

c2018-055C  
GRNS--The Greens

## LEGISLATIVE COUNCIL

### Government Sector Finance Legislation (Repeal and Amendment) Bill 2018

Second print

#### Proposed amendment

No. 1      **Performance audits of associated entities**

Page 10, Schedule 2, lines 23 and 24. Omit all words on those lines. Insert instead:

**[17] Part 3, Division 3**

Omit the Division. Insert instead:

**Division 3      Performance audits of associated entities**

**39 Definitions**

In this Division:

***associated entity*** means an entity other than a GSF agency (the ***principal entity***) that provides any services or exercises other functions for or on behalf of a GSF agency for which the agency is responsible or for or on behalf of the State, including each of the following:

- (a) an entity that is a contractor or subcontractor of the principal entity in connection with the provision of the services or exercise of the functions,
- (b) an entity that is a partner of, or a party to a joint venture (within the meaning of the *Government Sector Finance Act 2018*) with, the principal entity in connection with provision of the services or exercise of the functions,
- (c) an entity that is a controlled entity of the principal entity in connection with the provision of the services or exercise of the functions.

***audit*** includes examination and inspection.

***head*** of an associated entity means the person who is the chief executive officer (however described) of the entity or otherwise responsible for the entity's day to day management.

***performance audit*** means an audit under this Division.

***responsible Minister***, in relation to an associated entity, means the Minister who is responsible for the provision of the services or the exercise of the functions that the entity is providing or exercising for or on behalf of a GSF agency or the State.

---

**40 Auditor-General may conduct performance audit of associated entities**

- (1) The Auditor-General may, when the Auditor-General considers it appropriate to do so, conduct an audit of some or all of the activities of an associated entity in connection with providing services or exercising other functions for or on behalf of a GSF agency or the State, but only to the extent that those activities are funded using government money provided by the agency or the State.
- (2) The purpose of a performance audit of an associated entity is to determine whether:
  - (a) the entity is:
    - (i) carrying out the audited activities effectively, and
    - (ii) doing so economically and efficiently and in compliance with all relevant laws, and
  - (b) without limiting paragraph (a), there has been any wastage of government money or lack of probity or financial prudence in the management or application of government money.
- (3) A performance audit is separate from, and does not affect, any other audit required or authorised by or under this Act or any other Act.
- (4) A single performance audit may relate to the activities of more than one associated entity.
- (5) The performance audit of an associated entity may be conducted in combination with a performance audit under Division 2A of an entity to which that Division applies.

**41 Report of compliance audit**

- (1) The Auditor-General is to report to each of the following as to the result of any performance audit of an associated entity and as to any other matters that in the judgment of the Auditor-General call for special notice:
  - (a) the head of the associated entity,
  - (b) the responsible Minister for the associated entity,
  - (c) the Treasurer.
- (2) The Auditor-General must not make a report of a performance audit under this section unless, at least 28 days before making the report, the Auditor-General has given each person referred to in subsection (1) (a), (b) and (c) a summary of findings and proposed recommendations in relation to the audit.
- (3) The Auditor-General may make a report of a performance audit under this section before the expiry of that 28-day period if the head of the associated entity has provided to the Auditor-General any submissions or comments the person wishes to make.
- (4) The Auditor-General is to include in the report of a performance audit under this section any submissions or comments made by the head of the associated entity or a summary, in an agreed form, of any such submissions or comments.
- (5) In a report of a performance audit under this section, the Auditor-General:
  - (a) may include such information as the Auditor-General thinks desirable in relation to the activities that are the subject of the audit, and
  - (b) is to set out the reasons for opinions expressed in the report, and

- 
- (c) may include any recommendations arising out of the audit that the Auditor-General thinks fit to make.
  - (6) The Auditor-General may include the report in any other report of the Auditor-General.
  - (7) If a single performance audit relates to the activities of more than one associated entity, the Treasurer may, at the request of the Auditor-General, determine the head of an appropriate associated entity and responsible Minister to whom the Auditor-General is to report under this section. In that case, a reference in this section to the head of the associated entity and responsible Minister is to be read accordingly.

#### **42 Tabling of reports**

- (1) The Auditor-General is, as soon as practicable after making a report under section 41, to present the report to each House of Parliament, if that House is then sitting.
- (2) If a House of Parliament is not sitting when the Auditor-General seeks to present a report to it under this section, the Auditor-General is to present the report to the Clerk of the House concerned to be dealt with in accordance with section 63C.
- (3) The Auditor-General may include the report in any other report of the Auditor-General to the House of Parliament concerned.