

Statement of Understanding

Preamble

A Statement of Understanding between the Tasmanian Parliamentary Standing Committee of Public Accounts (Committee), being a Joint Committee of the Legislative Council and the House of Assembly, and the Auditor-General of Tasmania (Auditor-General).

This Statement of Understanding replaces the one entered into in October 2015 with changes initiated as a result of changes to the involvement of the Committee in the process of setting the budget, including forward estimates, of the Tasmanian Audit Office (Office).

Aim

The aim of this Statement of Understanding is to enhance the accountability mechanisms of the Parliament by committing to ongoing effective communication and coordination between the Committee and the Auditor-General.

A common mission

The Committee and the Auditor-General share a common mission to enhance public sector accountability and performance. The Committee and the Auditor-General will cooperate to achieve this mission, promoting probity, efficiency and effectiveness in the management of, and reporting on, public resources.

Supporting the independence of the Auditor-General

The Committee supports the true independence of the Auditor-General and will work to ensure that this independence is not compromised.

The Auditor-General is an Officer responsible to the Parliament for providing assurance and reporting on public sector performance and accountability. The Committee recognises and supports the independence of the Auditor-General so that reports to Parliament are objective and allow the Parliament to make informed judgements.

Supporting the function of the Committee

The Auditor-General supports the Committee's functions established in Section 6 of the *Public Accounts Committees Act 1970* and will work towards assisting the Committee in its role. In this regard, the Auditor-General will refer all tabled reports prepared by the Auditor-General to the Committee under Section 6(2)(b) of the *Public Accounts Committee Act 1970*.

Auditor-General's annual plan

Section 11 of the *Audit Act 2008* set's out the obligations of the Auditor-General and the Committee in respect of the Auditor-General's proposed work program (annual plan) for the following financial year. This includes a requirement for the Auditor-General to provide a draft annual plan to the Committee no later than 31 March in each year.

If time allows, the Committee and the Auditor-General will meet annually, if possible in the period October to December each year to strategise the annual plan.

By no later than mid-March each year the Auditor-General will brief the Committee on the draft annual plan and provide an acquittal of the previous annual plan. This briefing is aimed at providing the Committee with details of the proposed annual plan prior to formal submission of the draft annual plan to the Committee by 31 March each year.

Referral of matters

The Auditor-General may refer matters to the Committee that the Auditor-General determines warrant consideration by the Committee in addition to, or in place of, an investigation by the Auditor-General.

Equally, pursuant to section 25 of the *Audit Act 2008*, the Committee may refer matters to the Auditor-General that it determines warrant consideration by the Auditor-General in addition to or in place of investigation by the Committee. The Auditor-General will give serious consideration to investigating the matter referred and inform the Committee on the Auditor-General's response to the referral.

Reports of the Auditor-General

The Committee will respond to the Auditor-General's reports as it sees fit.

To assist the Committee in its deliberations about whether to follow up matters reported, the Auditor-General will present to the Committee those reports about which it seeks further information. In making such presentations, the Auditor-General may suggest areas for particular attention by the Committee.

The Committee will make known to the Auditor-General of its intention, if any, to follow up a matter raised by the Auditor-General, by way of a hearing, broader inquiry or some other means of follow-up.

The Auditor-General may determine to follow up matters arising from tabled reports after consultation with the Committee.

Involvement of the Committee in setting the budget and forward estimates of the Office

The annual budget for the Office is set by Cabinet Budget Committee without involvement of the Parliament other than via the Budget Estimates process, which occurs after the Budget is passed by the Parliament.

To support the Auditor-General's independence, the Committee will support the Office during the budget setting process in the following manner:

- (i) the Auditor-General shall consult with the Committee during the preparation of the Office's budget submission to Cabinet Budget Committee
- (ii) the Auditor-General will provide the Office's submission to Cabinet Budget Committee to the Treasurer and Committee at the same time
- (iii) the Treasurer or the Treasurer's delegate may brief the Committee on the Office's budget submission at the Committee's discretion
- (iv) the Auditor-General and Chair of the Committee may brief Cabinet Budget Committee on the Office's submission at the Cabinet Budget Committee's discretion.

Annual declaration of interests

The Auditor-General, the Deputy Auditor-General and the Committee will comply with the requirements spelt out in Attachment 1.

Auditor-General's gifts and benefits

The Auditor-General and the Committee will comply with the requirements spelt out in Attachment 2.

Obligations to protect information

In reaching this Statement of Understanding each party respects the rights and obligations of the other concerning matters of privilege, confidentiality, legislative and procedural requirements.

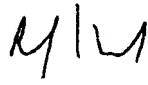
Frequency of meetings

The Committee and the Auditor-General will meet on a periodic, and needs, basis initiated by either party.



The Hon Ruth Forrest MLC
Chair of Committee

xx September 2021



Rod Whitehead
Auditor-General

2 September 2021

Attachment 1

Annual declaration of interests

Declaration of interests

The Auditor-General¹ must, within one month of appointment, and by no later than 31 July each year, give the Committee a statement setting out the information mentioned in 1 to 3 in relation to:

- (a) the interests of the Auditor-General; and
 - (b) the interests of each person who is a related person in relation to the Auditor-General.
1. The information to be set out in the statement is the information that would be required to be disclosed under Part 3 of the *Parliamentary (Disclosure of Interest) Act 1996* (the Act) as if the Auditor-General were a member of Parliament.
 2. If, after the giving of the statement:
 - (a) there is a change in the interests mentioned in 1; and
 - (b) the change is of a type that would have been required to be disclosed under the Act, then
 - (i) the Auditor-General must give the Committee a revised statement.
 - (ii) the revised statement must—
 1. be given as soon as possible after the relevant facts about the change come to the Auditor-General's knowledge; and
 2. comply with 1.
 3. The Committee must note the statements, ensure they are consistent with the Act. The Auditor-General's statement will be placed on the Committee's website. The Deputy Auditor-General's statement is for the Committee's reference and will not be published on the Committee's website.
 4. A reference in this statement of understanding to an interest is a reference to the matter within its ordinary meaning under the general law.
 5. In this statement of understanding, related person, in relation to the auditor-general, means:
 - (a) the Auditor-General's spouse; or
 - (b) a person who is totally or substantially dependent on the auditor-general and:

¹ References 'Auditor-General' in this attachment similarly apply to the Deputy Auditor-General

- (i) the person is the Auditor-General's child; or
- (ii) the person's affairs are so closely connected with the affairs of the Auditor-General that a benefit derived by the person, or a substantial part of it, could pass to the Auditor-General.

Conflicts of interest

If the Auditor-General has an interest that conflicts or may conflict with the discharge of the Auditor-General's responsibilities, the Auditor-General:

- (a) must disclose the nature of the interest and conflict to the Committee as soon as practicable after the relevant facts come to the Auditor-General's knowledge; and
- (b) must not take action or further action concerning a matter that is, or may be, affected by the conflict until the conflict or possible conflict is resolved.

If the conflict or possible conflict between an interest of the Auditor-General and the Auditor-General's responsibilities is resolved, the Auditor-General must give to the Committee a statement advising of the action the Auditor-General took to resolve the conflict or possible conflict.

A reference in this section to an interest or to a conflict of interest is a reference to those matters within their ordinary meaning under the general law.

Attachment 2

Auditor-General's gifts and benefits

On a quarterly basis the Auditor-General will forward the following to the Committee:

1. Completed gifts and benefits received forms prepared in accordance with Tasmanian Audit Office Policy detailing gifts and benefits received during the quarter.
2. Completed gifts and benefits register which the Committee should inspect and place on to its website.