

Public Accounts Committee
Parliament of New South Wales

Supplementary Report
Year ended 30 June 1987

1987-88

Parliament of New South Wales

**Public Accounts Committee of the
Forty-eighth Parliament**

Thirty-fourth Report

Inquiries pursuant to Section 57 (2) of the Public Finance and Audit Act, 1983, concerning matters arising from the Auditor-General's Report, 1985-1986,

Matters referred to the Public Accounts Committee by the Treasurer pursuant to Section 63[^] (3) of the Public Finance and Audit Act, 1983, Section 16'(2) of the Annual Reports (Statutory Bodies) Act, 1984 and Section 19 (2) of the Annual Reports (Departments) Act, 1985.

September 1987

MEMBERS OF THE PUBLIC ACCOUNTS COMMITTEE

The members of the Public Accounts Committee are:

Mr John Murray, M.P.,Chairman

John Murray, formerly a teacher, was elected Member for Drummoyne in April, 1982. An Alderman on Drummoyne Council for three terms, John Murray was Mayor of the Council for five years and served four years as Councillor on Sydney County Council. He is currently a member of the House Committee.

Dr Andrew Refshauge, M.P.,Vice-Chairman

Andrew Refshauge was elected as Member for Marrickville in October, 1983. He previously practised as a medical practitioner with the Aboriginal Medical Service and was a past President of the Doctors' Reform Society. He is currently a fellow of the Senate of the University of Sydney.

Mr Colin Fisher, M.P.

Colin Fisher was elected Member for Upper Hunter in February, 1970. Former Minister for Local Government (1975) and Minister for Lands and Forests (1976), in opposition Colin Fisher has served as National Party Spokesman on Local Government, on Planning and Environment, and on Energy.

Mr Phillip Smiles, M.P.

Phillip Smiles was elected Member for Mosman in March, 1984. A management and marketing consultant since 1974, Phillip Smiles has been involved with entrepreneurial business activities since his teens. Since entering Parliament he has been actively interested in the areas of small business, emergency services, welfare and financial analysis.

Mr Allan Walsh, M.P.

Allan Walsh was elected Member for Maitland in September, 1981. Following eight years as a Mirage fighter pilot with the RAAF, he was involved in business management. Allan Walsh has also taught industrial relations, management and history at technical colleges.



Committee Members. From left: Andrew Refshauge (Vice-Chairman), Phillip Smiles, Colin Fisher, John Murray (Chairman), Allan Walsh

Secretariat

John Horder, LL.B., AASA, CPA,
Clerk to the Committee

Sue Chapple, B.A.(Hons.),
Senior Project Officer

Tony Boulton, B.Ec.(Syd.), AASA,
Adviser on secondment from Auditor-General's Office

Kim Garvey, B.Bus.,
Adviser on secondment from the Treasury, N.S.W.

Grahame Gibbs, B.Bus.,
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CHAIRMAN'S FOREWORD

As foreshadowed in the Committee's 1986-87 Annual Report the Committee now publishes a Supplementary Report 1986-87.

The Committee resolved to publish a Supplementary Report for the first time this year in the interests of full disclosure and to give a greater insight into the detailed activities it undertakes.

During the financial year ended 30 June, 1987, the Committee undertook a number of inquiries. They included included matters initiated by the Committee as well as follow-up action in relation to issues raised in the Auditor General's 1985-86 Report.

These aspects of the Committee's work, although often involving considerable investigation and research, have not been the subject of a full scale inquiry. Consequently the Committee has not produced a formal report. In the main the Committee's inquiries have proven satisfactory, and did not warrant a separate formal report by the Committee.

Nevertheless the Committee considers that in some instances there is merit in reporting, albeit in a brief manner, the reasons for and results of some of its investigations and inquiries.

Accordingly, in this Supplementary Report, the Committee reports briefly on matters that were examined during the year and considered worthy of comment. A full list of matters examined during the year is contained in the Committee's 1987 Annual Report.

JOHN MURRAY, M.P. ,

CHAIRMAN.

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1. ACTION ON FOLLOW-UP REPORT ON OVERTIME, SICK LEAVE AND ASSOCIATED ISSUES IN THE NEW SOUTH WALES POLICE FORCE

Background

The Public Accounts Committee as part of its programme of reviewing the implementation of its reports tabled a follow-up report on certain aspects of the New South Wales Police Force in November 1986. The Committee's initial report being tabled in November 1982.

The Committee's follow-up report made recommendations in relation to sick leave, overtime and the use of police motor vehicles. In addition, the report was highly critical of the lack of action taken by the Force on the Committee's earlier 1982 Report.

During the year the Committee continued to monitor the results of its Follow-up Report. Consequently, the Police Minister, Mr G. Paciullo, established working parties to look into the areas of sick leave, overtime and police motor vehicles and to examine the full implementation of the Committee's recommendations.

The working parties have now reported and the Committee advised of their findings and action taken.

A summary of the findings of the working parties and action taken by the Police Force are set out hereunder.

Motor Vehicles

The Committee recommended:

a comprehensive review of the allocation and utilization of vehicles to highway patrol units;

the practice of police taking motor vehicles home be scrutinised; and

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the apparent idleness of large numbers of vehicles be examined.

The working party established by the Minister examined all policy issues associated with the use and deployment of police motor vehicles.

The working party was critical of the lack of clear policy guidelines in relation to the use of deployment of motor vehicles.

Recommendation by the working party include the necessity for clear guidelines on the purchase, allocation, application for additional vehicles, replacement of existing vehicles and taking home of vehicles.

In relation to the taking home of vehicles tighter controls have been recommended. The report also recommends the establishment of an audit team to review the use of motor vehicles on an ongoing basis.

Currently the Management Review Branch of the Police Force is undertaking a review of the allocation and use of motor vehicles as part of an annual review of each district.

The Committee's comments and recommendations concerning the use of vehicles and motor cycles by Highway Patrol units have been addressed by the Highway Patrol Management Task Force. In its Report of February 1987, the Task Force recommends allocation of motor cycles to two or more riders, to replace the 'one rider, one machine' concept and *that* the practice of riding bikes to and from home be discontinued.

Moreover as part of a general restructure of the Highway Patrol, staff and motor vehicles are allocated on the basis of the record/history of each district taking into account injuries, accidents and fatalities.

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Overtime

The Committee's Report recommended:

procedures to enhance management control of overtime;

the approach to overtime be zero based;

the monitoring and analysis of the causative factors relating to overtime;

steps be taken to control/reduce overtime hours;

no officer be allowed to work overtime in excess of 50% of base salary with the aim of no officer earning more than 20% of base salary in overtime; and

a review of the practice of using police to control sporting events.

Management controls on overtime within the force have been introduced. All line managers are now required to account for overtime budget increases and on the strategies implemented or proposed to prevent reoccurrence.

Zero based overtime has been introduced by the Force. Estimates are required to be prepared on a non-incremental basis and additional funding must be justified on need.

Monthly financial analysis is undertaken to detect budget variations for each cost centre (Districts and Branches). The activity will be supported by the Management Review Branch which will have the responsibility for monitoring overtime.

In addition, the Force has introduced a 'causal codes' system of identifying overtime to enhance the management control in this area.

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The various mechanisms introduced, following the Committee's report, to reduce overtime have been successful. In 1986-87 overtime hours were significantly reduced and were the lowest for a decade.

Overtime Hours No. of Hours

1980/81	907 343
1981/82	748 418
1982/83	575 695
1983/84	735 668
1984/85	680 937
1985/86	607 158
1986/87	574571

For the period from 1981/82 to 1986/87 the accumulated savings in 1986/87 dollar terms was \$28.6 million.

In 1986/87 a system identifying officers who have received overtime in excess of 15% of base salary was introduced. The information is distributed to responsible officers who are required to account for expenditure and review the occupational health and safety implications as recommended by the Committee. A task force examined the practice of using police to control large sporting events. The force has reported and the Minister has established an inter-departmental working group. The working group is assessing the likely impact of the "User Pays" scheme on sporting and entertainment functions.

Sick Leave

The Committee's Report recommended:

a review of the causes of long term sick leave and the system of processing medical discharges be undertaken;

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the force instituted a system for the collection of appropriate and reliable sick leave data;
and

- an analysis of data collected be undertaken in order to give urgent attention to the problems associated with medical discharges, hurt on duty leave, restricted duty and sick leave.

The Police report *that* a revised sick leave information system has been introduced and *that* a computerised fostering, overtime and sick leave system has been approved and is being developed.

In addition a police psychologist has been appointed and Ministerial Task Force to consider any medical discharges, welfare, health, counselling services and sick/injury policies has recently completed its report and this be submitted to the Minister shortly.

Overall the Committee is pleased with the action taken in respect of its Follow-up Report on Police Overtime, Sick Leave and Associated Issues.

Accordingly, the Committee does not propose to conduct further inquiries to review implementation of its recommendations as foreshadowed in its follow-up report but will continue to monitor the situation.

2. CHEQUES IN SAFE AT YEAR-END

The Committee's Twentieth Report on Year-End Spending and Government Departments and Selected Authorities, tabled March 1986, drew attention to practice in some public organisations of drawing cheques at the end of the financial year, in advance of performance of service or delivery of goods.

The Committee concluded that the practice was used as a means of drawing on funding allocations at the end of the year, when expenditure should have been made from the following years budgetary allocation. The Report noted that such practices represented a breach of the provisions of the Public Finance and Audit Act.

The Committee made a number of recommendations aimed at preventing recurrence of the practice, including monitoring and review by the Auditor-General.

In his 1985-86 Report, the Auditor-General reported:

"My officers made enquiries in a number of departments to determine the extent of compliance with several recommendations made by the Committee to eliminate this problem.

"It was noted that most departments were aware of the recommendations and were confident that their existing procedures were adequate.

"Although no evidence was detected of drawing cheques being retained in safes at 30 June 1986, isolated minor instances were noted of cheques being drawn and issued to suppliers in advance of receipt of goods or performance of service".

The Committee sought details of the instances cited from the Auditor-General. The Auditor-General advised of two incidences where cheques were drawn and issued to suppliers in advance of performance of service:

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i) State Emergency Services

Cheque for \$7,000 for landscaping services drawn on 19 June 1986 prior to performance of service.

ii) Department of Lands, Crown Lands Office

Cheque for \$5,000 for installation and testing of computer equipment delivered on 25 June 1986, drawn on that date.

The Committee wrote to the above organisations seeking an explanation for the drawing of these cheques.

The Committee is pleased to note that, in contrast to June 1985, the end of this financial year saw only two relatively minor instances of cheques being issued prior to performance of service or delivery of goods. The Committee is, however, critical of the *two* organisations cited above and gives notice *that it* will continue to monitor instances of the practice in the future.

3. SECTION 22 EXPENDITURE1985-86

Background

The Public Accounts Committee is charged under the Public Finance and Audit Act, Section 57 (1):

"to inquire into expenditure by a Minister of the Crown made **without parliamentary sanction or** appropriation ...".

The Public Finance and Audit Act 1983, Section 22, makes provision for payments made in anticipation of parliamentary appropriation the following year where "the exigencies of Government so require".

In addition a contingency sum is appropriated each year as an Advance to Treasurer "to meet supplementary charges and expenditures of an unforeseen nature".

Payments under the two classifications appear to the Committee to be somewhat arbitrary and the Treasurer decides into which category each excess payment falls.

Auditor-General's Comment

Discussing Section 22 and Advance to Treasurer expenditure, the Auditor-General comments in his 1985-86 Report:

"A **weakness of these** mechanisms in allowing budget overruns is that they do not differentiate between essential **expenditure** and funds that may be needed in a subsequent year. The present system leaves Parliament little scope for anything more than formal endorsement of funds decision **made** elsewhere. This is not suggesting action taken is not prudent management; but simply that Parliamentary control of the purse is somewhat undermined".

Treasury Comment

The Treasury forwarded the Public Accounts Committee a computer print-out containing brief comments on matters raised in the Auditor-General's Report. In relation to Section 22 Expenditure,

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the response is that expenditure under Section 22 can only be made on essential items. Treasury also comments that it has been looking at the use of some form of forward commitments account "for some time" and "will be giving this matter close attention".

Commonwealth Process

The Commonwealth appropriation process does not allow expenditure without Parliamentary sanction and there is no equivalent to New South Wales Section 22 expenditure.

The mechanisms used at a Commonwealth level to deal with unforeseen or emergency expenditure are basically a second or third Appropriation Bill during the year, and an Advance to the Minister for Finance. (Similar to the New South Wales Advance to Treasurer appropriation).

The Commonwealth Public Accounts Committee reviews and reports on expenditure from the Advance to the Minister for Finance each year to ensure that it has been confined to urgent and unforeseeable requirements. Where in its view poor administration has led to the over-expenditure, the Public Accounts Committee reports on this.

Since 1982-83, all departments seeking funds from the Advance must provide adequate details of reasons, which are automatically forwarded to the Public Accounts Committee for review.

Committee's Review

The Public Accounts Committee reviews Section 22 expenditure each year, and to date has reported that this expenditure has been satisfactory.

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Expenditure prior to Parliamentary appropriation, however, continues to increase. Rather than reviewing individual items of expenditure the Committee resolved for 1985-86 to take a broader view and investigate with the Treasurer mechanisms which would augment Parliament's control over the appropriation process.

Accordingly, the Committee wrote to the Treasurer in April 1987, seeking his views on possible changes to procedures. In summary, the Treasurer considers that current procedures and review mechanisms are appropriate.

Committee Conclusion

The Committee concludes that the level and type of expenditure made under terms of Section 22 of the Public Finance and Audit Act require's review and gives notice that it will be pursuing this issue further in the coming year.

4. TIMELINESS OF ANNUAL REPORTING, 1986

The issue of timeliness in annual reporting was first addressed by the Public Accounts Committee in its Seventh Report, "Accountability of Statutory Authorities" (June 1983).

At *that* time the Committee was examining the general aspect of accountability and concluded that overall annual reports were not fulfilling one of their major roles, namely a suitable mechanism to account to parliament. The Committee's inquiries concluded *that* reports were characterised by lateness. In the Committee's view the value of information declines with age and timeliness is therefore a cornerstone of accountability.

Following the Committee's Report the Treasurer introduced annual reporting legislation which prescribed time limits for reporting by Statutory Bodies. Shortly thereafter similar legislation was passed in respect of Government Departments.

Statutory Bodies

The Committee has monitored the lodgement performance of statutory bodies during 1986, the second year of the new legislative requirement. Overall the Committee is most dissatisfied.

A schedule detailing individual lodgement performance to 26 August, 1987 is appended hereto.

As at 26 August, 1987 some 101 statutory bodies out of 175 were late in tabling their annual reports with the Legislative Assembly and 119 late in tabling with the Legislative Council.

The Committee considers the performance in lodging reports unacceptable. Some administrations seem to be totally unaware of the special provisions in the legislation for tabling with the Clerk of the Parliaments and the Clerk of the Legislative Assembly when the Legislative Assembly is not sitting.

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Under the legislation a report is deemed tabled before both Houses of Parliament if transmitted to the respective Clerks.

As a consequence of the poor lodgement performance in 1986 the Committee sought reasons from the various administrations for the delay in tabling their annual reports. The Committee intends to analyse the explanations and to report further on this issue.

Departments

With two exceptions all departmental annual reports, in the absence of any extensions of time granted by the Treasurer, should be tabled in both Houses of Parliament by 30 November i.e. five months after year end.

However, due to the late promulgation of Regulations under the Annual Reports (Departments) Act, the Treasurer granted a general three month extension in relation to 1986 reports. The extension was only to be used in essential cases. Thus, the latest tabling dates for annual departmental reports incorporating 1985-86 financial statements became:

Auditor-General's Office	30 September 1986
Department of Education	31 August 1987
Department of T.A.F.E.	31 August 1987
All other departments	28 February 1987

A summary of individual tabling dates is appended. reveals that of the 44 departments required to reports only 22 were tabled on time, (including extension), with the Legislative Assembly, and Legislative Council.

The summary lodge annual the general 20 with the

The Committee is appalled at the level of compliance with the legislation and the necessity for departments to seek extension beyond the general exemption granted by the Treasurer.

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In granting the general three month extension, the Treasurer indicated it was only to be used where necessary and was to be treated as an absolute maximum. Further he indicated all attempts should be made to submit annual reports as quickly as possible.

The Committee has sought explanations for the delay in tabling reports and intends its report further.

At this early stage of its analysis the Committee is concerned, *that* like many statutory bodies, some departments were unaware of the provision in the legislation to table reports with the Clerk of the Parliaments and the Clerk of the Legislative Assembly.

The Committee intends to monitor future lodgement performance of both statutory bodies and departments and gives notice of its intention to analyse overall compliance with annual reporting legislation.

**TIMELINESS IN TABLING ANNUAL DEPARTMENTAL REPORTS INCORPORATING
FINANCIAL STATEMENTS**

FOR YEAR ENDED 30 JUNE, 1986

LEGISLATION: ANNUAL REPORTS (DEPARTMENTS) ACT, 1985

	DATE TABLED			
	DUE DATE	EXTENSIONS	LEGISLATIVE	
	LEGISLATIVE	GRANTED TO	ASSEMBLY	
	COUNCIL			
Ministry of Aboriginal Affairs	30-11-86	28-2-87	25-2-87	26-2-87
Department of Agriculture	30-11-86	28-2-87	29-4-87*	29-4-87*
Attorney Generals Department, not including Local Courts Administration	30-11-86	28-2-87	12-5-87'	26-5-87*
Auditor-General's Office	30-9-86	30-9-86	30-9-86	Not Applicable
Department of Consumer Affairs	30-11-86	28-2-87	15-4-87'	4-12-86
Department of Co-operative Societies	30-11-86	28-2-87	18-2-87	26-2-87
Corporate Affairs Commission	30-11-86	28-2-87	11-2-87	24-2-87
Corrective Services Commission	30-11-86	28-2-87	11-2-87	25-2-87
Department of Education	31-5-87	31-8-87	27-8-87	28-8-87
Ministry of Education	30-11-86	28-2-87	29-4-87*	5-5-87*
Ministry of Employment	30-11-86	28-2-87	28-7-87*	28-7-87*
Department of Environment and Planning	30-11-86	28-2-87	29-1-87	29-1-87
Ethnic Affairs Commission of New South Wales	30-11-86	28-2-87	29-4-87*	5-5-87*
Department of Finance	30-11-86	28-2-87	29-4-87*	27-5-87*
Government Supply Department	30-11-86	28-2-87	31-3-87'	1-4-87*
Department of Health	30-11-86	28-2-87	7-5-87*	12-5-87*
Department of Industrial Development and Decentralisation	30-11-86	28-2-87	28-5-87*	29-5-87*
Department of Industrial Relations	30-11-86	28-2-87	28-7-87*	28-7-87*
Department of Lands 2	30-11-86	28-2-87	12-2-87	24-2-87
Department of Sport and Recreation	30-11-86	28-2-87	8-4-87*	9-4-87*
Liquor Administration Board 1	30-11-86	28-2-87	1-4-87*	29-4-87*
Local Courts Administration	30-11-86	28-2-87	12-5-87*	26-5-87*
Department of Local Government	30-11-86	28-2-87	30-4-87*	5-5-87*
Department of Mineral Resources	30-11-86	28-2-87	25-2-87	24-3-87*
National Parks and Wildlife Service	30-11-86	28-2-87	20-2-87	20-2-87
Ombudsman's Office	30-11-86	28-2-87	18-11-86	1-12-86
Police Department	30-11-86	28-2-87	7-4-87*	8-4-87*
Office of the Minister for Police and Emergency Services	30-11-86	28-2-87	26-2-87	26-2-87
Premier's Department	30-11-86	28-2-87	12-2-87	11-2-87
Public Service Board of New South Wales	30-11-86	28-2-87	12-2-87	24-2-87
Public Works Department	30-11-86	28-2-87	24-12-86	26-12-86
State Lotteries Office	30-11-86	28-2-87	26-5-87*	*
Soil Conservation Service of New South Wales	30-11-86	28-2-87	3-3-874*	26-2-87
State Electoral Office	30-11-86	28-2-87	26-2-87	24-3-87*
State Emergency Services and Civil Defence	30-11-86	28-2-87	26-5-87*	27-5-87*
State Pollution Control Commission	30-11-86	28-2-87	24-2-87	26-2-87
New South Wales Superannuation Office	30-11-86	28-2-87	11-11-86	13-11-86
Department of Technical and Further Education	31-5-87	31-8-87	2-7-87	2-7-87
Tourism Commission of New South Wales	30-11-86	28-2-87	23-6-87*	23-6-87*

DATE TABLED

	DUE: DATE EXTENSIONS LEGISLATIVE COUNCIL	GRANTED TO	LEGISLATIVE ASSEMBLY	
Ministry of Transport	30-.11-86	28-2-87	25-2-87	24-3-87*
The Treasury	30-.11-86	28-2-87	1-12-86	4-12-86
Valuer-General's Department	30-.11-86	28-2-87	31-3-87'	1-4-87*
Department of Youth and Community Services	30-.11-86	28-2-87	14-5-87-	26-5-87*
Department of Housing	30-.11-86	28-2-87	11-11-865	28-5-87*

***Indicates Late**

1Annual reports of Attorney Generals Department and Local Courts Administration are combined.

2Treasurer notified of report delay until g-3-87. (Treasurer had no authority to approve extension, as application not made within allowable time period..)

3 Holds a permanent 2-month extension, over-ridden in 1985-86 by general 3-month extension granted by Treasurer t departments.

Report of Soil Conservation Commission (under statutory bodies legislation).

4Combined with

Incorporating Landcos and Housing Commission for July 1985 - December, 1985.

Above updated to:

Legislative Assembly 26 August, 1987

Legislative Council 26 August, 1987

TIMELINESS II TABLING STATUTORY AUTHORITY REPORTS INCORPORATING FINANCIAL STATEMENTS DUE FOR 1986 FINANCIAL YEAR

LEGISLATION: ANNUAL REPORTS (STATUTORY BODIES) ACT, 1984

Authority	Year End	Report Due	Extension Granted to	Date Tabled	
				Legislative Assembly	Legislative Council
Administrator, Fish River Water Supply	31.12	31.5.87		14.5.87	26.5.87
Administrator, South-West Tablelands Water Supply	31.12	31.5.87		14.5.87	26.5.87
Agricultural Marketing Finance Agency	30.6	30.11.86		12.1.87 *	13.1.87 *
Agricultural Scientific Collections Trust	30.6	30.11.86	-	18.2.87 *	24.2.87 *
Albury-Wodonga (N.S.W.) Corporation	30.6	30.11.85	31.12.86	2.12.86	4.12.86
Archives Authority of N.S.W.	30.5	30.11.85	-	1.12.85*	1.12.86
Art Gallery of N.S.W. Trust	30.6	30.11.86		11.11.86	
Australian Museum Trust	30.6	30.11.88	-	1.12.86*	1.12.86*
Banana Marketing Control Committee	30.6	30.11.86	-	2.12.86*	3.12.86*
Barley Marketing Board 1	31.10	31 .3.87	-	15.4.87 *	15.4.87 *
Barristers Admission Board	30.6	30.11.86	-	11.11.86	13.11.86
Bathurst-Orange Development Corporation	30.6	30.11.86	-	2.12.86*	4.12.86*
Board of Architects, N.S.W.	30.6	30.11.86	-	19.11.86	1.12.86*
Board of Governors, N.S.W. State Conservatorium of Music	30.6	30.11.86	28.2.87	29.4.87 *	5.5.87 *
Board of Optometrical Registration	30.6	30.11.86	31.12.86	13.7.87 *	13.7.87 *
Board of Surveyors, N.S.W.	30.6	30.11.86	-	1.12.86*	1.12.86*
Board of Veterinary Surgeons, N.S.W.	30.6	30.11.86	-	*	*
Broken Hill Water Board	31.12	31.5.87	-	13.5.87	14.5.87
Builders Licensing Board	30.6	30.11.86	-	1.12.86*	21.11.86
Building and Construction Industry Long Service Payments Corporation	30.6	30.11.86	-	11.11.86	13.11.80
Bursary Endowment Board	30.6	30.11.86	-	1.12.86*	3.12.86*
Bush Fire Council. N.S.W.	31.3	31.8.86	-	26.2.87 *	26.2.87*
Centennial Park Trust	30.6	30.11.86	-	1.12.88*	1.12.86*
Central Coast (N.S.W.) Citrus Marketing Board	30.6	30.11.88	21.12.86	28.1.87 *	28.1.87
Chiropodists Registration Board	30.6	30.11.86	31.12.86	13.7.87 *	13.7.87 *
Chiropractors Registration Board	30.6	30.11.86	31.12.86	13.7.87*	13.7.87
Chipping Norton Lake Authority	30.6	30.11.86	-	19.11.86	1.12.86*
Coastal Council of N.S.W	30.5	30.11.86	-	*	*
Cobar Water Board	31.12	31.5.87	-	7.5.87	14.5.87
Colleges of Advanced Education:					
Armidale	31.12	31.5.87	-	2.7.87 *	2.7.87 *
Cumberland	31.12	31.5.87	-	5.5.87	7.5.87
Hawkesbury	31.12	31.5.87	-	6.5.87	7.5.87
Kuring-gai	31.12	31.5.87	-	*	*
Macarthur	31.12	31.5.87	-	12.5.87	13.5.87
Mitchell	31.12	31.5.87	-	27.7.87 *	27.7.87 *
Nepean	31.12	31.5.87	-	7.5.87	12.5.87
Newcastle	31.12	31.5.87	-	6.5.87	7.5.87
N.S.W. Institute of Technology	31.12	31.5.87	-	5.5.87	7.5.87
Northern Rivers	31.12	31.5.87	-	14.5.87	25.5.87
Orange	31.12	31.5.87	-	26.5.87	27.5.87
Riverina-Murray	31.12	31.5.87	-	27.7.87 *	27.7.87 *
Sydney	31.12	31.5.87	-	27.7.87 *	27.7.87 *
Sydney College of the Arts	31.12	31.5.87	-	*	*

	Year End	Report Due	Extension Granted to	Legislative Assembly	Date Tabled Legislative Council
Commissioner for Main Roads	30.6	30.11.86	-	19.11.86	1.12.86
Commissioner for Motor Transport	30.6	30.11.86	-	1.12.86*	3.12.86
Compensation Court of N.S.W.	30.6	30.11.86	31.1.87	13.5.87 *	26.5.87
Council of Auctioneers and Agents	30.6	30.11.86	-	1.12.86*	20.11.86
Council of Law Reporting	30.6	30.11.86	-	3.3.87*	24.3.87
Council of the Macquarie University	31.12	31.5.87	-	27.7.87*	27.7.87
Council of the University of New England	31.12	31.5.87	-	5.5.87	7.5.87
Council of the University of New South Wales	31.12	31,5,87.	-	*	
Council of the University of Newcastle	31.12	31,5,87.	-	2.7,87 *	2,7,87
Council of the University of Wollongong	31.12	31.5.87	-	14.5.87	26.5.87
Dams Safety Committee	30.6	30.11.86	-	19.11.86	1.12.86
Darling Harbour Authority	30.6	30.11.86	-	1.12.86*	3.12.86
Dental Board	30.6	30.11.88	31.12.86	13.7.87 *	13.7.87
Dental Technicians Registration Board	30.6	30.11.86	31.12.86	13.7.87*	13.7.87
Drug and Alcohol Authority, N.S.W.	30.6	30.11.86	-	1.12.86*	3.12.86
Dumaresq-Barwon Border Rivers Commission	30.6	30.11.86	-	13,1.87 *	19.1.87
Education Commission	31.12	31.5.87	-	*	
Election Funding Authority N.S.W.	30.0	30.11.86	-	24.3.87 *	31.3.87
Electricity Commission	30.6	30.11.86	-	2.12.86*	4.12.86*
Energy Authority	30.6	30.11.86	-	12.11.86	19.11.86
Fish Marketing Authority	30.9	28.2.87	-	24.2.87	24.2.87
Forestry Commission	30.6	30,11,86		19.11.86	19.11.86
Government Insurance Office	30.6	30.11.88	31.1.87	28.1.87	28.1.87
Government Printing Office	30.6	30.11.86		2.12.86*	4.12.86*
Grain Handling Authority	30.9	28.2.87		24.2,87	24.2.87
Grain Sorghum Marketing Board	31.12	31,5,87		18,6,87 *	18.6.87
Harness Racing Authority	30.6	30.11.88		20.11.86	1.12,88
Heritage Council, including accounts of Minister, Corporation Sole	30,6	30,11,86		9.1.87 *	9,1,87
Historic Houses Trust	30.6	30,11,86		1.12.86*	1.12.86
Homebush Abattoir Corporation	30.6	30.11.88		21,11,86	20,11,88
Home Care Service	30,6	30,11,86		29.4.87*	30.4.87*
Hunter District Water Board	30.6	30,11,86		1.12.86*	4.12.86
Hunter Valley Conservation Trust	31.12	31.5.87		*	
Insurance Premiums Committee	30.5	30,11,86		18.11.86	2.12.86
Joint Committee, Workmen's Compensation (Broken Hill) Act, 1920	30,6	30,11,86		11,11,86	13.11,86
Legal Aid Commission, N.S.W.	30.8	30. 11.86		11.11.88	13.11.86
Library Council of N.S.W.,	30,8	30.11.88		1,12,86*	1.12.86
Lord Howe Island Board	30.6	30.11.86		21.11.86	1.12,86
Macarthur Growth Area, Director	30.6	30.11.86		21.1.87 *	21.1.87
Maritime Services Board	30.6	30.11.86		19.11.86	1.12.86
Metropolitan Waste Disposal Authority	30.6	30.11.86		12.11.86	18.11.86
Metropolitan Water Sewerage and Drainage Board	30.6	30.11.85		18.11,86	19,11,86
Nine Subsidence Board	30.6	30.11.86		11.12.86*	11.12.86
Mines Rescue Board	31.12	31.5.87		*	
Minister Environmental planning Act - Corporation Sole-	30.6	30.11.86		29.1.87 *	29,1,87
Motor Vehicle Repair Industry Council	30.6	30.11.86		11.11.86	18.11.86

				Date Tabled	
	Year End	Report Due	Extension Granted to	Legislative Assembly	Legislative Council
Murray Valley (N.S.W.) Citrus Marketing Board	31.12	31.5.87		18.6.87 *	18.6.87
N.S.W. Aboriginal Land Council	30.6	30.11.86		*	
N.S.W. Coal Compensation Board	30..5	30.11.86		21.11.86	1.12.86
N.S.W. Dairy Corporation	30..5	30.11.85		20.1.87 *	20.1.87
N.S.W. Dried Fruits Board	31.12	31.5.87		27.5.87	27.5.87
N.S.W. Egg Corporation	30..5	30.11.80		20.11.86	20.11.86
N.S.W. Film Corporation	30..5	30.11.85		18.11.86	1.12.86
N.S.W. Higher Education Board ²	31.12	31.5.87		12.5.87	13.5.87
N.S.W. Institute of Psychiatry 4	30.6	30.11.85		17.2.87 *	25.2.87
N.S.W. Land and Housing Corporation	30.6	30.11.86		11.11.86	28.5.87
N.S.W. Meat Industry Authority	30.6	30.11.85		21.11.86	21.11.86
N.S.W. Medical Board	30.6	30.11.86	31.12.86	*	
N.S.W. Science and Technology Council	30.6	30.11.86		18.11.88	19.11.86
N.S.W. State Cancer Council	30.6	30.11.86		1.12.86*	3.12.86
N.S.W. Treasury Corporation	30.6	30.11.86		11.11.86	13.11.86
Nominal Defendant	31.12	31.5.87		*	
Nurses Registration Board	30.6	30.11.88	31.12.86	*	
Oats Marketing Board	30.9	28.2.87		29.4.87*	
Officer in charge. State Brickworks	31.3	31.8.86		20.8.86	23.9.86
Oilseeds Marketing Board	31.10	31.3.87		12.5.87	
Optical Dispensers Licensing Board	30.6	30.11.85	31.12.86	13.7.87 *	13.7.87
Pathology Laboratories Accreditation Board	30.0	30.11.86		*	
Pharmacy Board, N.S.W.	30.6	30.11.86	31.12.86	13.7.87 *	13.7.87
Physiotherapists Registration Board	30.6	30.11.86	31.12.86	13.7.87 *	13.7.87
Plumbers, Gasfitters & Drainers Board	30.6	30.11.86		13.11.86	
	29.10.86				
Police Superannuation Board	31.3	31.8.86		24.9.86 *	1.10.86
Poultry Farmer Licensing Committee	30.6	30.11.86		20.11.86	18.11.86
Public Accountants Registration Board	31.12	31.5.87		*	
Public Authorities Superannuation Board	31.3	31.8.86		25.9.86 *	1.10.86
Public Servant Housing Authority	30.§	30.11.86		21.11.86	3.12.86
Public Trustee	30.6	30.11.86		1.12.86*	2.12.86
Railway Service Superannuation Board	30.6	30.11.86		11.11.86	13.11.86
Real Estate Valuers Registration Board	30.6	30.11.86		26.2.87*	25.2.87
Regional Aboriginal Land Councils:					
Central	30.6	30.11.86		*	
Central Coast	30.6	30.11.86			
Far South Coast	30.6	30.11.86		*	
Murray River	30.6	30.11.86		*	
North Coast	30.6	30.11.86	-	*	
North Western	30.6	30.11.86			
Northern	30.6	30.11.86		*	
Northern Tablelands	30.6	30.11.86		*	
South Coast	30.6	30.11.86	-		
Sydney and Newcastle	30.6	30.11.86		*	
Western	30.6	30.11.86	-	*	
Western Metropolitan	30.6	30.11.86			
Wiradjuri	30.6	30.11.86	-		
Rental Bond Board	30.6	30.11.86		11.11.86	
Rice Marketing Board	31.10	31.3.87		13.8.87	
Royal Botanic Gardens & Domain Trust	30.6	30.11.86		1.12.86*	1.12.86
Rural Assistance Board	30.6	30.11.86		1.12.86*	
Senate of the University of Sydney	31.12	31.5.87		6.5.87	
	7.5.87				

	Year End	Report Due	Extension Granted to	Date Tabled	
				Legislative Assembly	Legislative Council
6					
Soil Conservation Commission	30.6	30.11.88	28.2.87	3.3.87 *	26.2.87
Solicitors Admission Board	30.6	30.11.86		11.11.86	13.11.86
Sporting Injuries Committee	30.6	30.11.86		20.1.87 *	20.1.87
State Bank of New South Wales	30.6	30.11.86		11.11.88	13.11.86
State Compensation Board	30.6	30.11.86		18.11.86	2.12.86
State Dockyard Board of N.S.W.	31.3	31.8.86		30.9.86*	1.10.86
State Public Service Superannuation Board-	30.6	30.11.86		11.11.86	13.11.86
State Rail Authority	30.6	30.11.86	-	2.12.86*	2.12.86
State Sports Centre Trust 6	30.5	30.11.86		19.11.86	1.12.86
State Superannuation Board	30.6	30.11.86		11.11.86	13.11.86
Suitors Fund, Corporation Sole Superannuation Tribunal, Coal and Oil Shale Nine Workers (Superannuation) Act	30.6	30.11.86	-	11.11.86	13.11.86
Sydney County Council	31.12	31.5.87	-	5.5.87	7.5.87
Sydney Cove Redevelopment Authority	30.6	30.11.86	-	12.11.86	18.11.86
Sydney Cricket and Sports Ground Trust	28.2	31.7.86	-	15.8.86*	23.9.86
Sydney Market Authority	30.6	30.11.86	-	21.11.86	20.11.86
Sydney Opera House Trust	30.6	30.11.86	-	11.11.86	19.11.86
Teacher Housing Authority	30.6	30.11.86	-	11.11.86	19.11.86
Tobacco Leaf Marketing Board	31.12	31.5.87	21.6.87	30.6.87 *	30.6.87
Totalizer Agency Board	30.6	30.11.86	-	29.10.86	12.11.86
Traffic Authority	30.6	30.11.86	-	3.12.86*	4.12.86
Travel Agents Registration Board	30.6	30.11.86	-	2.12.86*	2.12.86
Trustees of the Technical Education Trust Funds	31.12	31.5.87	-	6.5.87	5.5.87
Trustees, Anzac Memorial Building	31.12	31.5.87	-	1.6.87 *	1.6.87
Trustees, Farrer Memorial Research Scholarship Fund-	31.12	31.5.87	-	*	
Trustees, Museum of Applied Arts & Sciences	30.6	30.11.86	-	1.12.86-	1.12.86
Trustees, Parliamentary Contributory Superannuation Scheme	30.6	30.11.86	-	18.12.86*	23.12.86
Urban Transit Authority	30.6	30.11.86	-	2.12.86*	2.12.86
Water Resources Commission	30.6	30.11.86	-	12.11.86	18.11.86
West Scholarship Trustees	30.6	30.11.86	-	*	
Wild Dog Destruction Board	31.12	31.5.87	-	27.5.87	27.5.87
Wine Grapes Marketing Board	31.5	31.10.86	19.11.86	19.11.86	19.11.86
Workers Compensation (Dust Diseases) Board	30.8	30.11.88	-	18.11.86	2.12.86
Yellow Maize Marketing Board	30.11	30.4.87	-	22.7.87 *	22.7.87
Zoological Parks Board	30.6	30.11.86	-	18.2.87*	24.2.87*

· Indicates Late

Updated to:

Legislative Assembly: 26 Aug 1987 Legislative Council: 26 Aug 1987

1 Barristers and Solicitors Admission Boards reports are combined

2 Report of Operations only is required

3

Report combined with that of Department of Environment and Planning under Annual Reports (Departments) Act.

4 Report combined with that of Department of Housing under Annual Reports (Departments) Act,

5 The accounts of the Nominal Defendant are included in the next published annual report of the Government Insurance

Office.

6 Report combined with that of Soil Conservation Service of N.S.W. under Annual Reports (Departments) Act.

7 State Public Service Superannuation Board and State Superannuation Board reports are combined.

8 Report incorporated in subsequent annual report of Department of Agriculture.

5. AVAILABILITY OF ANNUAL REPORTS TO MEMBERS OF PARLIAMENT

A major objective of the Public Accounts Committee is "to increase the awareness and understanding of Parliamentarians and members of the public of the financial and related operations of government"

Accordingly, the Committee advises all Members of Parliament of new inquiries and seeks submissions. In addition, all Members are provided with a copy of Committee reports on the day they are publicly released.

In this context, the Public Accounts Committee Members have been concerned for some time *that* sufficient copies of annual reports of New South Wales departments and *statutory* authorities are not made available to Members of Parliament. Many of the reports *that* do become available are received a considerable time after the tabling date.

Annual Reporting legislation sets out detailed prescription for timing publication and *distribution* of reports.

The Committee investigated statutory requirements and current arrangements for making annual reports available to Parliamentarians. A summary of the Committee's findings follows.

Availability Requirements

In summary, legislation requires submission of annual reports to relevant Ministers within four months of year-end and allows one *additional* month for tabling in *both* Houses of Parliament.

Specific legislative requirements include:

- as soon as practicable after tabling, statutory bodies and departments make copies available for public sale or distribution as prescribed;

Supplementary Report

sufficient copies be kept to meet normal public demand, and where required by the Treasurer furnished to the Government Information Centre or elsewhere as he may direct, for public sale at a price no greater than direct production cost.

A requirement in meeting these obligations is *that at* the same time as reports are tabled or forwarded to the Clerks of the Parliaments, 170 copies should be forwarded to the Government Printing Office for parliamentary distribution. These copies are to satisfy provisions of the Copyright Act and the Premier's direction for the forwarding of copies of reports to specified educational institutions.

Components of this requirement are:

60 copies extracted for bound copies of parliamentary papers

(binding presently lags 3 years)

30 copies to Legislative Assembly (Bills and Papers Office) 10 copies to Legislative Council

10 copies to Printer's Warehouse (which is the accepted

practice for meeting "public sale" requirements)

60 copies for the Printers "free distribution list, including 12 copies for library deposits (one for Parliament House), Premier's Department usage, *interstate* Parliaments and Commonwealth etc."

170

The Government Printer is presently seeking to vary the public availability procedure and send the 10 warehouse (reserve) copies to the Government Sales and Information Centre.

Of the 30 copies supplied to the Legislative Assembly Office, five to six are retained for archival purposes and the balance is made available to Members on request. Each sitting day the Clerks issue a notice of "Committees Meeting and Bills, Papers

Public Accounts Committee

and Reports Available" on application to Assembly and Council Offices. Reports listed are those received over the last few weeks (or days depending on volume).

Committee Findings

There are significant delays in obtaining and assembling parliamentary papers. (Bound Volumes are presently three years in arrears). This is largely due to delays in supply of annual reports.

At 1 April, 1987, only one annual report (Auctioneers and Agents Council) tabled and ordered to be printed since 21 November, 1986, had been received by the Legislative Assembly. In a review of Parliamentary records the Committee noted supply delays in excess of fourteen months beyond tabling date, which in some instances was up to eight months after the period to which reports related. These combined delays would undoubtedly diminish usefulness and render production questionable.

Advice to the Committee is that the main delay is with authorities not promptly forwarding parliamentary copies to the Government Printer. Even though most reports are printed in advance of being "ordered to be printed", the Printer advises less than 50% supply him within a week of tabling. With Government Printer produced reports (most departments and a small number of authorities) this situation does not arise as necessary copies are withdrawn from print runs. The Government Printer has no control over reports produced elsewhere.

The House practice of drafting, printing, proofing and having the Printer attach a cover sheet to each of the parliamentary usage copies does add to the delay, but the Government Printer advises that their action is prompt.

Supplementary Report

Comment and Recommendations

Although all records are not retained, the Legislative Assembly Bills and Papers Office advises few requests are received for reports. The Committee is not surprised, as Member's experience is that it is quicker to obtain documents directly from the relevant department or authority.

The Committee considers the current arrangements for making annual reports available to Members of Parliament are inadequate.

The Committee also notes tabled reports, other than annual reports, are similarly not available to Members in a timely manner or in sufficient quantities.

The Committee has written to the Clerk of the Legislative Assembly and to the Hon. Peter Cox, Minister responsible for the Government Printing Office, expressing its concern and requesting *that* steps be taken to improve the availability of reports to Parliamentarians. Both concur with Committee findings, and have responded with a series of suggestions for improvement. The Committee will be pursuing implementation of these suggestions.

6. BUDGETARY ACCOUNTING SYSTEM (BAS)

Background

In his 1984-85 Report, the Auditor-General noted that the implementation of the Budgetary Accounting System was not proceeding as quickly as anticipated. Much of the delay was said to be due to the lack of commitment by management who, in many cases, were not providing sufficient management support and adequate, skilled staff.

In December 1985 the Committee wrote to the Treasury requesting details on the BAS system. In June 1986 the Committee wrote to 25 departments and *authorities* which had received Treasury approval to install the B.A.S. prior to 31 July, 1985, seeking details on the implementation of B.A.S. (Refer Appendix 1).

Results of PAC Survey

1. The survey confirmed that extensive delays have occurred in the introduction of the Budgetary Accounting System. The delays appear to have been due to problems in assessing computer needs, difficulties with software and lack of skilled staff.
2. The Treasury instructed departments *that* they should be on-line with BAS by 1 July 1986 to enable financial reporting in a program budgeting format. Most departments stated *that* they had met this deadline, although how effectively their systems were operating by this date is uncertain.
3. A number of departments have rejected BAS and intend using alternative systems:

Supplementary Report

Using or developing the General Ledger Accounting Systems (GLAS)

Department of Sport and Recreation

Energy Authority of N.S.W.

Builders Licensing Board

Plumbers, Gasfitters and Drainers Board

Developing alternative systems

Department of Finance

Premier's Department

Department of Corrective Services

State Emergency Services

Department of Lands.

4. Major problems with BAS system cited by Departments:

Random systems failures.

Lack of technical support.

Slow response time of system.

Lack of capacity - can only handle limited number of files.

Financial reporting capabilities of system poor and cumbersome - not user responsive.

Problems with software - i.e.. size of fields for cheques.

No debtors module, no receipting module. (Apparently these are now being developed). Difficult to integrate system with personnel, purchasing or stores control software.

Delays in delivery of equipment.

Poor initial advice on suitability of system to department's needs, resulting in need to upgrade.

A summary of departmental responses is attached in Appendix 1.

Public Accounts Committee

Treasury Response

1. The Chairman, B.A.S. Steering Committee has the following points to make about the system and its introduction in N.S .W.

2. Control over B.A.S. is split between Public Service Board Computer Bureau and Treasury. P.S.B. is responsible for training, software development and programming and technical assistance. Treasury involved through link with program budgeting and a Treasury Officer chair's the B.A.S. Steering Committee which makes decisions on upgrading of software and hardware. Treasury also tests all new packages and revisions on its B.A.S[system prior to sending them out to Departments. According to Treasury, this split in control causes problems.

3. Programming and technical support for departments appears inadequate. Revisions to software are slow, currently taking up to 2 years.

4. Treasury felt that Departments haven't given the necessary commitment to B.A.S. in terms of ensuring that senior staff have sound understanding of it, providing adequate staffing and training, and updating hardware and software on a regular basis. Problems such as slow response time, lack of capacity and reporting formats, are, in Treasury's view, matters which can be dealt with through proper use of available software and upgrading of hardware.

5. Treasury is committed to the system and intends to continue supporting it.

Supplementary Report

Conclusion

Although there has obviously been considerable problems with the introduction of B.A.S., most departments now have the system running or have developed alternative systems. The Committee is however concerned at the slow implementation of the system, and the lack of commitment by senior management to staff training and hardware and software updating. The Committee will reassess the situation in 1988.

**7. AMENDMENTS AND REGULATIONS TO PUBLIC FINANCE AND AUDIT
ACT AND ANNUAL REPORTING LEGISLATION 1986-87**

Annual reporting legislation and the Public Finance and Audit Act make provision for certain amendments and regulations to be forwarded to the Public Accounts Committee by the Treasurer for examination and report. The Committee's Thirteenth Report "Proposed Regulations accompanying the Annual Report (Statutory Bodies) Act 1984 and Public Finance and Audit Act, 1988" (January, 1985) and Twenty-Third Report "Report on proposed regulations accompanying the Annual Report (Departments) Act 1985 and miscellaneous amendments concerning annual reporting" (May 1986) dealt with referrals by the Treasurer under these provisions.

During 1986-87, the Treasurer forwarded two sets of proposed legislative changes to the Committee. The proposed changes and the Committee's review of the changes are outlined below.

Proposed Amendments to the Public Finance and Audit Act and Annual Reporting Legislation

The proposed changes were referred to the Committee by the Treasurer in March 1987. In summary, the Public Accounts Committee recommended:

1. The Treasurer further review the proposed amendment providing for extension of the 10-week period for audit certification by four weeks, together with associated proposed amendments. The Committee considered that current provisions for audit certification were appropriate and should remain.
2. The Treasurer require a substantial number of statutory authorities to change their balance dates to assist the Auditor-General in providing timely audit certification.

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3. The Treasurer consider a legislative amendment which would require ~~the~~ disclosure in Parliament of authorities and departments which fail to submit their annual reports to the appropriate Minister within the required four months from the end of the financial year.

4. The period in which organisations can apply to the Treasurer for extensions of time for submitting annual reports, be changed to three months, not to four months as proposed.

The Treasurer supported the Committee's recommendations 1 and 4 above, and advised he would institute a review concerning recommendation 2. With regard to 3, the Treasurer advised that he considered current requirements for disclosure of late annual reports sufficient.

The Committee acknowledges the acceptance by the Treasurer of the Committee's recommendations.

Public Finance and Audit (Statutory Bodies) Regulation 1985 -Proposed Amendments

The Treasurer referred proposed amendments to the above regulations to the Committee on 5 June 1987. The proposed changes were at the request of the Auditor-General who had been experiencing problems with the wording of parts of the existing legislation.

The changes were largely interpretative or technical. The documentation forwarded by the Treasurer is attached Appendix 2.

The Committee reviewed the proposed amendments and advised the Treasurer that it concurred with all the proposed changes.

8. VARIATIONS OR SUSPENSIONS OF STATUTE

The Auditor-General includes in his Report to Parliament each year, variations or suspensions of statute which have come to his attention. The Public Accounts Committee in recent years has written to Ministers associated with these breaches, seeking explanation and action taken to ensure future compliance with the legislation.

Below is a brief outline of variations reported in the Auditor-General's 1985-86 Report, the relevant Minister's response and the Committee's decision.

Broken Hill Water and Sewerage Act 1938

Rating base factors were incorporated into the Board's rating system in 1985, contrary to the Act, to moderate the effect of increased valuations.

The Minister has responded that a legislative amendment passed in December 1986 retrospectively provided for the use of rating base factors for 1986. For 1987, full land valuations will be used for rating purposes.

Committee Decision No further action.

Bush Fires Act 1984

The Bush Fires Act states that contributions from Councils and insurance companies will be subject to 10% penalty if not paid within 60 days of assessment, unless otherwise determined by the Minister. The Auditor-General reported that no penalty interest had been charged or waived for 1985-86.

The Minister states that in 1985-86 contributions paid late amounted to \$218,378. Penalty interest forgone is estimated at \$21,837.

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The Minister states that he has now waived the penalties for 1985-86 and *instituted* a review of the Act. The Secretary of the Bushfire Council has advised that a system has been introduced to report all late payments and advise the Minister. Current policy is *that* penalties for Councils will be waived, and penalties for Insurance Companies enforced.

Committee DecisionNo further action re 1985-86.

Motor Dealers Act

During 1985-86, funds from the Youth Employment Scheme were processed through the Motor Dealers Compensation Fund. (Aspecial deposit account), contrary to the legislation.

The response states that such funds are now handled directly through the Consolidated Fund.

Committee DecisionNo further action.

Noxious Insects Act

The Act requires that levies collected by Pastures Protection Boards be remitted to the Department of Agriculture by 30 September. Of the total due in 1985 (\$1.3m) only \$303,754 was received by the due date and at 31 July, 1986, \$16,168 remained outstanding.

The Minister notes that a circular was sent to all Boards in 1986 reminding them of their obligations, and at 30 September, 1986, only 2 Boards had failed to send in their levy.

Committee DecisionNo further action.

Environmental Planning and Assessment Act

Payments were made in 1983-4 from the Sydney Region Development Fund for land and services on behalf of the Illawarra Region Development Fund. In 1984-5 and 1985-6, interest payments to service loans associated with the 1983-4 transactions, have been paid from the Sydney Fund. This contravenes the Act. The Minister reports that the government has deferred for some time the establishment of The Illawarra Fund, due to funding constraints.

The Committee wrote to the Minister in July 1987 seeking details of any proposed legislative change or other action to ensure compliance with the legislation. The Committee is awaiting a response.

Transport Act

Payment of gratuity entitlements of three retired employees, contrary to the Act. Legislative amendment to encompass this type of payment has now been made.

Committee Decision: No further action.

Travel Agents Act 1973

Following the failure of a travel agent, the Travel Agents Registration Board participated in an operation designed to prevent the stranding of overseas travellers from Australia. As part of this operation the Board approved of a payment from the Travel Agents Compensation Fund direct to an overseas carrier, which is contrary to Section 51 of the Act. That section provides for payments from the fund to compensate persons who suffer pecuniary loss.

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In the year under review several major travel agency groups have failed resulting in groups of tourists being caught overseas with prepaid package tours. Due to the failure of the travel agent to settle with the airlines the prepaid airline tickets are not honoured by the Airlines.

The Board has entered into an agreement with an Airline to return the passengers to Australia. Payment will be made by the Board to the Airline direct and not to the person who suffered the loss. The amount involved is approximately \$130,000.

The TARB has since been abolished and a new self-regulatory scheme established for regulation of the travel industry.

Committee DecisionNo further action.

Local Government Act 1919

The Department of Housing has ceased to claim from rating authorities in terms of Section 139 (9) (a) for refund of that portion (if any)of rates of less than \$100 paid on land acquired by the Department that relates to the period after the date of acquisition of the land.

Previously raised with the Minister for Local Government in November, 1985, February 1984 and December 1983. The Minister advised in December 1985 that he had "approved of an appropriate amendment being made to the Act which will place the obligation on the Public Authority to request the refund from the Council." The necessary legislation was passed in December 1986.

Committee DecisionNo further action required.

APPENDIX 1

BUDGETARY ACCOUNTING SYSTEM

SUMMARY OF RESPONSES TO SURVEY

ORGANISATION	HARDWARE INSTALLED	SOFTWARE INSTALLED	OPERATIONAL DATE	COMMENTS
1. Dept of Co-operative Societies	May 1984	Nov 1985	1/7/86'	
2. Ministry of Transport	Aug 1985	Sept 1985	Oct 1986	
3. Youth and Community Services	July 1985	Sept 1985	1/7/86	
4. Dept of Corrective Services	Sept 1984	Nov 1984	1/5/86	System to be replaced
5. Ministry of Education	June 1985	July 1985	July 1986	
6. State Emergency Services	Aug 1984	Oct 1984	July 1986	821-65T
	June 1986	July 1988 *	N/A *	826
7. Dept of Finance	April 1985	April 1985	July 1986	System inadequate. Alternative System tendered for.
8. Premier's Dept.	-	-	-	BAS inappropriate, Commercial package used.
g. Dept of Mineral Resources	Dec 1983	March 1985	1/7/86	Software problems encountered.
10. Dept of Industrial Development	Nov 1983	Jan 1985	Sept 1985	
11. Valuer General's Dept.	May 1985	May 1985	1/7/86	
12. Public Service Board	Sept 1983	Jan 1985	Oct 1985	Full production not until 10/86.
13. Police Dept.	June 1984	Nov 1984	22/7/85	
14. Office of the Ombudsman	June 1985	January 1985	1/7/85	
15. Sydney Farm Produce Market. Auth.		June 1984	Dec 1984	July 1985
16. Central Mapping Authority	Feb 1984	April 1985	Nov 1985	
17. Dept. of Lands	June 1984	Nov 1984	-	Does not meet Dept. needs. Limited Software Capacity.*
18. Energy Authority of N.S.W.	Dec 1983	Dec 1984	-	System not adequate.
	(Dec 1985	Dec 1985	July 1986	Alternative System)
19. State Pollution Control Commission	Dec 1984	Nov 1984	1/7/86	
20. Commissioner for Consumer Affairs		Dec 1984	Feb 1985	Aug 1986
21. Orange Agricultural College	July 1985	Sept 1985	N/A	

* NOTE Target dates and comments applicable at time of Survey - June 1986

ORGANISATION	HARDWARE INSTALLED	SOFTWARE INSTALLED	OPERATIONAL DATE	COMMENTS
22. Plumbers, Gasfitters and Drainers Board			Feb 1985	Software obtained for evaluation. Alternative proposed.
23. Soil Conservation Service	Jan 1984	Jan 1985	1/7/86	
24. Australian Museum	Dec 1983	Nov 1984		Software problems
25. Govt. Supply Dept.	?	July 1985	July 1986	

* NOTE Target dates and comments applicable at time of Survey - June 1986

APPENDIX

REG/31

PUBLIC FINANCE AND AUDIT ACT 1983--REGULATION

Council, and in pursuance of the public Finance and Audit Act 1983; has been pleased to make the Regulation set forth hereunder,

Treasurer.

The Public Finance and Audit (Statutory Bodies) Regulation 1985 is amended---

(a)(i) by omitting clause 4 (1) (k) and by inserting instead the following paragraph:

(k) the full amount of expense arising in the financial year in respect of superannuation and other deferred employee entitlements and the amount credited to each appropriate provision, which expense shall, in the case of a statutory body whose salaries and associated costs are not met from the Consolidated Fund---

(i) except as provided by subparagraph (ii), be shown separately in the income and expenditure statement and not by way of note; or

(ii) if deferred employee entitlements have been capitalised by way of oncost recoupments, be shown by way of note; and (ii) by omitting from clause 4 (1) (1) the words ", shown where appropriate,";

- (b) (1) by omitting from clause 5 (1) the words "except where the Treasurer has, under section 41B (3) of the Act, approved that the preparation of a balance sheet be dispensed with, there shall be shown separately in the financial statements of a statutory body which is able to prepare a balance sheet, in addition to any other matters necessary to exhibit a true and fair view of the financial position and transactions of the body" and by inserting instead the words "in addition to any other matters necessary to exhibit a true and fair view of the financial position and transactions of a statutory body which includes a balance sheet its financial statements, there shall be shown separately in the financial
- (ii) by omitting from clause 5 (1) (b) the words "members, officers or employees of the body or relatives of those members, officers or employees" and by inserting instead the words "members or directors (however described) of the body, or officers or employees of the body holding executive decision-making positions, or relatives of those members, directors, officers or employees";
- (iii) by omitting from clause 5 (1) (d) the words "officer or employee of the body" and by inserting instead the words "a member or director (however described) of the body, or an officer or employee of the body holding an executive decision-making position";
- (iv) by omitting from clause 5 (1) (q) the word "unfunded" and by inserting instead the word "unprovided".

(c) by **omitting** clause 6 and by Inserting instead following clause;

Statement of balances information

6. For the purpose of section 41B (1) (c) (vi) and (g) of the Act, in addition to any other matters necessary to exhibit a true and fair view of the financial position and transactions of a statutory which does not include a balance sheet in its financial statements but includes a statement of balances (however described), there shall be shown separately the financial statements all the matters referred to clause 5, except---

- (a) the fixed assets referred to in clause 5 (1)
and
- (b) the matters referred to in clause 5 (1) (e), to the extent only that they relate to stores held in departments, divisions or sections of the body which have been issued from a central store of the body.
- (d) (i) by omitting from clause 7 (1) (e) the words "schedule of debts, whether owing on public borrowings" and by inserting instead the words "schedule of outstanding public borrowings";
(ii) by inserting in clause 7 (1) (g) before the words "capital expenditure" the word "material";
(iii) by omitting from clause 7 (1) (h) the word "significant" and by inserting instead the word
(iv) by omitting from clause 7 (1) (i) the word "provided" and by inserting instead the words "set aside as referred to in clause 4 (1)
(v) by omitting from clause 7 (1) (i) the word "provision" and by inserting instead the words "amount set aside;
(vi) by omitting clause 7 (1) (n) and by inserting instead the following paragraph:

(n) where investments held are quoted on a stock exchange in Australia or elsewhere, · separate total for each class of quoted investment and, in respect of each such class, the aggregate market value calculated---

(i) If investments of that class have been traded on a stock exchange during the last month of the financial year---on the officially quoted "last sale" price as at the end of the financial year: or

(ii) in any other case---by applying to the officially quoted "last sale" price as at the end of the financial year the percentage movement from the date of the last sale to the end of the financial year of the stock exchange index for the industrial group which includes that class of investment.

(vii) by omitting from clause 7 (1) (q) (l) and (iv) the word "unfunded" wherever occurring and by inserting instead the word "unprovided".

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