

FACT SHEET

AUDIT AMENDMENT BILL 2011

- The *Audit Amendment Bill 2011* amends the *Audit Act 2008* and addresses a number of issues raised by the Auditor-General.
- The Bill amends the definition of “State entity” in the Audit Act by including “single authorities, joint authorities and controlling authorities” within the meaning of the *Local Government Act 1993*. The amendment brings such authorities within the scope of the Audit Act and requires the Auditor-General to be the auditor for those authorities. These authorities were previously within the scope of the *Financial Management and Audit Act 1990*.
- The *Integrity Commission Act 2009* resulted in consequential amendments to the Audit Act to enable the Auditor-General to investigate a matter referred to him or her by the Integrity Commission and to require that the Auditor-General reports to the Integrity Commission on any investigation carried out.
- This amendment removes these consequential amendments and replaces them with a stand-alone provision at section 26A. This new stand-alone provision is consistent with other provisions relating to audits and investigations carried out by the Auditor-General at the request of the Treasurer, the Public Accounts Committee and the Ombudsman.
- The amendment establishes that any investigation carried out by the Auditor-General consequent to a request by the Integrity Commission or an Integrity Tribunal is to be carried out by the Auditor-General under the powers provided to him or her under the Audit Act.
- The Auditor-General has raised the possibility of undertaking an audit on behalf of, or in collaboration with, the Auditor-General of the Commonwealth or another State or Territory. The Audit Act currently contains no specific provision that authorises the Auditor-General to undertake such an audit. This amendment provides that the Auditor-General, at his or her discretion, may undertake an audit at the request of, or in collaboration with the Auditor-General of the Commonwealth or another State or Territory.
- The Amendment establishes that any audit undertaken on behalf of, or in collaboration with, the Auditor-General of the Commonwealth or another State or Territory is to be carried out by the Auditor-General under the powers provided to him or her under the Audit Act.

- The amendment also provides that the Auditor-General may determine that fees are to be paid in respect of any audit carried out on behalf of, or in collaboration with, the Auditor-General of the Commonwealth or another State or Territory.
- The Audit Act currently imposes strict confidentiality requirements on the Auditor-General. There is no provision in the Act that authorises communication between the Auditor-General and the Integrity Commission, an Integrity Tribunal or with the Auditor-General of the Commonwealth or another State or Territory unless the matter being communicated is in relation to a matter that has been tabled in a Report to the Parliament.
- The amendment exempts communications between the Auditor-General and the Integrity Commission or an Integrity Tribunal and communication between the Auditor-General and the Auditor-General of the Commonwealth or another State or Territory from the confidentiality provision in the Audit Act. The proposed changes will facilitate greater communication between the Auditor-General and those other parties.
- Before the Auditor-General communicates any matter to the Integrity Commission, an Integrity Tribunal or to the Auditor-General of the Commonwealth or another State or Territory, the Auditor-General must first determine whether it is appropriate that information be provided and that the provision of information does not contravene the requirements in section 30A of the Audit Act in relation to sensitive information.
- The Auditor-General and the Board of the Integrity Commission have been consulted during the development of the Bill and both support the Bill.