

1987-88

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA  
HOUSE OF REPRESENTATIVES

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Presented and read a first time, 24 February 1988

*(Minister for the Arts and Territories)*

## A BILL

FOR

### **An Act to amend the *Norfolk Island Act 1979***

BE IT ENACTED by the Queen, and the Senate and the House of Representatives of the Commonwealth of Australia, as follows:

#### **Short title etc.**

5     **1. (1)** This Act may be cited as the *Norfolk Island Amendment Act 1988*.

**(2)** In this Act, "Principal Act" means the *Norfolk Island Act 1979*<sup>1</sup>.

#### **Interpretation**

**2.** Section 4 of the Principal Act is amended by inserting in subsection  
10    (1) the following definitions:

      "accounts of the Territory" means:

- (a) the accounts and records of financial transactions of the Administration and records relating to assets of, or in the custody of, the Administration; and

- (b) the accounts and records of financial transactions of a Territory authority (other than an authority whose accounts and records are required to be audited under an enactment) and records relating to assets of, or in the custody of, such an authority;

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‘Auditor’ means the Norfolk Island Government Auditor appointed under section 51;”.

3. After section 50D of the Principal Act the following sections are inserted in Part VI:

**Appointment of Norfolk Island Government Auditor**

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“51. Subject to section 51A, the Administrator shall, on the advice of the Legislative Assembly:

- (a) appoint a person or firm to be the Norfolk Island Government Auditor; and
- (b) determine the terms and conditions of employment (including remuneration) of the Auditor.

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**Restrictions on appointment of Auditor etc.**

“51A. (1) The Administrator shall not appoint a person or firm under section 51 to be the Auditor unless the person, or at least one member of the firm, is, or is deemed to be, registered as an auditor (in this section called a ‘registered auditor’):

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- (a) under Division 2 of Part II of the *Companies Act 1981*; or
- (b) under Division 3 of Part III of the *Companies Act 1985* of the Territory.

“(2) The appointment of a firm as the Auditor shall be deemed to be an appointment of each member of the firm who, at the date of appointment, is a registered auditor.

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“(3) Where a firm that has been appointed as the Auditor is reconstituted because of the death, retirement or withdrawal of a member or members or by reason of the admission of a new member or new members, or both:

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- (a) a person who was deemed under subsection (2) to be the Auditor and who has so died or retired or withdrawn from the firm as previously constituted shall be deemed to have resigned as the Auditor as from the day of that person’s death, retirement or withdrawal and, if that person was the only member of the firm who was a registered auditor and, after that person’s death, retirement or withdrawal, there is no member of the firm who is a registered auditor, the firm shall cease to hold office as the Auditor as from the day of that person’s death, retirement or withdrawal;
- (b) a person who is a registered auditor and who is so admitted to the firm shall be deemed to have been appointed as the Auditor as from the day of that admission; and

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- (c) the reconstitution of the firm does not affect the appointment as Auditor of any continuing member of the firm who is a registered auditor.

5 “(4) Except as provided by subsection (3), upon the dissolution of a firm appointed as the Auditor:

- (a) the firm ceases to hold office as the Auditor as from the day of dissolution; and
  - (b) each member of the firm who is deemed by subsection (2) or paragraph (3) (b) to have been appointed as the Auditor ceases to hold office as the Auditor as from the day of the dissolution.
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#### **Auditor-General may accept appointment**

“51B. It is lawful for the Auditor-General for the Commonwealth to accept appointment as the Auditor.

#### **Audit**

15 “51C. (1) The Auditor shall, at least once in each year, inspect and audit the accounts of the Territory and shall draw the President’s attention to any irregularity disclosed by the inspection and audit that is, in the opinion of the Auditor, of sufficient importance to justify the Auditor so doing.

20 “(2) The Auditor may dispense with all or a part of the detailed inspection and audit of any accounts referred to in subsection (1).

“(3) The Auditor shall, at least once in each year, prepare, and give to the President and the Administrator, a report on the inspection and audit carried out under subsection (1).

#### **25 Tabling of report etc.**

“51D. (1) The President shall cause a copy of the Auditor’s report given to the President under subsection 51C (3) to be laid before the Legislative Assembly within 65 days after the day on which the President receives the report.

30 “(2) The Administrator shall, as soon as practicable after receiving the Auditor’s report under subsection 51C (3), forward the report to the Minister.

#### **Access to documents**

35 “51E. (1) The Auditor or a person authorised in writing by the Auditor is entitled at all reasonable times to full and free access to all accounts, records, documents and papers relating directly or indirectly to the receipt or payment of money by the Administration or a prescribed authority or to the acquisition, receipt, custody or disposal of assets by the Administration or a prescribed authority.

40 “(2) The Auditor or a person authorised in writing by the Auditor may make copies of, or take extracts from, any such accounts, records, documents or papers.

“(3) The Auditor or a person authorised in writing by the Auditor may require any person to furnish the Auditor with such information in the possession of that person or to which that person has access as the Auditor or authorised person considers necessary for the purposes of the powers and functions of the Auditor under this Act, and the person shall comply with the requirement. 5

“(4) A person who contravenes subsection (3) is guilty of an offence punishable, upon conviction, by a fine not exceeding \$200.

“(5) In this section, ‘prescribed authority’ means a Territory authority whose accounts are not required to be audited under an enactment. 10

**Auditor not subject to direction**

“51F. Subject to section 51G, the Auditor is not, in the exercise of powers and the performance of functions under this Act, subject to the directions of the Minister, the Administrator, the Legislative Assembly or any member of the Legislative Assembly. 15

**Auditing standards**

“51G. (1) Subject to subsections (2) and (4), the Legislative Assembly may, by resolution, set the auditing standards to be complied with by the Auditor when inspecting and auditing the accounts of the Territory.

“(2) In setting the auditing standards under subsection (1) the Legislative Assembly shall have regard to: 20

- (a) the auditing standards set by the Auditor-General under subsection 63MB (1) of the *Audit Act 1901*; and
- (b) the auditing standards issued jointly by The Institute of Chartered Accountants in Australia and the Australian Society of Accountants. 25

“(3) The Legislative Assembly may amend or vary the standards set under subsection (1) and subsection (2) applies accordingly in relation to such amendment or variation.

“(4) Where the Auditor-General is appointed as the Auditor:

- (a) the auditing standards set under subsection (1) do not apply to the Auditor-General; and 30
- (b) the Auditor-General shall comply with the auditing standards set under subsection 63MB (1) of the *Audit Act 1901* when inspecting and auditing the accounts of the Territory.”.

**Repeal of section 63 35**

4. (1) Section 63 of the Principal Act is repealed.

(2) Notwithstanding the repeal of section 63 of the Principal Act effected by subsection (1), where the Auditor-General had, before the commencement of this Act, commenced to inspect and audit the accounts of the Territory in relation to a particular financial year, section 63 of the Principal Act as in force immediately before the commencement of this section continues to apply to that inspection and audit. 40

**NOTE**

1. No. 25, 1979, as amended. For previous amendments, see No. 120, 1981; Statutory Rules No. 153, 1981 (as amended by Statutory Rules No. 33, 1984; and Statutory Rules No. 173, 1985); No. 26, 1982 (as amended by No. 80, 1982); No. 80, 1982; No. 39, 1983; No. 63, 1984; Nos. 65 and 193, 1985; and Nos. 76 and 168, 1986.

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