Appendix 3

Reporting requirements and guidelines

Departmental reports[1]

Authority for requirements

These annual report requirements are prepared pursuant to subsections 63(2) and 70(2) of the *Public Service Act 1999* and were approved by the Joint Committee of Public Accounts and Audit on 17 June 2009.

Commencement and reporting period

The requirements apply for annual reports for financial years ending on or after 30 June 2009.

Application

(1) The requirements apply to annual reports for departments of state pursuant to subsection 63(2) and for executive agencies pursuant to subsection 70(2) of the *Public Service Act 1999*. As a matter of policy, they also apply to prescribed agencies under section 5 of the *Financial Management and Accountability Act 1997* (FMA Act).

In respect of Commonwealth authorities and companies, section 9 of the *Commonwealth Authorities and Companies Act 1997* (CAC Act) provides that the directors of Commonwealth authorities must prepare an annual report for the responsible Minister who must, in turn, table the annual report in both houses of the Parliament 'as soon as practicable'. Part 1 of Schedule 1 to the CAC Act details content that must be included in annual reports. Under section 36 of the CAC Act, the content of annual reports for Commonwealth companies is based on reporting requirements under the *Corporations Act 2001*.

(2) In most cases the term 'department' is used in these requirements to refer to all departments and agencies that will be preparing annual reports under these requirements. Similarly, 'secretary' is used to refer to a departmental secretary or to an agency head of one of those other bodies.

(3) In the case of an agency (including an executive agency established under section 61 of the *Public Service Act 1999*) that is neither prescribed under

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1 Excerpt from the *Requirements for annual reports for departments, executive agencies and FMA Act bodies*, Department of Prime Minister and Cabinet, 17 June 2009, pp. 1 and 2.

the FMA Act nor comes with the *Commonwealth Authorities and Companies Act 1997* (CAC Act), these requirements may be used to the extent that they are consistent with any reporting requirements contained in the agency's own legislation (if any).

(4) In cases of machinery of government change during the reporting period, where functions or offices are gained or lost, the established practice is that the gaining department must report on that function or office for the entirety of the reporting period, whether or not the losing department continues to exist. However, in relation to financial statements, the general rules is that each Chief Executive who had responsibility for a function must sign off on financial statements relating to the period of their individual responsibility and include them in their own annual reports. If, for any reason, the losing department does not produce an annual report that covers the period it had the function, the financial statements from the earlier period must be published in the gaining department's annual report.

Timetable

A copy of the annual report is to be laid before each House of the Parliament on or before 31 October in the year in which the report is given.

The provisions of subsections 34C(4)–(7) of the *Acts Interpretation Act 1901* apply in relation to an application for extension of the period.

Where an agency's own legislation provides a timeframe for its annual report, for example 'within six months' or 'as soon as practicable after 30 June in each year', that timeframe applies. An extension under the Acts Interpretation Act would need to be sought only should a specified timeframe not be met.

However, it remains the Government's policy that all annual reports should be tabled by 31 October.

Commonwealth authorities and companies

The *Commonwealth Authorities and Companies Act 1997 (the CAC Act)* contains detailed rules about reporting and accountability for commonwealth authorities and commonwealth companies. Commonwealth companies also must meet other reporting requirements as set out in Corporations Law.

The *Commonwealth Authorities and Companies (Report of Operations) Orders 2002*, made under section 48 of the CAC Act, enables organisations to comply with the specific requirements for tabling reports.

The notes from the *Commonwealth Authorities and Companies (Report of Operations) Orders 2002* are set out below.

- **Basis for annual report:** Section 9 of the *CAC Act* requires directors of a Commonwealth authority to prepare an annual report in accordance with Schedule 1 of the *CAC Act*.
- **Report of operations requirement:** The annual report must include a report of operations prepared by the directors in accordance with Finance Minister's Orders (clause 1 of Schedule 1 of the *CAC Act*).
- **Financial statements requirement:** The annual report must include financial statements prepared by the directors (clause 2 of Schedule 1 of the *CAC Act*) and the Auditor–General's report on those financial statements.
- **Tabling requirements:** Section 9 of the *CAC Act* provides that the directors must give the annual report to the responsible Minister by the 15th day of the 4th month after the end of the Commonwealth authority's financial year. Where a Commonwealth authority's financial year ends on 30 June, this means that the annual report must be given to the responsible Minister by 15 October. The responsible Minister must in turn table the annual report in both Houses of the Parliament 'as as soon as practicable'. Under subsection 34C(3) of the *Acts Interpretation Act 1901*, this means within 15 sitting days.

Non–statutory bodies

The annual report of a non–statutory body shall contain the following information (after Senate *Hansard*, 8 December 1987, pp. 2643–2645):

- The annual report shall show the date of establishment of each new non–statutory body (NSB) and, in relation to each existing NSB, information regarding the date if its establishment in as much detail as is available.
- The annual report shall contain a statement of each NSB's objectives and functions.
- The annual report shall contain an account of each NSB's significant activities during the year.
- The annual report shall contain an indication that the creation or continued existence of each NSB, its functions and its organisation have received Ministerial approval.
- The annual report shall show the date in which each NSB will cease to exist or before which it will be reviewed (whichever is the earlier).
- In the case of any NSB whose continued existence, functions and organisation have been reviewed and whose continued existence has been approved by the Minister, the annual report shall show a summary of the outcome of the review.
- The annual report will contain a list of any positions provided for ex–officio government members on each NSB and of any positions provided for representatives nominated by particular non–government organisations.

- The annual report shall show the maximum term of appointment of each on an NSB.
- Except in cases where there may be little or no continuity of membership from one meeting to the next, the annual report will show the names of individual members of each NSB, and their terms of appointment.
- The report will show the manner in which the level of remuneration paid (if any) to members of each NSB is determined.
- The report will show the manner in which each NSB is funded.
- The report will show a summary of any other financial arrangements such as the kinds of expenditure that can be made from the funds provided, and the nature of secretariat services provided and the way in which these are funded.
- In respect of each NSB, the annual report shall indicate whether one of its functions is to distribute funds to other organisations or individuals.
- AN NSB with its own accounting system shall provide an audited financial statement.
- When an NSB operates through its parent body accounts, the NSB shall provide an account of receipts and expenditure on a program basis. It will also show:
    - the NSB's work reflected in the parent body's published program structure,
    - performance related to objectives and measured in terms of stated criteria, in accordance with standard program budgeting techniques, and
    - the amounts of any grants made by each NSB.