

NORTHERN TERRITORY OF AUSTRALIA
FINANCIAL ADMINISTRATION AND AUDIT
AMENDMENT ACT 1994

No. 58 of 1994

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NORTHERN TERRITORY OF AUSTRALIA

No. 58 of 1994

AN ACT

to amend the *Financial Administration and Audit Act*

[Assented to 4 October 1994]

BE it enacted by the Legislative Assembly of the Northern Territory of Australia, with the assent as provided by the *Northern Territory (Self-Government) Act 1978* of the Commonwealth, as follows:

1. SHORT TITLE

This Act may be cited as the *Financial Administration and Audit Amendment Act 1994*.

2. PRINCIPAL ACT

The *Financial Administration and Audit Act* is in this Act referred to as the Principal Act.

3. DEFINITIONS

Section 3 of the Principal Act is amended -

- (a) by inserting after the definition of "Auditor-General" the following:

"'Auditor-General's Office' means the Agency, within the meaning of the *Public Sector Employment and Management Act*, of that name specified in Schedule 1 of that Act;"

- (b) by omitting from the definition of "division" all words after "in the schedule" and substituting "to an Appropriation Act, and includes a division specified in a direction under section 12, 13 or 14 (whether or not the division is specified in a schedule to an Appropriation Act)"; and
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- (c) by adding at the end of the definition of "subdivision" the words ", and includes a subdivision specified in a direction under section 12, 13 or 14 (whether or not the subdivision is specified in a schedule to an Appropriation Act)".

4. TRANSFERS BETWEEN DIVISIONS AND SUBDIVISIONS

Section 13(1)(a) of the Principal Act is amended by omitting "a division" and "other division" and substituting "a division or subdivision" and "other division or subdivision", respectively.

5. TREASURER'S ADVANCE

Section 14(1) of the Principal Act is amended by omitting "such heads", "heads of expenditure" and "head" and substituting "such divisions or subdivisions", "divisions or subdivisions" and "division", respectively.

6. NEW SECTION

The Principal Act is amended by inserting after section 47A the following:

"47B. AUDIT OF PERFORMANCE MANAGEMENT SYSTEMS

"(1) The Auditor-General may conduct an audit of performance management systems of any organisation in respect of the accounts of which the Auditor-General is required or permitted by a law of the Territory to conduct an audit.

"(2) An audit under this section may be conducted as a separate audit or as part of another audit (including an audit of another organisation under this section).

"(3) The object of an audit conducted under this section includes determining whether the performance management systems of the organisation in respect of which the audit is being conducted enable the organisation to assess whether its objectives are being achieved economically, efficiently and effectively.

"(4) In conducting an audit under this section, the Auditor-General shall have regard to any prescribed requirements relating to the establishment and maintenance of performance management systems that apply to the organisation in respect of which the audit is being conducted.

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"(5) In conducting an audit under this section, the Auditor-General may not question the merits of policy objectives of the Government including -

- (a) a policy objective of the Government contained in a record of a policy decision of Cabinet;
- (b) a policy direction of a Minister; and
- (c) a policy statement in a budget paper or any other document evidencing a policy decision of Cabinet or a Minister."

7. NEW DIVISIONS

The Principal Act is amended by inserting after section 57 the following:

*"Division 4 - Strategic Review of
Auditor-General's Office*

"58. STRATEGIC REVIEW OF AUDITOR-GENERAL'S OFFICE

"(1) Strategic reviews of the Auditor-General's Office shall be conducted under this section.

"(2) A review under this section shall be conducted at least every 3 years.

"(3) A review under this section shall be undertaken by an appropriately qualified person appointed by the Administrator.

"(4) The terms of reference for a review under this section shall be determined by the Administrator.

"(5) Before a person is appointed under this section, the Minister shall consult with the Public Accounts Committee and the Auditor-General about -

- (a) the appointment; and
- (b) the terms of reference for the review.

"(6) The remuneration and other terms and conditions of appointment of a person appointed under this section shall be as determined by the Administrator.

"(7) For the purposes of conducting the review under this section -

- (a) the person has all the powers that an authorised auditor has under this Act; and

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- (b) this Act applies to the person as if the person were an authorised auditor conducting an audit under this Act.

"(8) On completing a review under this section, the person shall give a report on the review to the Minister and the Auditor-General.

"(9) Where the person proposes to include in the report a matter that, in the person's opinion, is a matter of significance, the person shall -

- (a) give the Minister and the Auditor-General written advice of the matter; and
- (b) include in the advice a statement to the effect that comments on the matter may be made in writing to the person within -
 - (i) 21 days after the advice is received; or
 - (ii) such longer period as is specified in the advice.

"(10) Where a matter referred to in subsection (9) is included in a report under subsection (8), any comments given to the person under subsection (9) shall also be included in the report.

"(11) The Minister shall cause a copy of a report referred to in subsection (8) to be laid before the Legislative Assembly within 6 sitting days after its receipt by the Minister.

*"Division 5 - Audit of Accounts
of Auditor-General's Office*

"58A. AUDIT OF ACCOUNTS OF AUDITOR-GENERAL'S OFFICE

"(1) The Administrator may appoint an auditor who is registered under the Corporations Law to audit the accounts of the Auditor-General's Office.

"(2) An auditor appointed under subsection (1), in conducting an audit and preparing a report under this section, has the same powers and is subject to the same requirements as the Auditor-General when conducting an audit and preparing a report under this Act.

"(3) On completing an audit under this section, the auditor shall give a report of the audit to the Minister and the Auditor-General.

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"(4) The Minister shall cause a copy of a report referred to in subsection (3) to be laid before the Legislative Assembly within 6 sitting days after its receipt by the Minister."
