



1996

**PUBLIC ACCOUNTS AND EXPENDITURE
REVIEW COMMITTEE**

**REPORT
on
STATEMENT OF UNDERSTANDING
BETWEEN THE AUDITOR GENERAL
AND THE PUBLIC ACCOUNTS AND
EXPENDITURE REVIEW COMMITTEE**

REPORT NO. 32

Presented by:
Mr M W Trenorden, MLA
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Public Accounts and Expenditure Review Committee
34 Parliament Place
WEST PERTH WA 6005

Telephone: (09) 222 7467
Facsimile: (09) 321 9366

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COMMITTEE'S FUNCTIONS AND POWERS

The Committee obtains its powers and functions from the Standing Orders of the Legislative Assembly. Standing Order 412(1) states that the functions of the Committee are:

to inquire into, consider and report to the Parliament on any proposal, matter or thing connected with the receipt and expenditure of public moneys, including moneys allocated under the Annual Appropriation Bills and the Loan Fund.

Moreover, the Committee is empowered to inquire into and report to the Assembly on any question which it deems necessary to investigate and consider whether the objectives of public expenditure are being achieved or may be achieved more economically.

MEMBERS OF THE COMMITTEE

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Members	Mr B.R. Blaikie, MLA
	Mr M.F. Board, MLA
	Mr C.M. Brown, MLA

COMMITTEE STAFF

Acting Secretary /Research Officer	Mr Andrew Young
Research Officer	Ms Amanda Millsom
Secretary/Stenographer	Mrs Patricia Roach

COMMITTEE ADDRESS

Legislative Assembly Annexe
34 Parliament Place
WEST PERTH WA 6005

Telephone: (09) 222 7467
Facsimile: (09) 321 9366

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INTRODUCTION

The Statement of Understanding between the Auditor General and the Public Accounts and Expenditure Review Committee (PAERC) will enhance the accountability mechanisms of the Parliament by improving communication and coordination between the Auditor General and the Committee.

The Statement is a strong signal that both parties recognise the commonality that has developed between their objectives, to ensure that public moneys have been spent lawfully, effectively and efficiently.

It is also a signal from this Committee to future Public Accounts and Expenditure Review Committees, that they should recognise the benefits of maintaining a cooperative and supportive relationship with the Auditor General.

Importantly, the Statement recognises that it is critical for both parties to remain independent, whilst still supporting each other.

This objective can be met by following the four major components of the Statement:

- the PAERC's support for the true independence of the Auditor General;
- the sharing of information and referral of matters that will assist in both parties meeting their objectives
- the PAERC follow up of Auditor General's Reports; and
- each party respecting the independent rights and obligations of the other.

The Committee believes that such a Statement is timely, given the growing complexity of Government and the recent debates about the roles of the Auditor General and Parliamentary Committees, highlighted in the Reports of the Commission on Government. In an era of expectations of increased accountability and where the flow of information is crucial to such oversight, this Statement will be of great value.

APPENDIX 1

STATEMENT OF UNDERSTANDING

**BETWEEN THE AUDITOR GENERAL AND THE PUBLIC ACCOUNTS AND
EXPENDITURE REVIEW COMMITTEE**

STATEMENT OF UNDERSTANDING

A Statement of Understanding Between the Auditor General and the Public Accounts and Expenditure Review Committee of the Legislative Assembly of Western Australia.

Aim

The aim of this statement of understanding is to enhance the accountability mechanisms of the Parliament by improving communication and coordination between the Auditor General and the Public Accounts and Expenditure Review Committee.

A Common Mission

The Auditor General and the Public Accounts and Expenditure Review Committee (PAERC) share a common mission to enhance public sector accountability and performance. The Auditor General and the PAERC will cooperate as independent bodies to achieve this mission, promoting probity, efficiency and effectiveness in the management of public resources.

Supporting the Independence of the Auditor General

The PAERC 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 PAERC will encourage and support 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 PAERC and the Auditor General will meet on a periodic, needs basis, initiated by either party.

The Auditor General will refer matters to the PAERC 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 PAERC on the key themes of a given report prior to the report's tabling in Parliament.

PAERC Response to Tabled Reports of The Auditor General

The PAERC will respond to the Auditor General's reports in a timely manner in the House, during the designated Committee time.

At this time 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 agreement each party respects the rights and obligations of the other concerning matters of privilege, confidentiality, legislative and procedural requirements.

**MAX TRENORDEN, MLA
CHAIRMAN**

**DES PEARSON
AUDITOR GENERAL**

23 October 1996