

Legislation Fact Sheet

Financial Management and Audit Amendment Act 2012

- The Government is in the process of reviewing Tasmania's Financial Management Framework. As part of the review, consideration has been given to the trend in other jurisdictions towards the preparation of more frequent financial reports, including quarterly and monthly reports.
- Treasury has examined options for increased frequency in financial reporting and has identified a model that would balance the benefit to users with a manageable impact on resources.
- The *Financial Management and Audit Amendment Bill 2012* lays out the framework for a new reporting model that incorporates a September Quarterly Report, a Revised Estimates Report, a December Quarterly Report, a March Quarterly Report and the Treasurer's Annual Financial Report.
- In addition, the Bill requires the preparation of a Preliminary Outcomes Report if the preliminary outcomes result at 31 July differs materially from the revised estimates published in the Budget Papers.
- The September Quarterly Report will be a report for the three months ending on 30 September that would be published within 45 days of the Auditor-General preparing his or her Report on the Treasurer's Annual Financial Report as required by section 16(2) of the *Audit Act 2008*. This would enable all agency audits to have been finalised and for agencies to use the final audited Balance Sheet balances as their opening balances for September reporting purposes.
- Currently, the *Financial Management and Audit Act 1990* requires 31 December actuals to be provided with mid-year revised budget information as part of the Mid-Year Financial Report. This amendment removes that requirement to enable revised estimates to be published earlier if required.
- The Revised Estimates Report may be published separately from the Treasurer's December Quarterly Report, at any stage of the financial year prior to 15 February.
- The December Quarterly Report is required to be published by 15 February with the same disclosures as currently required for the Mid-Year Financial Report. The December Quarterly Report will also require the disclosure of balances of accounts in the Special Deposits and Trust Fund as at 31 December.
- The March Quarterly Report would disclose results for the nine months ending on 31 March. If an Appropriation Bill is tabled before the commencement of the financial year to which it applies, the March Quarterly Report would be included in the Budget Papers. However, if an Appropriation Bill is tabled prior to 15 May, the March Quarterly Report may be published separately from the Budget Papers but must be published by 15 May.

- The publication of the Preliminary Outcomes Report would be dependent on the outcome of a review of the preliminary results for the previous financial year. The Secretary of Treasury will be required, by 31 July in each financial year, to review the preliminary outcomes result and determine whether those results materially differ from the revised estimates published in the Budget Papers. If there is no material variation, the Secretary would inform the Treasurer and issue a notice that no Report will be issued. If there is a material difference, the Secretary would inform the Treasurer and a Report would be required to be published by no later than 15 August.
- Currently, the Financial Management and Audit Act requires the tabling of the Treasurer's Annual Financial Report by 31 October in each year. This requirement is unchanged by this amendment.
- The Amendment Bill also requires that the expected publication date of the three Treasurer's Quarterly Reports and the Revised Estimates Report will be published by the Treasurer at least seven days prior to the expected date of each report.