

PROVIDENT ACCOUNT (AMENDMENT) BILL 2014

PROEVEDENT AKAUNT (CHIENJEN) BILL 2014

EXPLANATORY MEMORANDUM

This Bill is intended to make provision for the audit of the accounts of the Provident Account following changes to the audit responsibilities of the Australian National Audit Office (ANAO) and the excessive costs that would be imposed upon members of the Provident Account were the ANAO to be engaged to perform the audit.

As it is important that the accounts be audited, the Bill seeks to repeal the old provisions and substitute a detailed section setting out the requirement for audit and the payment of the fees of the audit.

The Bill has 4 clauses—

Clauses 1-3 are the usual provisions setting out the short title, the commencement and the principal Act being amended.

Clause 4 repeals section 7 of the Act and substitutes a new section.

The proposed new section 7 has 8 subsections as follows—

- (1) Provides that the accounts of the Provident Account are to be audited
- (2) Requires the Official Trustee to appoint a person or firm as auditor
- (3) Requires the auditor to be registered as an auditor under the Commonwealth Corporations Act 2001 or the Norfolk Island Companies Act 1985
- (4) Provides that if a firm is appointed auditor every member of the firm who is a registered auditor is deemed to be appointed auditor
- (5) Provides that a person or a firm of auditors cannot be appointed if they are, or if a firm have a member who is, an eligible employee or if a domestic partner of any such person is an eligible employee
- (6) Requires the auditor to inspect the books and accounts of the Provident account at least once a year
- (7) Requires the auditor to report on the audit to the Official Trustee and the Minister
- (8) Provides for the costs of the audit to be paid from the income of the Provident Account.