

Proposed amendments to the Public Accounts Act 1970

Clause notes:

1. Redefinition of the Act, so that it establishes and **empowers a joint Parliamentary standing committee on public accounts**. In reality that's what this committee needs to have this **expressed in the provision statement** of the Act.
2. At clause 1 A interpretation the following is added:

Accounts means the annual financial accounts including balance sheets.

This is to provide for the absolute definition of what accounts are, and they include the balance sheets which provide the capital position of the entity, agency or company.

3. Government Business Enterprise has an expanded definition by the addition of the words "and any state owned company". This is also added at **b(ii); c(iii); and at (d)** is out of the words after may be "in the future,".

This ensures that all present and future liabilities are reported. It just tidies up the section.

(2) Constitution of the Committee

(1) The words **Joint Statutory** are added to this clause, and the Word **Joint** is added before the words Parliamentary Standing Committee Of Public Accounts.

This provides for continuation of the establishment and determination of the committee as a joint statutory committee of the Parliament. It reflects the reality of the committee.

- (3) Subclause (3) changes the composition of the committee by adding two additional members one from The House of Assembly and one from The Legislative Council.

This additional membership is seen as **prudent** in order to make sure that the committee has a substantial and continuing **corporate memory** in relation to the members, and to ensure as a result that the committee's work proceeds in a seamless manner.

(4) Under clause (d) of this section is added the words “A Parliamentary Secretary”

This provides for the disqualification of a member of the Parliament who was appointed as a member of the government and entitled “Parliamentary Secretary”.

They are in effect a sub- minister or a junior minister and thus a member of the executive branch of the government, and it would be inappropriate for such a member of either house appointed as a Parliamentary Secretary, to remain on the committee.

(5) Amendments are necessary to clause 5, as it only applies to The House of Assembly in real terms as members of the legislative Council are elected in a cycle that does not mimic in any way the electoral cycle of the legislative assembly.

Therefore the Act should only express a durational meaning for membership, as relates to the House of Assembly members.

3. Vacancies

Similarly under clause 3 vacancies subclause (3) the words added after House of Parliament” **from which they are to be appointed**” are added to give clear meaning.

4. Proceedings of the committee

The changes to this clause expand the committee and allow the appointment of two vice-chairman to enable the committee to have as necessary a continual function, notwithstanding the Parliamentary duties of the chairman and other vice-chairman.

New clause (9) formally establishes in the amended legislation the Secretariat for the Joint Standing Committee via the joint house Department of the Parliament, and determines that the committee can decide how it discharges its statutory responsibilities.

It also provides a mechanism for the request by the committee to the government of the day for staffing for reviews either provided to it from the Parliament, or initiated by the committee itself. It provides a mechanism for the request to be recorded on the public record.

Lastly the legislation provides for such additional staffing from time to time to be not reasonably refused by the government of the day, trying to neuter the work of the committee. It protects the democracy and the functions of the Parliament.

In any case, the staffing of the committee is a relatively minor expense to government in the scheme of things, but the legislation empowers the committee, and takes away any option the government of the day may have, to attempt to control the committee's activities by reducing its resources.

The resources will be reserved by law.

5. Secretary of the Committee

A new clause (4) provides for the reporting pathway for the Secretary of the Committee and determines the committee's independence from the Executive Branch of Government. This reporting statement is a necessary to ensure that the Secretary and the Clerks of the Parliament are empowered.

6. Functions of the Committee

At 1.(b) is are the words after interest "or direct or indirect shareholding:.

This absolutely defines any fiscal interest held by the people of Tasmania and allows the committee to see through front companies to establish an oversight of those activities.

New clause (3).

(3) Annual Financial Statements to be presented to the committee

(a) Each Agency, Government Business Enterprise, or State owned Company shall provide to the committee Secretary by the 31st day of August each year, the annual financial accounts of their activities in the financial year ending the 30th of June in that same year.

This clause is added to ensure that all government entities report annually to the committee so that a formal oversight programme is established.

(b) The accounts shall be presented in accordance with the National accounting standards and the instructions of the Treasurer of Tasmania.

This clause establishes the format of that accounting presentation and defines it.

(c) The accounts shall in the case of State owned companies and State companies operating under the Government Business Enterprises Act 1995, be accompanied by the relevant full audit certificates.

This clause directs that all statements presented by the required presentation date need to have audit certificates. In other words the accounts have to be complete and true, and if determined by the Auditor, contain an adverse audit report and this shall be attached in full.

(d) The Committee will cause the names of each Government Business Enterprise (if any), who do not meet the submission of annual accounts deadline of the 31st of August each year to the committee, to be laid on the table of either house and at the same time published in the media.

This empowers the committee to name and shame, and will be the single most argued about feature of this clause.

7. Evidence before Committee

(1) there is a new subclause one that deals with the issues of subpoenas and or a summons, spelling out that it shall be from the Parliament, and that such an issue of a summons or a subpoena shall be placed on the public record in both Houses of Parliament at the first available sitting day after the issue of the summons by the committee.

This clause simply codifies the present powers of the committee, but places them within the Act in such a way as things become perfectly clear to those having to deal with the committee.

(10). This was the section whereby any action taken by the committee had to be endorsed or agreed to by the attorney general.

This section is to be repealed as it is anomalous that a member of the executive government is able to control the actions of a Parliamentary committee created by statute, where it may be that the committee has to take action against for example the Chief Executive Officer of the State owned company in question whose husband, wife or Partner is the attorney general.

The clause shouldn't be there and it adds nothing to the functions of the committee.

In any case the warrants are signed by the President of the legislative Council.

New clause 10 General

I have added a new clause (10) to provide for a general reason why the committee is established, to codify the examination powers of the committee in a different manner, to codify the reporting to Hansard of any urgent matters at the first available date, but allow the committee to report to the Presiding Officers of both Houses of Parliament.

This will mean that should the committee discover some fraud, corruption, or significant nepotism, then there is a method for the committee to report this immediately.

You can imagine that such a report to the Presiding officers would have, and thus it will confine the actions of the Government of the day to full rectification, in the knowledge that it was a formal report to the Parliament.

It's the fundamental you can run but can't hide clause.

Summary:

These small changes to the Parliamentary Accounts Act empower a change to a Joint Statutory Committee defined, adds an additional member from each house, so as to expand the committee and increase its corporate memory for the discharge of its function.

Secondly the new provisions requiring reporting of annual financial statements to the committee will provide an oversight function, which everyone will get used to in time.

Thirdly the empowerment of the Secretariat, and the provision of staffing definitions, makes sure the committee is not going to be held captive by the Government of the day.

Lastly the new clause 10 provides an alternative reporting methodology to the committee should the Parliament be in recess.