

CONCURRENCE COPY

PUBLIC FINANCE AND AUDIT (AMENDMENT) BILL, 1984

EXPLANATORY NOTE

(This Explanatory Note relates to this Bill as introduced into Parliament)

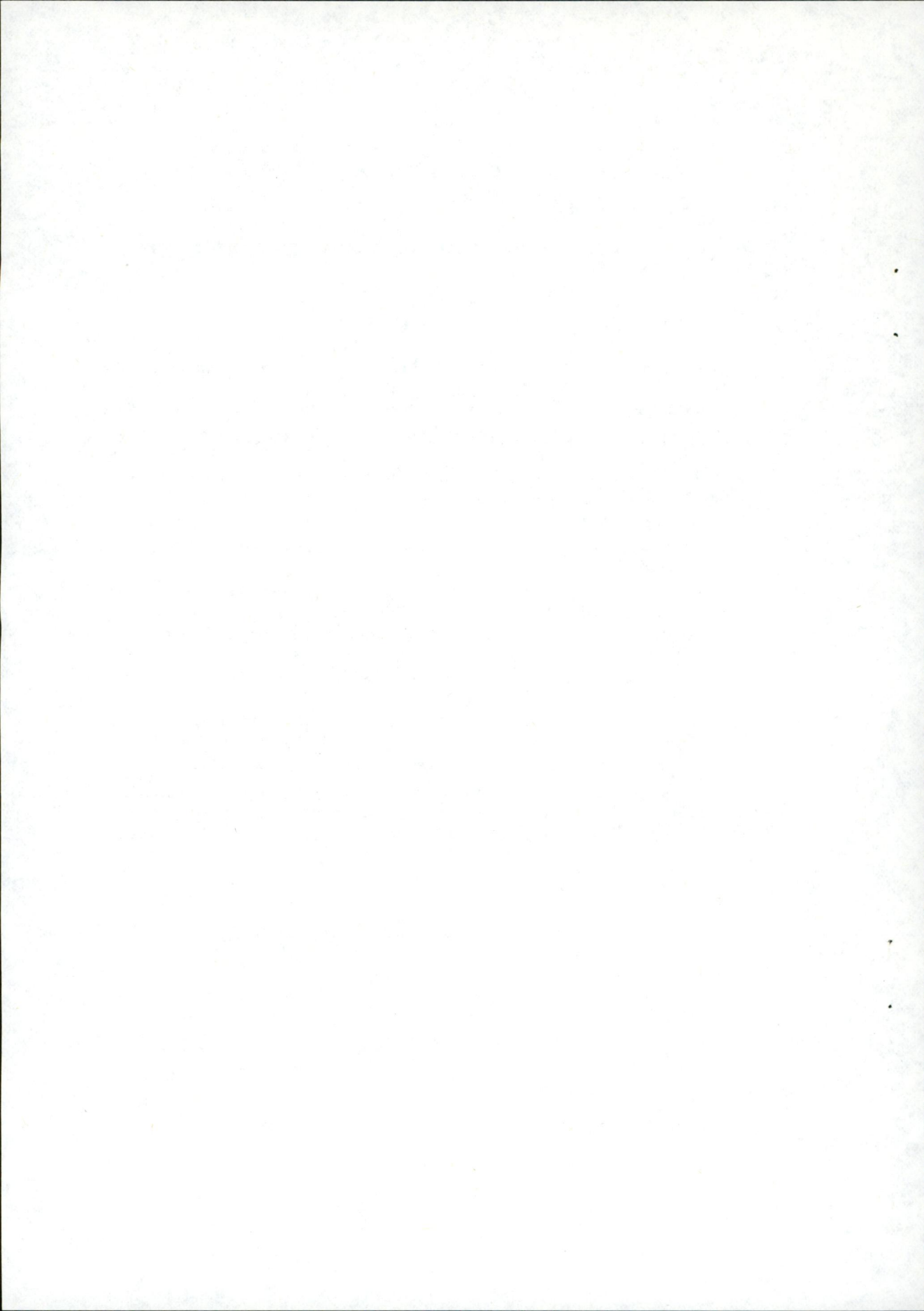
This Bill is cognate with the Annual Reports (Statutory Bodies) Bill, 1984.

The object of this Bill is to amend the Public Finance and Audit Act, 1983, to make further provision with respect to the annual audit of the accounts of certain statutory bodies consequent upon the enactment of the proposed Annual Reports (Statutory Bodies) Act, 1984.

The Bill—

- (a) specifies or enables the determination of the financial year of certain statutory authorities (Schedule 1 (1));
- (b) specifies the period within which certain statutory bodies shall prepare their annual financial statements (Schedule 1 (7)—proposed section 41A);
- (c) specifies the matters to be included in those financial statements (Schedule 1 (7)—proposed section 41B);
- (d) specifies the period within which those financial statements shall be audited (Schedule 1 (7)—proposed section 41C);
- (e) provides for the return by the auditor of the audited financial statements to those statutory bodies (Schedule 1 (7)—proposed section 41D); and
- (f) makes other provisions of a minor, ancillary or consequential nature.

The Bill also enables the making of regulations of a savings and transitional nature consequent upon its enactment and the enactment of the proposed Annual Reports (Statutory Bodies) Act, 1984 (clause 4).



PUBLIC FINANCE AND AUDIT (AMENDMENT) BILL, 1984

No. , 1984.

A BILL FOR

An Act to amend the Public Finance and Audit Act, 1983, consequent upon the enactment of the Annual Reports (Statutory Bodies) Act, 1984.

[MR BOOTH—9 May, 1984.]

Public Finance and Audit (Amendment).

BE it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows:—

5 Short title.

1. This Act may be cited as the "Public Finance and Audit (Amendment) Act, 1984".

Commencement.

2. (1) Sections 1 and 2, the provisions of Schedule 1 (2), (3) and (9),
10 and section 3 in its application to those provisions, shall commence on the date of assent to this Act.

(2) Except as provided by subsection (1), this Act shall commence on the day appointed and notified under section 2 (2) of the Annual Reports (Statutory Bodies) Act, 1984.

15 Amendment of Act No. 152, 1983.

3. The Public Finance and Audit Act, 1983, is amended in the manner set forth in Schedule 1.

Regulations.

4. (1) The Governor may make regulations containing provisions of a
20 savings or transitional nature consequent on the enactment of this Act and the Annual Reports (Statutory Bodies) Act, 1984.

(2) A provision made under subsection (1) may take effect as from the day appointed and notified under section 2 (2) of the Annual Reports (Statutory Bodies) Act, 1984, or a later day.

Public Finance and Audit (Amendment).

(3) To the extent to which a provision referred to in subsection (1) takes effect from a day that is earlier than the date of its publication in the Gazette, the provision does not operate so as—

- 5 (a) to affect, in a manner prejudicial to any person (other than the State or an authority of the State), the rights of that person existing before the date of its publication therein; or
- (b) to impose liabilities on any person (other than the State or an authority of the State) in respect of anything done or omitted to be done before the date of its publication therein.

10

SCHEDULE 1.

(Sec. 3.)

AMENDMENTS TO THE PUBLIC FINANCE AND AUDIT ACT, 1983.

(1) (a) Section 4 (1), definition of "financial year"—

Omit paragraph (b), insert instead:—

15

(b) a statutory authority, means—

20

(i) except as provided by subparagraph (iii), the period specified as the financial year of the statutory authority in or pursuant to the Act by or under which the statutory authority is appointed, constituted or regulated;

25

(ii) except as provided by subparagraph (iii), where no period is specified as referred to in subparagraph (i), the period from 1st April to the next following 31st March; or

(iii) where the Treasurer, pursuant to subsection (1A), determines the financial year of the statutory authority, the financial year so determined;

Public Finance and Audit (Amendment).

SCHEDULE 1—*continued.*

AMENDMENTS TO THE PUBLIC FINANCE AND AUDIT ACT, 1983—*continued.*

(b) Section 4 (1), definition of “statutory authority”—

5 From paragraph (b), omit “specified in Schedule 2”, insert instead “to which Division 3 of Part III applies”.

(c) Section 4 (1A)—

After section 4 (1), insert:—

(1A) The Treasurer may, by notice in writing to a statutory authority, determine the financial year of the statutory authority.

10 (2) (a) Section 12 (1)—

Omit “an authorisation”, insert instead “a delegation”.

(b) Section 12 (1)—

Omit “confer that authority”, insert instead “make the delegation”.

15 (3) (a) Section 13—

Omit “pay”, insert instead “authorise the payment of”.

(b) Section 13 (a)—

20 Omit “on whom an authorisation under section 12 (1) has been conferred”, insert instead “to whom the power to authorise the payment has been delegated under section 12 (1)”.

*Public Finance and Audit (Amendment).*SCHEDULE 1—*continued.*AMENDMENTS TO THE PUBLIC FINANCE AND AUDIT ACT, 1983—*continued.*

(4) (a) Section 39 (1)—

Omit the subsection, insert instead:—

5 (1) A reference in this Division to a statutory body is a reference to—

(a) a person, group of persons or body specified in Schedule 2; and

10 (b) a person, group of persons or body (not being a Department specified in Column 1 of Schedule 1 to the Public Service Act, 1979) whose funds are held in an account within the Special Deposits Account,

and includes a reference to—

15 (c) a corporation within the meaning of the Companies (New South Wales) Code which, if the statutory body were such a corporation, would be a subsidiary, within the meaning of that Code, of the statutory body; and

20 (d) a partnership, joint venture or other association, not less than 50 per cent of the property of which is owned by the statutory body or not less than 50 per cent of the voting rights of which are controlled by the statutory body,

25 but does not include a reference to a person, group of persons or body who or which is, by a regulation made for the purposes of this subsection, declared not to be a statutory body for the purposes of this Division.

(b) Section 39 (2A)—

After section 39 (2), insert:—

30 (2A) A reference in this Division to the Auditor-General shall, where, in relation to a statutory body, not being a corporation, partnership, joint venture or other association referred to in subsection (1) (c) or (d), an Act authorises or enables the appointment by the statutory body of an auditor

Public Finance and Audit (Amendment).

SCHEDULE 1—*continued.*

AMENDMENTS TO THE PUBLIC FINANCE AND AUDIT ACT, 1983—*continued.*

5 other than the Auditor-General to be the sole auditor in respect of the statutory body, be read and construed as a reference to that auditor.

(5) Section 40 (1) (c)—
Omit “appointed,”.

(6) Section 41 (3)–(8)—
Omit the subsections.

10 (7) Sections 41A–41D—
After section 41, insert:—
Preparation of financial statements.

41A. A statutory body shall, within the period of 6 weeks after the end of each financial year of the statutory body, prepare and submit—
15 (a) to the Minister; and
(b) to the Auditor-General for verification and certification,
financial statements for the financial year then ended.

Nature of financial statements.

20 41B. (1) The financial statements referred to in section 41A of a statutory body—
(a) shall be prepared having regard to current accounting standards and industry practices relating to the statutory body;
25 (b) shall, except as provided by subsection (2), be prepared on an accrual accounting basis;

Public Finance and Audit (Amendment).

SCHEDULE 1—*continued.*AMENDMENTS TO THE PUBLIC FINANCE AND AUDIT ACT, 1983—*continued.*

(c) shall consist of—

- 5 (i) an income and expenditure statement or a statement of receipts and payments;
- (ii) except as provided by subsection (3), a balance sheet or a statement of balances;
- (iii) except as provided by subsection (3), consolidated accounts;
- 10 (iv) a source and application of funds statement;
- (v) proper and adequate notes to the statements; and
- (vi) such other information, if any, or particulars, if any, as may be prescribed;

(d) shall be accompanied by—

- 15 (i) a summary of the land owned or occupied by the statutory body classified according to the actual use of the land; and
- (ii) where it is appropriate to value the land and the value can readily be established, a statement of the value of the land within each classification, or otherwise, a statement giving the reasons why it is inappropriate to value the land or why the value cannot readily be established;
- 20

(e) shall exhibit a true and fair view of the financial position and transactions of the statutory body and, in the case of a statutory body being the Senate or Council of a university, of the financial position and transactions of the university;

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(f) shall be accompanied by a statement made in accordance with a resolution of the statutory body signed, except as provided by subsection (5), by 2 members of the statutory body stating whether, in the opinion of those members, the financial statements exhibit a true and fair view of the financial position and transactions of the statutory body and, in the case of a statutory body being the Senate or Council of a university, of the financial position and transactions of the university; and

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Public Finance and Audit (Amendment).

SCHEDULE 1—*continued.*AMENDMENTS TO THE PUBLIC FINANCE AND AUDIT ACT, 1983—*continued.*

(g) shall be prepared in such manner, if any, and such form, if any, as may be prescribed.

5 (2) A statutory body may prepare the financial statements referred to in section 41A on a basis other than an accrual accounting basis where that other basis has been approved by the Treasurer.

(3) A statutory body may, with the approval of the Treasurer, dispense with—

10 (a) the preparation of a balance sheet or statement of assets and liabilities and the inclusion of a balance sheet or statement of assets and liabilities in the financial statements of the statutory body; or

15 (b) the preparation of consolidated accounts and the inclusion of consolidated accounts in the financial statements of the statutory body,

or both.

(4) The Treasurer shall, before giving an approval referred to in subsection (3), consult with the Auditor-General.

20 (5) Where a statutory body is a corporation sole, the statement referred to in subsection (1) (f) shall be signed by the person who constitutes the corporation sole.

Auditing, etc., of financial statements.

25 41c. (1) The Auditor-General shall, within the period of 10 weeks after the receipt by the Auditor-General of the financial statements referred to in section 41A of a statutory body—

(a) audit the accounts of the statutory body for the financial year to which the financial statements relate; and

Public Finance and Audit (Amendment).

SCHEDULE 1—*continued.*

AMENDMENTS TO THE PUBLIC FINANCE AND AUDIT ACT, 1983—*continued.*

(b) furnish a certificate—

- 5 (i) stating that the Auditor-General has audited the accounts caused to be kept by the statutory body for that financial year;
- (ii) indicating whether the financial statements comply with section 41B; and
- 10 (iii) setting forth any qualifications subject to which the certificate is given.

(2) Nothing in this section prevents the alteration of the financial statements, with the approval of the Auditor-General, after their receipt by the Auditor-General and before their submission to the Minister.

15 **Return of audited financial statements, etc., to statutory body.**

41D. The Auditor-General shall, after having performed the functions conferred on the Auditor-General by section 41C in relation to the financial statements of a statutory body, submit the financial statements and the Auditor-General's certificate under that section to the statutory body for submission to the Minister.

20

(8) (a) Section 42 (1)—

Omit "section 41 (3) or (5)", insert instead "section 41A or 41C".

(b) Section 42 (3)—

25 Omit "section 41 (3) or (5)", insert instead "section 41A or 41C or any requirement of those sections".

(c) Section 42 (4)—

30 Omit "section 41 (3) or (5)" where firstly occurring, insert instead "section 41A or 41C or any requirement of those sections".

Public Finance and Audit (Amendment).

SCHEDULE 1—*continued.*

AMENDMENTS TO THE PUBLIC FINANCE AND AUDIT ACT, 1983—*continued.*

(d) Section 42 (4)—

5 Omit “section 41 (3) or (5)” where secondly occurring, insert instead “section 41A or 41C or the requirement”.

(9) (a) Schedule 2—

Omit:—

Dairy Industry Marketing Authority.

Local Government Superannuation Board.

10 A marketing board constituted under the Marketing of Primary Products Act, 1927.

New South Wales Retirement Board.

(b) Schedule 2—

Insert, in appropriate alphabetical order:—

15 Commissioner for Motor Transport.

A marketing board constituted under the Marketing of Primary Products Act, 1983.

New South Wales Dairy Corporation.

Public Authorities Superannuation Board.

BY AUTHORITY

D. WEST, GOVERNMENT PRINTER, NEW SOUTH WALES—1984

This PUBLIC BILL originated in the LEGISLATIVE ASSEMBLY, and, having this day passed, is now ready for presentation to the LEGISLATIVE COUNCIL for its concurrence.

Clerk of the Legislative Assembly.

*Legislative Assembly Chamber,
Sydney, May, 1984.*

New South Wales



ANNO TRICESIMO TERTIO

ELIZABETHÆ II REGINÆ

Act No. , 1984.

An Act to amend the Public Finance and Audit Act, 1983, consequent upon the enactment of the Annual Reports (Statutory Bodies) Act, 1984.

Public Finance and Audit (Amendment).

BE it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows:—

5 Short title.

1. This Act may be cited as the "Public Finance and Audit (Amendment) Act, 1984".

Commencement.

2. (1) Sections 1 and 2, the provisions of Schedule 1 (2), (3) and (9), 10 and section 3 in its application to those provisions, shall commence on the date of assent to this Act.

(2) Except as provided by subsection (1), this Act shall commence on the day appointed and notified under section 2 (2) of the Annual Reports (Statutory Bodies) Act, 1984.

15 Amendment of Act No. 152, 1983.

3. The Public Finance and Audit Act, 1983, is amended in the manner set forth in Schedule 1.

Regulations.

4. (1) The Governor may make regulations containing provisions of a 20 savings or transitional nature consequent on the enactment of this Act and the Annual Reports (Statutory Bodies) Act, 1984.

(2) A provision made under subsection (1) may take effect as from the day appointed and notified under section 2 (2) of the Annual Reports (Statutory Bodies) Act, 1984, or a later day.

Public Finance and Audit (Amendment).

(3) To the extent to which a provision referred to in subsection (1) takes effect from a day that is earlier than the date of its publication in the Gazette, the provision does not operate so as—

- 5 (a) to affect, in a manner prejudicial to any person (other than the State or an authority of the State), the rights of that person existing before the date of its publication therein; or
- (b) to impose liabilities on any person (other than the State or an authority of the State) in respect of anything done or omitted to be done before the date of its publication therein.

10

SCHEDULE 1.

(Sec. 3.)

AMENDMENTS TO THE PUBLIC FINANCE AND AUDIT ACT, 1983.

(1) (a) Section 4 (1), definition of "financial year"—

Omit paragraph (b), insert instead:—

15

(b) a statutory authority, means—

- (i) except as provided by subparagraph (iii), the period specified as the financial year of the statutory authority in or pursuant to the Act by or under which the statutory authority is appointed, constituted or regulated;
- 20 (ii) except as provided by subparagraph (iii), where no period is specified as referred to in subparagraph (i), the period from 1st April to the next following 31st March; or
- 25 (iii) where the Treasurer, pursuant to subsection (1A), determines the financial year of the statutory authority, the financial year so determined;

Public Finance and Audit (Amendment).

SCHEDULE 1—*continued.*

AMENDMENTS TO THE PUBLIC FINANCE AND AUDIT ACT, 1983—*continued.*

(b) Section 4 (1), definition of “statutory authority”—

5 From paragraph (b), omit “specified in Schedule 2”, insert instead “to which Division 3 of Part III applies”.

(c) Section 4 (1A)—

After section 4 (1), insert:—

(1A) The Treasurer may, by notice in writing to a statutory authority, determine the financial year of the statutory authority.

10 (2) (a) Section 12 (1)—

Omit “an authorisation”, insert instead “a delegation”.

(b) Section 12 (1)—

Omit “confer that authority”, insert instead “make the delegation”.

15 (3) (a) Section 13—

Omit “pay”, insert instead “authorise the payment of”.

(b) Section 13 (a)—

20 Omit “on whom an authorisation under section 12 (1) has been conferred”, insert instead “to whom the power to authorise the payment has been delegated under section 12 (1)”.

Public Finance and Audit (Amendment).

SCHEDULE 1—*continued.*AMENDMENTS TO THE PUBLIC FINANCE AND AUDIT ACT, 1983—*continued.*

(4) (a) Section 39 (1)—

Omit the subsection, insert instead:—

5 (1) A reference in this Division to a statutory body is a reference to—

(a) a person, group of persons or body specified in Schedule 2; and

10 (b) a person, group of persons or body (not being a Department specified in Column 1 of Schedule 1 to the Public Service Act, 1979) whose funds are held in an account within the Special Deposits Account,

and includes a reference to—

15 (c) a corporation within the meaning of the Companies (New South Wales) Code which, if the statutory body were such a corporation, would be a subsidiary, within the meaning of that Code, of the statutory body; and

20 (d) a partnership, joint venture or other association, not less than 50 per cent of the property of which is owned by the statutory body or not less than 50 per cent of the voting rights of which are controlled by the statutory body,

25 but does not include a reference to a person, group of persons or body who or which is, by a regulation made for the purposes of this subsection, declared not to be a statutory body for the purposes of this Division.

(b) Section 39 (2A)—

After section 39 (2), insert:—

30 (2A) A reference in this Division to the Auditor-General shall, where, in relation to a statutory body, not being a corporation, partnership, joint venture or other association referred to in subsection (1) (c) or (d), an Act authorises or enables the appointment by the statutory body of an auditor

Public Finance and Audit (Amendment).

SCHEDULE 1—*continued.*

AMENDMENTS TO THE PUBLIC FINANCE AND AUDIT ACT, 1983—*continued.*

5 other than the Auditor-General to be the sole auditor in respect of the statutory body, be read and construed as a reference to that auditor.

(5) Section 40 (1) (c)—
Omit “appointed.”

(6) Section 41 (3)–(8)—
Omit the subsections.

10 (7) Sections 41A–41D—

After section 41, insert:—

Preparation of financial statements.

41A. A statutory body shall, within the period of 6 weeks after the end of each financial year of the statutory body, prepare and submit—

- 15 (a) to the Minister; and
(b) to the Auditor-General for verification and certification,
financial statements for the financial year then ended.

Nature of financial statements.

20 41B. (1) The financial statements referred to in section 41A of a statutory body—

- (a) shall be prepared having regard to current accounting standards and industry practices relating to the statutory body;
25 (b) shall, except as provided by subsection (2), be prepared on an accrual accounting basis;

Public Finance and Audit (Amendment).

SCHEDULE 1—*continued.*AMENDMENTS TO THE PUBLIC FINANCE AND AUDIT ACT, 1983—*continued.*

- (c) shall consist of—
- 5 (i) an income and expenditure statement or a statement of receipts and payments;
 - (ii) except as provided by subsection (3), a balance sheet or a statement of balances;
 - (iii) except as provided by subsection (3), consolidated accounts;
 - 10 (iv) a source and application of funds statement;
 - (v) proper and adequate notes to the statements; and
 - (vi) such other information, if any, or particulars, if any, as may be prescribed;
- (d) shall be accompanied by—
- 15 (i) a summary of the land owned or occupied by the statutory body classified according to the actual use of the land; and
 - 20 (ii) where it is appropriate to value the land and the value can readily be established, a statement of the value of the land within each classification, or otherwise, a statement giving the reasons why it is inappropriate to value the land or why the value cannot readily be established;
- (e) shall exhibit a true and fair view of the financial position and transactions of the statutory body and, in the case of a statutory body being the Senate or Council of a university, of the financial position and transactions of the university;
- 25
- (f) shall be accompanied by a statement made in accordance with a resolution of the statutory body signed, except as provided by subsection (5), by 2 members of the statutory body stating whether, in the opinion of those members, the financial statements exhibit a true and fair view of the financial position and transactions of the statutory body and, in the case of a statutory body being the Senate or Council of a university, of the financial position and transactions of the university; and
- 30
- 35

Public Finance and Audit (Amendment).

SCHEDULE 1—*continued.*AMENDMENTS TO THE PUBLIC FINANCE AND AUDIT ACT, 1983—*continued.*

(g) shall be prepared in such manner, if any, and such form, if any, as may be prescribed.

5 (2) A statutory body may prepare the financial statements referred to in section 41A on a basis other than an accrual accounting basis where that other basis has been approved by the Treasurer.

(3) A statutory body may, with the approval of the Treasurer, dispense with—

10 (a) the preparation of a balance sheet or statement of balances and the inclusion of a balance sheet or statement of balances in the financial statements of the statutory body; or

(b) the preparation of consolidated accounts and the inclusion of consolidated accounts in the financial statements of the
15 statutory body,

or both.

(4) The Treasurer shall, before giving an approval referred to in subsection (3), consult with the Auditor-General.

20 (5) Where a statutory body is a corporation sole, the statement referred to in subsection (1) (f) shall be signed by the person who constitutes the corporation sole.

Auditing, etc., of financial statements.

25 41c. (1) The Auditor-General shall, within the period of 10 weeks after the receipt by the Auditor-General of the financial statements referred to in section 41A of a statutory body—

(a) audit the accounts of the statutory body for the financial year to which the financial statements relate; and

Public Finance and Audit (Amendment).

SCHEDULE 1—*continued.*AMENDMENTS TO THE PUBLIC FINANCE AND AUDIT ACT, 1983—*continued.*

(b) furnish a certificate—

- 5 (i) stating that the Auditor-General has audited the accounts caused to be kept by the statutory body for that financial year;
- (ii) indicating whether the financial statements comply with section 41B; and
- 10 (iii) setting forth any qualifications subject to which the certificate is given.

(2) Nothing in this section prevents the alteration of the financial statements, with the approval of the Auditor-General, after their receipt by the Auditor-General and before their submission to the Minister.

15 **Return of audited financial statements, etc., to statutory body.**

41D. The Auditor-General shall, after having performed the functions conferred on the Auditor-General by section 41C in relation to the financial statements of a statutory body, submit the financial statements and the Auditor-General's certificate under that section to the statutory body for submission to the Minister.

20

(8) (a) Section 42 (1)—

Omit "section 41 (3) or (5)", insert instead "section 41A or 41C".

(b) Section 42 (3)—

25 Omit "section 41 (3) or (5)", insert instead "section 41A or 41C or any requirement of those sections".

(c) Section 42 (4)—

30 Omit "section 41 (3) or (5)" where firstly occurring, insert instead "section 41A or 41C or any requirement of those sections".

Public Finance and Audit (Amendment).

SCHEDULE 1—*continued.*AMENDMENTS TO THE PUBLIC FINANCE AND AUDIT ACT, 1983—*continued.*

(d) Section 42 (4)—

5 Omit “section 41 (3) or (5)” where secondly occurring, insert instead “section 41A or 41C or the requirement”.

Reference of matters to Public Accounts Committee.

63A. (1) In this Section—

“Public Accounts Committee” means the Public Accounts Committee for the time being constituted under Part IV;

10 “statutory body” means a statutory body to which Division 3 of Part III applies.

(2) The Treasurer may refer any matter relating to the financial statements of a statutory body to the Public Accounts Committee for examination and report.

15 (3) The Treasurer shall refer to the Public Accounts Committee for examination and report any proposal to amend Division 3 of Part III or make a regulation relating to the financial statements of a statutory body, other than a proposal made by the Public Accounts Committee.

20 (4) Nothing in subsection (3) requires the Treasurer to refer a proposal to the Public Accounts Committee if, at the time the Treasurer formulates or receives the proposal—

(a) no members have been appointed to the Committee; or

(b) the members of the Committee have ceased to hold office.

Public Finance and Audit (Amendment).

SCHEDULE 1—*continued.*

AMENDMENTS TO THE PUBLIC FINANCE AND AUDIT ACT, 1983—*continued.*

(9) (a) Schedule 2—

Omit:—

5

Dairy Industry Marketing Authority.

Local Government Superannuation Board.

A marketing board constituted under the Marketing of Primary Products Act, 1927.

New South Wales Retirement Board.

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(b) Schedule 2—

Insert, in appropriate alphabetical order:—

Commissioner for Motor Transport.

A marketing board constituted under the Marketing of Primary Products Act, 1983.

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New South Wales Dairy Corporation.

Public Authorities Superannuation Board.

BY AUTHORITY

D. WEST, GOVERNMENT PRINTER, NEW SOUTH WALES—1984

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(Continued)

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BY AUTHORITY OF THE GOVERNMENT OF NEW SOUTH WALES

**PUBLIC FINANCE AND AUDIT (AMENDMENT) ACT, 1984,
No. 88**

New South Wales



ANNO TRICESIMO TERTIO

ELIZABETHÆ II REGINÆ

Act No. 88, 1984.

An Act to amend the Public Finance and Audit Act, 1983, consequent upon the enactment of the Annual Reports (Statutory Bodies) Act, 1984. [Assented to, 28th June, 1984.]

Public Finance and Audit (Amendment).

BE it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows:—

Short title.

1. This Act may be cited as the "Public Finance and Audit (Amendment) Act, 1984".

Commencement.

2. (1) Sections 1 and 2, the provisions of Schedule 1 (2), (3) and (9), and section 3 in its application to those provisions, shall commence on the date of assent to this Act.

(2) Except as provided by subsection (1), this Act shall commence on the day appointed and notified under section 2 (2) of the Annual Reports (Statutory Bodies) Act, 1984.

Amendment of Act No. 152, 1983.

3. The Public Finance and Audit Act, 1983, is amended in the manner set forth in Schedule 1.

Regulations.

4. (1) The Governor may make regulations containing provisions of a savings or transitional nature consequent on the enactment of this Act and the Annual Reports (Statutory Bodies) Act, 1984.

(2) A provision made under subsection (1) may take effect as from the day appointed and notified under section 2 (2) of the Annual Reports (Statutory Bodies) Act, 1984, or a later day.

Public Finance and Audit (Amendment).

(3) To the extent to which a provision referred to in subsection (1) takes effect from a day that is earlier than the date of its publication in the Gazette, the provision does not operate so as—

- (a) to affect, in a manner prejudicial to any person (other than the State or an authority of the State), the rights of that person existing before the date of its publication therein; or
- (b) to impose liabilities on any person (other than the State or an authority of the State) in respect of anything done or omitted to be done before the date of its publication therein.

SCHEDULE 1.

(Sec. 3.)

AMENDMENTS TO THE PUBLIC FINANCE AND AUDIT ACT, 1983.

(1) (a) Section 4 (1), definition of “financial year”—

Omit paragraph (b), insert instead:—

- (b) a statutory authority, means—
 - (i) except as provided by subparagraph (iii), the period specified as the financial year of the statutory authority in or pursuant to the Act by or under which the statutory authority is appointed, constituted or regulated;
 - (ii) except as provided by subparagraph (iii), where no period is specified as referred to in subparagraph (i), the period from 1st April to the next following 31st March; or
 - (iii) where the Treasurer, pursuant to subsection (1A), determines the financial year of the statutory authority, the financial year so determined;

Public Finance and Audit (Amendment).

SCHEDULE 1—*continued.*AMENDMENTS TO THE PUBLIC FINANCE AND AUDIT ACT, 1983—*continued.*

(b) Section 4 (1), definition of “statutory authority”—

From paragraph (b), omit “specified in Schedule 2”, insert instead “to which Division 3 of Part III applies”.

(c) Section 4 (1A)—

After section 4 (1), insert:—

(1A) The Treasurer may, by notice in writing to a statutory authority, determine the financial year of the statutory authority.

(2) (a) Section 12 (1)—

Omit “an authorisation”, insert instead “a delegation”.

(b) Section 12 (1)—

Omit “confer that authority”, insert instead “make the delegation”.

(3) (a) Section 13—

Omit “pay”, insert instead “authorise the payment of”.

(b) Section 13 (a)—

Omit “on whom an authorisation under section 12 (1) has been conferred”, insert instead “to whom the power to authorise the payment has been delegated under section 12 (1)”.

Public Finance and Audit (Amendment).

SCHEDULE 1—*continued.*AMENDMENTS TO THE PUBLIC FINANCE AND AUDIT ACT, 1983—*continued.*

(4) (a) Section 39 (1)—

Omit the subsection, insert instead:—

(1) A reference in this Division to a statutory body is a reference to—

- (a) a person, group of persons or body specified in Schedule 2; and
- (b) a person, group of persons or body (not being a Department specified in Column 1 of Schedule 1 to the Public Service Act, 1979) whose funds are held in an account within the Special Deposits Account,

and includes a reference to—

- (c) a corporation within the meaning of the Companies (New South Wales) Code which, if the statutory body were such a corporation, would be a subsidiary, within the meaning of that Code, of the statutory body; and
- (d) a partnership, joint venture or other association, not less than 50 per cent of the property of which is owned by the statutory body or not less than 50 per cent of the voting rights of which are controlled by the statutory body,

but does not include a reference to a person, group of persons or body who or which is, by a regulation made for the purposes of this subsection, declared not to be a statutory body for the purposes of this Division.

(b) Section 39 (2A)—

After section 39 (2), insert:—

(2A) A reference in this Division to the Auditor-General shall, where, in relation to a statutory body, not being a corporation, partnership, joint venture or other association referred to in subsection (1) (c) or (d), an Act authorises or enables the appointment by the statutory body of an auditor

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other than the Auditor-General to be the sole auditor in respect of the statutory body, be read and construed as a reference to that auditor.

(5) Section 40 (1) (c)—

Omit “appointed.”.

(6) Section 41 (3)–(8)—

Omit the subsections.

(7) Sections 41A–41D—

After section 41, insert:—

Preparation of financial statements.

41A. A statutory body shall, within the period of 6 weeks after the end of each financial year of the statutory body, prepare and submit—

- (a) to the Minister; and
- (b) to the Auditor-General for verification and certification,

financial statements for the financial year then ended.

Nature of financial statements.

41B. (1) The financial statements referred to in section 41A of a statutory body—

- (a) shall be prepared having regard to current accounting standards and industry practices relating to the statutory body;
- (b) shall, except as provided by subsection (2), be prepared on an accrual accounting basis;

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- (c) shall consist of—
- (i) an income and expenditure statement or a statement of receipts and payments;
 - (ii) except as provided by subsection (3), a balance sheet or a statement of balances;
 - (iii) except as provided by subsection (3), consolidated accounts;
 - (iv) a source and application of funds statement;
 - (v) proper and adequate notes to the statements; and
 - (vi) such other information, if any, or particulars, if any, as may be prescribed;
- (d) shall be accompanied by—
- (i) a summary of the land owned or occupied by the statutory body classified according to the actual use of the land; and
 - (ii) where it is appropriate to value the land and the value can readily be established, a statement of the value of the land within each classification, or otherwise, a statement giving the reasons why it is inappropriate to value the land or why the value cannot readily be established;
- (e) shall exhibit a true and fair view of the financial position and transactions of the statutory body and, in the case of a statutory body being the Senate or Council of a university, of the financial position and transactions of the university;
- (f) shall be accompanied by a statement made in accordance with a resolution of the statutory body signed, except as provided by subsection (5), by 2 members of the statutory body stating whether, in the opinion of those members, the financial statements exhibit a true and fair view of the financial position and transactions of the statutory body and, in the case of a statutory body being the Senate or Council of a university, of the financial position and transactions of the university; and

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(g) shall be prepared in such manner, if any, and such form, if any, as may be prescribed.

(2) A statutory body may prepare the financial statements referred to in section 41A on a basis other than an accrual accounting basis where that other basis has been approved by the Treasurer.

(3) A statutory body may, with the approval of the Treasurer, dispense with—

- (a) the preparation of a balance sheet or statement of balances and the inclusion of a balance sheet or statement of balances in the financial statements of the statutory body; or
- (b) the preparation of consolidated accounts and the inclusion of consolidated accounts in the financial statements of the statutory body,

or both.

(4) The Treasurer shall, before giving an approval referred to in subsection (3), consult with the Auditor-General.

(5) Where a statutory body is a corporation sole, the statement referred to in subsection (1) (f) shall be signed by the person who constitutes the corporation sole.

Auditing, etc., of financial statements.

41c. (1) The Auditor-General shall, within the period of 10 weeks after the receipt by the Auditor-General of the financial statements referred to in section 41A of a statutory body—

- (a) audit the accounts of the statutory body for the financial year to which the financial statements relate; and

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(b) furnish a certificate—

- (i) stating that the Auditor-General has audited the accounts caused to be kept by the statutory body for that financial year;
- (ii) indicating whether the financial statements comply with section 41B; and
- (iii) setting forth any qualifications subject to which the certificate is given.

(2) Nothing in this section prevents the alteration of the financial statements, with the approval of the Auditor-General, after their receipt by the Auditor-General and before their submission to the Minister.

Return of audited financial statements, etc., to statutory body.

41D. The Auditor-General shall, after having performed the functions conferred on the Auditor-General by section 41C in relation to the financial statements of a statutory body, submit the financial statements and the Auditor-General's certificate under that section to the statutory body for submission to the Minister.

(8) (a) Section 42 (1)—

Omit "section 41 (3) or (5)", insert instead "section 41A or 41C".

(b) Section 42 (3)—

Omit "section 41 (3) or (5)", insert instead "section 41A or 41C or any requirement of those sections".

(c) Section 42 (4)—

Omit "section 41 (3) or (5)" where firstly occurring, insert instead "section 41A or 41C or any requirement of those sections".

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(d) Section 42 (4)—

Omit “section 41 (3) or (5)” where secondly occurring, insert instead “section 41A or 41C or the requirement”.

(9) Section 63A—

After section 63, insert:—

Reference of matters to Public Accounts Committee.

63A. (1) In this Section—

“Public Accounts Committee” means the Public Accounts Committee for the time being constituted under Part IV;

“statutory body” means a statutory body to which Division 3 of Part III applies.

(2) The Treasurer may refer any matter relating to the financial statements of a statutory body to the Public Accounts Committee for examination and report.

(3) The Treasurer shall refer to the Public Accounts Committee for examination and report any proposal to amend Division 3 of Part III or make a regulation relating to the financial statements of a statutory body, other than a proposal made by the Public Accounts Committee.

(4) Nothing in subsection (3) requires the Treasurer to refer a proposal to the Public Accounts Committee if, at the time the Treasurer formulates or receives the proposal—

- (a) no members have been appointed to the Committee; or
- (b) the members of the Committee have ceased to hold office.

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SCHEDULE 1—*continued.*

AMENDMENTS TO THE PUBLIC FINANCE AND AUDIT ACT, 1983—*continued.*

(10) (a) Schedule 2—

Omit:—

Dairy Industry Marketing Authority.

Local Government Superannuation Board.

A marketing board constituted under the Marketing of Primary Products Act, 1927.

New South Wales Retirement Board.

(b) Schedule 2—

Insert, in appropriate alphabetical order:—

Commissioner for Motor Transport.

A marketing board constituted under the Marketing of Primary Products Act, 1983.

New South Wales Dairy Corporation.

Public Authorities Superannuation Board.

In the name and on behalf of Her Majesty I assent to this Act.

L. W. STREET,
*By Deputation from
His Excellency the Governor.*

*Government House,
Sydney, 28th June, 1984.*

