



2007

PARLIAMENT OF TASMANIA

**PARLIAMENTARY STANDING COMMITTEE OF PUBLIC
ACCOUNTS**

REPORT ON

**STATEMENT OF UNDERSTANDING BETWEEN
THE AUDITOR-GENERAL AND THE
TASMANIAN STANDING COMMITTEE OF
PUBLIC ACCOUNTS**

Laid upon the Tables of both Houses of Parliament

*The Committee was appointed under the provisions of section 2 of the
Public Accounts Committee Act 1970 (No 54)*

MEMBERS OF THE COMMITTEE

LEGISLATIVE COUNCIL

Hon J. S. Wilkinson

Hon I. N. Dean

Hon S. L. Smith

HOUSE OF ASSEMBLY

Mrs H. R. Butler

Mr J. P. Rockliff

Mr G. L. Sturges

For some time discussion about the relationship between the Tasmanian Standing Committee of Public Accounts and the Auditor-General has included the suggestion that some formalisation of what has always been an informal process would enhance the accountability mechanisms of the Parliament by improving communication and coordination between the two entities.

It has always been acknowledged that both parties have common aims and objectives with the desire that public money is spent lawfully, effectively and efficiently.

The Statement of Understanding appended to this report was signed on Wednesday 29 March 2007 and is the formal recognition of the supportive relationship of the Standing Committee of Public Accounts with the Auditor-General.

The Statement embodies the basic tenet that it is essential and critical that both parties remain independent but support each other in a constructive manner.

Recent debates and inquiries have highlighted the complexity of government and that the need to maintain effective oversight of public funds must extend to a number of government business enterprises, a myriad of alternative service delivery methods, the involvement of non-government organisations and the use of private consultants. It is crucial to the effective oversight of the use of such public funding that communication, cooperation and a flow of information between the two bodies is paramount.

Specifically the Statement objectives have been addressed in the following way -

- (a) support for the true independence of the Auditor-General;
- (b) the sharing of information and referral of matters which will assist both parties;
- (c) the undertaking that, where appropriate, the Public Accounts Committee will follow-up reports of the Auditor-General; and
- (d) that each party will respect the independent rights, obligations, decisions and responsibilities of the other.

The Committee believes that this Statement of Understanding is timely following the Premier of Tasmania's State of the State Address in 2006 where it was announced that it was the intention of government to strengthen the independence of the role of the Auditor-General by the formalisation of a role for the Committee with respect to the appointment of the Auditor-General and in his annual program of work.

James (Jim) Wilkinson

CHAIRMAN

7 June 2007



STATEMENT OF UNDERSTANDING

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

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Aim

The aim of this Statement of Understanding is to enhance the accountability mechanisms of the Parliament by improving communication and coordination between the Tasmanian Parliamentary Standing Committee of Public Accounts and the Auditor-General of Tasmania.

A Common Mission

The Tasmanian Parliamentary Standing Committee of Public Accounts (PAC) and the Auditor-General of Tasmania share a common mission to enhance public sector accountability and performance. The PAC and the Auditor-General will cooperate as independent bodies 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 PAC 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 reporting on public sector accountability. The PAC recognises and supports the independence of the Auditor-General so that reports to Parliament are objective and allow the Parliament to make informed judgements.

Sharing Information, Referral of Matters

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

The Auditor-General will refer matters to the PAC that he determines warrant consideration by the Committee in addition to or in place of investigation by his Office.

The Auditor-General will brief the PAC on his Office's proposed work plan.

Supporting the function of the PAC

The Auditor-General supports the PAC's functions established in Section 6 of the *Public Accounts Committees Act 1970* and will work towards assisting the PAC in its role.

PAC Response to Tabled Reports of the Auditor-General

The PAC will respond to the Auditor-General's reports in a timely manner.

The Committee will also make known 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.

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.

JIM WILKINSON MLC
CHAIRMAN
Public Accounts Committee

MIKE BLAKE
AUDITOR-GENERAL

29 March 2007

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