

PUBLIC FINANCE AND AUDIT (AMENDMENT) BILL 1988

NEW SOUTH WALES



EXPLANATORY NOTE

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

The object of this Bill is to amend the Public Finance and Audit Act 1983 so as—

- (a) to provide for the establishment and use of a Revenue Equalisation Account within the Special Deposits Account; and
- (b) to provide for the audit of subsidiary organisations of certain statutory bodies.

Clause 1 specifies the short title of the proposed Act.

Clause 2 provides that the proposed Act will commence on the date of its assent.

Clause 3 is a formal provision that gives effect to the Schedule of amendments.

Clause 4 is a transitional provision that ensures that any existing corporation, association or trust that becomes a privately audited subsidiary organisation of a statutory body by virtue of the enactment of the proposed Act is to be taken to have become such an organisation on the commencement of the proposed Act.

The Revenue Equalisation Account

Schedule 1 (1) inserts a new section 22A into the Principal Act. Under the proposed section, the Treasurer is to be empowered to establish a Revenue Equalisation Account within the Special Deposits Account and to transfer money (with the approval of the Governor-in-Council) to that Account from the Consolidated Fund. Details of any such transfer will have to be included in the Appropriation Bill for the following financial year. Money will not be able to be drawn from the Revenue Equalisation Account otherwise than by way of transfer to the Consolidated Fund.

Subsidiary organisations of statutory bodies

Schedule 1 (2) amends section 39 of the Principal Act to apply the provisions of Division 3 of Part 3 of that Act to the auditing of the accounts of all subsidiary organisations (within the meaning of proposed section 63B) to which that Division would not otherwise apply.

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Schedule 1 (3) inserts a new section 63B into the Principal Act. Under the proposed section, a statutory body will be required to ensure that no corporation, association or trust becomes a privately audited subsidiary organisation of the statutory body. (A privately audited subsidiary organisation is to mean a subsidiary organisation that does not have the Auditor-General as its auditor.) If a corporation, association or trust becomes a privately audited subsidiary organisation of a statutory body, the statutory body will be required to ensure that the corporation, association or trust ceases to be such an organisation within 3 years. The Treasurer (after consultation with the Auditor-General and the appropriate Minister) will be able to grant exemptions from the requirements of the proposed section. The proposed section defines the expressions "association", "corporation", "privately audited subsidiary organisation", "statutory body" and "subsidiary organisation".
