

**AUSTRALIAN CAPITAL TERRITORY LEGISLATIVE
ASSEMBLY**

**FINANCIAL MANAGEMENT AND AUDIT
(CONSEQUENTIAL AND TRANSITIONAL PROVISIONS)
BILL 1996**

EXPLANATORY MEMORANDUM

**Circulated by the authority of
Kate Carnell MLA
Chief Minister and Treasurer**



ACT GOVERNMENT

FINANCIAL MANAGEMENT AND AUDIT (CONSEQUENTIAL AND TRANSITIONAL PROVISIONS) BILL 1996

OUTLINE

The objectives of this Bill are to amend certain Acts and deal with the immediate issues consequent upon the repeal the Audit Act 1989 and the introduction of the Financial Management Bill 1996 and the Auditor-General Bill 1996. Certain appointments have been preserved and certain funds and accounts re-established in accordance with the new legislation.

Because there will be a discontinuity in the way in which accounts are required to maintained before and after repeal, the Treasurer has the power to:

- close accounts;
- direct the transfer of heads of trust, not specifically mentioned in the Bill, to the appropriate departmental bank account or departmental trust bank account; and
- give such directions as would facilitate transition.

DETAILS OF THE BILL

PART I - PRELIMINARY

Short title and Commencement

Clauses 1 & 2 These clauses are formal requirements. They refer to the short title of the Bill and to the commencement of the Bill, which will be on 1 July 1996.

Interpretation

Clause 3 This clause gives expressions used in this Act the same meaning as in the Financial Management Act.

PART II - REPEAL OF ACTS

Repeal of Acts

Clause 4 This clause repeals the following Acts:

- (a) Audit Act 1989;

(b) Audit (Amendment) Act 1990;

(c) Audit (Amendment) Act 1991.

PART III - TRANSITIONAL

Continuing application of provisions of Audit Act

Clause 5 This clause retains the following sections of the *Audit Act 1989* in respect of the financial year ended 30 June 1996:

- (a) subsection 47 (2) which provides that the Minister shall, as soon as practicable after 30 June, cause to be laid before the Assembly a statement setting out particulars of all expenditure that remains as a charge to the Minister's Advance for that financial year;
- (b) subsections 47 (4) continues to apply. This requires the Chief Minister to lay before the assembly within 6 sitting days a statement setting out details of any increase in the Minister's Advance;
- (c) subsection 49 (2) continues to have effect. This provision requires the Chief Minister to forward a copy of a direction to vary annual appropriations to the Auditor-General;
- (d) section 58 continues to apply in respect of financial statements for special operations of administrative units;
- (e) part VI of the *Audit Act 1989* continues to apply including financial statement guidelines issued pursuant to section 72;
- (f) sections 93 and 97 continue to apply in relation to financial reporting for Territory Authorities.

The Minister referred to in the retained provisions is the Treasurer.

Part III and sections 59 to 62 of the Financial Management Act do not apply in respect of the year ended 30 June 1996.

The Department of Education and Training is required to produce one financial statement which will include the activities of the Department of Education and Training, the Children's and Youth Services Bureau and the ACT Schools Authority.

Auditor-General

Clause 6 . The person holding the office of Auditor-General under section 6 of the *Audit Act 1989*, will continue to hold office, on the same terms and conditions subject to the Schedule to the Auditor-General Act, after commencement of the Auditor-General Act.

Supply for 1996-1997 financial year

Clause 7 This clause provides a supply period for the 1996-1997 financial year.

Treasurer's directions relating to accounts

Clause 8 The Treasurer may give directions to Territory departments and authorities to close bank accounts and ledger accounts that were not opened and maintained in accordance with the Financial Management Act. The balance of those accounts are to be transferred to:

- (a) a bank account established in accordance with the Financial Management Act; or
- (b) 2 or more bank accounts established in accordance with the Act in proportions specified by the Treasurer; or
- (c) a ledger account specified by the Treasurer; or
- (d) 2 or more ledger accounts established in accordance with the Act in proportions specified by the Treasurer.

Transfer of certain trust funds to new accounts

Clause 9 This clause lists a number of designated trust accounts which will be closed and the balance of the accounts are to be transferred to trust bank accounts opened in accordance with the Financial Management Act.

Transfer of certain housing funds to new accounts

Clause 10 This clause closes housing accounts opened under the Audit Act 1989 and directs that the remaining balances in the accounts be transferred to new bank accounts opened under the Financial Management Act.

Where moneys are paid into a bank account in accordance with subclause 11 (2) (b), a ledger account having the same name as the housing account must be established in relation to the bank account.

Regulations

Clause 11 The Executive may make regulations.

PART IV - AMENDMENT OF OTHER ACTS

Amendment of Acts

Clause 12 The Acts specified in the Schedule are amended as set out in that Schedule.