



**PUBLIC ACCOUNTS
COMMITTEE**

LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

Public Accounts Committee

**Annual Report
Year Ended 30 June 1992**

Report Number 17

OCTOBER 1992

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Northern Territory on
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LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

Public Accounts Committee

ANNUAL REPORT

Year Ended 30 June 1992

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SECRETARIAT

SUSANNE LEE BA (ACCOUNTING) CPA : Secretary to the Committee

JUDITH HERRING : Administrative Assistant to the Secretary

Legislative Assembly of the Northern Territory

PUBLIC ACCOUNTS COMMITTEE

GPO BOX 3721
DARWIN NT 0801

TELEPHONE: (089) 461 411
FACSIMILE: (089) 812 528
TELEX: AA85154
TELEGRAMS: COMPARLAS

PUBLIC ACCOUNTS COMMITTEE

ANNUAL REPORT

YEAR ENDED 30 JUNE 1992

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PUBLIC ACCOUNTS COMMITTEE

REPORT OF THE COMMITTEE ON THE ACCOUNTS OF THE GOVERNMENT OF THE STATE OF NEW YORK

FOR THE YEAR ENDING JUNE 30, 1961

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STATE OF NEW YORK
ALBANY

CHAIRMAN'S REVIEW

This is the Sixth Annual Report of the Public Accounts Committee and represents an overview of activities of the Committee during the 1991/92 financial year.

Membership of the Committee varied once during the year with the replacement of Mr Syd Stirling, Member for Nhulunbuy, with Mr Ken Parish, Member for Jingili.

In my opinion, the Public Service perception of the role and value of the Public Accounts Committee is changing and this is evidenced by the co-operative spirit of the Working Party established as a result of the Committee's Report No. 12.

This Working Party has made a number of positive recommendations to Government especially in the area of annual reporting guidelines and the role the Auditor-General should play in the audit of Government-owned companies.

The Committee's other major report was on an inquiry into the 1990 Election which found that the Northern Territory Electoral Office conducted the election in an efficient and effective manner and within budget.

Finally I wish to place on record the Committee's continuing support of the annual reports awards and the activities of the Public Sector Accounting Group. The awards have resulted in a marked improvement in the standard of annual reporting and the group continues to provide an avenue where discussions on various aspects of accountability can take place.

MICK PALMER, MLA

CHAIRMAN'S REVIEW

This is the Sixth Annual Report of the Public Accounts Committee and represents an overview of activities of the Committee during the 1981/82 financial year.

Membership of the Committee varied once during the year with the replacement of Mr Syd Strang, Member for Middlesbrough, with Mr Ken Farn, Member for Ingham.

In my opinion, the Public Service perspective of the role and value of the Public Accounts Committee is changing and this is evidenced by the co-operative spirit of the Working Party established as a result of the Committee's Report No. 12.

The Working Party has made a number of positive recommendations to Government especially in the area of annual reporting, estimates and the role the Auditor-General should play in the audit of Government-owned companies.

The Committee's other major report was on an inquiry into the 1980 Election which found that the Northern Territory Electoral Office conducted the election in an efficient and effective manner and within budget.

Finally, I wish to place on record the Committee's continuing support of the annual reports awards and the activities of the Public Sector Accounting Group. The awards have resulted in a marked improvement in the standard of annual reporting and the group continues to provide an avenue where discussions on various aspects of accountability can take place.

MICK PALMER, M.L.A.

CHAPTER 1

NORTHERN TERRITORY PUBLIC ACCOUNTS COMMITTEE

ESTABLISHMENT OF COMMITTEE

The Northern Territory Public Accounts Committee was first established by temporary Standing Order 21A of the Legislative Assembly on 16 August 1986. The Committee's status was altered, by way of motion of the Chief Minister on 23 August 1988, from a Sessional Committee on a trial basis only to a Standing Committee of the Parliament.

As a Committee of the Assembly, its authority is derived from the *Northern Territory (Self Government) Act* of the Commonwealth and the *Legislative Assembly (Powers and Privileges) Act*.

The Committee is comprised of five (5) members, presently three (3) Government and two (2) Opposition members. At the commencement of the 1991/92 financial year, the Committee members were:

Mr Mick Palmer, MLA
Mr Eric Poole, MLA
Mr Rick Setter, MLA
Mr John Bailey, MLA
Mr Syd Stirling, MLA

On 25 February 1992, Mr Syd Stirling, MLA was replaced by Mr Ken Parish, MLA.

PROFILE OF COMMITTEE MEMBERS

MR MICK PALMER, MLA Chairman

Appointed 16 August 1986

Chairman from 1 July 1987 - to date

Country Liberal Party

Member for Karama. First elected 1983.

Other Committees: Environment (Chairman); House; Subordinate Legislation and Tabled Papers; Use and Abuse of Alcohol by the Community.

MR RICK SETTER, MLA

From 17 May 1988 - to date

Country Liberal Party

Member for Jingili. First elected 1984.

Leader of Government Business.

Other Committees: Publications (Chairman); Subordinate Legislation and Tabled Papers (Chairman); Constitutional Development; New Parliament House; Standing Orders.

MR ERIC POOLE, MLA

Reappointed 10 October 1988 - to date

Country Liberal Party

Member for Araluen. First elected 1986.

Chairman of Committees.

Other Committees: Environment; House; Publications; Standing Orders; Subordinate Legislation and Tabled Papers; Use and Abuse of Alcohol by the Community (Chairman).

MR JOHN BAILEY, MLA

From 28 October 1991 - to date

Australian Labor Party

Member for Wanguri. First Elected 1989.

Deputy Leader of the Opposition

Shadow Minister for Health & Community Services, Ethnic Affairs, Liquor, Work Health Authority.

Other Committees: Constitutional Development; Environment; Publications.

MR KEN PARISH, MLA

From 25 February 1992 - to date

Australian Labor Party

Member for Millner. First elected 1991.

Shadow Minister for Industries and Development; Tourism and the Arts; Small Business.

Other Committees: Subordinate Legislation and Tabled Papers.

REPORTS OF THE COMMITTEE

The Committee is required to report to the Legislative Assembly on an annual basis as well as providing specific reports from time to time to report its proceedings and evidence taken.

AIMS AND OBJECTIVES OF THE PUBLIC ACCOUNTS COMMITTEE

The Committee considers its aim to be **the promotion of value for money in the public sector with increased public accountability to the Parliament and the public of the Northern Territory.**

This aim then allows the Committee to pursue the following objectives against which its own performance might be assessed:

- to increase the efficiency and effectiveness with which government policy is implemented.

to increase the public sector's awareness of the need to be efficient and effective and accountable for its operations; and

to increase the awareness and understanding of parliamentarians and members of the public of the financial and related operations of government.

REPORTS TABLED

The following reports were tabled before the Parliament during the session, during the 27 months to 30 June 1992:

PUBLIC ACCOUNTS COMMITTEE - ANNUAL REPORT YEAR ENDED 31 JUNE 1991 - Report No. 12

This report was tabled on 12 November 1991 and reviewed the activities of the Committee over the previous 12 months.

REPORT ON 1991 ELECTION COSTS - Report No. 13

The Committee received the returns in February 1992 and tabled the report on 23 November 1992.

The Committee considered the 1991 Costs of Elections, which were tabled in February 1992, and reported on 23 November 1992. The Committee noted that the returns were generally complete and that the information provided was of a high standard. The Committee also noted that the returns were generally complete and that the information provided was of a high standard.

THE GOVERNMENT'S REPORT

The Government's report on the activities of the Committee during the session is tabled on 23 November 1992.

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The Committee is pleased to have the opportunity to discuss the work of the Committee and to receive the views of the public on the work of the Committee. The Committee is particularly interested in the views of the public on the work of the Committee in the following areas:

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MEMBERS OF THE COMMITTEE

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CHAPTER 2

ACTIVITIES 1991/92

GENERAL

The Committee met on 12 occasions during the year, ten of which were deliberative and seven of which were briefings. Briefings were received from 29 witnesses and in accordance with Committee practice, were held *in camera*.

REPORTS TABLED

The following reports were tabled before the Northern Territory Legislative Assembly during the 12 months to 30 June 1992:

PUBLIC ACCOUNTS COMMITTEE - ANNUAL REPORT YEAR ENDED 30 JUNE 1991 - Report No. 13

This report was tabled on 19 November 1991 and reviewed the activities of the Committee over the previous 12 months.

REPORT ON 1990 ELECTION COSTS - Report No. 14

The Committee received this reference in February 1991 and tabled its report on 19 November 1991.

The Committee concluded that the 1990 General Election was conducted efficiently and effectively, as evinced by a range of performance indicators. The Committee was mindful that, in conducting impartial elections, the Chief Electoral Officer exercises statutory powers which quite properly rest with his Statutory Office. The Committee did, however, make a number of recommendations to enhance the administrative and financial management components of the election cycle.

These recommendations included:

- . the Electoral Office prepare a strategy paper on the feasibility of developing a pool of local residents capable of conducting mobile polling
- . the Government determine whether the Police Department's aircraft could be made available to mobile polling during future general elections
- . the Government notes there are cost implications when elections are conducted within minimum time frames

the Electoral Act be amended to provide that for the purposes of the conduct of elections the Chief Electoral Officer has financial and personnel delegations equivalent to those of a Chief Executive Officer

the Government Accounting System and Payroll System for processing of election transactions be implemented on a priority basis

the Electoral Act be amended to make provision for tabling of a report by the Chief Electoral Officer after each election including audited financial statements

in each year of the election cycle the Northern Territory Treasury be advised of the notional cost of a Legislative Assembly General Election and a By-Election in a rural as well as an urban division.

REPORT ON THE BIENNIAL CONFERENCE OF PUBLIC ACCOUNTS COMMITTEE, DARWIN - MAY 1991 - Report No. 15

The Northern Territory Public Accounts Committee hosted the Seventh Biennial Conference of Public Accounts Committees which was the first to be held under the auspices of the Australasian Council of Public Accounts Committees.

Delegates from Papua New Guinea, New Zealand and Canada attended along with delegates from the Australian Parliaments.

This conference provided a useful forum for the exchange of views and ideas on the current status and future direction of public accountability.

The report of the Biennial Conference was tabled on 19 November 1991.

REPORT ON THE AUDITOR-GENERAL'S REPORT 1989/90 - Report No. 16

The Committee tabled this Report on 21 May 1992. It included a number of recommendations which the Legislative Assembly, the Working Party, the Treasurer and Chief Executive Officers were encouraged to note.

CURRENT INQUIRIES

THIRD REPORT ON THE ACTUAL AND CONTINGENT LIABILITIES OF THE NORTHERN TERRITORY GOVERNMENT

The Committee resolved during the year to defer consideration of this reference until matters in relation to the Darwin and Alice Springs Sheratons were finalised.

Status

A report will be issued during 1992/93

INQUIRY INTO THE APPLICATION OF NORTHERN TERRITORY GOVERNMENT GRANT-IN-AID FUNDING BY COMMUNITY ORGANISATIONS

The Committee is continuing its inquiry into Grant-in-Aid funding and held four briefing sessions during the year following requests to Departments and Authorities for information regarding grant-in-aid funding.

Status

The Committee has decided to issue a series of reports each covering a specific office/department's grants program. A report on the operations of the Office of Sport, Recreation and Ethnic Affairs will be published in 1992/93.

OTHER ACTIVITIES

ANNUAL REPORTS AND REPORTING IN THE PUBLIC SECTOR SEMINAR

On 28 & 29 November 1991, the Chairman, Mr Mick Palmer; Mr Rick Setter and the Secretary, Ms Sue Lee attended the Annual Reports and Reporting Seminar held in Sydney. The seminar covered financial reporting, internal/external reporting; annual reports and reporting on community service obligations.

PUBLIC SECTOR AUDITING SEMINAR

The Chairman and the Secretary also attended the Public Sector Auditing Seminar which was held in Sydney on 3 & 4 December 1991. Papers of interest included "Accounting and Auditing: Review of various inquiries and Royal Commission findings" as well as "Future Directions in Performance Evaluation and Auditing in the Public Sector".

ANNUAL REPORTS AWARDS

The Committee continues to provide support to the Annual Reports Awards sponsored by Pannell Ker Forster (Chartered Accountants) and the Government Accounting Group.

The 1992 Awards were judged an outstanding success. Departments and Statutory Authorities are encouraged to use the guidelines produced by the Awards Committee when preparing future annual reports.

ACCOUNTING AND AUDITING UPDATE SEMINAR

The Secretary of the Committee attended the Accounting and Auditing Update Seminar held by the Australian Accounting Research Foundation in Darwin on the 15th May 1992. The Seminar included a session on "Financial Reporting by Government Departments".

ACCOUNTING AT THE TOP

The Secretary also attended a conference "Accounting at the Top" which was the first major professional development conference organised by the Australian Society of Certified Practising Accountants.

AUSTRALASIAN COUNCIL OF PUBLIC ACCOUNTS COMMITTEES

The Committee continued to work towards hosting the Mid Term Meeting of the Australasian Council of Public Accounts Committees which will be held in Canberra on the 20th July 1992.

CHAPTER 3

ADMINISTRATION AND STAFFING

SECRETARIAT

Staffing for the Public Accounts Committee Secretariat is provided by the Legislative Assembly.

The Committee currently has a full-time secretary with support from an Administrative Assistant.

Staff as at 30 June 1992:

- | | |
|---------------------------------|--------------------------------------|
| SECRETARY | - Ms Susanne Lee BA (Accounting) CPA |
| ADMINISTRATIVE ASSISTANT | - Mrs Judy Herring |

STAFF CHANGES

Mrs Judy Herring joined the staff as Administrative Assistant in April 1992.

CHAPTER 3 - ORGANIZATIONAL DESIGN

ADMINISTRATIVE ASSISTANT AND STAFFING

SECRETARIAL

ADMINISTRATIVE ASSISTANT

SECRETARY

ADMINISTRATIVE ASSISTANT

SECRETARY

ADMINISTRATIVE ASSISTANT

SECRETARY

ADMINISTRATIVE ASSISTANT

SECRETARY

TERMS OF REFERENCE

STANDING ORDER 21A (FIELD ACCOUNTS COMMITTEE)

- (1) A Standing Committee of the Legislative Assembly shall be appointed to examine the accounts of the Northern Territory Government and to report thereon to the Legislative Assembly.
- (2) The duties of the Committee shall be:
 - (a) to examine the accounts of the Territory and to report thereon to the Legislative Assembly; and
 - (b) to report to the Legislative Assembly with such recommendations as it thinks fit, on any matter or matters which may arise in connection with the accounts or administration of the Territory, in which they appear to which the Committee is of an opinion that the interests of Parliament should be done;

APPENDIX 1

TERMS OF REFERENCE

- (1) to examine the accounts of the Territory and to report thereon to the Legislative Assembly;
 - (2) which is referred to it by a resolution of the Assembly; or
 - (3) which is referred to it by the Administrator or a Minister; and
 - (4) to examine the accounts of the Northern Territory and to report thereon to the Legislative Assembly with such recommendations as it thinks fit, on any matter or matters which may arise in connection with the accounts or administration of the Territory, in which they appear to which the Committee is of an opinion that the interests of Parliament should be done;
- (5) The Committee shall examine all the accounts of the Northern Territory and reports of the Administrator for financial years commencing after 30 June 1984 provided that this does not prevent the consideration by the Committee of matters referred to it in reports of the Administrator of the year ending 30 June 1984 which have not been a continuing matter in the form of the public accounts, the method of receipts, control, issue or payment of public moneys.

APPENDIX I

TERMS OF REFERENCE

TERMS OF REFERENCE

STANDING ORDER 21A PUBLIC ACCOUNTS COMMITTEE

- (1) A Standing Committee of Public Accounts to consist of five members shall be appointed at the commencement of each Assembly.
- (2) The duties of the Committee shall be -
 - (a) to examine the accounts of the receipts and expenditure of the Northern Territory and each statement and report transmitted to the Legislative Assembly by the Auditor-General, pursuant to the *Financial Administration and Audit Act*;
 - (b) to report to the Legislative Assembly with such comments as it thinks fit, any item or matters in or arising in connection with the receipt or disbursement of the moneys to which they relate, to which the Committee is of the opinion that the attention of Parliament should be drawn;
 - (c) to report to the Legislative Assembly any alteration which the Committee thinks desirable in the form of the public accounts or in the method of keeping them or in the method of receipt, control, issue or payment of public moneys;
 - (d) to inquire into and report to the Legislative Assembly on any question in connection with the public accounts of the Territory -
 - (i) which is referred to it by a resolution of the Assembly; or
 - (ii) which is referred to it by the Administrator or a Minister; and
 - (e) to examine the reports of the Auditor-General laid before the Legislative Assembly with the accounts of a Public Authority of the Northern Territory (including any documents annexed or appended to those reports).
- (3) The Committee shall examine only those accounts of receipts and expenditure of the Northern Territory and reports of the Auditor-General for financial years commencing after 30 June 1986; provided that this shall not prevent the consideration by the Committee of matters included in reports of the Auditor-General for the year ending 30 June 1986 which have or may have a continuing effect on the form of the public accounts; the method of receipt, control, issue or payment of public moneys.

- (4) Prior to determining whether to undertake an inquiry into any matter which may have arisen in connection with the public accounts of the Territory, pursuant to paragraphs (2)(a) and (e), with the concurrence of the Committee, the Chairman is empowered to write to the Chief Executive Officer of the relevant Department or Public Authority for a report on the matter.
- (5) The Committee shall take care not to inquire into any matters which are being examined by a Select Committee of the Assembly especially appointed to inquire into such matters and any question arising in connection therewith may be referred to the Assembly for determination.
- (6) The Committee shall elect a Government member as Chairman.
- (7) The Chairman of the Committee may, from time to time, appoint a Member of the Committee to be the Deputy Chairman of the Committee and the Member so appointed shall act as Chairman of the Committee at any time when there is no Chairman or when the Chairman is not present at a meeting of the Committee.
- (8) In the event of any equality of voting, the Chairman, or the Deputy Chairman when acting as Chairman, shall have a casting vote.
- (9) The Committee shall have power to appoint sub-committees and to refer to any such sub-committee any matter which the Committee is empowered to examine.
- (10) Three members of the Committee shall constitute a quorum of the Committee and two Members of a sub-committee shall constitute a quorum of the sub-committee.
- (11) The Committee or any sub-committee shall have power to send for persons, papers and records, to adjourn from place to place, to meet and transact business in public or private session and to sit during any adjournment of the Assembly.
- (12) The Committee shall be empowered to print from day to day such papers and evidence as may be ordered by it and, unless otherwise ordered by the Committee, a daily *Hansard* shall be published of such proceedings of the Committee as take place in public.
- (13) The Committee may proceed to the despatch of business notwithstanding that all Members have not been appointed and notwithstanding any vacancy.
- (14) The Committee shall report annually and shall have leave to report from time to time and to report its proceedings and evidence taken; and any Member of the Committee shall have power to add a protest or dissent to any Report.