



Speech by

Hon. JUDY SPENCE

MEMBER FOR MOUNT GRAVATT

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MINISTERIAL STATEMENT

Aboriginal Councils and Island Councils; Auditor-General's Reports

Hon. J. C. SPENCE (Mount Gravatt— ALP) (Minister for Aboriginal and Torres Strait Islander Policy and Minister for Women's Policy and Minister for Fair Trading) (9.53 a.m.), by leave: The Auditor-General last Friday tabled the 1998 Report on Audits of Aboriginal Councils and Island Councils performed for 1996-97. The 1996-97 financial year saw a significant improvement in the performances of a substantial number of councils with almost double the number of councils achieving an unqualified audit report in 1996-97 as compared with 1995-96. The increase from nine to 17 unqualified audit opinions means that more than half of the 31 Aboriginal and Island Councils have satisfactorily met their financial accountability obligations.

I am also pleased to inform the Parliament that there has been a significant reduction in qualified audit opinions—from 16 to 10—and in the number of council accounts for which disclaimers of opinion were issued by the Auditor-General. Only four councils received a disclaimed audit opinion for 1996-97, a 30% reduction from the previous year. However, there are some causes of concern. The Auditor-General has identified numerous deficiencies with the Darnley Island Council's system of financial management, which include: that it failed to prepare financial statements for audit review and certification; that it did not reconcile the general fund bank account and the general ledger; and that it failed to support council expenditure with adequate documentation. My department has reported the irregularities raised by the Auditor-General to the Criminal Justice Commission for investigation.

Darnley Island Council is not alone in the area of poor performance. Boigu Island Council has experienced a number of problems and the council has reported a staff member to the police. Here again, my department is in the process of referring the financial irregularities to the CJC. As members would also be aware, the Umagico Aboriginal Council experienced problems over the financial year with the former chairman and two former employees being charged by the police for misappropriation. In cases of alleged illegality there will be no hesitation in reporting these purported misdemeanours to the police and/or the CJC. However, I would like to record that, in all cases of poor financial administration, my department will continue to assist councils individually in their financial performance.

Much of that assistance will come from the Financial Accountability Improvement Program. That program is buttressed by the work of Community Services (Financial Accountability) officers who provide direct support, guidance and advice to councils in matters of financial management, compliance with statutory requirements and operational efficiency. Here I would like to acknowledge the role of the previous Government for its efforts in the employment of those officers, an initiative that was supported by the Labor Party and will continue to be supported by this Government. The continuing support to the program and the work of Community Services officers are an indication of this Government's commitment to ensuring the highest levels of probity in public administration. This Government is committed to high levels of accountability for the expenditure of public funds and we will not tolerate misuse of public moneys or use of those funds for purposes other than those for which they have been granted. When any further financial irregularities are brought to my attention or the attention of my department, I will ensure that those are reported to the appropriate authorities and that corrective action is taken promptly.

Whilst in the 1996-97 financial year there were a number of councils which displayed poor financial performance, the Auditor-General acknowledged that many more had performed to the levels expected. I would like to make special mention of councils which have maintained a consistently high

standard over several years and which again received an unqualified audit opinion for 1996-97. These are the Yarrabah Aboriginal Council, the Doomadgee Aboriginal Council, the Coconut Island Council, the St Pauls Island Council and the Hammond Island Council. The Hammond Island Council has an exceptional record, having achieved an unqualified audit certificate every year since its inception in 1994-95, while St Pauls Island Council recently received the Award for Medium Employer of the Year at the North Queensland Training Industry Awards. Further, the councils of Lockhart River, Badu Island, Sue Island and Yorke Island all achieved an unqualified audit result for the second year in a row.

Last year, the councils of Kowanyama, Napranum, New Mapoon, Pormpuraaw, Wujal Wujal, Dauan Island, Seisia and Bamaga were successful in achieving an unqualified report for the first time in several years. Bamaga Island Council received a Special Recognition Award for outstanding achievement by a public sector organisation as part of the annual Queensland Public Sector Awards. A number of other councils, while still receiving qualified audit opinions for 1996-97, have made significant improvements in their financial management practices. I am confident that those councils' continuing commitment and endeavour will enable them to achieve unqualified audit opinions in the near future.

I am determined that open and transparent financial management becomes the benchmark across all those councils. My department will give particular emphasis to the development of support and advisory strategies to encourage those councils to improve their performance in the forthcoming year.
