

**Inquiry into the legislative
arrangements assuring the
Queensland Auditor-General's
independence**

Report No. 23

Finance and Administration Committee

June 2016

FINANCE AND ADMINISTRATION COMMITTEE

Committee of the 55th Parliament

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| | |
|--------------------------|--|
| Staff¹ | Amanda Honeyman, Research Director (from January 2016) Megan Johns, Principal Research Officer (to May 2016) Lucy Manderson, Principal Research Officer (from March 2016) Katie Shalders, Executive Assistant (from January 2016) |
|--------------------------|--|

| | |
|------------------------|--|
| Contact details | Finance and Administration Committee Parliament House George Street Brisbane Qld 4000 |
|------------------------|--|

Telephone +61 7 3406 7576

Fax +61 7 3406 7500

Email fac@parliament.qld.gov.au

Web www.parliament.qld.gov.au/fac

The Committee thanks other staff who assisted the Committee during the time of this inquiry including Deborah Jeffrey, Research Director (to January 2016), Maggie Lilith, Principal Research Officer, Lynette Whelan, Executive Assistant, Debbie Mohi, Executive Assistant, Julie Fidler, Executive Assistant.

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Chair's Foreword

This report presents a summary of the current and former Committee's examination of the legislative arrangements assuring the Queensland Auditor-General's independence.

The former Committee commenced the inquiry in September 2013. The current Committee determined to present the evidence received by the former and current committee during this inquiry at this time to allow the strategic review of the office of the Queensland Audit Office to proceed.

On behalf of the current Committee and former Committee I thank all those who took the time to provide submissions and information during the course of this inquiry.

Peter Russo MP
Chair

1 Introduction

1.1 Role of the Committee

The Finance and Administration Committee (committee) is a portfolio committee of the Queensland Legislative Assembly which commenced on 27 March 2015 under the *Parliament of Queensland Act 2001* and the Standing Rules and Orders of the Legislative Assembly.²

The committee's primary areas of responsibility include:

- Premier, Cabinet and the Arts
- Treasury, Aboriginal and Torres Strait Islander Partnerships and Sport, and
- Employment, Industrial Relations, Racing and Multicultural Affairs.

Section 93(1) of the *Parliament of Queensland Act 2001* provides that a portfolio committee is responsible for examining each bill and item of subordinate legislation in its portfolio areas to consider:

- the policy to be given effect by the legislation
- the application of fundamental legislative principles, and
- for subordinate legislation – its lawfulness.

Section 92(2) of the *Parliament of Queensland Act 2001* provides that a portfolio committee is to also deal with an issue referred to it by the Assembly or under another Act, whether or not the issue is within its portfolio area.

Pursuant to Schedule 6 of the Standing Rules and Orders of the Legislative Assembly, the Committee has oversight responsibilities in relation to the Auditor-General, the Integrity Commissioner, the Family Responsibilities Commissioner and the Queensland Family and Child Commission.

1.2 Committee's particular responsibilities regarding the Auditor-General and QAO

In addition to the jurisdiction conferred by the *Parliament of Queensland Act 2001* and the Standing Orders, the Committee has responsibilities as conferred by the *Auditor-General Act 2009* (AG Act), the *Financial Accountability Act 2009* (FAA) and the *Financial and Performance Management Standard 2009* (FPMS). These responsibilities include:

- Appointment of the Auditor-General – the Minister is required to consult with the Committee about the process of selection and the appointment of the person as the Auditor-General (s. 9 AG Act).
- Removal or suspension of Auditor-General – the Premier must consult with the Committee about any motion to remove or suspend the Auditor-General. Agreement to the motion must be obtained from all Members of the Committee or a majority of Members of the Committee, other than a majority consisting only of the members of the political party or parties in government (s.18 AG Act).
- Estimates of proposed receipts and expenditure relating to the audit office – the Treasurer must consult with the Committee in developing the proposed budget of the audit office for each financial year (s.21 AG Act).

² *Parliament of Queensland Act 2001*, section 88 and Standing Order 194

- Strategic audit plans for performance audits – the Auditor-General must prepare a plan for audits that are proposed to be conducted in the next three years. When preparing the strategic audit plan, the Auditor-General must consult with the Committee and give a draft of the plan to the Committee. The Committee is required to return the draft, with any comments, to the Auditor-General within 42 days of receiving the draft. The Auditor-General is required to consider any comments made by the Committee when finalising the strategic audit plan. The strategic audit plan must be finalised before the end of each financial year and published on the Queensland Audit Office's (QAO) website. No person is to direct the Auditor-General in relation to the content of the strategic audit plan (s. 38A AG Act).
- Procedure for reporting certain sensitive information – if the Auditor-General considers it to be against the public interest to disclose in a report to Parliament information that could have a serious adverse effect on the commercial interests of an entity; or reveal trade secrets of an entity; or prejudice the investigation of a contravention or possible contravention of the law; or prejudice the fair trial of a person; or cause damage to the relations between the government of the State and another government; the Auditor-General must not disclose the information in the report but must instead include it in a report prepared and given to the Committee (s. 66 AG Act).
- Strategic review of the audit office – a strategic review must be conducted at least every five years. The strategic review is to be conducted by an appropriately qualified person appointed by the Governor in Council. The terms of reference for the review are also decided by the Governor in Council. However, before a reviewer is appointed, the Minister must consult with the Committee about the appointment of the reviewer and the terms of reference for the review. The Minister must table the review report in the Legislative Assembly within three sitting days after the Minister receives the report. The report is referred to the Committee (ss. 68-70 AG Act).
- Strategic plan of the audit office – as an accountable officer, the Auditor-General is required to develop a strategic plan for the audit office and in developing the plan must comply with the document called 'Agency planning requirements' prepared by the Department of the Premier and Cabinet (DPC). This document requires the Auditor-General to consult with the Treasurer and the Committee about the resource implications of the strategic plan.

1.3 Inquiry

In September 2013, the former Finance and Administration Committee resolved to conduct an inquiry into the legislative arrangements assuring the Queensland Auditor-General's independence.

Under the *Auditor-General Act 2009* (section 21), the Treasurer is required to consult with the Committee in developing the proposed annual budget of the audit office. As part of the consultation process for the 2013-14 Budget, the Treasurer advised that the financial audit rates to be charged by QAO during 2013-14 would not be increased.³

The Auditor-General advised the former Committee that while he considered that the budget outcomes could be sustained in the short term, any continuation of the financial audit rate freeze beyond October 2014 has the potential to impact significantly upon the Auditor-General's ability to fully discharge his audit mandate. The Auditor-General also noted that the AG Act requires that he

³ Letter to the former Finance and Administration Committee, dated 27 May 2013, from Mr Tim Nicholls MP, Treasurer

conduct financial audits of every public sector entity each financial year. The fees charged for these audits must be based on the basic fee rates approved by the Treasurer. The Auditor-General noted that Queensland's audit legislation is unique in the Australian context in requiring the fee rates to be approved by the executive government.⁴

It was in this context that the former Committee resolved to conduct the inquiry with the following terms of reference:

- the effectiveness of section 56 of the *Auditor-General Act 2009*
- the legislative arrangements for the independence and accountability of the Auditor-General and the Queensland Audit Office
- how the Queensland arrangements compare to the arrangements in New Zealand and other Australian jurisdictions
- how the Queensland arrangements compare with international best practice
- other independence issues

The former Committee called for public submissions by 25 October 2013. It received seven submissions. On 15 November 2013, the former Committee received a further, whole of government submission from the former Premier addressing the terms of reference and commenting on issues raised in the other submissions.

A list of submissions is contained in **Appendix A**.

Many of the submissions identified New Zealand (NZ) as being one of the lead jurisdictions when it comes to the independence of the Auditor-General. A comparative table of Australian and New Zealand legislation regarding Auditors-General is included at **Appendix C**.

The Committee travelled to Wellington, New Zealand, from 26 to 30 April 2014 to conduct meetings with the following:

- Mr Paul Goldsmith, Chair of the Finance and Expenditure Committee, New Zealand Parliament
- Mr Peter Carr, Clerk Assistant (Committees), Office of the Clerk of the House of Representatives and Clerk of the Officers of Parliament Committee
- Professor Michael Macaulay, Deputy Director of the Institute of Governance and Policy Studies and Associate Professor of Public Management, School of Government
- Ms Phillippa Smith, Deputy Auditor-General and Mr Greg Schollum, Assistant Auditor-General (Accounting and Auditing Policy), Office of the New Zealand Auditor-General.

The former committee held public hearings with DPC, Queensland Treasury and Trade (QTT), the Public Service Commission (PSC), the Auditor-General and QAO (12 February 2014), the Australasian Council of Auditors-General (ACAG) and the Institute of Internal Auditors – Australia (IIAA) (12 February 2014) and with Professor Kenneth Wiltshire, JD Story Professor of Public Administration, University of Queensland Business School (5 March 2014).

A list of participants at the hearings is contained in **Appendix B**. Copies of the submissions and the transcripts are available on the Committee's webpage.⁵

4 Letter to the former Finance and Administration Committee, dated 18 June 2013, from Mr Andrew Greaves, Auditor-General

5 <http://www.parliament.qld.gov.au/work-of-committees/committees/FAC/inquiries/past-inquiries/QAOIndependence>

The former committee had not reported at the time of the dissolution of the 54th Parliament in January 2015. The committee held a further public hearing with staff from the Office of the Auditor-General on 15 May 2015. A copy of this transcript is available on the committee's website.⁶

The committee resolved to report on the details of the inquiry process to date to ensure that the next strategic review of the Office of the Auditor-General can commence and can consider matters under this inquiry's terms of reference.

1.4 2010 Strategic Review of QAO

The last Strategic Review of QAO was undertaken in 2010. The Strategic Review report was tabled in March 2010. The review was undertaken by Mr Mark Gray and Mr Graham Carpenter. At the time of the 2010 strategic review, the relevant parliamentary committee was the Public Accounts and Public Works Committee (PAPWC) and QAO had a performance management systems (PMS) audit mandate only.

Subsequent to the tabling of the strategic review report, the PAPWC conducted two inquiries and tabled reports on its findings in September 2010 and March 2011.⁷ The government tabled its response to the PAPWC report no. 7, in June 2011.⁸ Accordingly, the next strategic review is due to commence in early June 2016.⁹

As a result of these inquiries, the Parliament enacted changes in 2011 to the Auditor-General Act including fixed seven year term of appointment for the Auditor-General; capacity for the Auditor-General to exempt a public sector entity from audit by the Auditor-General; implement 'follow the dollar' powers; implement a performance audit mandate for public sector entities; retain a performance management systems (PMS) audit mandate for government owned corporations (GOCs); implement a rolling three year annual strategic audit plan process for performance audits; and implement the ability for the Auditor-General to conduct an audit jointly with the Commonwealth or another state.¹⁰

Committee Comment

The Committee resolved to report to the House to provide the evidence received to date regarding this matter. The Committee further determined to not comment on this inquiry to allow the strategic review of the Auditor-General to be conducted. The Committee however, notes that in providing this report, it is not restricted from reporting on the issues raised during this inquiry in the future.

The Committee looks forward to considering the report of the Strategic Reviewer of the Office of the Auditor-General once the review is finalised.

⁶ <http://www.parliament.qld.gov.au/work-of-committees/committees/FAC/inquiries/current-inquiries/I1-AudGenIndependence>

⁷ Public Accounts and Public Works Committee, Report No. 5, Inquiry into an Evaluation of the Effectiveness of the Performance Management Systems (PMS) audit mandate, September 2010 available at: <http://www.parliament.qld.gov.au/documents/tableOffice/TabledPapers/2010/5310T2894.pdf>; and Report No. 7, Inquiry to formally review the 'Report of the 2010 Strategic Review of the Queensland Audit Office' to consider the recommendations made and comment on other findings where appropriate, March 2011, available at: <http://www.parliament.qld.gov.au/documents/tableOffice/TabledPapers/2011/5311T4044.pdf>

⁸ Public Accounts and Public Works Committee, Report No. 7, Inquiry to formally review the 'Report of the 2010 Strategic Review of the Queensland Audit Office' to consider the recommendations made and comment on other findings where appropriate, Government Response, June 2011, available at: <http://www.parliament.qld.gov.au/documents/tableOffice/TabledPapers/2011/5311T4565.pdf>

⁹ See s.68(2) *Auditor-General Act 2009*

¹⁰ See the *Parliamentary Service and Other Acts Amendment Act 2011*, which was passed by the Legislative Assembly on 2 August 2011. Available at: <http://www.legislation.qld.gov.au/LEGISLTN/ACTS/2011/11AC024.pdf>

Appendix A – List of Submissions

| Sub # | Submitter (name of individual OR organisation) |
|--------------|--|
| 1 | Queensland Law Society |
| 2 | Auditing and Assurance Standards Board, Australia |
| 3 | CPA Australia Ltd |
| 4 | Queensland Audit Office |
| 5 | Australasian Council of Auditors-General |
| 6 | Institute of Internal Auditors – Australia |
| 7 | Professor Kenneth Wiltshire, JD Story Professor of Public Administration, University of Queensland Business School |
| 8 | Hon Campbell Newman MP, Premier of Queensland |

As noted above, the submissions to this inquiry can be accessed on the Committee's website at: <http://www.parliament.qld.gov.au/work-of-committees/committees/FAC/inquiries/past-inquiries/QAOIndependence>

Appendix B – List of public hearing witnesses

Wednesday 12 February 2014

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| Mr Andrew Greaves, Auditor-General of Queensland |
| Mr Anthony Close, Deputy Auditor-General, Queensland Audit Office |
| Mr Michael Booth, Assistant Auditor-General, Queensland Audit Office |
| Mr Jon Grayson, Director-General, Department of the Premier and Cabinet |
| Mr David Hourigan, Deputy Director-General, Policy, Department of the Premier and Cabinet |
| Mr Mark Gray, Under Treasurer, Queensland Treasury and Trade |
| Mr Dennis Molloy, Assistant Under Treasurer, Queensland Treasury and Trade |
| Mr Peter McKay, Deputy Commissioner, Workforce Reform, Public Service Commission |
| Mr David Reed, Director, Policy and Legislation, Public Service Commission |
| Mr John Doyle, Auditor-General of Victoria, representing the Australasian Council of Auditors-General |
| Ms Stephanie Briskin, Senior Advisor, Strategy and Policy, Victorian Auditor-General's Office, representing the Australasian Council of Auditors-General |
| Mr Bob McDonald OAM, Past President, Institute of Internal Auditors Australia |

Wednesday 5 March 2014

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| Professor Kenneth Wiltshire, JD Story Professor of Public Administration, University of Queensland Business School |
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The above transcripts can be accessed at: <http://www.parliament.qld.gov.au/work-of-committees/committees/FAC/inquiries/past-inquiries/QAOIndependence>

Wednesday 6 May 2015

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| Mr Andrew Greaves, Auditor-General of Queensland |
| Mr Anthony Close, Deputy Auditor-General, Queensland Audit Office |
| Ms Danielle BIRD, Assistant Auditor-General, Performance Audit, Queensland Audit Office |

This transcript can be accessed at: <http://www.parliament.qld.gov.au/work-of-committees/committees/FAC/inquiries/current-inquiries/I1-AudGenIndependence>

Appendix C – Comparison of legislation in Australia and New Zealand

| | Qld | Cwth | NSW | Vic | Tas | WA | SA | NT | ACT | New Zealand |
|--|---|--|--|---|--|---|---|---|---|--|
| Audit Office mandate | Financial and performance | Financial and performance | Financial, performance and special reports | Financial and performance | Financial and performance | Financial and performance | Financial and performance | Financial audits & Performance Management Systems | Financial and performance | Financial and performance |
| Parliamentary Committee Oversight | Finance and Administration Committee | Joint Committee of Public Accounts and Audit. | Public Accounts Committee, s 57 <i>Public Finance and Audit Act 1983 (NSW)</i> | Public Accounts and Estimates Committee, s 3 <i>Audit Act 1994 (Vic)</i> | Public Accounts Committee | Public Accounts Committee (Legislative Assembly) and Estimates and Financial Operations Committee (Legislative Council) | Economic and Finance Committee | Public Accounts Committee | Public Accounts Committee | Officers of Parliament Committee - chaired by the Speaker of the HoR Finance and Expenditure Committee. |
| Principal legislation/ Acts | <i>Auditor-General Act 2009 (Qld)</i> <i>Financial Accountability Act 2009 (Qld)</i> | <i>Auditor-General Act 1997 (Cth)</i> provides for the appointment of an Auditor-General. Other acts include the <i>Public Governance, Performance and Accountability Act 2013</i> . | <i>Public Finance & Audit Act 1983 (NSW)</i> | Appointed under the <i>Constitution Act 1975 (Vic)</i> (s 94A); <i>Audit Act 1994 (Vic)</i> | <i>Audit Act 2008 (Tas)</i> & to lesser extent <i>State Service Act 2000 (Tas)</i> | Appointment: <i>Auditor General Act 2006 (WA)</i> . Established as a department: <i>Public Sector Management Act 1994 (WA)</i> . Discharge: <i>Financial Management Act 2006 (WA)</i> . | <i>Public Finance and Audit Act 1987 (SA)</i> | <i>Audit Act (NT)</i> | <i>Auditor-General Act 1996 (ACT)</i> <i>Public Sector Management Act 1994 (ACT)</i> | <i>Public Audit Act 2001 (NZ)</i> <i>Public Finance Act 1989 (NZ)</i> |

Inquiry into the legislative arrangements assuring the Queensland Auditor-General's independence

| | Qld | Cwth | NSW | Vic | Tas | WA | SA | NT | ACT | New Zealand |
|--|---|--|-------------------------------------|---|---|--|-----------------------|---|--|-----------------------|
| Committee involvement with Strategic Audit Plan | Parliamentary committee is required to be consulted. Plan is produced in consultation with parliamentary committee and any relevant entity, reviewed and updated annually with the AG having the discretion to replace and/or reschedule topics to accommodate changing priorities, s 38A <i>Auditor General Act 2009</i> (Qld) | Informal involvement. JCPAA secretariat advised that they write annually to all other Parl committees enclosing a copy of AG's draft work program for following financial year, & asking for advice on any programs or functions within their portfolio area they believe should be audited. Suggestions, including JCPAA suggestions, then referred to AG for consideration in preparing final work program. Work program for following financial year is then published on ANAO's website. ¹¹ | No formal involvement by Committee. | Before each financial year, the AG must prepare annual plan describing work program & submit draft to JCPAA. JCPAA must consider & return with any comments to AG. After passage of annual appropriation acts, AG must consider comments and complete plan & indicate nature of any changes suggested by Committee not adopted. AG must present annual plan to JCPAA & transmit to each House of Parl. Clerk of each house must cause plan to be laid before House on next sitting day. Must be published on AG's website. s 7A <i>Audit Act 1994</i> (Vic) | AG must by 31 March prepare draft annual plan of proposed work program & submit Public Accounts Committee (PAC). PAC must consider & may comment on it. PAC must return with any comments to AG no later than 31 May. AG must consider PAC comments and finalise. AG must indicate in annual plan nature of any changes suggested by PAC that AG has not adopted. Before financial year AG must present annual plan to PAC and to President and Speaker. No person is to direct AG in relation to content of plan. s 11 <i>Audit Act 2008</i> (Tas) | No formal involvement, although AG must have regard to the audit priorities of parliament, which includes the Public Accounts Committee and the Estimates and Financial Operations Committee. s 9 <i>Auditor General Act 2006</i> (WA) | No formal involvement | Before a reviewer is appointed, the Minister must consult with the PAC about the appointment and the terms of reference for the review. s 26(5) <i>Audit Act</i> (NT) | Consultation with key stakeholders including members of the Public Accounts Committee, Chief Executives of key agencies and staff of the office. Plan reviewed annually Part 3, Division 3.4, s 13, <i>Auditor General Act 1996</i> (ACT) | No formal involvement |

¹¹ Based on advice received from the secretariat.

Inquiry into the legislative arrangements assuring the Queensland Auditor-General's independence

| | Qld | Cwlth | NSW | Vic | Tas | WA | SA | NT | ACT | New Zealand |
|-------------------------------|--|---|--------------------------------|---|-------------------------------------|--|-------------------------------------|-----------------------|---|---|
| Budget of Audit Office | Treasurer must consult with the parliamentary committee in developing proposed budget of audit office for each financial year <i>s 21 Auditor General Act, 2009 (Qld)</i> | JCPAA may request the AG to submit to the committee annual draft budget estimates for the audit office for a financial year before the annual budget for that financial year. AG must comply with request in time to allow Committee to consider draft estimates & make recs before the budget. <i>s 53 Auditor General Act 1997 (Cth)</i> | No involvement from Committee. | AG's budget is to be determined in consultation with Parliamentary Committee concurrently with annual plan. AG may incur any expenditure or obligations necessary for performance of functions of office. <i>s 7D Audit Act 1994 (Vic)</i> | No formal involvement ¹² | In determining budget of OAG for a financial year regard is to be had to any recommendation as to that budget made to Treasurer by Joint Standing Committee on Audit. <i>s 44 Auditor General Act 2006 (WA)</i> | No formal involvement ¹³ | No formal involvement | Public Accounts Committee has the ability to recommend appropriation to the Treasurer and provide a draft budget. | Makes requests for funding directly to Parliament (rather than through the Executive Government). ¹⁴ |

¹² No involvement defined in *Audit Act 2008 (Tas)*.

¹³ None defined in *Audit Act 1998 (SA)* or *Parliamentary Committees Act 1991 (SA)*.

¹⁴ Controller and Auditor General, *All About the Controller and Auditor General*, February 2012.

Inquiry into the legislative arrangements assuring the Queensland Auditor-General's independence

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|---|--|---|--|--|--|--|------------------------------|--|------------------------------|------------------------------|
| <p>Committee involvement with audit priorities</p> | <p>No formal involvement. <i>s 8 Auditor General Act, 2009 (Qld)</i></p> | <p>AG must have regard to audit priorities of the Parliament determined by the Joint Committee of Public Accounts and Audit and any reports made by that committee. <i>s 10 Auditor General Act, 1997 (Cth)</i></p> | <p>Nil involvement by Committee. The merits of policy objectives of the Government not to be questioned by AG. <i>s 27B(6) Public Finance and Audit Act 1983 (NSW)</i></p> | <p>AG must confer with and have regard to any audit priorities determined by the Parliamentary Committee. <i>s 7D Audit Act 1994 (Vic)</i></p> | <p>Refer Audit Plan <i>s 11 Audit Act 2008 (Tas)</i></p> | <p>AG must have regard to audit priorities of Parliament determined by either House of Parliament, Public Accounts Committee (Legislative Assembly) or Estimates and Financial Operations Committee (Legislative Council). <i>s 8, Part 2, Auditor General Act 2006 (WA)</i></p> | <p>No formal involvement</p> | <p>No formal involvements 12 <i>A(2)(e) Audit Act (NT)</i></p> | <p>No formal involvement</p> | <p>No formal involvement</p> |
|---|--|---|--|--|--|--|------------------------------|--|------------------------------|------------------------------|

Inquiry into the legislative arrangements assuring the Queensland Auditor-General's independence

| | Qld | Cwlth | NSW | Vic | Tas | WA | SA | NT | ACT | New Zealand |
|-------------------------------------|--|---|--|--|--|--|--|---|--|---|
| Auditor-General Independence | AG is not subject to direction about the exercise of audit powers or the priority to be given to audit matters. <i>s 8 Auditor General Act 2009 (Qld)</i> | Independent Officer of the Parliament. AG has complete discretion in the performance or exercise of AG functions and powers. AG is not subject to direction from anyone in relation to whether or not a particular audit is to be conducted, the way the audit is conducted or the priority to be given to any particular matter <i>s 8 Auditor General Act 1997 (Cth)</i> | AG may exercise functions in such manner as AG thinks fit. However, the AG is required to have regard to recognised professional standards and practices and to comply with relevant requirements authorised by law. AG may have regard to whether there has been any wastage of public resources or any lack of probity or financial prudence in management or application of public resources. <i>s 27B Public Finance and Audit Act 1983 (NSW)</i> | Parliamentary Committee may alter obligations of AG by laying resolution before each House; resolution to disallow may be passed by House by 12th sitting day after notice of resolution. AG is an independent officer of Parl (Constitution). <i>s 7C Audit Act 1994 (Vic)</i> AG has complete discretion in performance or exercise of AG functions or powers & is not subject to direction from anyone in relation to whether or not a particular audit is conducted, way an audit is conducted or priority to be given to any matter. <i>s 94B(6) Constitution Act 1975 (Vic)</i> | Complete discretion in performance of functions. Not subject to direction from anyone on whether or not an audit is conducted, the way an audit is conducted, whether or not to report, what to is to be included in a report or priority given to a matter. <i>s 10, part 2 Audit Act 2008 (Tas)</i> | Independent officer of Parliament. <i>s 7 Auditor General Act 2006 (WA)</i> AG has complete discretion in performance of functions. AG is not subject to direction in relation to whether or not a particular audit is to be conducted, way an audit is to be conducted, whether or not a report is to be made, what is to be included in a report or priority to be given to any particular matter. <i>s 7 Auditor General Act 2006 (WA)</i> | AG not subject to direction of any person as to manner in which functions are carried out or powers are exercised or priority AG gives to a particular matter in carrying out functions. <i>s 24 Public Finance and Audit Act 1987 (SA)</i> | AG not subject to direction in relation of the type of audit to be performed, how an audit is to be performed, whether a report on an audit is to be made, what is to be included or not included in a report or priority of matters to be considered. <i>s 12A Audit Act (NT)</i> | Not subject to direction by Executive or any Minister in exercise of functions of AG. Part 2, division 2.2, <i>s 7 Auditor General Act 1996 (ACT)</i> | Duty to act independently outlined in the Act. Part 2, <i>s 9 Public Audit Act 2001 (NZ)</i> The Auditor-General is a corporation sole with perpetual succession and a seal of office. The Auditor-General has and may exercise all the rights, powers and privileges and incur all the liabilities and obligations of a body corporate of full capacity. Part 2, <i>s 10 Public Audit Act 2001 (NZ)</i> |

Inquiry into the legislative arrangements assuring the Queensland Auditor-General's independence

| | Qld | Cwlth | NSW | Vic | Tas | WA | SA | NT | ACT | New Zealand |
|---|---|--|---|--|---|--|--|--|--|--|
| Strategic / independent Review of Audit Office | <p>Governor in Council must appoint registered company auditor. May not be appointed for more than 5 consecutive financial years. After audit, report given to the Premier, AG and the Treasurer.</p> <p>s 71 <i>Auditor General Act 2009</i> (Qld)</p> | <p>Independent Auditor appointed by Governor-General on recommendation of Minister for a term of between 3 & 5 years.</p> <p>Minister must refer recommendation for appointment to the Joint Committee of Public Accounts and Audit for approval.</p> <p>Schedule 2, ss 1–2 <i>Auditor General Act, 1997</i> (Cth)</p> <p>Independent Auditor can conduct a performance audit of ANAO at any time.</p> <p>s 45 <i>Auditor General Act 1997</i> (Cth)</p> | <p>Registered Company Auditor appointed by the Governor. On completion, an opinion is provided to the AG and to the Treasurer.</p> <p>s 47 <i>Public Finance and Audit Act 1983</i> (NSW)</p> | <p>Independent Auditor appointed by resolution of Legislative Council and Legislative Assembly on the recommendation of the Parliamentary Committee for a term up to 3 years but may be renewed. Function of Independent Auditor is to carry out audits of VAGO, subject to directions given by Parliamentary Committee.</p> <p>Part 4, s 17 <i>Audit Act 1994</i> (Vic)</p> | <p>The Governor, on the recommendation of the Treasurer, may appoint an independent auditor to conduct the annual audit of the financial statements relating to the Tasmanian Audit Office.</p> <p>s 41 <i>Audit Act 2008</i> (Tas)</p> | <p>Governor may appoint an independent auditor to carry out audits in relation to the OAG. Accounts of the OAG to be audited at least once in respect of each financial year.</p> <p>s 38 <i>Auditor General Act 2006</i> (WA)</p> | <p>The Governor may appoint a registered auditor to audit the accounts of the administrative unit established to assist the Auditor-General under the Act. The Auditor must deliver to the AG and the Treasurer a report of the audit.</p> <p>s 35 <i>Public Finance and Audit Act 1987</i> (SA)</p> | <p>The Administrator may appoint an auditor to audit the accounts of the AG's office, no less than once a year. The auditor must give a report of the audit to the Minister and the AG. The Minister must table a copy of the report within 6 sitting days after it is received.</p> <p>s 27 <i>Audit Act</i> (NT)</p> | <p>The Speaker may engage an independent auditor to conduct an audit. The independent auditor must audit each annual financial statement prepared by the AG. As soon as practicable, a written report about the audit is to be given to the Speaker.</p> <p>Part 5, division 5.2, s 31 <i>Auditor General Act 1996</i> (ACT)</p> | <p>The HoRs must, by resolution, in respect of each financial year appoint an independent auditor to audit the financial statements, accounts, and other information relating to that year and for this purpose the Auditor-General is to be regarded as a public entity under this Act.</p> <p>s 38 <i>Public Audit Act 2001</i> (NZ)</p> |

Inquiry into the legislative arrangements assuring the Queensland Auditor-General's independence

| | Qld | Cwth | NSW | Vic | Tas | WA | SA | NT | ACT | New Zealand |
|---------------------------------------|---|---|---|---|---|--|--|--|---|---|
| Appointment of Auditor-General | By Governor in Council. Parliamentary committee consulted on process of selection for appointment & appointment of person. <i>s 9 Auditor General Act 2009 (Qld)</i> | Appointed by the Governor-General on the recommendation of the Minister with approval of the Joint Committee of Public Accounts and Audit. Schedule 2, ss 1-2 <i>Auditor General Act, 1997 (Cth)</i> | By Governor The Public Accounts Committee has the right to veto on the appointment. <i>s 28 Public Finance and Audit Act 1983 (NSW)</i> | Appointed by the Governor in Council on the recommendation of the Parliamentary Committee Part V, s 94A <i>Constitution Act 1975 (Vic)</i> | Appointed by Governor on recommendation of Treasurer; must consult Public Accounts Committee, the President of the Legislative Council & the Speaker of the House of Assembly. <i>s 9 Audit Act 2008 (Tas)</i> | By Governor on recommendation of Minister. Before applications sought, Minister must consult with Public Accounts Committee & Financial Operations Committee as to appropriate selection criteria. Minister must consult with parliamentary leader of each political party with party status within Parliament, PAC & EFOC on proposed appointment. Schedule 1 <i>Auditor General Act 2006 (WA)</i> | By Governor. <i>s 24 Public Finance and Audit Act 1987 (SA)</i> | By Administrator. <i>s 4 Audit Act (NT)</i> | Appointed by the Speaker, on the advice of the Public Accounts Committee and in consultation with the Chief Minister and the Leader of the Opposition. <i>s 8 Auditor General Act 1996 (ACT)</i> | Appointed by the Governor-General on the recommendation of the HoRs. <i>s 7 Public Audit Act 2001 (NZ)</i> |
| Tenure of Auditor-General | 7 yrs. No reappointment. <i>s 10 Auditor General Act 2009 (Qld)</i> | 10 yrs. No reappointment. Schedule 1, s 1 <i>Auditor General Act, 1997 (Cth)</i> | Fixed term of 7years. Not eligible for reappointment. <i>s 28 Public Finance and Audit Act 1983 (NSW)</i> | 7 years eligible for reappointment. Part V, s 94C <i>Constitution Act 1975 (Vic)</i> | 10 years not eligible for reappointment. Schedule 1 <i>Audit Act 2008 (Tas)</i> | 10 years, no reappointment. Schedule 1 <i>Auditor General Act 2006 (WA)</i> | Until age 65 | 5 years, reappointment for a further period not exceeding 5years. <i>s 4 Audit Act (NT)</i> | No longer than 5 years no reappointment. <i>s 23 Public Sector Management Act 1994 (ACT)</i> | Not exceeding 7 years, once-only term. Schedule 3, s 1 <i>Public Audit Act 2001 (NZ)</i> |

Inquiry into the legislative arrangements assuring the Queensland Auditor-General's independence

| | Qld | Cwlth | NSW | Vic | Tas | WA | SA | NT | ACT | New Zealand |
|--|--|---|--|---|--|--|--------------|--|---|---|
| Determination of terms and conditions of AG | 7 yrs. No reappointment. s 10 <i>Auditor General Act 2009</i> (Qld) | 10 yrs. No reappointment. Schedule 1, s 1 <i>Auditor General Act, 1997</i> (Cth) | Fixed term of 7years. Not eligible for reappointment. s 28 <i>Public Finance and Audit Act 1983</i> (NSW) | 7 years eligible for reappointment. Part V, s 94C <i>Constitution Act 1975</i> (Vic) | 10 years not eligible for reappointment. Schedule 1 <i>Audit Act 2008</i> (Tas) | 10 years, no reappointment. Schedule 1 <i>Auditor General Act 2006</i> (WA) | Until age 65 | 5 years, reappointment for a further period not exceeding 5years. s 4 <i>Audit Act</i> (NT) | No longer than 5 years no reappointment. s 23 <i>Public Sector Management Act 1994</i> (ACT) | Not exceeding 7 years, once-only term. Schedule 3, s 1 <i>Public Audit Act 2001</i> (NZ) |
| Resignation | 7 yrs. No reappointment. s 10 <i>Auditor General Act 2009</i> (Qld) | 10 yrs. No reappointment. Schedule 1, s 1 <i>Auditor General Act, 1997</i> (Cth) | Fixed term of 7years. Not eligible for reappointment. s 28 <i>Public Finance and Audit Act 1983</i> (NSW) | 7 years eligible for reappointment. Part V, s 94C <i>Constitution Act 1975</i> (Vic) | 10 years not eligible for reappointment. Schedule 1 <i>Audit Act 2008</i> (Tas) | 10 years, no reappointment. Schedule 1 <i>Auditor General Act 2006</i> (WA) | Until age 65 | 5 years, reappointment for a further period not exceeding 5years. s 4 <i>Audit Act</i> (NT) | No longer than 5 years no reappointment. s 23 <i>Public Sector Management Act 1994</i> (ACT) | Not exceeding 7 years, once-only term. Schedule 3, s 1 <i>Public Audit Act 2001</i> (NZ) |

Inquiry into the legislative arrangements assuring the Queensland Auditor-General's independence

| | Qld | Cwlth | NSW | Vic | Tas | WA | SA | NT | ACT | New Zealand |
|-------------------|--|---|--|---|--|---|---|---|--|--|
| Suspension | Governor may, on an address to LA, remove or suspend AG. Motion may only be moved by Premier, if AG has been given a statement setting out reasons for motion; statement & any written response by AG has been laid before LA, Premier has consulted with Parliamentary Committee the motion; & agreement to motion has been obtained from majority of members, other than a majority consisting only of members of political party in government. <i>ss 17–18 Auditor General Act 2009 (Qld)</i> | By Governor-General on grounds of misbehaviour, physical or mental incapacity; if the Auditor-General becomes bankrupt, applies to take the benefit of any law for the relief of bankrupt or insolvent debtors, compounds with his/her creditors, or assigns his/her remuneration for the benefit of creditors. <i>s 6, Schedule 1 Auditor General Act, 1997 (Cth)</i> | By Governor for misbehaviour, incapacity, if engaged in paid work outside of duties, if bankrupt or absent for a period in excess of leave entitlement unless absence is caused by illness or other unavoidable cause. <i>Part 1, Schedule 1, s 6 Public Finance and Audit Act 1983 (NSW)</i> | Governor in Council & then Minister to provide full statement of the grounds of suspension within 7 sitting days. <i>Part 5, s 94C Constitution Act 1975 (Vic)</i> | By Governor for incapacity, incompetence or misbehaviour. <i>Schedule 1, Audit Act 2008 (Tas)</i> | By Governor, on addresses from both Houses of Parliament. Incapable of performing functions of A-G properly, incompetence, negligence, guilty of misconduct, insolvent under administration. <i>Schedule 1 Auditor General Act 2006 (WA)</i> | By Governor for incompetence, mental or physical incapacity, neglect of duty, paid employment without Governor's approval, failure to comply with conditions of AG's appointment or dishonourable conduct. Governor must deliver to AG a statement of reasons for suspension, and then to President of the Legislative Council, the Speaker of the House of Assembly and both must lay a copy before respective houses. <i>s 26 Public Finance and Audit Act 1987 (SA)</i> | Misbehaviour (bankrupt, paid outside employment, physical or mental incapacity). Chief Minister must table a statement of the ground of suspension in the Legislative Assembly within 6 sitting days after the suspension. <i>s 7 Audit Act (NT)</i> | The Speaker may suspend the AG on grounds of misbehaviour, physical or mental incapacity. If Speaker is considering suspension, they may ask advice from the commissioner for public administration or anyone else they consider appropriate. The Speaker must give the AG written notice of the suspension and a copy of a statement of the reasons for the suspension. Speaker must also give a copy to each member of the PAC the next business day. <i>s 9BA Auditor General Act 1996 (ACT)</i> | Suspended by the Governor-General in Council on an address from the House, for disability affecting the performance of duty, bankruptcy, neglect of duty, or misconduct proved to the satisfaction of the Governor-General. <i>Schedule 3, s 4 Public Audit Act 2001 (NZ)</i> |

Inquiry into the legislative arrangements assuring the Queensland Auditor-General's independence

| | Qld | Cwlth | NSW | Vic | Tas | WA | SA | NT | ACT | New Zealand |
|----------------------------|--|---|--|--|--|--|--|---|---|--|
| Termination grounds | Proved incapacity, incompetence or misconduct, conviction of an indictable offence, being insolvent under administration, ss 17–18 <i>Auditor General Act 2009</i> (Qld) | By Governor-General on grounds of misbehaviour, physical or mental incapacity; if the Auditor-General becomes bankrupt, compounds with his/her creditors, or assigns his/her remuneration for the benefit of creditors. Schedule 1, s 6 <i>Auditor General Act, 1997</i> (Cth) | By Governor for misbehaviour, incapacity, if engaged in paid work outside of duties, if bankrupt or absent for a period in excess of leave entitlement unless absence is caused by illness or other unavoidable cause. Part 1, Schedule 1, s 6 <i>Public Finance and Audit Act 1983</i> (NSW) | Insolvent under administration, or nominates for election for either House of the Parliament of Victoria or for Commonwealth, or another State or Territory. Part 5, s 94C <i>Constitution Act 1975</i> (Vic) | Must be passed by Parliament (both Houses). Schedule 1, s 7 <i>Audit Act 2008</i> (Tas) | By Governor. Incapable of performing functions of A-G properly, incompetence, guilty of misconduct, insolvent under administration. Schedule 1 <i>Auditor General Act 2006</i> (WA) | If A-G becomes Bankrupt, convicted of an indictable offence or if absent from official duties for more than 30 days in any financial year without the leave of the Governor and is removed from office by resolution of both Houses. s 27 <i>Public Finance and Audit Act 1987</i> (SA) | Misbehaviour, physical or mental incapacity. s 7 <i>Audit Act</i> (NT) | Misbehaviour, physical or mental incapacity, bankrupt or personally insolvent. s 9BC <i>Auditor General Act 1996</i> (ACT) | Disability affecting the performance of duty, bankruptcy, neglect of duty, or misconduct. Schedule 3, s 4 <i>Public Audit Act 2001</i> (NZ) |