



New South Wales

Children and Young Persons (Care and Protection) Amendment (Auditing of Out-of-Home Care Providers) Bill 2017

Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

Overview of Bill

The object of this Bill is to require the Auditor-General to conduct performance audits of non-government agencies that receive State government funding to arrange for children or young persons to be placed in out-of-home care.

The following are the features of the proposed scheme:

- (a) The Minister is required to ensure that the Auditor-General conducts performance audits of the exercise of publicly funded placement functions under an agreement between the Department of Family and Community Services and a designated agency that is a non-government body.
- (b) The Auditor-General is required to conduct such audits and report to the Minister before the agreement under which they are provided is renewed or, if the agreement is not renewed, within 3 months after the relevant agreement ends.
- (c) The Minister is required to table any such report in Parliament.
- (d) The Auditor-General and certain authorised persons may require information in relation to a performance audit and it is an offence to fail to comply with such a requirement.
- (e) Non-government designated agencies are required to pay the costs of any audit of their functions.
- (f) An agreement with a non-government designated agency for the provision of publicly funded placement functions cannot be renewed unless the exercise of the functions has been audited and the Auditor-General's report has been considered by the Secretary.

Outline of provisions

Clause 1 sets out the name (also called the short title) of the proposed Act.

Clause 2 provides for the commencement of the proposed Act on the date of assent to the proposed Act.

Schedule 1 Amendment of Children and Young Persons (Care and Protection) Act 1998 No 157

Schedule 1 [1] inserts a note about the proposed provisions.

Schedule 1 [2] inserts a new Part containing the following provisions about the performance auditing of non-government designated agencies:

- (a) Proposed section 172B defines *publicly funded placement functions* as functions exercised by a designated agency (that is, an organisation that arranges the provision of out-of-home care and is accredited under the regulations), where those functions:
 - (i) involve arranging the placement of a child or young person in out-of-home care (whether statutory, supported or voluntary out-of-home care), and
 - (ii) are paid for by the Department by agreement with that designated agency.
- (b) Proposed section 172C requires the Minister to ensure that the Auditor-General conducts a performance audit of the exercise of the publicly funded placement functions of a non-government designated agency before the agreement under which they are provided is renewed or after an agreement that is not renewed ends.
- (c) Proposed section 172D requires the Auditor-General to conduct those performance audits before any renewal or within 3 months of the relevant agreement ending.
- (d) Proposed section 172E provides for the conduct of performance audits.
- (e) Proposed section 172F provides for the Auditor-General to provide reports to the Minister on the results of any performance audit conducted.
- (f) Proposed section 172G requires the Minister to table in Parliament any report of a performance audit received by the Minister.
- (g) Proposed section 172H provides for the Auditor-General and certain authorised persons to require information in relation to a performance audit dealing with a publicly funded private designated agency.
- (h) Proposed section 172I makes it an offence to obstruct the Auditor-General's conduct of a performance audit.
- (i) Proposed section 172J requires non-government designated agencies to pay the costs of the performance audit of their functions.
- (j) Proposed section 172K prevents an agreement with a non-government designated agency for the provision by that agency of publicly funded placement functions from being renewed unless the Secretary of the Department has had regard to the Auditor-General's report about the exercise of functions under the existing agreement.