

'(4) The report must state whether—

(a) the auditor-general has received all the information and explanations required by the auditor-general; and

(b) in the auditor-general's opinion—

(i) the prescribed requirements for the establishment and keeping of accounts have been complied with in all material respects; and

(ii) the final financial statements give a true and fair view under prescribed accounting standards of the transactions for the final period and of the financial position as at the end of the final period.

'(5) As soon as practicable after the officers have certified the final financial statements and the auditor-general has prepared the report about the statements, the auditor-general must give—

(a) the certified statements and the auditor-general's report to the former accountable officer; and

(b) a copy of the certified statements and the report to the former appropriate Minister and the Treasurer.

'(6) The final financial statements prepared under subsection (1)(a) must include consolidated financial statements for the abolished department and its controlled entities if the financial management standards or prescribed accounting standards require that they be included.

‘(7) If subsection (6) applies to the abolished department, the certificate under subsection (2), and the report under subsection (3), must relate to the consolidated financial statements.

‘Division 3 Abolished statutory bodies

‘105N Final financial statements

‘(1) The former appropriate Minister for an abolished statutory body must—

(a) arrange for the administering department for the abolished statutory body to prepare final financial statements for the statutory body; and

(b) give the statements to the auditor-general by a day agreed between the former appropriate Minister and the auditor-general.

‘(2) The former chairperson of, and the former responsible person for, the abolished statutory body must each certify on the final financial statements whether, in their opinion—

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

(b) the final financial statements have been drawn up to show a true and fair view, under prescribed accounting standards, of the abolished statutory body’s transactions for the final period and of the financial position at the end of the period.

‘(3) The final financial statements prepared under subsection (1)(a) must include consolidated financial statements for the abolished statutory body and its controlled entities if the financial management standards or prescribed accounting standards require that they be included.

‘(4) If subsection (3) applies to the abolished statutory body, the certificate under subsection (2) must relate to the consolidated financial statements.

‘(5) The final financial statements of an abolished statutory body or copies of them must not, without the approval of the former appropriate Minister, be made available to any person other than the following until the statements have been audited and a report given to the former appropriate Minister under section 105O—

(a) the auditor-general or a person acting for the auditor-general;

(b) the former appropriate Minister or a person acting for the former appropriate Minister;

(c) a person who was a member, officer or employee of the statutory body.

‘(6) When the final financial statements of an abolished statutory body have been audited and a report prepared under section 105O, the former appropriate Minister must publish the statements and the report in a way the former appropriate Minister decides.

‘(7) All copies of the final financial statements and reports published under subsection (6) must be true copies and the certificate of the former chairperson and the former responsible person under subsection (2) must be included in the final financial statements.

‘105O Report of auditor-general

‘(1) The auditor-general must audit the final financial statements of an abolished statutory body and prepare a report about the statements.

‘(2) The report must state whether—

(a) the auditor-general has received all the information and explanations required by him or her; and

(b) in the auditor-general’s opinion—

(i) the prescribed requirements for the establishment and keeping of accounts have been complied with in all material respects; and

(ii) the final financial statements have been drawn up to show a true and fair view of the transactions of the abolished statutory body for the final period and of the financial position as at the end of the final period.

‘(3) As soon as practicable after the former chairperson of the abolished statutory body and the former responsible person for the statutory body have certified the final financial statements and the auditor-general has prepared the report about the certified statements, the auditor-general must give the certified statements and the auditor-general’s report to the former appropriate Minister.

‘(4) If the final financial statements include consolidated financial statements as required by a financial management standard or prescribed accounting standard, the report must relate to the consolidated financial statements.

‘(5) The former appropriate Minister must consider the final financial statements and report.

‘105P Final report

‘(1) The administering department for an abolished statutory body must, within 1 month after the day agreed between the former appropriate Minister and the auditor-general under section 105N(1)(b), prepare a final report for the statutory body under the prescribed requirements and give it to the former appropriate Minister.

‘(2) The final report must contain a copy of each set of final financial statements prepared under section 105N, and the auditor-general’s report under section 105O for the statements.

‘(3) The former appropriate Minister for an abolished statutory body may approve, for a final period, the administering department preparing a short form annual report for the statutory body in the form prescribed under a financial management standard.

‘(4) If the administering department prepares a short form annual report for the final period, the administering department must ensure both the final report and short form final report are available for the final period.

‘(5) The administering department may prepare the final report in electronic form if—

(a) copies of the report are also available in paper form; and

(b) the electronic form of the report states, in a prominent way, that copies of the report are also available in paper form and how the copies may be obtained.

‘(6) The final financial statements mentioned in subsection (2) may be included in electronic form in a final report if—

(a) copies of the statements are available in paper form; and

(b) the report states, in a prominent way, that copies of the statements are available in paper form and how the copies may be obtained.

Example of electronic form—

a CD-ROM

‘Division 4 Tabling of final reports

‘105Q Tabling of final report

‘(1) This section applies to a former appropriate Minister for an abolished department or abolished statutory body to whom a final report must be given under section 105L or 105P.

‘(2) The former appropriate Minister must table a copy of the report in the Legislative Assembly within 14 days after receiving it.

‘105R Explanation of late tabling of final report

‘(1) This section applies if the former appropriate Minister for an abolished department or abolished statutory body tables the final report for an abolished department or abolished statutory body later than 14 days after receiving it.

‘(2) The former appropriate 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

(c) explaining the reasons for the delay.

‘(3) The *Parliament of Queensland Act 2001*, section 59,[1] applies to the written statement in the same way it applies to a report mentioned in that section.’.

Clause 13 Insertion of new pt 8, div 6

Part 8—

insert—

‘Division 6 Transitional provision for Financial Administration and Audit Amendment Act 2005

‘143 Transitional provision for supplementary appropriation for 2004—2005

‘(1) This section applies if the *Financial Administration and Audit Amendment Act 2005* commences before the Appropriation Act commences.

‘(2) The pre-amended Act applies to the Appropriation Act.

‘(3) In this section—

Appropriation Act means the Act for which a Bill was introduced into the Legislative Assembly on 25 October 2005 under the title *Appropriation Bill (No. 2) 2005*.

pre-amended Act means this Act as in force before the commencement of the *Financial Administration and Audit Amendment Act 2005*.’.

1 *Parliament of Queensland Act 2001*, section 59 (Tabling of report when Assembly not sitting)

Clause 14 Amendment of sch 2 (Continuing funds)

Schedule 2, entry for Department of Housing—

omit.

Clause 15 Amendment of sch 3 (Dictionary)

(1) Schedule 3, definitions *expenditure* and *Treasurer's appropriation statement*—

omit.

(2) Schedule 3—

insert—

'***abolished***, for a department or statutory body, means ceased to exist.

abolished department, for part 6B, see section 105J.

abolished statutory body, for part 6B, see section 105J.

abolition day, for part 6B, see section 105J.

administering department, for part 6B, see section 105J.

auditor-general's report, for part 2, division 7AA, see section 40AB.

certified and audited, for part 6B, see section 105J.

consolidated fund financial report see section 38A(1).

expenditure, for ministerial offices, for part 2, division 7AA, see section 40AB.

expenditure, generally, means the actual payment of moneys.

final financial statements, for part 6B, see section 105J.

final period, for part 6B, see section 105J.

final report see section 105J.

former accountable officer, for part 6B, see section 105J.

former appropriate Minister, for part 6B, see section 105J.

former chairperson, for part 6B, see section 105J.

former responsible financial officer, for part 6B, see section 105J.

former responsible person, for part 6B, see section 105J.

full year report, for part 2, division 7AA, see section 40AB.

further 4 weeks, for a financial year, means the 28 days after the end of that financial year.

half year report, for part 2, division 7AA, see section 40AB.

last financial year, for part 6B, see section 105J.

ministerial offices, for part 2, division 7AA, see section 40AB.

relevant department, for part 2, division 7AA, see section 40AB.

relevant Minister, for part 2, division 7AA, see section 40AB.

transferee department means a department to which public business of another department is redistributed.

transferor department means a department from which public business is redistributed to another department.’.

(3) Schedule 3, definition *public sector entity*—

insert—

‘(e) an entity controlled by an entity that is a public sector entity under paragraph (d).’.