

# AUDIT.

No. 60 of 1948.

An Act to amend the *Audit Act* 1901-1947.

[Assented to 6th December, 1948.]

[Date of commencement, 3rd January, 1949.]

**B**E it enacted by the King's Most Excellent Majesty, the Senate, and the House of Representatives of the Commonwealth of Australia, as follows:—

- 1.—(1) This Act may be cited as the *Audit Act* 1948. Short title  
and  
citation.
- (2.) The *Audit Act* 1901-1947\* is in this Act referred to as the Principal Act.
- (3.) The Principal Act, as amended by this Act, may be cited as the *Audit Act* 1901-1948.

2. Section two of the Principal Act is amended—

Definitions.

(a) by inserting after the definition of "Commonwealth Public Account" the following definition:—

“ ‘Departments’ means Departments of State of the Commonwealth and includes such authorities of the Commonwealth as are prescribed; ”

(b) by omitting the definition of "Accounting Officer" and inserting in its stead the following definition:—

“ (d) ‘Accounting Officer’ shall include every person who is charged with the duty of collecting, receiving or accounting for, or who does actually

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\* Act No. 4, 1901, as amended by No. 8, 1906; No. 4, 1909; No. 6, 1912; No. 32, 1917; No. 23, 1920; No. 34, 1924; No. 18, 1926; No. 45, 1934; and No. 52, 1947.

collect, receive or account for, any public moneys or who is charged with the duty of disbursing, or who does actually disburse, any public moneys, and shall also include every person who is charged with the receipt, custody or disposal of, or the accounting for, public stores ;” ;

(c) by inserting in the definition of “ Public Moneys ”, after the word “ moneys ” (second occurring), the words “ and all bonds, debentures and other securities ” ; and

(d) by omitting the definitions of “ Regulations ” and “ Guarantee Fund ” and inserting in their stead the following definition :—

“(f) ‘ Stores ’ means chattels the property of, or in the possession or under the control of, the Commonwealth.”.

Rights of officers preserved.

3. Section six of the Principal Act is amended by omitting subsection (1.) and inserting in its stead the following sub-section :—

“(1.) If an officer of the Public Service of the Commonwealth is appointed Auditor-General, his service as Auditor-General shall, for the purpose of determining his existing and accruing rights, be taken into account as if it were service in the Public Service of the Commonwealth and the *Officers’ Rights Declaration Act* 1928–1940 shall apply as if this Act and section had been specified in the Schedule to that Act.”.

Appointment of deputy of Auditor-General.

4. Section nine of the Principal Act is amended—

(a) by omitting the words “ and every such person shall make and subscribe before the Executive Council a declaration in the form aforesaid or to the like effect ” and inserting in their stead the words “ and a person so appointed shall for the time during which he so acts have all the powers and perform all the duties of the Auditor-General ” ; and

(b) by adding at the end thereof the following sub-section :—

“(2.) Every person appointed under this section shall make and subscribe before the Executive Council a declaration in the form contained in the First Schedule to this Act or to the like effect.”.

5. After section nine of the Principal Act the following section is inserted :—

Salary of acting Auditor-General.

“9A. A person appointed to act as Auditor-General shall, in respect of the period during which he so acts, be paid a total remuneration by way of salary at the rate of salary provided in section four of this Act as the salary payable to the Auditor-General and that remuneration shall be a charge upon and paid out of the Consolidated Revenue Fund which, to the necessary extent, is hereby appropriated accordingly.”.

6. Section ten of the Principal Act is repealed.

7. Section eleven of the Principal Act is amended by omitting the words "to be inspected examined or audited by this Act" and inserting in their stead the words "by this Act or any other Act to be inspected, examined or audited by the Auditor-General".

Auditor-General may appoint deputy.  
Auditor-General may appoint persons to inspect.

8. Section thirteen of the Principal Act is amended by omitting from sub-section (1.) the words "his examination" and inserting in their stead the words "any examination, inspection or audit authorized or required by this Act or any other Act to be made by the Auditor-General".

Auditor-General may call for papers.

9. After section fourteen of the Principal Act the following sections are inserted :—

"14A. The persons in relation to whom any power of the Auditor-General under either of the last two preceding sections may be exercised shall include every person, whether an accounting officer or not, and whether employed by the Commonwealth or an authority of the Commonwealth or not, in relation to whom the Auditor-General is satisfied that it is necessary to exercise that power for the purposes of the proper performance of his duties and functions under this Act or any other Act.

Application of sections 13 and 14.

"14B.—(1.) Without prejudice to the powers conferred by any other provision of this Act, the Auditor-General or an authorized officer shall, at all reasonable times, have full and free access to all accounts, books, documents and papers in the possession of—

Auditor-General to have access to books, documents, &c.

- (a) any authority established or appointed under any law of the Commonwealth ;
- (b) any officer or employee under the control of any such authority ; and
- (c) any other person,

being accounts, books, documents, or papers which deal with, form the basis of, or are relevant directly or indirectly to, the expenditure of any public moneys of the Commonwealth, or the receipt, custody or disposal of stores belonging to the Commonwealth, or any approval for the expenditure of any such moneys, and may make copies of, or extracts from, any such accounts, books, documents or papers.

"(2.) Every such authority, officer or employee shall, upon request at any reasonable time by the Auditor-General or by an authorized officer, produce to him all such accounts, books, documents or papers specified or described in the request, or relevant to any matter so specified or described.

"(3.) In this section, 'authorized officer' means an officer authorized by the Auditor-General to act under this section.

"14c.—(1.) The operation of sections thirteen, fourteen, fourteen A and fourteen B of this Act shall not be limited by any provision (including a provision relating to secrecy) contained in any other law

Secrecy.

(whether made before or after the commencement of this section) except to the extent to which any such other law expressly excludes the operation of any of those sections.

“(2.) Notwithstanding anything contained in any other law, and notwithstanding the making of an oath or declaration of secrecy, a person shall not be guilty of any offence by reason of anything done by him for the purposes of section thirteen, fourteen or fourteen B of this Act.

“(3.) The Auditor-General or any other person shall not divulge or communicate, except, in the course of duty, to another person performing duties under this Act, any information which has come to his knowledge by reason directly or indirectly of section thirteen, fourteen or fourteen B of this Act, in any case in which the person from whom the information was obtained under that section, or from whose custody the accounts, books, documents or papers from which the information was derived were produced, could not, but for the provisions of this Act, lawfully have divulged that information to the Auditor-General or authorized officer.

“(4.) The last preceding sub-section shall not prevent the making, divulging or communicating, in any report of the Auditor-General, of conclusions, observations or recommendations which are based on information obtained in pursuance of section thirteen, fourteen or fourteen B of this Act.”.

Accounting  
officer's bank  
account.

10. Section eighteen of the Principal Act is amended by adding at the end thereof the words “or be approved by the Treasurer”.

11. After section twenty-one of the Principal Act the following section is inserted :—

Investment of  
moneys in  
Commonwealth  
Public  
Account.

“21A. Moneys standing to the credit of the Commonwealth Public Account (not being moneys standing to the credit of the Trust Fund) may be invested by the Treasurer as if they were moneys to which section sixty-two B of this Act applies and that section shall apply as if the moneys so invested were invested under that section.”.

Securities.

12. Section twenty-two of the Principal Act is amended by adding at the end thereof the following sub-section :—

“(2.) Every accounting officer collecting or receiving bonds, debentures or other securities shall, daily or at such intervals and in such manner as may be directed by the Treasurer, transmit to the Treasurer or to such person as the Treasurer may direct, all bonds, debentures or other securities collected or received by him for or on account of the Commonwealth.”.

The Money  
Order Account.

13. Section twenty-six of the Principal Act is amended by omitting from sub-section (1.) the words “post office order telegraph order or postal note” and inserting in their stead the words “money order or otherwise under the *Post and Telegraph Act 1901-1946*”.

14. Section twenty-six A of the Principal Act is amended by adding at the end thereof the words " or other moneys ".

Use of money  
order account  
for payment of  
other moneys.

15. Section thirty of the Principal Act is amended—

- (a) by omitting from sub-section (1.) the words " been so placed " (second occurring) and inserting in their stead the words " become payable from the said Trust Fund "; and
- (b) by omitting from sub-section (3.) the word " Governor-General " (wherever occurring) and inserting in its stead the word " Treasurer ".

Unclaimed  
trust fund to  
be carried to  
revenue.

16. Section thirty-four of the Principal Act is amended—

- (a) by omitting from sub-section (1.) the word " Governor-General " (wherever occurring) and inserting in its stead the word " Treasurer " ;
- (b) by omitting the proviso to sub-section (1.) and inserting in its stead the following proviso :—

Duty of paying,  
certifying and  
authorizing  
officers.

" Provided that the Treasurer may permit the payment of any account, or any account of a class specified by the Treasurer, before it has been certified, if the account has been checked by a responsible officer and dealt with as prescribed, and if he is satisfied that undue delay in the payment of the account would be caused if, before payment, it had to be dealt with as provided in this sub-section." ;

- (c) by omitting sub-sections (2.), (3.), (4.), (5.), (6.) and (6A.) and inserting in their stead the following sub-sections :—

" (2.) No such person shall authorize the payment of any account—

- (a) unless such account shall have been duly certified as required by the last preceding sub-section ; and

- (b) until he shall have ascertained that the payment thereof, in addition to any accounts already authorized for payment, will not exceed the amount of the appropriation.

" (3.) No such person shall certify any account until he shall have ascertained that the expenditure has been duly approved in writing by the prescribed authority and that the account is correct in every particular and that the expenditure involved therein is in accordance with the laws and regulations applicable thereto and is charged against the proper head of expenditure.

" (4.) Notwithstanding anything contained in this section, an account shall be deemed to have been duly certified and payment authorized within the meaning of this section if it has been approved in writing by the

proper authority and directly sanctioned by the Treasurer and, if chargeable on the Consolidated Revenue Fund or Loan Fund, is covered by any Appropriation Act or any Act authorizing the issue and application of moneys out of either of those Funds in force at the time of payment.

“(5.) The correctness of every account in regard to rates of charge and faithful performance of the services charged shall be certified by the person incurring the expense or by the person appointed for that purpose by the Minister administering the Department concerned.

“(6.) Except as provided in the succeeding provisions of this section, every accounting officer shall, at the time of paying an account, obtain a receipt for the amount so paid, under the hand of the person to whom the account is payable or under the hand of some person or banker authorized in writing by the first-mentioned person :

Provided that where an account is paid by cheque the receipt for the amount paid may be given as prescribed.”;

- (d) by omitting from sub-section (6c.) the words “making the payment” and inserting in their stead the words “who made the payment and by another officer as having witnessed the payment”; and
- (e) by omitting sub-section (8).

17. Section thirty-five of the Principal Act is repealed.

Adjustment of accounts of the various States by transfer from one bank to another.

Payments made after close of financial year.

18. Section thirty-six of the Principal Act is amended by omitting the provisos to sub-section (1.) and inserting in their stead the following proviso:—

“Provided that where—

- (a) any obligation involving expenditure has been incurred or is intended to be incurred outside the Commonwealth; and
- (b) money—

- (i) to an amount not exceeding the appropriation covering the expenditure has, before the close of the financial year for the service of which the appropriation is made, been transmitted for the purpose of making payments in connexion therewith; or

- (ii) has been advanced to an accounting officer for the purpose of paying accounts for prescribed services,

the money so transmitted or advanced shall be, and shall be deemed to have been, available for making those payments notwithstanding that the financial year closed before the payments were completed,

and for that purpose the appropriation, whether the financial year closed before or after the coming into operation of this proviso, shall be deemed not to have lapsed.”.

19. Section thirty-six c of the Principal Act is repealed and the following section inserted in its stead :—

“ 36c.—(1.) Money received in a financial year in repayment of expenditure made within that year from an annual appropriation in respect of that year shall be taken in reduction of the expenditure from that appropriation. Application of repayments of expenditure.

“(2.) Money received in any financial year in repayment of expenditure from a special appropriation under any Act shall be taken in reduction of expenditure from that appropriation in respect of the year in which the repayment is made.

“(3.) Payments made for the purpose of adjusting, between Departments, or between branches of Departments, expenditure which was made from an annual appropriation in any financial year, may be taken in reduction of similar expenditure in a subsequent year.”.

20. Section thirty-seven of the Principal Act is amended—

- (a) by omitting from sub-section (1.) the word “supplies” and inserting in its stead the words “Appropriation Act”; Power to vary the annual appropriation.
- (b) by omitting from sub-section (2.) all the words after “ Auditor-General ” and inserting in their stead the words “ within seven days after the making thereof.”; and
- (c) by omitting from sub-section (3.) the words “ or wages ” and inserting in their stead the words “ specifically appropriated by the Parliament.”.

21. Section forty of the Principal Act is amended—

- (a) by omitting the words “ daily send to the Auditor-General ” and inserting in their stead the words “, as and when required by the Auditor-General, send or make available to him ”; and Treasurer to keep cash book and send cash sheet, &c., to Auditor-General.
- (b) by inserting after the word “ sent ” the words “ or made available ”.

22. Section forty-one of the Principal Act is amended by omitting the words “ received by ” and inserting in their stead the words “ sent or made available to ”. Audit of returns, cash sheets and accounts.

23. After section forty-one of the Principal Act the following sections are inserted :—

“ 41A. The Auditor-General shall examine the accounts of the receipt of revenue and other moneys by all Departments and the accounts of every receiver of moneys which are by law payable to the Commonwealth. Auditor-General to examine accounts of revenue.

**Auditor-General to examine accounts of expenditure.**

“41B. The Auditor-General shall examine the accounts of all Departments in relation to expenditure and shall take such steps as he may deem necessary to satisfy himself that those accounts are faithfully and properly kept and that the moneys expended have been properly applied.

**Auditor-General to examine accounts of stores.**

“41C. The Auditor-General shall examine the accounts of the stores of all Departments and shall take such steps as he deems necessary to satisfy himself that the stores have been properly accounted for and that the regulations and instructions in respect of the control and stocktaking of the stores have been duly observed.”.

**Auditor-General to surcharge accounting officer.**

24. Section forty-two of the Principal Act is amended—

(a) by omitting paragraph (e) of sub-section (2.) and inserting in its stead the following paragraph :—

“(e) that there has been any deficiency or loss of public moneys, stores or other property of, or under the control of, the Commonwealth, damage to, or expenditure for the repair or replacement of, stores or other such property, caused or necessitated through the fraud, mistake, default, neglect or error of any person,”; and

(b) by inserting in paragraph (ii) of sub-section (2.), after the word “loss”, the words “of public moneys, the value of stores deficient, lost or required to be replaced or the expenditure for the repair of stores or other property of or under the control of the Commonwealth”.

**Accounting officers to have right of appeal to the Governor-General.**

25. Section forty-four of the Principal Act is amended—

(a) by omitting the words “by the Treasurer”; and

(b) by omitting the words “disallowance or” (wherever occurring).

**Power to admit certain accounts.**

26. Section forty-five A of the Principal Act is amended—

(a) by inserting after the word “accounts” the words “of receipts, expenditure or stores”; and

(b) by inserting after the word “charges” the words “or credits”.

27. After section forty-five A of the Principal Act the following section is inserted :—

**Auditor-General may dispense with detailed audit.**

“45B. The Auditor-General may, at his discretion, dispense with all or any part of the detailed audit of any accounts.”.

**No sum to be allowed without voucher unless by order.**

28. Section forty-six of the Principal Act is amended by omitting the word “Governor-General” and inserting in its stead the word “Treasurer”.



29. Section forty-eight of the Principal Act is repealed and the following section inserted in its stead :—

“ 48.—(1.) Where any sum of money has been disallowed under either of the last two preceding sections in consequence of the absence or imperfection of a voucher or the absence or incorrectness of a certificate, the amount so disallowed—

*Recovery of moneys disallowed by reason of absence or imperfection of vouchers.*

(a) shall be deemed to be money paid by His Majesty to the use of the accounting officer concerned at his request ; and

(b) the money—

(i) may be recovered by the Treasurer by such measures or proceedings as he thinks fit to take ; or

(ii) may be stopped or retained, either in whole or in part, in accordance with the directions of the Treasurer, from any moneys then or thereafter payable by the Commonwealth to that accounting officer ”.

“ (2.) Where any moneys payable to an accounting officer have been stopped or retained under this section he shall have the same right of appeal as he would have had under section forty-four of this Act if he had been surcharged the amount of those moneys under section forty-two of this Act and the Governor-General may deal with any appeal by the accounting officer as if it were an appeal under section forty-four of this Act.”.

30. Section forty-nine of the Principal Act is repealed and the following section inserted in its stead :—

“ 49.—(1.) The Treasurer shall, as soon as conveniently may be after the expiration of each month of each financial year, publish a statement of the receipts and expenditure of the Consolidated Revenue Fund and of the expenditure of the Loan Fund for that month and during that year up to the end of that month.

*Treasurer's statement of receipts and expenditure.*

“ (2.) The Treasurer shall, as soon as conveniently may be after the expiration of the first half of each financial year, publish in the *Gazette* a statement in such detail and in such form as the Treasurer may direct of the receipts and expenditure of the Consolidated Revenue Fund, the Trust Fund and the Loan Fund during that half of that year, together with a comparative statement of the receipts and expenditure of the Consolidated Revenue Fund and the Loan Fund during the corresponding period of the previous financial year.”.

31. Section fifty-one of the Principal Act is amended by omitting paragraph (d) and inserting in its stead the following paragraph :—

*Auditor-General to audit and report.*

“ (d) every sum exceeding One hundred pounds allowed without vouchers or certificates or with imperfect vouchers or certificates.”.

32. After section fifty-one of the Principal Act the following section is inserted :—

Information  
in respect of  
audits under  
other Acts.

“ 51A. The Auditor-General shall include in any report made by him under this Act such information as he thinks desirable in relation to audits, examinations and inspections carried out by him in pursuance of the provisions of any other Act.”

Auditor-General  
to make  
suggestions for  
accounting,  
collection and  
payment.

33. Section fifty-four of the Principal Act is amended—

(a) by omitting the words “ and the more effectually and economically auditing and examining the public accounts and stores and any improvement in the mode of keeping such accounts ” and inserting in their stead the words “ and any improvement in the mode of keeping the public accounts ”; and

(b) by omitting the word “ Governor-General ” and inserting in its stead the word “ Treasurer ”.

How interest to  
be charged.

34. Section fifty-six of the Principal Act is repealed.

Suspense  
Account.

35. Section fifty-eight of the Principal Act is amended by omitting the word “ Governor-General ” and inserting in its stead the word “ Treasurer ”.

Trust Accounts.

36. Section sixty-two A of the Principal Act is amended—

(a) by omitting sub-sections (1.), (2.), (3.), (4.) and (4A.) and inserting in their stead the following sub-sections :—

“ (1.) The Treasurer may establish Trust Accounts and define the purposes for which they are established.

“ (2.) Subject to this section, the Trust Accounts established by or under this section and existing immediately prior to the commencement of this sub-section shall continue as trust accounts under this section.

“ (3.) All moneys standing to the credit of an account which is a Trust Account established under, or continued by, this section or established under any other Act as a Trust Account for the purposes, or within the meaning, of this section, shall be deemed to be moneys standing to the credit of the Trust Fund.

“ (4.) The Treasurer may direct that any Trust Account shall be closed and thereupon after all liabilities of the Account have been met the Account shall be closed accordingly.

“ (4A.) The Treasurer may direct that any moneys standing to the credit of any Trust Account which are not required for the purposes of that Account and the balance of moneys standing to the credit of a Trust Account closed under the last preceding sub-section shall be paid as provided in the next succeeding sub-section.

“(4B.) Where any amount is required in accordance with the last preceding sub-section to be paid, that amount shall, to such extent as it was appropriated out of moneys standing to the credit of the Loan Fund, be paid to the Loan Fund and any balance of that amount shall be paid to the Consolidated Revenue Fund.”;

(b) by adding at the end of paragraph (b) of sub-section (5.) the word “and”;

(c) by omitting from paragraph (c) of sub-section (5.) the word “and”; and

(d) by omitting paragraph (d) of sub-section (5.).

37. Section sixty-two B of the Principal Act is amended by inserting after sub-section (2.) the following sub-section:—

“(2A.) A deposit receipt for moneys deposited under this section for a fixed period with any bank shall, for the purposes of this Act, be deemed to be a security.”.

Investment of  
moneys  
standing to  
credit of  
Trust Fund.

38. Section sixty-three A of the Principal Act is amended by inserting before the word “Australian” the word “Royal”.

Special  
provision for  
naval  
expenditure.

39. After section seventy of the Principal Act the following heading and sections are inserted:—

#### “ MISCELLANEOUS.

“70A.—(1.) The Treasurer may, in relation to any matters or class of matters, or in relation to any State or part of the Commonwealth, by writing under his hand, delegate all or any of his powers and functions under this Act (except this power of delegation) so that the delegated powers and functions may be exercised by the delegate with respect to the matters or class of matters, or the State or part of Australia, specified in the instrument of delegation.

Delegation

“(2.) Every delegation under this section shall be revocable at will, and no delegation shall prevent the exercise of any power or function by the Treasurer.

“70B. The Treasurer may, for and on behalf of the Commonwealth, guarantee the repayment to the Commonwealth Bank of Australia of any loan (including interest thereon) made for the purposes of the Commonwealth (whether before or after the commencement of this section) by that bank to any person.

Guarantees by  
Treasurer.

“70C. The Treasurer shall have, and shall be deemed at all times to have had, power to write off—

Writing of  
irrecoverable  
amounts.

(a) losses or deficiencies of public moneys;

(b) irrecoverable amounts of revenue;

(c) irrecoverable debts and overpayments; and

(d) the value of lost, deficient, condemned, unserviceable or obsolete stores.”.

## Regulations.

40. Section seventy-one of the Principal Act is amended—

- (a) by omitting from paragraph (b) of sub-section (1.) the word “audit” and inserting in its stead the words “departmental check”;
- (b) by omitting paragraphs (d) and (e) of sub-section (1.) and inserting in their stead the following paragraph:—
  - “(d) the purchase, safe custody, issue, sale or other disposal or writing off of stores and other property of the Commonwealth, and the proper accounting for, and stocktaking of, such stores and property.”;
- (c) by inserting after sub-section (1.) the following sub-section:—
  - “(2.) The regulations may, in relation to any Department, authorize the prescribed officer of that Department to give to persons who are in the service of the Commonwealth or subject to the provisions of this Act, directions, not inconsistent with this Act or the regulations, as to any of the matters referred to in the last preceding sub-section and may provide that any contravention of, or failure to comply with, any such direction shall be deemed to be a breach of the regulations.”;
- (d) by omitting from sub-section (4.) the words “Any such regulation may impose” and inserting in their stead the words “The regulations may provide for the imposition”;
- and
- (e) by inserting in sub-section (4.), after the word “Act” (first occurring), the word “of”.

Fourth  
Schedule.

41. The Fourth Schedule to the Principal Act is repealed.

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