

Public Audit Bill

Government Bill

Explanatory note

General policy statement

The purpose of this Bill is to reform and restate the law relating to the auditing of public sector organisations. That law is currently found in Part II of the Public Finance Act 1977 and a large number of other specific statutory provisions.

Background

Reform and restatement of the law have been under consideration since the Public Finance Act 1989 and the recommendations of the Finance and Expenditure Committee in its *Report on the Inquiry into Officers of Parliament* (1989) AJHR I.4B. However, this Bill is also a direct result of the April 1998 report of the Finance and Expenditure Committee (AJHR I.3E), that followed an inquiry by that committee into Audit Office legislation.

Major reforms

The Bill establishes the Controller and Auditor-General (referred to in the Bill as “the Auditor-General”, although the full title is preserved) as an officer of Parliament and a corporation sole. All references to the Audit Office and the Audit Department in existing legislation are to be read as references to the Auditor-General.

The Public Finance Act 1977 and other legislation restricted the scope of the Auditor-General’s mandate in certain respects. In particular, the Auditor-General’s power to conduct “effectiveness and efficiency” audits (referred to in this Bill as “performance audits”) has been limited for the most part to central government and

local authorities. The full extent of that jurisdiction has also been uncertain in some respects.

This Bill modernises the expression of the Auditor-General’s mandate and applies it consistently to all public entities (with the exception of State enterprises, where some limitations on performance audits are to remain). The Reserve Bank of New Zealand is also added to the entities within the Auditor-General’s mandate.

The Auditor-General will continue to have the power to appoint auditors to undertake audits on the Auditor-General’s behalf. There will also be a general power of delegation to employees.

The Bill enables a flexible approach to the organisation of the Auditor-General’s business. It is intended, however, that the current structure (involving 2 separate operating units—the Office of the Auditor-General and its operational arm, Audit New Zealand) will continue in the foreseeable future, as will the policy of encouraging contestability in the supply of auditing services.

The entities subject to the auditing mandate of the Auditor-General are exhaustively listed in the Bill. The Bill also ensures that audits by the Auditor-General are consistently applied across the public sector.

The Auditor-General as a corporation sole will be an “Office of Parliament” for the purposes of the financial accountability provisions of the Public Finance Act 1989.

There are also some extra accountability provisions. In particular, there will be a procedure to enable the Auditor-General’s annual plan (which includes the forecast financial statements required under section 34A of the Public Finance Act 1989) to be the subject of consultation with the Speaker and a committee of the House of Representatives before it is tabled. Consistent with the Auditor-General’s accountability to Parliament, the House of Representatives will also have a power by resolution to direct the Auditor-General as to the work programme priorities set out in an annual plan.

The Auditor-General’s powers to surcharge persons responsible for deficiencies and losses (currently provided under sections 30 and 31 of the 1977 Act) are to be abolished. However, in respect of local authorities, they are to be replaced with a special reporting procedure, which will—

- enable the Auditor-General to report a loss to a local authority:

- encourage the authority to take action to recover the loss as a debt from those responsible.

These provisions will, when enacted, form part of the Local Government Act 1974.

Clause by clause analysis

Clause 1 is the Title clause.

Part 1

Preliminary

Part 1 contains the commencement, purpose, interpretation, and application provisions.

Clause 2 is the commencement clause. The Bill comes into force on 1 July 2000.

Clause 3 sets out the purpose of the Bill.

Clause 4 relates to interpretation and defines certain terms used in the Bill.

The definition of the term **public entity** is important. The definition is an exhaustive list of the organisations that are subject to audit by the Auditor-General.

The definition of the **Auditor-General** includes, in specified instances, employees and appointed auditors, past and present.

Clause 5 sets out the entities that the Bill applies to. These entities include those listed in *Schedules 1 and 2*.

Clause 6 provides that the Bill binds the Crown.

Part 2

Controller and Auditor-General

Part 2 contains provisions relating to the Auditor-General.

Auditor-General

Clause 7 establishes the Auditor-General as an officer of Parliament and provides for the appointment of the Auditor-General.

Clause 8 provides that the Auditor-General must not hold specified offices and may only hold other offices or take on another occupation with the approval of the Speaker of the House of Representatives.

Clause 9 provides that the Auditor-General must act independently.

Clause 10 establishes the Auditor-General as a corporation sole.

Clause 11 establishes the Deputy Auditor-General as an officer of Parliament and provides for the appointment of the Deputy Auditor-General, restrictions on the holding of other offices by the Deputy Auditor-General, and the Deputy Auditor-General's independence.

Clause 12 sets out the functions, duties, and powers of the Deputy Auditor-General.

Clause 13 provides that the administrative provisions relating to the Auditor-General, Deputy Auditor-General and the Auditor-General's employees are set out in *Schedule 3* of the Bill.

Part 3

Audits and reports

Part 3 relates to audits and reports.

Audits of public entities

Clause 14 provides that the Auditor-General is to be the auditor of public entities.

Clause 15 provides that the Auditor-General must audit the information a public entity is required to have audited.

Clause 16 provides that the Auditor-General may at any time carry out a performance audit and describes the matters the Auditor-General may examine when carrying out the audit. One of the matters the Auditor-General may examine is the effectiveness and efficiency of a public entity, except in the case of a public entity that is a State enterprise. The other matters that apply to all public entities are compliance with statutory obligations, waste, and lack of probity or financial prudence.

Clause 17 provides that the Auditor-General may also, with the agreement of the public entity, perform other auditing services which it is reasonable and appropriate for an auditor to perform.

Clause 18 provides that the Auditor-General may inquire into any matter regarding a public entity's use of its resources.

Audits of other entities

Clause 19 provides that the Auditor-General may act as an auditor for an entity that is not a public entity. Before agreeing to act as

auditor, the Auditor-General must be satisfied of a number of matters. If the Auditor-General agrees to act as auditor, certain provisions of this Bill apply as if the entity were a public entity.

Reports

Clause 20 empowers the Auditor-General to report to the House of Representatives on matters arising out of the exercise of the Auditor-General's functions, duties, and powers. A report must be made at least once every calendar year, but the Auditor-General may also report at any other time.

Clause 21 provides that the Auditor-General may report to a Minister, a committee of the House of Representatives, a public entity, or any person on any matter arising out of the Auditor-General's functions, duties, and powers.

Clause 22 requires a public entity named in the First or Second Schedules of the Local Government Official Information and Meetings Act 1987 to table any report made by the Auditor-General in relation to that entity at a public meeting, if the Auditor-General so requires.

Clause 23 requires the Auditor-General to submit a report to the House of Representatives setting out the general auditing standards applied or to be applied to the conduct of audits. This report is an important accountability mechanism and must be made once every 3 years. It must also be made publicly available. Any significant changes to the auditing standards during any year must be included in the Auditor-General's annual report.

Part 4

Information gathering powers and disclosure of information

Part 4 relates to the Auditor-General's access to information and the confidentiality of that information.

Clause 24 ensures that the Auditor-General has access to all the relevant documents of public entities. The Auditor-General may also require information and explanations from officers and employees of those entities.

Clause 25 sets out the Auditor-General's powers relating to the obtaining of information. In cases where the person required to provide information is not a member or an employee or an office holder of the public entity being audited, the Auditor-General must

advise the person in writing of the nature of the information required and that it is required under this clause. The Auditor-General may pay the reasonable costs and disbursements incurred in providing the information and recover those costs and disbursements from the public entity.

Clause 26 provides that the Auditor-General may require a person to give evidence before the Auditor-General and may examine that person on oath. The Auditor-General may pay the reasonable costs and disbursements incurred in attending before the Auditor-General and recover those costs and expenses from the relevant public entity.

Clause 27 sets out the Auditor-General's powers relating to the inspection of bank accounts. Before exercising these powers, the Auditor-General must be granted a warrant by a District Court Judge.

Clause 28 provides that people required to supply information to the Auditor-General are not to be regarded as being in breach of any secrecy obligation in any enactment imposing that obligation.

Clause 29 provides that the Auditor-General may, at all reasonable times, enter into and remain on a public entity's premises. The Auditor-General may also enter into and remain on other premises if authorised by a warrant issued by a District Court Judge. A search may be carried out for the information and the Auditor-General may examine and take copies of documents or parts of documents.

Clause 30 The Auditor-General may disclose information in the course of the exercise of the Auditor-General's powers if the Auditor-General considers it appropriate to do so. Before disclosing any information the Auditor-General must consider—

- (a) whether it is in the public interest to disclose the information; and
- (b) an auditor's professional obligations concerning confidentiality of information; and
- (c) whether the disclosure would be prejudicial to the interests described in certain provisions of the Official Information Act 1982.

Clause 31 relates to the privilege against self-incrimination.

Part 5

Appointments and delegations

Part 5 provides for the appointment of auditors to carry out audits on behalf of the Auditor-General and for the delegation of the Auditor-General's powers and functions.

Appointment of auditors

Clauses 32 and 33 provide for the appointment, by the Auditor-General, of persons to carry out audits on the Auditor-General's behalf. The appointments may be for 1 or more public entities and may be for 1 or more audits. An appointment must be in writing and may be subject to restrictions and conditions.

Clause 34 sets out the powers of an appointed auditor.

Delegations

Clause 35 provides for the delegation of powers by the Auditor-General to employees.

Part 6

Accountability

Part 6 provides the means by which the Auditor-General is held accountable.

Clause 36 requires the Auditor-General to prepare an annual plan and sets out the process for the preparation of the plan and its submission to the Speaker of the House of Representatives.

Clause 37 requires the Auditor-General to prepare and present an annual report to the House of Representatives and sets out what must be included in that report.

Clause 38 requires the House of Representatives to appoint an independent auditor to audit the annual financial statements, accounts, and other information of the Auditor-General.

Part 7

Miscellaneous provisions

Part 7 contains miscellaneous provisions.

Clause 39 sets out various offences and penalties under the Bill. Penalties range from fines not exceeding \$2,000 in the case of an

offence by an individual and, in the case of a person or organisation other than an individual, fines not exceeding \$5,000.

Clause 40 relates to the time for commencing proceedings.

Clause 41 limits the personal liability of the Auditor-General and any person employed by the Auditor-General in relation to acts and omissions in connection with the performance and exercise of the Auditor-General's functions and powers. The Auditor-General, however, remains liable in the Auditor-General's corporate capacity.

Clause 42 provides that the Auditor-General may charge fees and permit an appointed auditor to recover fees directly from the public entity.

Clause 43 provides that the Auditor-General is a public authority for the purposes of section CB3 of the Income Tax Act 1994.

Clause 44 allows the Governor-General, by Order in Council,—

- to add new names to the list of public entities:
- to omit the name of an entity that no longer exists from the list of public entities:
- to correct the names of entities included in the list of public entities.

Part 8

Amendments, repeals, revocations, and savings

Part 8 contains amendments to other Acts, repeals, revocations, and savings.

Amendments to Local Government Act 1974

Clauses 45 to 48 make consequential amendments to the Local Government Act 1974.

Clause 49 amends the Local Government Act 1974 to include provisions replacing those relating to surcharges previously contained in the Public Finance Act 1977. These provisions are intended to encourage compliance by local authorities with their legal obligations and duties.

Clause 50 provides for Infrastructure Auckland to be a local authority for the purposes of the Bill.

Clause 51 provides that references to the Audit Department and the Audit Office in any enactment be read as references to the Auditor-General.

Clause 52 consequentially amends the enactments in *Schedule 4*. These amendments remove references to the Public Finance Act 1977 and provide for the Auditor-General to be the auditor of particular entities or classes of entities established by those enactments.

Clause 53 consequentially amends the Hop Marketing Regulations 1939.

Clause 54 repeals the Public Finance Act 1977 and the Public Finance Amendment Act 1995 and revokes the Public Finance (Poutama Trust Audit) Order 1990.

Part 9

Transitional provisions

Part 9 contains transitional provisions.

Continuation of offices

Clause 55 is a transitional provision providing that the person holding the office of Controller and Auditor-General under the Public Finance Act 1977 continues in that office under this Bill.

Audit Department

Clause 56 abolishes the Audit Department.

Clause 57 provides for the transfer of Crown assets and liabilities to the Auditor-General.

Clause 58 sets out the rights and liabilities of the Crown and third parties after the transfer of any assets, liabilities, or rights.

Employees in Audit Department to be employees of Auditor-General

Clauses 59 to 62 provide that employees in the Audit Department will be deemed to be employees of the Auditor-General and other provides for related matters

Hon Jim Anderton

Public Audit Bill

Government Bill

Contents

1	Title	
	Part 1	
	Preliminary	
2	Commencement	
3	Purpose of this Act	
4	Interpretation	
5	Entities to which this Act applies	
6	Act to bind the Crown	
	Part 2	
	Controller and Auditor-General and Deputy Controller and Auditor-General	
	<i>Auditor-General</i>	
7	Controller and Auditor-General	
8	Auditor-General to hold no other office	
9	Duty to act independently	
10	Corporate status	
11	Deputy Controller and Auditor-General	
12	Functions, duties, and powers of Deputy Auditor-General	
	<i>Administrative provisions</i>	
13	Administrative provisions applying to Auditor-General, Deputy Auditor-General, and Auditor-General's employees	
	Part 3	
	Audits and reports	
	<i>Audits of public entities</i>	
14	Auditor of public entities	
15	Financial report audit	
16	Performance audit	
17	Other auditing services	
18	Inquiries by Auditor-General	
	<i>Audits of other entities</i>	
19	Auditor of other entities	
	<i>Reports</i>	
20	Reports to House of Representatives	
21	Reports to Minister, committees, etc	
22	Publication of Auditor-General's report relating to public entity named or described in Local Government Official Information and Meetings Act 1987	
23	Publication of auditing standards	
	Part 4	
	Information gathering powers and disclosure of information	
24	Access to information	
25	Power of Auditor-General to obtain information	
26	Power to examine on oath	
27	Power to inspect bank accounts	
28	Protection for persons supplying information	
29	Access to premises	
30	Disclosure by Auditor-General	
31	Self-incrimination	
	Part 5	
	Appointments and delegations	
	<i>Appointment of auditors</i>	
32	Appointment of auditors for financial report audit	
33	Appointment of auditors for performance audit or inquiries	
34	Powers of appointed auditor	
	<i>Delegations</i>	
35	Delegation of powers	
	Part 6	
	Accountability	
36	Annual plan of Auditor-General	
37	Annual report of Auditor-General	

<p>38 Independent auditor to audit Auditor-General</p> <p style="text-align: center;">Part 7 Miscellaneous provisions</p> <p>39 Offences</p> <p>40 Time for commencing proceedings</p> <p>41 Protection from liability</p> <p>42 Audit fees</p> <p>43 Exemption from income tax</p> <p>44 Amendments to Schedule 2</p> <p style="text-align: center;">Part 8 Amendments, repeals, revocations, and savings</p> <p><i>Amendments to Local Government Act 1974</i></p> <p>45 Assessment of tax</p> <p>46 Failure to comply with financial reporting requirements</p> <p>47 Person carrying on transport or ferry service may sell undertaking to territorial authority</p> <p>48 New section 594ZC substituted 594ZC Auditor-General to be auditor of local authority trading enterprises and subsidiaries</p> <p>49 New heading and sections 706A–706C inserted</p> <p style="padding-left: 40px;"><i>Recovery of losses incurred by local authorities</i></p> <p>706A Report by Auditor-General on loss incurred by local authority</p> <p>706B Local authority to respond to Auditor-General</p> <p>706C Members of local authority liable for loss</p> <p>50 Infrastructure Auckland to be local authority for certain purposes</p> <p style="padding-left: 40px;"><i>Consequential amendments</i></p> <p>51 References to Audit Department and Audit Office</p> <p>52 Consequential amendments to enactments</p>	<p>53 Consequential amendment to Hop Marketing Regulations 1939</p> <p style="padding-left: 20px;"><i>Consequential repeals and revocation</i></p> <p>54 Consequential repeals and revocation</p> <p style="text-align: center;">Part 9 Transitional provisions</p> <p style="padding-left: 40px;"><i>Continuation of offices</i></p> <p>55 Controller and Auditor-General and Deputy Controller and Auditor-General</p> <p style="padding-left: 40px;"><i>Audit Department</i></p> <p>56 Audit Department—</p> <p>57 Transfer of Crown assets and liabilities to Auditor-General</p> <p>58 Rights and liabilities of the Crown and third parties following transfer or grant</p> <p style="padding-left: 20px;"><i>Employees in Audit Department to be employees of Auditor-General</i></p> <p>59 Transitional provisions in respect of employees of Audit Department</p> <p>60 Protection of conditions of employment</p> <p>61 No compensation for technical redundancy</p> <p>62 Membership of Government Superannuation Fund</p> <p style="text-align: center;">—————</p> <p style="text-align: center;">Schedule 1 Classes of public entities</p> <p style="text-align: center;">Schedule 2 Specific public entities not falling within any class</p> <p style="text-align: center;">Schedule 3 Provisions applying in respect of Auditor-General, Deputy Auditor-General, and employees of Auditor-General</p> <p style="text-align: center;">Schedule 4 Consequential amendments and repeals</p>
---	--

The Parliament of New Zealand enacts as follows:

1 Title

This Act is the Public Audit Act **2000**.

Part 1 Preliminary

- 2 Commencement**
This Act comes into force on **1 July 2000**.
- 3 Purpose of this Act** 5
The purpose of this Act is to reform and restate the law relating to the audit of public sector organisations.
- 4 Interpretation**
In this Act, unless the context otherwise requires,—
- applicable financial reporting standard** has the same meaning as in section 2(1) of the Financial Reporting Act 1993 10
- appointed auditor** means an auditor appointed under either of **section 32 or section 33**
- Auditor-General** means the Controller and Auditor-General appointed under **section 7** and, in **sections 24, 25, 27(1), 28, and 30** includes every employee of the Controller and Auditor-General or every appointed auditor who has been authorised under this Act to act under the section concerned 15
- Crown—**
- (a) means Her Majesty the Queen in right of New Zealand; and 20
- (b) includes all Ministers of the Crown and all departments; but
- (c) does not include— 25
- (i) an Office of Parliament; or
- (ii) a Crown entity; or
- (iii) a State enterprise named in the First Schedule of the State-Owned Enterprises Act 1986
- Deputy Auditor-General** means the Deputy Controller and Auditor-General appointed under **section 11** 30
- document** means any record of information; and includes—
- (a) anything on which there is writing or any image; and
- (b) anything on which there are marks, figures, symbols, or perforations having a meaning for persons qualified to interpret them; and 35
- (c) anything from which sounds, images, or writing can be reproduced, with or without the aid of anything else

- entity** means any person, whether corporate or unincorporate
local authority has the same meaning as in section 2(1) of the
 Local Government Act 1974
- office of Parliament** has the same meaning as in section 2(1)
 of the Public Finance Act 1989 5
- public entity** means any of the entities described in **section 5**
State enterprise means an entity that is a State enterprise
 within the meaning of section 2 of the State-Owned Enter-
 prises Act 1986
- subsidiary**— 10
- (a) means a subsidiary within the meaning of sections 5 to
 8 of the Companies Act 1993; and
- (b) includes an entity that is classified as a subsidiary in any
 applicable financial reporting standard.
- 5 Entities to which this Act applies** 15
- (1) This Act applies to—
- (a) the Crown:
- (b) each office of Parliament, except where another auditor
 has been appointed for that office under section 40(b) of
 the Public Finance Act 1989: 20
- (c) an entity of a class described in **Schedule 1**:
- (d) an entity listed in **Schedule 2**:
- (e) an entity in respect of which the Auditor-General is the
 auditor under any other enactment (other than
section 19): 25
- (f) an entity which is controlled by 1 or more entities of the
 kinds referred to in **paragraphs (a) to (e)**.
- (2) For the purposes of this Act, an entity is controlled by 1 or
 more other entities if—
- (a) the entity is a subsidiary of any of those other entities; 30
 or
- (b) the entity is controlled by 1 or more of those other
 entities within the meaning of any applicable financial
 reporting standard; or
- (c) the other entity or entities can control the composition 35
 of the board of the entity within the meaning of sections
 7 and 8 of the Companies Act 1993 (which, for the
 purposes of this paragraph, are to be read with all neces-
 sary modifications).

- 6 Act to bind the Crown**
This Act binds the Crown.

Part 2
Controller and Auditor-General and Deputy
Controller and Auditor-General 5

Auditor-General

- 7 Controller and Auditor-General**
- (1) There is an officer of Parliament called the Controller and Auditor-General.
- (2) The Controller and Auditor-General is appointed by the Governor-General on the recommendation of the House of Representatives. 10

- 8 Auditor-General to hold no other office**
- The Auditor-General is not capable of being a member of Parliament or of a local authority and must not, without the approval of the Speaker of the House of Representatives, hold any other office or take on any other occupation. 15

- 9 Duty to act independently**
- The Auditor-General must act independently in the exercise and performance of the Auditor-General's functions, duties, and powers. 20

- 10 Corporate status**
- (1) The Auditor-General is a corporation sole with perpetual succession and a seal of office.
- (2) The Auditor-General has and may exercise all the rights, powers, and privileges and incur all the liabilities and obligations of a body corporate of full capacity. 25

Deputy Auditor-General

- 11 Deputy Controller and Auditor-General**
- (1) There is an officer of Parliament called the Deputy Controller and Auditor-General. 30
- (2) The Deputy Controller and Auditor-General is appointed by the Governor-General on the recommendation of the House of Representatives.

- (3) **Sections 8 and 9** apply to the Deputy Auditor-General as if references in those sections to the Auditor-General were references to the Deputy Auditor-General.
- 12 Functions, duties, and powers of Deputy Auditor-General** 5
- (1) The Deputy Auditor-General has and may exercise, to the same extent as the Auditor-General, all the functions, duties, and powers of the Auditor-General.
- (2) The exercise by the Deputy Auditor-General of the Auditor-General's functions, duties, and powers is subject to the control of the Auditor-General. 10
- (3) If there is a vacancy in the office of the Auditor-General, or if the Auditor-General is absent for any reason, the Deputy Auditor-General has and may exercise all the functions, duties, and powers of the Auditor-General for as long as the vacancy or absence continues. 15
- (4) The fact that the Deputy Auditor-General exercises any function, duty, or power of the Auditor-General is, in the absence of evidence to the contrary, conclusive evidence of the Deputy Auditor-General's authority to do so. 20

Administrative provisions

- 13 Administrative provisions applying to Auditor-General, Deputy Auditor-General, and Auditor-General's employees**
- The provisions set out in **Schedule 3** apply to the Auditor-General, Deputy Auditor-General, and employees of the Auditor-General. 25

Part 3
Audits and reports

Audits of public entities 35

- 14 Auditor of public entities**
- (1) The Auditor-General is the auditor of every public entity.
- (2) Nothing in **sections 15 to 19** limits **subsection (1)**.

- 15 Financial report audit**
The Auditor-General must from time to time audit the financial statements, accounts, and other information that a public entity is required to have audited.
- 16 Performance audit** 5
- (1) The Auditor-General may at any time examine—
- (a) the extent to which a public entity is carrying out its activities effectively and efficiently:
 - (b) a public entity's compliance with its statutory obligations: 10
 - (c) any act or omission of a public entity, in order to determine whether waste has resulted or may have resulted or may result:
 - (d) any act or omission showing or appearing to show a lack of probity or financial prudence by a public entity or 1 or more of its members, office holders, employees, and contractors. 15
- (2) An audit under this section may relate to 1 or more public entities.
- (3) **Subsection (1)(a)** does not apply to a State enterprise. 20
- (4) If **subsection (1)(a)** applies, then,—
- (a) if the entity is the Crown or a Crown entity, the examination is to be limited to the extent to which activities are being carried out effectively and efficiently in a manner consistent with any applicable government policy: 25
 - (b) if the entity is a local authority, the examination is limited to the extent to which activities are being carried out effectively and efficiently in a manner consistent with any applicable policy of the governing body of the local authority. 30
- 17 Other auditing services**
The Auditor-General may, with the agreement of a public entity, perform for that entity any services of a kind that it is reasonable and appropriate for an auditor to perform. 35

18 Inquiries by Auditor-General

The Auditor-General may inquire, either on request or on the Auditor-General's own initiative, into any matter concerning a public entity's use of its resources.

Audits of other entities 5

19 Auditor of other entities

- (1) At the request of an entity that is not a public entity, the Auditor-General may enter into an arrangement with that entity to be its auditor.
- (2) Before entering into an arrangement, the Auditor-General must be satisfied that— 10
- (a) the entity exists for a public purpose; and
 - (b) the entity is, or ought reasonably to be, accountable to any or all of the Crown, the House of Representatives, the public, or a section of the public for the exercise of its functions and the management of its resources; and 15
 - (c) no practical means exist for those to whom the entity is, or ought reasonably to be, accountable to appoint an auditor of the entity; and
 - (d) it is practicable and in the public interest that the Auditor-General accepts the appointment. 20
- (3) An arrangement may be for any term not exceeding 3 years and may be renewed from time to time.
- (4) The following sections and Parts apply to an entity audited by arrangement as if references in those sections to a public entity were references to the entity and with any other necessary modifications: 25
- (a) **section 15** (financial report audit):
 - (b) **section 17** (other auditing services):
 - (c) **section 21** (reports to Minister, committees, etc): 30
 - (d) **section 23** (publication of auditing standards):
 - (e) **Part 4** (information gathering powers and disclosure of information):
 - (f) **Part 5** (appointments and delegations):
 - (g) **section 41** (protection from liability): 35
 - (h) **section 42** (audit fees).

Reports

- 20 Reports to House of Representatives** 5
 In addition to the annual report prepared under section 37, the Auditor-General must report at least once every calendar year to the House of Representatives on matters arising out of the performance and exercise of the Auditor-General's functions, duties, and powers.
- 21 Reports to Minister, committees, etc** 10
 The Auditor-General may report to a Minister, a committee of the House of Representatives, a public entity, or any person on any matter arising out of the performance and exercise of the Auditor-General's functions, duties, and powers that the Auditor-General considers it desirable to report on.
- 22 Publication of Auditor-General's report relating to public entity named or described in Local Government Official Information and Meetings Act 1987** 15
 If the Auditor-General has prepared a report under **section 20 or section 21** relating to a public entity named or described in the First or Second Schedules of the Local Government Official Information and Meetings Act 1987,— 20
 (a) the Auditor-General may direct the public entity to table the report during a meeting of the public entity that is open to the public; and
 (b) the public entity must do so as soon as practicable.
- 23 Publication of auditing standards** 25
 (1) The Auditor-General must publish, by way of a report to the House of Representatives, the general auditing standards that the Auditor-General applies, or intends to apply, to the conduct of audits.
 (2) A report under **subsection (1)** must be prepared at least once every 3 years. 30
 (3) If requested to do so by any person, the Auditor-General must supply a copy of any report under **subsection (1)** to that person on payment by that person of a reasonable fee determined by the Auditor-General. 35
 (4) In each annual report prepared under **section 37**, the Auditor-General must include a description of any significant changes

made to the general auditing standards during the year covered by that annual report.

- Part 4**
- Information gathering powers and disclosure of information** 5
- 24 Access to information**
- The chief executive and the governing body of a public entity must ensure that the Auditor-General has access at all times to the documents of the entity relating to the performance and exercise of the Auditor-General's functions, duties, and powers. 10
- 25 Power of Auditor-General to obtain information**
- (1) For the purposes of exercising or performing the Auditor-General's functions, duties, or powers, the Auditor-General may require a public entity or any person to: 15
- (a) produce to the Auditor-General a document in the entity's or person's custody, care, or control:
- (b) provide the Auditor-General with information or an explanation about any information.
- (2) If any information is required from a person who is not a member, employee, or office holder of the public entity, the Auditor-General must— 20
- (a) advise the person in writing of the nature of the information; and
- (b) state that it is required under this section; and 25
- (c) if the person is an individual and the information required is personal information about that individual, comply with information privacy principle 3 of the Privacy Act 1993.
- (3) The Auditor-General may pay the person referred to in **subsection (2)** the reasonable costs and disbursements of providing the information and may recover those costs and disbursements from the public entity to which the information relates. 30
- 26 Power to examine on oath**
- (1) The Auditor-General may, in the course of the exercise or performance of the Auditor-General's functions, duties, or powers require a person to give evidence. 35

- (2) The Auditor-General may require the evidence to be given either orally or in writing.
- (3) For the purpose of examining a person, the Auditor-General may administer an oath.
- (4) Section 108 of the Crimes Act 1961 (which relates to perjury) 5 applies to an examination under this section.
- (5) The Auditor-General may pay a person the reasonable costs and expenses incurred by that person in giving evidence to the Auditor-General.
- (6) The Auditor-General may recover those costs and expenses 10 from the public entity to which the evidence relates.

27 Power to inspect bank accounts

- (1) For the purpose of exercising or performing the Auditor-General's functions, duties, or powers, the Auditor-General may examine or audit the account of any person in any bank 15 and, for that purpose, may—
 - (a) require any officer of the bank to produce any document or provide any information relating to that account in the bank's custody, care, or control; and
 - (b) take copies of any document so produced. 20
- (2) The powers conferred on the Auditor-General by **subsection (1)** must not be exercised unless the Auditor-General is authorised to do so by warrant issued by a District Court Judge on the grounds that the Auditor-General has reason to believe that money belonging to a public entity has been 25 fraudulently or wrongfully paid into the person's account.

28 Protection for persons supplying information

- (1) A person who is required by any enactment to maintain secrecy or not to disclose information relating to a matter may be required by the Auditor-General to do any of the things 30 referred to in sections 25, 26, and 27 even though the person would otherwise be in breach of that person's obligation of secrecy or non-disclosure.
- (2) Compliance with a requirement of the Auditor-General under the sections referred to in **subsection (1)** is not a breach of the 35 relevant obligation of secrecy or non-disclosure or of the enactment by which that obligation is imposed.

29 Access to premises

For the purpose of obtaining documents, information, or other evidence relevant to any matter arising in the exercise or performance of the Auditor-General's functions, duties, or powers the Auditor-General may, at all reasonable times,— 5

- (a) enter into and remain on—
 - (i) a public entity's premises; or
 - (ii) any other premises if so authorised by warrant issued by a District Court Judge on the grounds that there is reasonable cause to suspect that documents, information, or other evidence relating to the activities of that public entity are or may be held at those premises. 10
- (b) carry out a search for a document, examine a document, and make copies of a document or parts of a document. 15

30 Disclosure by Auditor-General

- (1) This section applies to the disclosure of information by the Auditor-General.
- (2) The Auditor-General may disclose such information as the Auditor-General considers appropriate to disclose in the exercise of his or her functions, duties, or powers. 20
- (3) Before disclosing any information, the Auditor-General must consider—
 - (a) the public interest;
 - (b) an auditor's professional obligations concerning confidentiality of information: 25
 - (c) the interests described in sections 6, 7, and 9(2) of the Official Information Act 1982.
- (4) This section does not affect an individual's entitlement to request access to information under information privacy principle 6 of the Privacy Act 1993. 30

31 Self-incrimination

- (1) A person is not excused from answering a question or giving any information or document under this Act on the ground that to do so may incriminate or tend to incriminate that person. 35

- (2) A self-incriminating statement or document made or given under this Act is not admissible as evidence in criminal proceedings against that person except on the prosecution of that person for an offence against section 108 of the Crimes Act 1961 or **section 37(1)(c)** of this Act in relation to that statement or document. 5

Part 5 Appointments and delegations

Appointment of auditors

- 32 Appointment of auditors for financial report audit** 10
- (1) The Auditor-General may from time to time appoint any of the following persons or bodies to act as an auditor and to carry out 1 or more audits of entities under **section 15** on the Auditor-General's behalf:
- (a) an employee of the Auditor-General: 15
- (b) a person qualified to be an auditor of a company under section 199 of the Companies Act 1993, regardless of whether the entity concerned is a company:
- (c) subject to **subsection (2)**, a partnership, if all or some of the partners are persons who are qualified to be appointed as auditors of a company under section 199 of the Companies Act 1993. 20
- (2) If a partnership is appointed under **subsection (1)(c)**,—
- (a) the appointment of the partnership is to be treated as an appointment of all the persons who are partners in the firm from time to time; and 25
- (b) if the partnership includes persons who are not qualified to be appointed as auditors of a company under section 199 of the Companies Act 1993, the persons who are not qualified to be appointed as auditors must not act as auditors. 30
- (3) An appointment must be in writing and may be made subject to any restrictions and conditions that the Auditor-General thinks fit.
- 33 Appointment of auditors for performance audit or inquiries** 35
- (1) The Auditor-General may from time to time appoint to carry out 1 or more performance audits under **section 16** or inquiries

- under **section 18** any person who, in the opinion of the Auditor-General, is suitably qualified for the purpose.
- (2) An appointment may be made for 1 or more public entities and for any period of time.
- (3) An appointment must be in writing and may be made subject to any restrictions and conditions that the Auditor-General thinks fit. 5
- 34 Powers of appointed auditor**
- When appointing an auditor under **section 32 or section 33**, the Auditor-General may authorise the appointed auditor to exercise any of the following powers in relation to the public entity concerned: 10
- (a) report under **section 21**;
- (b) require a public entity or other person to produce a document or to provide information under **section 25(1)**: 15
- (c) inspect bank accounts under **section 27(1)**;
- (d) obtain access to a public entity's premises under **section 29(a)**;
- (e) do anything permitted by **section 29(b)**;
- (f) disclose information under **section 30(3)**. 20

Delegations

- 35 Delegation of powers**
- (1) The Auditor-General may from time to time, either generally or particularly, delegate all or any of the Auditor-General's functions, duties, and powers to an employee of the Auditor-General. 25
- (2) However, the Auditor-General must not delegate—
- (a) the power of delegation; or
- (b) the function of reporting to the House of Representatives; or 30
- (c) the power to require the tabling of a public report by a local authority.
- (3) A delegation—
- (a) must be in writing; and
- (b) may be made subject to any restrictions and conditions the Auditor-General thinks fit; and 35
- (c) is revocable at any time, in writing; and

- (d) does not prevent the performance or exercise of a duty, function, or power by the Auditor-General.
- (4) A person to whom any functions, duties, or powers are delegated may perform and exercise them in the same manner and with the same effect as if they had been conferred directly by this Act and not by delegation. 5
- (5) A person purporting to act under a delegation is presumed to be acting in accordance with its terms in the absence of evidence to the contrary.

Part 6 10

Accountability

36 Annual plan of Auditor-General

- (1) Before the beginning of each financial year, the Auditor-General must prepare and submit to the Speaker of the House of Representatives a draft annual plan that— 15
- (a) describes the Auditor-General's proposed work programme for that year; and
- (b) includes the report for that financial year required by section 34A of the Public Finance Act 1989.
- (2) The Speaker must present the draft annual plan to the House of Representatives as soon as reasonably practicable. 20
- (3) The Auditor-General, after considering any comments of the Speaker or any committee of the House of Representatives that considered the draft annual plan, may amend the plan as the Auditor-General thinks necessary but must indicate in the plan the nature of any changes to the Auditor-General's work programme priorities requested by the Speaker or any committee of the House of Representatives but not included in the plan. 25
- (4) If, within 1 month of the Speaker presenting the draft annual plan to it, the House of Representatives passes a resolution directing the Auditor-General to amend the provisions of a plan that relate to or are consequential on the Auditor-General's work programme priorities, the Auditor-General must amend the plan as directed. 30 35
- (5) The Auditor-General must present a completed annual plan to the Speaker before the beginning of each financial year and the Speaker must then present it to the House of Representatives.

37 Annual report of Auditor-General

- (1) The Auditor-General must prepare and present an annual report to the House of Representatives.
- (2) The report must include—
- (a) the audited financial statements prepared in accordance with section 35 of the Public Finance Act 1989 and audited in accordance with section 39 of that Act; and 5
 - (b) an account of the implementation of the annual plan required under **section 36**; and
 - (c) a list of entities audited by the Auditor-General under an arrangement in accordance with **section 19**. 10

38 Independent auditor to audit Auditor-General

- (1) The House of Representatives must, by resolution, in respect of each financial year appoint an independent auditor to audit the financial statements, accounts, and other information relating to that year and for this purpose the Auditor-General is to be regarded as a public entity under this Act. 15
- (2) **Parts 3 and 4 and section 40** apply in respect of each audit referred to in **subsection (1)** as if references in those provisions to the Auditor-General were references to the independent auditor and references to a public entity were references to the Auditor-General. 20

Part 7**Miscellaneous provisions**

- 39 Offences** 25
- (1) Every person commits an offence who, without lawful justification or excuse,—
- (a) intentionally obstructs, hinders, or resists the Auditor-General or any other person in the exercise of the Auditor-General's or other person's powers under this Act: 30
 - (b) intentionally refuses or fails to comply with any lawful requirement of the Auditor-General or any other person under this Act:
 - (c) makes a statement or gives information to the Auditor-General or any other person exercising powers under this Act, knowing that the statement or information is false or misleading: 35

- (d) represents directly or indirectly that the person holds any authority under this Act when that person knowingly does not hold that authority.
- (2) A person who commits an offence against **subsection (1)** is liable on summary conviction,— 5
- (a) in the case of an individual, to a fine not exceeding \$2,000;
- (b) in the case of a person or organisation other than an individual, to a fine not exceeding \$5,000.
- 40 Time for commencing proceedings** 10
- (1) Despite section 14 of the Summary Proceedings Act 1957, any information in respect of any offence against this Act may be laid at any time within 2 years from the time when the matter of the information arose.
- (2) Despite the Summary Proceedings Act 1957 or any other Act, proceedings against any member of a local authority, as such, under any Act may be commenced at any time within 2 years after the commission of the act in respect of which the proceedings are taken. 15
- 41 Protection from liability** 20
- (1) This section applies to—
- (a) the Auditor-General in his or her personal capacity; and
- (b) the Deputy Auditor-General in his or her personal capacity; and
- (c) every person employed by the Auditor-General, whether acting as an appointed auditor or not, in connection with the performance or exercise of the Auditor-General's functions, duties, or powers. 25
- (2) No person to whom this section applies is personally liable for an act or omission in connection with performing or exercising a function, duty, or power under this Act, unless the act or omission was done in bad faith. 30
- 42 Audit fees**
- (1) The Auditor-General may charge fees to a public entity for the provision of services under any of **sections 14, 15, 16, 17, and 19.** 35
- (2) The fees must be reasonable, having regard to—
- (a) the nature and extent of the services provided; and

- (b) the requirements of auditing standards published under **section 23**; and
 - (c) the qualifications and experience of the persons necessarily engaged in providing the services; and
 - (d) any other matters the Auditor-General thinks fit. 5
- (3) The Auditor-General may permit an appointed auditor to recover fees directly from the public entity.
- (4) The public entity must pay any fees to the Auditor-General or to the appointed auditor on the completion of the whole or any part of the audit when requested to do so in writing. 10
- (5) If the Auditor-General and the public entity fail to agree as to the reasonableness of a fee, the matter must be submitted to arbitration and the provisions of the Arbitration Act 1996 apply.
- 43 Exemption from income tax** 15
For the purposes of section CB 3 of the Income Tax Act 1994, the Auditor-General is a public authority.
- 44 Amendments to Schedule 2**
The Governor-General may from time to time, by Order in Council, amend **Schedule 2**— 20
- (a) by adding the name of an entity that is to be a public entity; or
 - (b) by omitting the name of an entity that no longer exists; or
 - (c) by correcting the name of an entity. 25

Part 8

Amendments, repeals, revocations, and savings

Amendments to Local Government Act 1974

- 45 Assessment of tax** 30
Section 190 of the Local Government Act 1974 is amended by repealing subsection (2), and substituting the following subsection:
- “(2) For the purposes of this Part of this Act, the Auditor-General has, in respect of the records of wholesale distributors relating to petroleum sold, agreed to be sold, disposed of, delivered, or 35

used by the Auditor-General, the same powers as it has under the Public Audit Act **2000**.”

- 46 Failure to comply with financial reporting requirements**
Section 223G of the Local Government Act 1974 is amended by repealing subsection (2), and substituting the following subsection: 5
- “(2) Every person or firm appointed under subsection (1) has all the powers conferred on the Auditor-General under **sections 24 and 25** of the Public Audit Act **2000** in the exercise of that person’s or that firm’s functions under that subsection.” 10
- 47 Person carrying on transport or ferry service may sell undertaking to territorial authority**
Section 589(3) of the Local Government Act 1974 is amended by repealing paragraph (d), and substituting the following paragraph: 15
- “(d) despite sections 196 to 203 of the Companies Act 1993, every such company in which the territorial authority has an interest is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor:”. 20
- 48 New section 594ZC substituted**
The Local Government Act 1974 is amended by repealing section 594ZC, and substituting the following section:
- “**594ZC Auditor-General to be auditor of local authority trading enterprises and subsidiaries** 25
- Despite sections 196 to 203 of the Companies Act 1993, every local authority trading enterprise and every subsidiary of every local authority trading enterprise is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.” 30
- 49 New heading and sections 706A–706C inserted**
The Local Government Act 1974 is amended by inserting, after section 706, the following heading and sections:

*“Recovery of losses incurred by local authorities***“706A Report by Auditor-General on loss incurred by local authority**

- “(1) For the purposes of this section, and **sections 706B and 706C**, a local authority is to be regarded as having incurred a loss to the extent that any of the following actions and omissions has occurred and the local authority has not been fully compensated for the action or omission concerned: 5
- “(a) money belonging to or administrable by a local authority has been unlawfully expended; or 10
- “(b) an asset has been unlawfully sold or otherwise disposed of by the local authority; or
- “(c) a liability has been unlawfully incurred by the local authority; or
- “(d) a local authority has intentionally or negligently failed to enforce the collection of money it is lawfully entitled to receive. 15
- “(2) If the Auditor-General is satisfied that a local authority has incurred a loss, the Auditor-General may make a report on the loss to the local authority, and may include in the report recommendations in relation to the recovery of the loss or the prevention of further loss as the Auditor-General thinks fit. 20
- “(3) The Auditor-General must send copies of the report to the Minister and every member of the local authority.

“706B Local authority to respond to Auditor-General 25

- “(1) On receipt of a report from the Auditor-General, the local authority must, within 20 working days, respond in writing to the Auditor-General, and send a copy of the response to the Minister.
- “(2) The local authority’s response must— 30
- “(a) respond to each of the Auditor-General’s recommendations; and
- “(b) include a statement as to what action, if any, the local authority intends to take in respect of the loss.
- “(3) The Minister may extend the period of time within which the local authority must forward its response. 35
- “(4) An individual member of the local authority may respond to the Auditor-General—

- “(a) by making a separate response to the Auditor-General, and sending a copy to the local authority and the Minister, within the time required for the local authority’s response; or
- “(b) with the consent of the local authority, by incorporating that member’s response in the local authority’s response. 5
- “(5) The local authority must, as soon as practicable after the expiry of the time for forwarding its response, table in a meeting of the local authority that is open to the public a copy of the Auditor-General’s report, the local authority’s response, and any response of an individual member of the local authority not incorporated in the local authority’s response. 10
- “706C Members of local authority liable for loss 15**
- “(1) Without limiting any other person’s liability for a loss, a loss incurred by a local authority is recoverable as a debt due to the local authority from each member of the local authority jointly and severally.
- “(2) If the local authority does not, within a reasonable time, commence proceedings to recover the loss under **subsection (1)**, the Crown may commence proceedings to recover the loss under that subsection as if the loss were a debt due to the Crown. 20
- “(3) Any amount recovered by the Crown under **subsection (2)**, less all costs incurred by the Crown in respect of the recovery, must be paid by the Crown to the local authority concerned. 25
- “(4) It is a defence to any proceedings under **subsection (1)** if the defendant proves that the act or failure to act resulting in the loss occurred—
- “(a) without the defendant’s knowledge; or 30
- “(b) with the defendant’s knowledge but against the defendant’s protest made at or before the time when it occurred; or
- “(c) contrary to the manner in which the defendant voted on the issue at a meeting of the local authority; or 35
- “(d) in circumstances that, although being a party to the act or failure to act, the defendant acted in good faith and in reliance on reports, statements, financial data, or other information prepared or supplied, or on professional or expert advice given, by any of the following persons: 40

- “(i) an employee of the local authority whom the defendant believed on reasonable grounds to be reliable and competent in relation to the matters concerned:
- “(ii) a professional adviser or expert in relation to matters which the defendant believed on reasonable grounds to be within the person’s professional or expert competence.” 5
- 50 Infrastructure Auckland to be local authority for certain purposes** 10
 Section 707ZZP(1) of the Local Government Act 1974 is amended by repealing paragraph (g), and substituting the following paragraph:
 “(g) the Public Audit Act 2000.”
- Consequential amendments* 15
- 51 References to Audit Department and Audit Office**
 Every reference to the Audit Department or the Audit Office in any enactment is to be read as a reference to the Auditor-General.
- 52 Consequential amendments to enactments** 20
 The enactments listed in **Schedule 4** are amended in the manner indicated in that schedule.
- 53 Consequential amendment to Hop Marketing Regulations 1939** 25
 The Hop Marketing Regulations 1939 (SR 1939/96) are amended by omitting from regulation 19 the words “public money within the meaning of the Public Finance Act 1977”, and substituting the words “a public entity as defined in **section 4** of the Public Audit Act 2000”.
- Consequential repeals and revocation* 30
- 54 Consequential repeals and revocation**
 (1) The following enactments are repealed:
 (a) Public Finance Act 1977 (1977 No 65);
 (b) Public Finance Amendment Act 1994 (1994 No 18).

- (2) The Public Finance (Poutama Trust Audit) Order 1990 (SR 1990/6) is revoked.

Part 9 Transitional provisions

Continuation of offices 5

55 **Controller and Auditor-General and Deputy Controller and Auditor-General**

Despite the enactment of this Act, each of the persons holding office as Controller and Auditor-General or Deputy Controller and Auditor-General immediately before the commencement of this Act continues, after that commencement, to hold office on the same terms and conditions as those on which they held office before that commencement. 10

Audit Department

56 **Audit Department—** 15 The Audit Department is abolished.

57 **Transfer of Crown assets and liabilities to Auditor-General**

- (1) Despite any Act, rule of law, deed, or agreement, and for such consideration and on such terms and conditions as the Minister of Finance may agree with the Auditor-General, that Minister may, on behalf of the Crown,— 20
- (a) transfer to the Auditor-General assets and liabilities of the Crown; and
 - (b) authorise the Auditor-General to act on behalf of the Crown in managing assets or liabilities of the Crown; and 25
 - (c) grant to the Auditor-General leases, licences, easements, permits, or rights of any kind in respect of any assets or liabilities of the Crown. 30
- (2) The Minister of Finance must present to the House of Representatives any contract or other document entered into under **subsection (1)** within 12 sitting days after the date of that contract or document.

- 58 Rights and liabilities of the Crown and third parties following transfer or grant**
- (1) If there is a transfer or grant of any asset, liability, authority, or rights to the Auditor-General under any of **paragraphs (a) to (c) of section 57(1)**,— 5
- (a) the transfer or grant does not entitle any other person to terminate, alter, or in any way affect the rights or liabilities of the Crown or the Auditor-General under any Act or any deed or agreement: 5
- (b) if the transfer or grant is registrable, the person responsible for keeping the register must register the transfer or grant immediately after written notice of the transfer or grant is received by that person from any person authorised for this purpose by the Minister of Finance: 10
- (c) the presentation to the House of Representatives of any contract or other document relating to the transfer or grant is to be treated as notice of the transfer or grant and, after the date of the contract or document, any affected third party is to deal with the Auditor-General in place of the Crown: 15
- (d) the Crown remains liable to any third party as if the transfer or grant had not been made, but the Auditor-General must indemnify the Crown in respect of any liability to the third party: 20
- (e) any satisfaction or performance by the Auditor-General in respect of the asset, liability, authority, or rights is to be treated as also satisfaction or performance by the Crown: 25
- (f) any satisfaction or performance in respect of the asset or liability, authority, or rights by any third party to the benefit of the Auditor-General is to be treated as also to the benefit of the Crown. 30
- (2) No provision in any deed or agreement limiting the Crown's right to sell any assets to third parties, or for determining the consideration for the sale of any assets to third parties, or obliging the Crown to account to any person for the whole or part of the proceeds of sale by the Crown of any assets to third parties, or obliging the Crown to pay a greater price than otherwise by reason of or as a consequence of the sale of any assets to third parties, has any application or effect in respect of any contract or other document or transfer entered into or 35 40

effected under this Act or under such a contract or other document or transfer.

- (3) Any asset, liability, authority, or rights of the Crown may be transferred or granted to the Auditor-General under this Act whether or not any Act or deed or agreement relating to the asset, liability, authority, or rights permits such transfer or grant or requires any consent to such a transfer or grant. 5

Employees in Audit Department to be employees of Auditor-General

59 Transitional provisions in respect of employees of Audit Department 10

Every person employed in the Audit Department immediately before the date of commencement of this Act is, on and from that date, an employee of the Auditor-General and is employed under the same terms and conditions as applied to that employee immediately before that date. 15

60 Protection of conditions of employment

For the purposes of every enactment, law, contract, and agreement relating to the employment of a person referred to in **section 59**,— 20

- (a) the contract of employment of that employee that applied immediately before the commencement of this Act in respect of that person's employment in the Audit Department is to be treated as unbroken; and
- (b) the employee's period of service with the Audit Department and every other period of service of that employee that was recognised by the Audit Department as continuous service is to be treated as a period of service with the Auditor-General. 25

61 No compensation for technical redundancy 30

A person to whom **section 59** applies is not entitled to any compensation for redundancy by reason only of the person ceasing to be employed in the Audit Department.

62 Membership of Government Superannuation Fund

If a person to whom **section 59** applies was a contributor to the Government Superannuation Fund under the Government 35

Superannuation Fund Act 1956 immediately before the date of commencement of this Act,—

- (a) that person is to be regarded for the purposes of the Government Superannuation Fund Act 1956 as being employed in the Government service for so long as the person continues to be employed by the Auditor-General; and 5
 - (b) the Government Superannuation Fund Act 1956 is deemed to apply to the person in all respects as if the person's service with the Government service were continuous. 10
-

Schedule 1 Classes of public entities

s 5(1)(c)

Administering bodies established by the Reserves Act 1977, except Boards as defined in section 2 of that Act.	
Airport companies authorised by the Airport Authorities Act 1966 to exercise the functions of a local authority.	5
Community trusts established by section 225D of the Local Government Act 1974.	
Crown entities as defined in section 2 of the Public Finance Act 1989.	10
Departments of the public service as listed in the First Schedule of the State Sector Act 1988.	
Energy companies which are public entities under section 45(1) of the Energy Companies Act 1992.	
Licensing trusts constituted by section 185 of the Sale of Liquor Act 1989.	15
Local authorities as defined in section 2 of the Local Government Act 1974.	
Local authority trading enterprises as defined in section 594B of the Local Government Act 1974.	20
Maori Trust Boards as constituted by section 3 of the Maori Trust Boards Act 1955 but not subsidiaries of those Boards.	
Marketing authorities as defined in section 2 of the Primary Products Marketing Act 1953.	
Port companies as defined in section 2 of the Port Companies Act 1988.	25
Provincial Patriotic Councils constituted by section 15 of the Patriotic and Canteen Funds Act 1947.	
Recognised bodies under section 322(2) of the Education Act 1989.	
Security and intelligence departments as defined by section 70A of the Public Finance Act 1989.	30
Sinking Fund Commissioners whose establishment is preserved by section 21(1)(h) of the Local Government Amendment Act (No 3) 1996.	
State enterprises as listed in the First Schedule of the State-Owned Enterprises Act 1986.	35

Trustees as defined in section 2 of the Burial and Cremation Act 1964.

Schedule 2

s 5(1)(d)

Specific public entities not falling within any class

Armed Forces Canteen Council Arts boards	
Auckland Aotea Centre Board of Management	
Canterbury Museum Trust Board	5
Carter Observatory	
Costley Training Institution	
Council of Legal Education	
Dempsey Trust	
Electrical Workers Registration Board	10
Engineering Associates Registration Board	
Engineers Registration Board	
Export Guarantee Office	
Fishing Industry Board	
Maori Purposes Fund Board	15
Maori Soldiers Trust	
Masterton Trust Lands Trust	
Museum of Transport and Technology	
New Zealand Council for Educational Research	
New Zealand Defence Force	20
New Zealand Historic Places Trust	
New Zealand Horticulture Export Authority	
New Zealand Maori Arts and Crafts Institute	
Ngarimu V.C. and 28th (Maori) Battalion Memorial Scholarship Fund	25
Ngāti Whakaue Education Endowment Trust Board	
Nursing Council of New Zealand	
Office of the Clerk of the House of Representatives	
Otago Museum Trust Board	
Pacific Islands Polynesian Education Foundation	30
Parliamentary Counsel Office	
Parliamentary Service Commission	
Patriotic and Canteen Funds Board	

Plumbers, Gasfitters, and Drainlayers Board	
Poutama Trust	
Queen Elizabeth the Second National Trust	
Reserve Bank of New Zealand	
Riccarton Bush Trustees	5
Royal New Zealand Foundation for the Blind	
Selwyn Plantation Board Limited	
Survey Board of New Zealand	
Taranaki Scholarships Trust Board	
Taratahi Training Centre (Wairarapa) Trust Board	10
The New Zealand Police	
Tokelau Administration	
Treaty of Waitangi Fisheries Commission, but not a subsidiary of the Commission	
Valuers Registration Board	15
Waitangi National Trust Board	
War Pensions Advisory Board	
Winston Churchill Memorial Trust	

Schedule 3

s 13

**Provisions applying in respect of Auditor-General,
Deputy Auditor-General, and employees of
Auditor-General**

<i>Auditor-General and Deputy Auditor-General</i>	5
1 Term of appointment of Auditor-General	
(1) The Auditor-General is to be appointed for a term not exceeding 7 years.	
(2) Despite subclause (1) , where the term of office of an Auditor-General expires, that Auditor-General, unless sooner vacating office or being removed from office, continues to hold office until a successor to the Auditor-General is appointed.	10
(3) The Auditor-General may resign at any time by notice in writing to the Speaker of the House of Representatives, or to the Governor-General if there is no Speaker or the Speaker is absent from New Zealand.	15
(4) A person who has been appointed as Auditor-General must not be reappointed as Auditor-General.	
2 Term of appointment of Deputy Auditor-General	
(1) The Deputy Auditor-General is to be appointed for a term not exceeding 5 years.	20
(2) A person who has been appointed as Deputy Auditor-General may be reappointed as Deputy Auditor-General.	
(3) Subclauses (2) and (3) of clause 1 apply, with the necessary modifications, in respect of the Deputy Auditor-General as if references to the Auditor-General were references to the Deputy Auditor-General.	25
3 Oath of office	
(1) The Auditor-General and Deputy Auditor-General must each, before undertaking any duties as such, take an oath of office that he or she will honestly and impartially perform the duties of his or her office.	30
(2) The oath must be administered by the Speaker of the House of Representatives or the Clerk of the House of Representatives.	

- 4 Removal or suspension from office**
- (1) The Auditor-General or Deputy Auditor-General may at any time be removed or suspended from office by the Governor-General, on an address from the House of Representatives, for disability affecting the performance of duty, bankruptcy, neglect of duty, or misconduct. 5
- (2) At any time when Parliament is not in session, the Auditor-General or Deputy Auditor-General may be suspended from office by the Governor-General in Council for disability affecting the performance of duty, bankruptcy, neglect of duty, or misconduct proved to the satisfaction of the Governor-General; but any such suspension must not continue in force beyond 2 months after the beginning of the next session of Parliament. 10
- 5 Salary and other conditions of employment** 15
- (1) The Auditor-General and Deputy Auditor-General are each to be paid out of the Crown Bank Account, without further appropriation than this section,—
- (a) a salary at such rate as the Higher Salaries Commission from time to time determines; and 20
- (b) allowances that are determined from time to time by the Higher Salaries Commission.
- (2) The salary of the Auditor-General, or of the Deputy Auditor-General, must not be reduced during the Auditor-General's, or Deputy Auditor-General's, appointment. 25
- 6 State Sector Act 1988 and Government Superannuation Fund Act 1956 not applicable to Auditor-General and Deputy Auditor-General**
- The Auditor-General and Deputy Auditor-General are not employed in the service of the Crown for the purposes of the State Sector Act 1988 or the Government Superannuation Fund Act 1956 by reason of their appointment as Auditor-General or Deputy Auditor-General. 30
- 7 Auditor-General not to borrow, etc, without approval of Minister of Finance** 35
- The Auditor-General must not do any of the following without the written approval of the Minister of Finance:

- (a) raise a loan (as defined in section 2 of the Public Finance Act 1989):
- (b) give a guarantee or indemnity:
- (c) establish a subsidiary.

Employees of Auditor-General

5

8 Employees of Auditor-General

- (1) The Auditor-General may employ such persons as are necessary for the performance of the Auditor-General's functions, duties, and powers.
- (2) Except as otherwise stated in this Act, the terms and conditions of employment of any employee are as agreed by the Auditor-General with the employee. 10

9 Good employer principles

- (1) The Auditor-General must operate a personnel policy that complies with the principle of being a good employer. 15
- (2) A **good employer** is an employer who operates a personnel policy containing provisions generally accepted as necessary for the fair and proper treatment of employees in all aspects of their employment, including provisions requiring—
 - (a) good and safe working conditions; and 20
 - (b) an equal employment opportunities programme; and
 - (c) the impartial selection of suitably qualified persons for appointment; and
 - (d) recognition of—
 - (i) the aims and aspirations of the Maori people; and 25
 - (ii) the employment requirements of the Maori people; and
 - (iii) the need for greater involvement of the Maori people in the Public Service; and
 - (e) opportunities for the enhancement of the abilities of individual employees; and 30
 - (f) recognition of the aims and aspirations, and the cultural differences, of ethnic or minority groups; and
 - (g) recognition of the employment requirements of women; and 35
 - (h) recognition of the employment requirements of persons with disabilities.

- (3) In addition to the requirements specified in **subclauses (1) and (2)**, the Auditor-General must ensure that all employees maintain proper standards of integrity, conduct, and concern for the public interest.
- 10 Equal employment opportunities** 5
- (1) The Auditor-General must, in each year,—
- (a) develop and publish an equal employment opportunities programme:
- (b) ensure that the equal opportunities programme is complied with. 10
- (2) The Auditor-General must include in the annual report of the Auditor-General—
- (a) a summary of the equal employment opportunities programme for the year to which the report relates; and
- (b) an account of the extent to which the Auditor-General was able to meet, during the year to which the report relates, the equal employment opportunities programme for that year. 15
- (3) For the purposes of this clause and **clause 8**, an equal employment opportunities programme means a programme that is aimed at the identification and elimination of all aspects of policies, procedures, and other institutional barriers that cause or perpetuate, or tend to cause or perpetuate, inequality in respect to the employment of any persons or group of persons. 20
- 11 State Sector Act 1988 and Government Superannuation Fund Act 1956 not applicable to employees of Auditor-General** 25
- (1) This clause applies to employees to whom **section 62** does not apply.
- (2) An employee of the Auditor-General is not to be regarded as employed in the service of the Crown for the purposes of the State Sector Act 1988 or the Government Superannuation Fund Act 1956 by reason of his or her employment as such. 30
-

Schedule 4

Consequential amendments and repeals

s 52

Part 1

Public Acts

- Accident Insurance Act 1998** (1998 No 114) 5
 Repeal section 347(3) and substitute:
- “(3) The financial statements of the Corporation, its subsidiary companies, and the accounts must be prepared in accordance with generally accepted accounting principles.
- “(4) The Corporation is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.” 10
- Alcoholic Liquor Advisory Council Act 1976** (1976 No 143)
 Repeal section 23(2) and substitute:
- “(2) The Council is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.” 15
- Animal Control Products Limited Act 1991** (1991 No 36)
 Repeal section 15(1)(d) and (e) and substitute:
- “(d) despite sections 196 to 203 of the Companies Act 1993, the company and every subsidiary of the company is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.”. 20
- Omit from section 15(1)(f) the words “paragraphs (d) and (e)” and substitute the words “paragraph (d)”. 25
- Architects Act 1963** (1963 No 12)
 Repeal section 50(2) and substitute:
- “(2) The Board is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.” 30
- Armed Forces Canteens Act 1948** (1948 No 51)
 Omit from section 13(1) the words “, and its accounts and stores shall be subject to audit in the same manner in all respects as if the money and stores of the Council were public money and public stores within the meaning of the Public Finance Act 1977”. 35
 Insert in section 13, after subsection (1):

Part 1—*continued*

- “(1A) The Council is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.”
- Arts Council of New Zealand Toi Aotearoa Act 1994** 5
(1994 No 19)
Repeal clause 22 of the First Schedule and substitute:
- “22 **Audits**
The Council is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.” 10
- Broadcasting Act 1989** (1989 No 25)
Repeal clause 13 of the First Schedule and substitute:
- “13 **Audit of accounts and financial statements**
The Authority and the Commission are public entities as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is their auditor.” 15
- Burial and Cremation Act 1964** (1964 No 75)
Repeal section 29(3) and substitute:
- “(3) Trustees are public entities as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is their auditor.” 20
- Carter Observatory Act 1938** (1938 No 9)
Repeal section 26(1) and substitute:
- “(1) The Board must keep full and correct accounts of all money received and expended by it.” 25
- Add to section 26:
- “(3) The Board is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.” 30
- Casino Control Act 1990** (1990 No 62)
Repeal clause 9(2) of the First Schedule and substitute:
- “(2) The Authority is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.” 35

Part 1—*continued*

Clerk of the House of Representatives Act 1988 (1988 No 126) Repeal section 30 and substitute:	
“30 Audit The Office of the Clerk of the House of Representatives is a public entity as defined in section 4 of the Public Audit Act 2000 and, in accordance with that Act, the Auditor-General is its auditor.”	5
Commerce Act 1986 (1986 No 5) Repeal section 22(2) and substitute:	10
“(2) The Commission is a public entity as defined in section 4 of the Public Audit Act 2000 and, in accordance with that Act, the Auditor-General is its auditor.”	
Companies Act 1993 (1993 No 105) Insert in section 196, after subsection (1):	15
“(1A) If a company is a public entity as defined in section 4 of the Public Audit Act 2000 , the Auditor-General is its auditor in accordance with that Act.”	
Add to section 197:	
“(d) If the auditor is the Auditor-General, in accordance with the Public Audit Act 2000 .”	20
Repeal paragraph (b) of section 199(1).	
Conservation Act 1987 (1987 No 65) Repeal section 26H(2) and substitute:	
“(2) The Council is a public entity as defined in section 4 of the Public Audit Act 2000 and, in accordance with that Act, the Auditor-General is its auditor.”	25
Repeal section 26W(2) and substitute:	
“(2) The Council is a public entity as defined in section 4 of the Public Audit Act 2000 and, in accordance with that Act, the Auditor-General is its auditor.”	30
Copyright Act 1994 (1994 No 143) Repeal paragraph (c) of the definition of Office of Parliament in section 2(1) and substitute:	
“(c) The Auditor-General:”.	35
Crown Research Institutes Act 1992 (1992 No 47) Repeal section 21 and substitute:	

Part 1—*continued*

- “21 Auditor-General to be auditor of Crown Research Institutes and subsidiaries**
- “(1) Despite sections 196 to 203 of the Companies Act 1993, every Crown Research Institute and every subsidiary of every Crown Research Institute is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor. 5
- “(2) Without limiting **subsection (1)**, the board of a Crown Research Institute may, after consultation with the Auditor-General and with the approval of the Minister, appoint a person or firm that is qualified for appointment as an auditor of a company to be an additional auditor of the Crown Research Institute or any subsidiary of the Crown Research Institute.” 10
- Earthquake Commission Act 1993** (1993 No 84) 15
Repeal section 11 and substitute:
- “11 Auditor-General to be auditor of Commission**
- “(1) The Commission is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor. 20
- “(2) Without limiting **subsection (1)**, the Commission may, after consultation with the Auditor-General and with the approval of the Minister, appoint a person or firm that is qualified for appointment as an auditor of a company to be an additional auditor of the Commission.” 25
- Electoral Act 1993** (1993 No 87)
Repeal clause 13(2) of the First Schedule and substitute:
- “(2) The Commission is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.” 30
- Energy Companies Act 1992** (1992 No 56)
Repeal section 45(1) and (2) and substitute:
- “45 Auditor-General to be auditor of energy companies and subsidiaries**
- “(1) Despite sections 196 to 203 of the Companies Act 1993 and subject to **subsection (3)**, every energy company and every subsidiary of every energy company is a public entity as 35

Part 1—*continued*

defined in **section 4** of the Public Finance Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.

- “(2) Without limiting the provisions of this section, the directors of an energy company may, after consultation with the Auditor-General, appoint a person or firm that is qualified for appointment as an auditor of a company to be an additional auditor of the energy company or any subsidiary of it. 5
- “(3) If, at any time, section 39 of this Act does not apply, or ceases to apply, in respect of an energy company,— 10
- “(a) the company is not or, as the case may be, ceases to be a public entity under **subsection (1)**:
- “(b) the Auditor-General is not to be or, as the case may be, will cease to be the auditor of the company:
- “(c) the directors of the company and of every subsidiary of the company must appoint an auditor or auditors of the company and of every subsidiary of the company and, where such appointment is made consequent on the Auditor-General ceasing to be the auditor of the energy company, every such appointment must be treated as having been made by the directors to fill a casual vacancy in the office of auditor under section 196(4) of the Companies Act 1993, as the case may be. 15 20
- “(4) Notwithstanding anything in **subsection (3)(a)**, if, in respect of any energy company and its subsidiaries (if any), consolidated financial statements have been submitted to the Auditor-General for audit, the Auditor-General is to continue to be the auditor of the company and every subsidiary of the company until that audit has been completed. 25
- “(5) If, at any time, an energy company is not, or ceases to be, a public entity under **subsection (1)**, that subsection must, notwithstanding any subsequent change in the shareholding of the energy company, have no or, as the case may be, no further application to that company or any subsidiary of that energy company.” 30 35

Engineering Associates Act 1961 (1961 No 70)

Repeal section 27(2) and substitute:

- “(2) The Board is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.” 40

Part 1—*continued***Environment Act 1986** (1986 No 127)

Repeal section 26(2).

Export Guarantee Act 1964 (1964 No 50)

Repeal section 21B and substitute:

5

“21B Auditor-General to be auditor of Export Guarantee Office

The Export Guarantee Office is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.”

10

Films, Videos, and Publications Classification Act 1993

(1993 No 94)

Repeal clause 14 of the First Schedule and substitute:

“14 Auditor-General to be auditor of Classification Office

The Classification Office is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.”

15

Finance Act (No 2) 1949 (1949 No 52)

Repeal section 11(7) and substitute:

“(7) The Board is a public entity as defined in section 4 of the Public Audit Act 2000 and, in accordance with that Act, the Auditor-General is the auditor.”

20

Financial Reporting Act 1993 (1993 No 106)

Add to section 15(2):

“(e) if the issuer is a public entity under the Public Audit Act 2000, by the Auditor-General.”

25

Fire Service Act 1975 (1975 No 42)

Omit from section 4(7) the words “the Public Finance Act 1977,”.

Repeal section 46(4A) and substitute:

“(4A) The Commission is a public entity as defined in section 4 of the Public Audit Act 2000 and, in accordance with that Act, the Auditor-General is its auditor.”

30

Fishing Industry Board Act 1963 (1963 No 70)

Repeal section 24(2) and substitute:

Part 1—*continued*

“(2) The Board is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.”

Gaming and Lotteries Act 1977 (1977 No 84) 5

Repeal section 89(4) and substitute:

“(4) Every statement prepared under subsection (2) must be audited by the Auditor-General who, for that purpose, has and may exercise all such powers as the Auditor-General has under the Public Audit Act **2000**.” 10

Repeal section 114(3) and substitute:

“(3) The Commission is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.”

Repeal section 116Y(3) and substitute: 15

“(3) The Board is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.”

Government Superannuation Fund Act 1956 (1956 No 47)

Repeal section 93A and substitute: 20

“(3) The Fund is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.”

Hazardous Substances and New Organisms Act 1996

(1996 No 30) 25

Repeal clause 47 of the First Schedule and substitute:

“47 The Authority is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.”

Health and Disability Commissioner Act 1994 (1994 No 88) 30

Repeal clause 11 of the Second Schedule and substitute:

“11 **Auditor-General to be auditor of Commissioner’s accounts**

The Commissioner is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.” 35

Part 1—*continued***Health and Disability Services Act 1993** (1993 No 22)

Repeal section 23(2) and substitute:

“(2) The Health Funding Authority is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.” 5

Repeal section 41 and substitute:

“41 **Auditor-General to be auditor of hospital and health services and subsidiaries**

“(1) Despite sections 196 to 203 of the Companies Act 1993, every hospital and health service and every subsidiary of every such service is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor. 10

“(2) Without limiting **subsection (1)**, a hospital and health service may, after consultation with the Auditor-General and if the responsible Minister approves, appoint a person or firm that is qualified for appointment as an auditor of a company to be an additional auditor of the hospital and health service or any of its subsidiaries.” 15 20

Housing Corporation Act 1974 (1974 No 19)

Repeal section 41A(2) and substitute:

“(2) The Corporation is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.” 25

Housing Restructuring Act 1992 (1992 No 76)

Repeal section 20 and substitute:

“20 **Auditor-General to be auditor of company and subsidiaries**

“(1) Despite sections 196 to 203 of the Companies Act 1993, the company and every subsidiary of the company is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor. 30

“(2) Without limiting **subsection (1)**, the board may, after consultation with the Auditor-General and if the responsible Minister so approves, appoint a person or firm that is qualified for 35

Part 1—*continued*

appointment as an auditor of a company to be an additional auditor of the company or any subsidiary of the company.”

Human Rights Act 1993 (1993 No 82)

Repeal clause 14(2) of the First Schedule and substitute: 5

“(2) The Commission and the Conciliator are public entities as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is their auditor.”

Insolvency Act 1967 (1967 No 54)

Repeal section 132A and substitute: 10

132A Auditor-General may audit Assignee’s accounts

“(1) The Auditor-General may, at the Auditor-General’s discretion, audit—

“(a) the books of account of the Assignee in respect of any bankruptcy: 15

“(b) any statement of accounts and statement of financial position prepared by the Assignee under section 132(3) of this Act:

“(c) any account maintained by the Assignee for the purposes of this Act. 20

“(2) For the purposes of this section, the Auditor-General has the same powers as the Auditor-General has under the Public Audit Act **2000** as if the Assignee were a public entity.”

Land Act 1948 (1948 No 64)

Repeal section 47(6) and substitute: 25

“(6) For the purposes of this section, the expression ‘local authority’ includes any public entity as defined in **section 4** of the Public Audit Act **2000**.”

Law Commission Act 1985 (1985 No 151)

Repeal section 8(2)(c) and substitute: 30

“(c) The Auditor-General.”

Repeal clause 11(2) of the First Schedule and substitute:

“(2) The Commission is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.” 35

Part 1—*continued***Licensing Fund Act 1989** (1989 No 61)

Omit from section 2(7) the words “and the Audit Office shall have the same duties and powers in respect of that money, and of every person dealing with it, as that Office has in respect of public money and accounts and of persons dealing with those” and substitute the words “and the Auditor-General has the same duties and powers in respect of that money, and of every person dealing with it, as if the Fund were a public entity as defined by **section 4** of the Public Audit Act **2000**”.

Local Authorities Empowering Act 1915 (1915 No 10)

Omit from section 2 the words “has the same meaning as in the Public Finance Act 1977” and substitute the words “includes any audited entity as defined in **section 4** of the Public Audit Act **2000**”.

Maori Fisheries Act 1989 (1989 No 159)

Repeal clause 14(2) of the First Schedule and substitute:

“(2) The Commission, but not any subsidiary of the Commission, is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.”

Maori Language Act 1987 (1987 No 176)

Repeal clause 13(2) of the Second Schedule and substitute:

“(2) The Commission is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.”

Maori Soldiers Trust Act 1957 (1957 No 29)

Repeal section 16(2) and substitute:

“(2) The Trust is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.”

Maori Trust Boards Act 1955 (1955 No 37)

Repeal section 31(2) and substitute:

“(2) The balance sheet, accounts, and statements must be audited by the Auditor-General.”

Insert after section 30:

Part 1—*continued***“30A Auditor-General to be auditor of Board**

Every Board is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.”

5

National Library Act 1965 (1965 No 136)

Repeal section 25A and substitute:

“25A Auditor-General to be auditor of Trustees

The Trustees are a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.”

10

New Zealand Antarctic Institute Act 1996 (1996 No 38)

Repeal clause 23 of the First Schedule and substitute:

“23 Auditor-General to be auditor of Institute

The Institute is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.”

15

New Zealand Council for Educational Research Act 1972

(1972 No 35)

Repeal section 28(1) and substitute:

20

“(1) The Council must keep full and correct accounts of all money received and spent by it.”

Add to section 28:

“(3) The Council is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.”

25

New Zealand Film Commission Act 1978 (1978 No 61)

Repeal section 31 and substitute:

“31 Auditor-General to be auditor of Commission

The Commission is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.”

30

New Zealand Horticulture Export Authority Act 1987

(1987 No 93)

Repeal section 57(2) and substitute:

35

Part 1—*continued*

- “(2) The Authority is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.”
- New Zealand Maori Arts and Crafts Institute Act 1963** 5
(1963 No 51)
Repeal section 24(1) and substitute:
- “(1) The Institute must keep full and correct accounts of all money received and expended by it.”
- Add to section 24: 10
- “(3) The Institute is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.”
- New Zealand Symphony Orchestra Act 1988** (1988 No 163) 15
Repeal section 7B and substitute:
- “**7B Auditor-General to be auditor of company and its subsidiaries**
- “(1) Despite sections 196 to 203 of the Companies Act 1993, the company and every subsidiary of the company is a public entity as defined in **section 4** of the Public Audit Act **2000** and, 20
in accordance with that Act, the Auditor-General is its auditor.
- “(2) Without limiting **subsection (1)**, the company or any subsidiary of the company may, after consultation with the Auditor-General and if the shareholding Ministers so approve, appoint a person or firm that is qualified for appointment as an auditor 25
of a company to be an additional auditor of the company or any subsidiary of the company.”
- New Zealand Trade Development Board Act 1988**
(1988 No 160)
Repeal clause 16 of the First Schedule and substitute: 30
- “**16 Auditor-General to be auditor of Board**
The Board is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.”
- Ngāi Tahu Claims Settlement Act 1998** (1998 No 97) 35
Repeal section 349 and substitute:

Part 1—*continued*

- “349 Auditor-General to be auditor of Trust**
 The Ngāi Tahu Ancillary Claims Trust is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.” 5
- Ngarimu VC and 28th (Maori) Battalion Memorial Scholarship Fund Act 1945** (1945 No 33)
 Repeal section 14(2) and substitute:
- “(2) The Board is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.” 10
- Nurses Act 1977** (1977 No 53)
 Repeal section 14(9) and substitute:
- “(9) The Council is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.” 15
- Oaths and Declarations Act 1957** (1957 No 88)
 Repeal section 25.
 Repeal the Third Schedule.
- Ombudsmen Act 1975** (1975 No 9) 20
 Repeal section 31A and substitute:
- “31A Audit**
- “(1) The House of Representatives must appoint an auditor to audit the Ombudsmen.
- “(2) The provisions of the Public Audit Act **2000** apply to any audit carried out by an auditor appointed under this section. 25
- “(3) In carrying out the functions conferred by this section, the auditor has the same functions, duties, and powers as the Auditor-General.”
- Omit from the First Schedule the item “The Audit Department.” 30
- Pacific Islands Polynesian Education Foundation Act 1972**
 (1972 No 138)
 Repeal subsection (2) of section 29.
 Insert, after section 29:

Part 1—*continued***“29A Auditor-General to be auditor of Board**

The Board is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.”

5

Parliamentary Service Act 1985 (1985 No 128)

Repeal section 55 and substitute:

“55 Auditor-General to be auditor of Parliamentary Service Commission

The Parliamentary Service Commission is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.”

10

Patriotic and Canteen Funds Act 1947 (1947 No 63)

Repeal section 40(1) and substitute:

“(1) The Board and each Council must keep full and correct accounts of all money received and expended by it.”

15

Omit from section 40(1A) the words “public money and public stores within the meaning of the Public Finance Act 1977” and substitute the words “the money and property of a public entity as defined in **section 4** of the Public Audit Act **2000**”.

20

Add to section 40:

“(3) The Board and each Council are public entities as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is their auditor.”

Omit from section 42(3) the words “according to the scale for the time being in force for the audit of local authorities’ accounts under the Public Finance Act 1977,”.

25

Plumbers, Gasfitters, and Drainlayers Act 1976 (1976 No 69)

Repeal section 15(9) and substitute:

“(9) The Board is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.”

30

Police Complaints Authority Act 1988 (1988 No 2)

Repeal section 11C(1) and substitute:

“(1) The Authority must keep full and correct accounts of all its financial transactions, assets, liabilities, and funds.

35

Part 1—*continued*

“(2) The Authority is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.”

Port Companies Act 1988(1988 No 91) 5

Repeal section 19 and substitute:

“19 **Auditor-General to be auditor of port companies and subsidiaries**

Despite sections 196 to 203 of the Companies Act 1993, every port company and every subsidiary of every port company is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.” 10

Primary Products Marketing Act 1953 (1953 No 10) 15

Repeal section 12 and substitute:

“12 **Auditor-General to be auditor of Marketing Authority**

Every Marketing Authority is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.” 20

Privacy Act 1993 (1993 No 28)

Repeal clause 10A of the First Schedule and substitute:

“10A **Auditor-General to be auditor of Commissioner**

The Commissioner is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.” 25

Public Finance Act 1989 (1989 No 44)

Omit from the definition of **Audit Office** in section 2(1) the words “has the same meaning as in section 14 of the Public Finance Act 1977” and substitute the words “means the Controller and Auditor-General”. 30

Omit from the definition of **Office of Parliament** the words “Audit Office (including the Audit Department)” and substitute the words “Auditor-General as defined in **section 4** of the Public Audit Act **2000**”. 35

Repeal subsection (2) of section 30.

Insert after section 29A:

Part 1—*continued***“29B Auditor-General to be auditor of Crown**

For the purposes of this Act the Crown is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.”

5

Omit from section 38(2) the words “Part II of the Public Finance Act 1977” and substitute the words “the Public Audit Act **2000**”.

Repeal section 41(3) and substitute:

“(3) The Crown entity must, not later than 90 days after the end of the financial year, forward the annual financial statements to the Auditor-General.”

10

Repeal section 43.

Radio New Zealand Act 1995 (1995 No 52)

Repeal section 17 and substitute:

“17 Audit

15

Despite sections 196 to 203 of the Companies Act 1993, the public radio company and every subsidiary of the public radio company is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.”

20

Reserve Bank of New Zealand Act 1989 (1989 No 157)

Repeal section 166 and substitute:

“166 Auditor-General to be auditor of Bank

The Bank is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.”

25

Reserves Act 1977 (1977 No 66)

Repeal section 88(2) and substitute:

“(2) The Public Audit Act **2000** applies with respect to the audit of the accounts of every such administering body, as if it were a public entity as defined in **section 4** of that Act.”

30

Repeal section 88A(2) and substitute:

“(2) Every Board is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.”

35

Reserves and Other Lands Disposal Act 1995 (1995 No 54)

Repeal section 10(2) and substitute:

Part 1—*continued*

- “(2) Ngāti Whakaue Education Endowment Trust Board is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.” 5
- Residential Tenancies Act 1986** (1986 No 120)
Repeal section 128 and substitute:
- “128 **Auditor-General to be auditor of residential tenancies trust account**
- “(1) The Residential Tenancies Trust Account is to be treated as a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor. 10
- “(2) Without limiting **subsection (1)**, the chief executive may, after consultation with the Auditor-General, appoint a person or firm that is qualified for appointment as an auditor to be an additional auditor of the Residential Tenancies Trust Account.” 15
- Retirement Income Act 1993** (1993 No 148)
Repeal section 15 and substitute: 20
- “15 **Auditor-General to be auditor of Retirement Commissioner**
- The Retirement Commissioner is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.” 25
- Royal New Zealand Foundation for the Blind Act 1963**
(1963 No 26)
Repeal section 41(3) and substitute:
- “(3) The Foundation is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.” 30
- Sale of Liquor Act 1989** (1989 No 63)
Repeal section 207(2) and substitute:
- “(2) Every licensing trust is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.” 35

Part 1—*continued*

Securities Act 1978 (1978 No 103)	
Omit from paragraph (b) of section 2C(1) the words “an officer of the Audit Department authorised in writing by the Controller and Auditor-General to be an auditor for the purposes of this Act” and substitute the words “an auditor appointed by the Auditor-General under section 30 of the Public Audit Act 2000 ”.	5
Repeal section 31C and substitute:	
“31C Auditor-General to be auditor of Commission	
“(1) The Commission must keep full and correct accounts of all its financial transactions, assets, liabilities, and funds.	10
“(2) The Commission is a public entity as defined in section 4 of the Public Audit Act 2000 and, in accordance with that Act, the Auditor-General is its auditor.”	
Smoke-free Environments Act 1990 (1990 No 108)	15
Repeal section 62A(2) and substitute:	
“(2) The Council is a public entity as defined in section 4 of the Public Audit Act 2000 and, in accordance with that Act, the Auditor-General is its auditor.”	
Standards Act 1988 (1988 No 5)	20
Repeal section 19(3) and substitute:	
“(3) The Council is a public entity as defined in section 4 of the Public Audit Act 2000 and, in accordance with that Act, the Auditor-General is its auditor.”	
State Sector Act 1988 (1988 No 20)	25
Repeal paragraph (b) of section 44(2).	
Omit the item “Audit Department.” from the First Schedule.	
State-Owned Enterprises Act 1986 (1986 No 124)	
Repeal section 19 and substitute:	
“19 Auditor-General to be auditor of state enterprises and subsidiaries	30
“(1) Despite sections 196 to 203 of the Companies Act 1993, every state enterprise and every subsidiary of every state enterprise is a public entity as defined in section 4 of the Public Audit Act 2000 and, in accordance with that Act, the Auditor-General is its auditor.	35

Part 1—*continued*

- “(2) Without limiting **subsection (1)**, the board of a State enterprise may, after consultation with the Auditor-General and if its responsible Minister so approves, appoint a person or firm that is qualified for appointment as an auditor of a company to be an additional auditor of the State enterprise or any subsidiary of a State enterprise.” 5
- Survey Act 1986** (1986 No 123)
Repeal section 77(2) and substitute:
- “(2) The Board is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.” 10
- Testing Laboratory Registration Act 1972** (1972 No 36)
Repeal section 20 and substitute:
- “20 **Accounts** 15
- “(1) The Council must keep full and correct accounts of all money received and expended by it.
- “(2) The Council is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.” 20
- Taranaki Scholarships Trust Board Act 1957** (1957 No 108)
Repeal section 21(1) and substitute:
- “(1) The Board must keep full and correct accounts of all money received and expended by it.
- “(1A) The Board is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.” 25
- Valuation Department (Restructuring) Act 1998** (1998 No 70)
Repeal section 7 and substitute:
- “7 **Auditor-General to be auditor of Valuation New Zealand Limited** 30
- “(1) Despite sections 196 to 203 of the Companies Act 1993, Valuation New Zealand Limited and every subsidiary of Valuation New Zealand Limited is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor. 35

Part 1—*continued*

“(2) Without limiting **subsection (1)**, Valuation New Zealand Limited, or any subsidiary of the company, may, after consultation with the Auditor-General and if the shareholding Ministers so approve, appoint a person or firm that is qualified for appointment as an auditor of a company to be an additional auditor of Valuation New Zealand Limited or the subsidiary.” 5

Valuers Act 1948 (1948 No 63)

Repeal section 37(8) and substitute:

“(8) The Board is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.” 10

War Pensions Act 1954 (1954 No 54)

Repeal section 18O(1) and substitute:

“(1) The Advisory Board must at all times keep full and correct records and accounts of all its financial transactions and of its assets and liabilities. 15

“(1A) The Advisory Board is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.” 20

Wildlife Act 1953 (1953 No 31)

Repeal section 44J(2) and substitute:

“(2) The Board is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.” 25

Winston Churchill Memorial Trust Act 1965 (1965 No 39)

Repeal section 21(1) and substitute:

“(1) The Board must keep full and correct accounts of all money received and expended by it.”

Add to section 21: 30

“(3) The Board is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.”

Part 2
Local and Private Acts

Auckland Aotea Centre Empowering Act 1985 (1985 No 9 (L))

Repeal section 9(5) and substitute:

“(5) The financial statements must be audited by the Auditor-General who for the purpose has and may exercise all the functions and powers of the Auditor-General under the Public Audit Act **2000**.” 5

Canterbury Museum Trust Board Act 1993 (1993 No 4 (L))

Omit from section 26 the words “section 31 of the Public Finance Act 1977,” and substitute the words “Part X of the Local Government Act 1974, which applies to the Board as if it were a local authority,”. 10

Repeal section 27 and substitute:

“27 **Audit of Board’s accounts** 15

“(1) The Board must keep full and correct accounts of all money received and expended by it.

“(2) The Board is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.” 20

Masterton Trust Lands Act 1966 (1966 No 27 (L))

Omit from section 44(2) the words “Public Revenues Act 1953 in respect of public money and the audit of local authorities’ accounts”, and substitute the words “Public Audit Act **2000**”.

Museum of Transport and Technology (2000 No 1(P)) 25

Repeal section 24(1) and substitute:

“(1) The Auditor-General is the Board’s auditor; and, for the purpose of performing that function, has and may exercise and perform all the Auditor-General’s functions, duties, and powers under the Public Audit Act **2000**.” 30

Otago Museum Trust Board Act 1996 (1996 No 1 (L))

Omit from section 26 the words “section 31 of the Public Finance Act 1977,” and substitute the words “Part X of the Local Government Act 1974, which applies to the Board as if it were a local authority,”. 35

Repeal section 27 and substitute:

Part 2—continued

“27 Audit of Board’s accounts

“(1) The Board must keep full and correct accounts of all money received and expended by it.

“(2) The Board is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.” 5

Selwyn Plantation Board Empowering Act 1992

(1992 No 4 (L))

Repeal section 18 and substitute: 10

“18 Auditor-General to be auditor of company

Despite sections 196 to 203 of the Companies Act 1993, the company and every subsidiary of the company is a public entity as defined in **section 4** of the Public Audit Act **2000** and, in accordance with that Act, the Auditor-General is its auditor.” 15