Report 3
A STATEMENT OF UNDERSTANDING BETWEEN THE PUBLIC ACCOUNTS COMMITTEE AND THE AUDITOR GENERAL

Presented by
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November 2021
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Public Accounts Committee

A Statement of Understanding between the Public Accounts Committee and the Auditor General

Report No. 3

Presented by
Mrs L.M. O'Malley, MLA

Laid on the Table of the Legislative Assembly on 18 November 2021
Chair’s Foreword

This report tables a Statement of Understanding entered into between the Public Accounts Committee and the Auditor General for Western Australia. The Statement, the first one entered into between a public accounts committee and Western Australian Auditor General since 1996, plays an important role in enhancing the working relationship between the Committee and the Auditor General.

Of additional significance is who executed the Statement. I am honoured to be the first female Chair of the Public Accounts Committee in Western Australia’s history. Caroline Spencer is also the first woman appointed, in 2018, to the important role of Auditor General for Western Australia. The Committee of the 41st Parliament also has a majority of female members.

It is thus with pride that I table the third report of the Public Accounts Committee.

MRS L.M. O’MALLEY, MLA
CHAIR
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A Statement of Understanding between the Public Accounts Committee and the Auditor General

In 1996, the then Public Accounts and Expenditure Review Committee (Committee) of the Legislative Assembly of Western Australia entered into a Statement of Understanding (Statement) with the then Auditor General for Western Australia (Auditor General). The aim of this Statement was to ‘enhance the accountability mechanisms of Parliament by improving communication and coordination between the Auditor General and the Public Accounts and Expenditure Review Committee.’

Since that time, the working relationship between the Committee, now known as the Public Accounts Committee, and the Auditor General has evolved and matured. The current Committee therefore resolved to enter into a new Statement with the Auditor General. The Statement is intended to enhance public sector accountability and performance by supporting the common mission of the parties, whilst also encouraging and supporting each party’s independence.

The new Statement, reproduced in Appendix 2, outlines how the two parties may share information with each other, provide feedback, and request or refer consideration of matters to each other. It also briefly describes how the Committee will review and consider reports tabled by the Auditor General in the Legislative Assembly.

It is important to note that the Statement does not supersede or replace the responsibilities, functions and obligations of the Committee or the Auditor General that exist under any legislation, including the Auditor General Act 2006, subsidiary legislation, or the Standing Orders of the Legislative Assembly of the Parliament of Western Australia.

MRS L.M. O’MALLEY, MLA
CHAIR

1 Public Accounts and Expenditure Review Committee, Report on Statement of Understanding between the Auditor General and the Public Accounts and Expenditure Review Committee, 24 October 1996, p. 3.
Appendix One

Committee’s functions and powers

The Public Accounts Committee inquires into and reports to the Legislative Assembly on any proposal, matter or thing it considers necessary, connected with the receipt and expenditure of public moneys, including moneys allocated under the annual Appropriation bills and Loan Fund. Standing Order 286 of the Legislative Assembly states that:

The Committee may -

(1) Examine the financial affairs and accounts of government agencies of the State which includes any statutory board, commission, authority, committee, or trust established or appointed pursuant to any rule, regulation, by-law, order, order in Council, proclamation, ministerial direction or any other like means.

(2) Inquire into and report to the Assembly on any question which -

(a) it deems necessary to investigate;

(b) (Deleted V. & P. p. 225, 18 June 2008);

(c) is referred to it by a Minister; or

(d) is referred to it by the Auditor General.

(3) Consider any papers on public expenditure presented to the Assembly and such of the expenditure as it sees fit to examine.

(4) Consider whether the objectives of public expenditure are being achieved, or may be achieved more economically.

(5) The Committee will investigate any matter which is referred to it by resolution of the Legislative Assembly.
Appendix Two

A Statement of Understanding between the Public Accounts Committee of the Legislative Assembly of Western Australia and the Auditor General for Western Australia

Aim

The aim of this statement of understanding is to enhance the accountability mechanisms of the Parliament by committing to ongoing effective communication and coordination between the Public Accounts Committee (PAC) of the Legislative Assembly of Western Australia (Assembly), and the Auditor General for Western Australia (Auditor General).

A common mission

The PAC and the Auditor General share a common mission to enhance public sector accountability and performance. The PAC and the Auditor General will cooperate as independent bodies to achieve this mission, promoting probity, efficiency and effectiveness in the management of, and reporting on, public resources.

Independence of the Auditor General

The Auditor General is an independent Officer of the Parliament, responsible for reporting on public sector accountability around financial, performance, and compliance matters. The PAC will encourage and support the independence of the Auditor General so that reports to Parliament are objective and allow the Parliament to make informed judgements.

Independence of the Public Accounts Committee

The Committee enjoys the powers and privileges delegated to it by the Assembly, including its independence from the Executive. The Auditor General encourages this independence, and will support it through the provision of objective reports and information to assist the Committee to exercise its functions.

Sharing information, referring matters

The PAC and the Auditor General will meet on a periodic, and needs, basis initiated by either party. The Auditor General will provide briefings to the PAC on reports or other matters as requested by the PAC.

The Auditor General may refer matters to the PAC that they determine warrant consideration by the Committee. Equally, the PAC may request the Auditor General include matters that it determines worthy of consideration by the Auditor General as audit priorities of the Parliament. While it is anticipated both the PAC and the Auditor General will give a referral or request due regard, neither is required to pursue the matter.
The PAC will periodically provide the Auditor General with feedback on the Office of the Auditor General’s forward audit program, and offer suggestions for possible audit topics. The PAC will also liaise with other committees administered by the Legislative Assembly to enable those committees to provide similar feedback.

**PAC response to the Auditor General’s tabled reports**

The PAC will review and consider reports tabled by the Auditor General in the Legislative Assembly to determine whether to follow-up the Auditor General’s findings and recommendations. The PAC will focus its efforts on performance audits; however, may also undertake follow-up activities in relation to other reports if it considers this warranted.

The PAC may request, and the Auditor General may provide, further information to assist the PAC to determine which reports to follow-up, and matters for particular attention.

**Obligations to protect information**

In reaching this understanding, both the PAC and the Auditor General respect the rights and obligations of the other concerning matters of privilege, confidentiality, and legislative and procedural requirements.

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**LISA O’MALLEY, MLA**
CHAIR

**CAROLINE SPENCER**
AUDITOR GENERAL

20 October 2021