

AUDIT AMENDMENT BILL 2011

SECOND READING SPEECH

Madam President

Tasmania's Auditor-General has raised a number of procedural matters regarding provisions in the *Audit Act 2008* regarding the application of the Audit Act to authorities created under the *Local Government Act 1993* and the Auditor-General's authority to communicate with the Integrity Commission, the Australian Auditor-General and the Auditors-General from other States and Territories.

Madam President

The Auditor-General has received advice that local government authorities may be outside the scope of the Audit Act.

It was intended that local government authorities would be covered by the Audit Act definition of "State entity".

Prior to the enactment of the Audit Act, these authorities were audited by the Auditor-General and when the Audit Act was drafted it was intended that these authorities would continue to be audited by the Auditor-General.

In order to clarify the application of the Audit Act to Local Government Authorities, this amendment makes it explicit that these authorities fall within the definition of "State entity" in the Audit Act.

Madam President

When the *Integrity Commission Act 2009* was enacted, consequential amendments were made to the Audit Act that require the Auditor-General to investigate a matter referred by the Integrity Commission and to report on that investigation to the Integrity Commission.

The Auditor-General and the Integrity Commission agree, however, that the Auditor-General should have discretion as to whether or not a matter is investigated and whether or not a report is made. In addition, any

investigation carried out by the Auditor-General should be carried out under the powers provided in the Audit Act.

This Audit Amendment Bill replaces the sections that were consequentially amended by the Integrity Commission Act and creates a separate stand-alone provision for matters referred to the Auditor-General by the Integrity Commission or an Integrity Tribunal.

This clause is consistent with similar clauses that cover matters referred for audit or investigation by the Treasurer, the Public Accounts Committee or by the Ombudsman.

Madam President

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 provision that authorises the Auditor-General to undertake such an audit.

This amendment provides that the Auditor-General may, at his or her discretion, undertake an audit at the request of, or in collaboration with, the Auditor-General of the Commonwealth or another State or Territory.

This Amendment establishes that any audit undertaken on behalf of, or in collaboration with, the Auditor-General from 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.

This amendment also provides that the Auditor-General may provide for fees to be paid in respect of any audit carried out on behalf of, or in collaboration with, the Auditor-General from the Commonwealth or another State or Territory.

Madam President

The Auditor-General has advised that there are instances where it is appropriate for the Auditor-General to communicate with the Integrity Commission, an Integrity Tribunal or with the Auditor-General of the Commonwealth or other States or Territories.

However, the Audit Act imposes strict confidentiality requirements that limit the Auditor-General's ability to communicate to external parties.

The Audit Act contains a number of exemptions to the confidentiality requirement and this amendment will include, in that exemption, communications between the Auditor-General and the Integrity Commission, an Integrity Tribunal and the Auditor-General of the Commonwealth or of another State or Territory.

Before undertaking any such communication, the Auditor-General must determine whether it is appropriate that information be provided and be satisfied that the communication does not contravene other requirements in the Audit Act in relation to the communication of 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.

I commend the Bill to the House.