

**LEGISLATIVE COUNCIL STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS**

**2019-20 BUDGET ESTIMATES - QUESTIONS PRIOR TO HEARINGS**

**Department of Mines, Industry Regulation and Safety**

**The Committee asked:**

1. On non-operational special purpose accounts:

(a) How many has your agency established under sections 16(1)(b) to (d) of the *Financial Management Act 2006*;

**Answer:**

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(b) In a table include:

- (i) the name of each account;
- (ii) when it was established;
- (iii) each account's purpose;
- (iv) balance as at 9 May 2019; and
- (v) the last 12 months of activity; \*

**Answer:**

(i) Name of each account	(ii) When it was established	(iii) Account's Purpose	(iv) Balance as at 9 May \$'000	(v) Last 12 months activity \$'000
Building Services Account	2011	To holds funds used for the provision of functions and services in accordance with building services acts.	18,321	2,269
Building Services Trust Dispute Remedies	2011	To hold money in trust in connection with orders made by the Building Commission and State Administrative Tribunal under the <i>Building Services (Complaint Resolution and Administration) Act 2011</i> .	0	0
Consumer Credit Act (WA)	1996	To hold funds pending distribution in accordance with the <i>Consumer Credit (WA) Act 1996</i> or court direction.	55	-48
Co-operatives Companies Liquidation Account	2009	To hold unclaimed funds pending redistribution in accordance with the <i>Companies (Co-operative) Act 1943</i> section 290(1).	11	0
Departmental Receipts in Suspense	prior to 2000	To hold funds pending investigation and determination of correct allocation.	0	-2
EnergySafety Account	2006	To hold funds used for the provision of functions and services in accordance with the <i>Energy Safety Act 2006</i> .	6,803	-1,396
Indian Ocean Territories - Commonwealth Government	1999	DMIRS has a service delivery agreement with the Commonwealth Government to undertake to provide its normal service to the Christmas and Cocos Islands.	-245	-282

Mines Safety Levy	2010	To hold Mine Safety levies received from mining companies in accordance with section 105A of the <i>Mines Safety and Inspection Amendment Act 2009</i> .	21,712	15,047
Mining Rehabilitation Fund Levy	2014	To provide a source of funding for the rehabilitation of abandoned mine sites and other land affected by mining operations carried out in, on or under those sites.	150,513	27,955
Motor Vehicle Repair (MVR) Industry Compensation Account	2003	To hold funds used for the Motor Vehicle Repairers Industry in relation to compensation for financial losses as a result of misconduct in connection with vehicle repair work in accordance with the <i>Motor Vehicle Repairers Act 2003</i> .	134	-2
Motor Vehicle Repair (MVR) Industry Education and Research Account	2003	To hold funds used for the Motor Vehicle Repairers Industry in relation to educating the public and carrying out research regarding any matters relating to the <i>Motor Vehicle Repairers Act 2003</i> .	147	4
Petroleum and Geothermal Energy Safety Levy	2012	To hold safety levies received from petroleum companies in relation to petroleum operations, geothermal energy operations and pipeline operations, and for related purposes in accordance with the <i>Petroleum and Geothermal Energy Safety Levies Act 2011</i> .	2,856	943
Real Estate - Education and General Purpose Account	1978	To hold funds used for the operation of the Education and General Purpose Account for the professional development of Real Estate and Business Agents in accordance with the <i>Real Estate and Business Agents Act 1978</i> .	21,486	-1,742
Real Estate - Fidelity Guarantee Account	1978	To hold funds used for the operation of the Fidelity Guarantee Account for the compensation of financial losses as a result of misconduct in accordance with the <i>Real Estate and Business Agents Act 1978</i> .	46,838	431
Real Estate - Home Buyers Assistance Account	1978	To hold funds used for the operation of the Home Buyers Assistance Account to provide grants to first home buyers in accordance with the <i>Real Estate and Business Agents Act 1978</i> .	13,170	-985
Real Estate and Business Agents Supervisory Board Trust Account	1978	To hold funds as a result of legal proceedings and liquidations of agencies in accordance with the Trust Statement.	486	54
Settlement Agents - Education and General Purpose Account	1981	To hold funds used for the operation of the Education and General Purpose Account for the professional development of Settlement Agents in accordance with the <i>Settlement Agents Act 1981</i> .	28,702	1,322
Settlement Agents - Fidelity Guarantee Account	1981	To hold funds used for the operation of the Fidelity Guarantee Account for the compensation of financial losses as a result of misconduct in accordance with the <i>Settlement Agents Act 1981</i> .	47,217	-174
Royalties for Regions	prior to 2000	The purpose is to hold recurrent funds that are committed to projects and programs in WA regional areas.	-51	-5,926
State Trading Concerns	2003	The fund was created under the <i>State Trading Concerns Act 1916</i> and controls income received in respect of the provisions of copyright materials and relevant trade mark advertising opportunities or similar arrangements.	1,113	-5

Environmental Called-In Performance Bond Money Fund	2009	To hold called-in performance bond moneys received in respect to Section 126 of the <i>Mining Act 1978</i> . Funds are to be used to provide for the rehabilitation of mining sites.	5,062	-31
Special Projects Fund	prior to 2000	To hold funds for the purpose of participating in significant projects with other countries, the Commonwealth and the private sector to the mutual benefit of the other participants and the State of Western Australia.	1,493	-1,486

\* The last 12 months of activity represents the movement in the balances from 9 May 2018 to 9 May 2019.

(c) Describe the (1) governance mechanisms and (2) safeguards that are in place to meet the demands of section 16(2) of the Financial Management Act 2006; and

**Answer:**

Special Purpose Accounts (SPA) are governed by Special Purpose Statements setting out the accountability requirements and outline that only funds that meet the requirements of each account can be spent or received by the relevant account.

Safeguards of controls over the funds expenditures include regular reviews by financial analysts of each funds transactions. The normal budgetary controls which exist over all departmental expenditure is also applied to the special purpose accounts. All of these controls reduce the risk of other costs being charged to the funds and not being noticed or corrected.

The annual audit undertaken by KPMG on behalf of the Office of the Auditor General includes reviewing all Special Purpose Accounts as they are required to be published in the Financial Statements included in the Department's Annual Report. In addition the Mines Safety Levy has been the subject of separate audits by PricewaterhouseCoopers (twice), the Office of the Auditor General and Deloitte (twice). While each audit has made recommendations, none have made adverse findings on the maintenance of records belonging to the special purpose account.

(d) When was your agency last audited by the Office of the Auditor General primarily about special purpose accounts:

**Answer:**

15 May 2013, Report 4 Audit Result Reports – Control of funds held for specific purposes.

(i) If applicable, what were the findings of that audit?

**Answer:**

The Office of the Auditor General concluded that "All sampled expenditure was in accordance with the purpose for which funds were held" and made the following recommendations.

All agencies should ensure that:

- They have policies and procedures for managing funds held for specific purposes, including necessary information contained in the agreements, appropriate recordkeeping and reporting in the financial statements.
- Agreements with donor agencies and individuals are documented and clearly state the purpose for which the funds are held.

*3/15/19*  
*5/16/19*