



AUSTRALIAN GOVERNMENT

**ISSUES FROM THE ADVANCE TO THE
FINANCE MINISTER AS A FINAL CHARGE**

FOR THE YEAR ENDED 30 JUNE 2008

AUSTRALIAN GOVERNMENT

ISSUES FROM THE ADVANCE TO THE FINANCE MINISTER AS A FINAL CHARGE

Appropriation Acts (No. 1, No. 3 and No. 5) 2007-2008

Appropriation Acts (No. 2, No. 4 and No. 6) 2007-2008

Appropriation (Drought and Equine Influenza Assistance) Acts (No. 1 and No. 2) 2007-2008

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INTRODUCTION

The Advance to the Finance Minister (the Advance) is a provision in the annual Appropriation Acts which enables the Minister for Finance and Deregulation (Finance Minister) to provide additional appropriation to agencies throughout the financial year.

The 2007-08 annual Appropriation Acts that provided for an Advance are set out below:

- Section 11 of *Appropriation Act (No. 1) 2007-2008*
- Section 12 of *Appropriation Act (No. 2) 2007-2008*
- Section 11 of *Appropriation Act (No. 3) 2007-2008*
- Section 12 of *Appropriation Act (No. 4) 2007-2008*
- Section 10 of *Appropriation Act (No. 5) 2007-2008*
- Section 12 of *Appropriation Act (No. 6) 2007-2008*

Before agreeing to make additional appropriations available under the Advance, the Finance Minister was required to be satisfied that the legislative criteria set out in the Advance provisions were met. The legislative criteria required the Finance Minister to be satisfied that:

- a) there was an urgent need for expenditure, in the current year, that was not provided for, or was insufficiently provided for, in the Schedules to the Acts; and
- b) the additional expenditure was not provided for, or was insufficiently provided for, in the Schedules to the Acts:
 - i) because of an erroneous omission or understatement; or
 - ii) because the additional expenditure was unforeseen until after the last day on which it was practicable to provide for it in the Appropriation Bills before those Bills were introduced into the House of Representatives.

The Advance provisions also provided that:

- the Acts had effect as if the Schedules were amended, in accordance with a determination of the Finance Minister, to make provision for so much (if any) of the additional expenditure as the Finance Minister determined; and

- the amounts that the Finance Minister could determine under the Advance provisions in Acts 1, 3 and 5 could not be more than \$175 million. The amounts that the Finance Minister could determine under each of the Advance provisions in Acts 2, 4 and 6 could not be more than \$215 million.

Issues of additional appropriations under the Advance made before the finalisation of the Additional Estimates Appropriation Bills (*Appropriation Bill (No. 3) 2007-2008* and *Appropriation Bill (No. 4) 2007-2008*) and the Supplementary Additional Estimates Appropriations Bills (*Appropriation (Drought and Equine Influenza Assistance) Bill (No. 1) 2007-2008*, *Appropriation (Drought and Equine Influenza Assistance) Bill (No. 2) 2007-2008*, *Appropriation Bill (No. 5) 2007-2008* and *Appropriation Bill (No. 6) 2007-2008*) could be recovered through the additional appropriation provided in these Acts, thus replenishing the amount that could be issued under the Advance provisions. Amounts issued after the Supplementary Additional Estimates Appropriations Bills can not be recovered and are therefore a 'final charge' against the Advance.

This report discloses those issues that remained as a final charge against the Advance as at 30 June 2008, and related expenditure for the year ended 30 June 2008.

Issues made under the Advance are Legislative Instruments under the *Legislative Instruments Act 2003*. They are available on the Federal Register of Legislative Instruments which is a publicly accessible database. All Advances made on or after 1 January 2005 are tabled in the House of Representatives and the Senate within six sitting days after registration.

Notes:

1. Cents have been omitted and each amount in this Statement is shown to the nearest dollar. Amounts may therefore not add to the totals due to rounding.
2. Issue amounts are the net balance of the issues – that is, the total amount of all issues less any funds recovered or returned.



INDEPENDENT AUDITOR'S REVIEW REPORT

To the Minister for Finance and Deregulation

Scope

I have reviewed the Department of Finance and Deregulation's control procedures and documentation in relation to the *Advance to the Finance Minister (AFM)* for the year ended 30 June 2008, in order to express an opinion on the effectiveness of these controls.

The Responsibility of the Secretary for the Internal Control Structure

The Secretary of the Department of Finance and Deregulation is responsible for designing, implementing and maintaining an effective internal control structure including control procedures in relation to the AFM.

Auditor's Responsibility

I have conducted an independent review of the control procedures in order to state whether, on the basis of my examination as described, anything has come to my attention that would indicate that they are not adequately designed and effectively operated, in order to:

- assess if applications for the AFM are only approved where the applying agencies provided sufficient information to support their compliance with the criteria set out in the Appropriation Acts;
- ascertain whether the accounts and records, particularly in respect of the applications, issues and subsequent recoveries of the AFM were adequately maintained; and
- assess the completeness and accuracy of the publication titled "Issues from the Advance to the Finance Minister as a Final Charge", for the year ended 30 June 2008.

My review has been conducted in accordance with Australian National Audit Office Auditing Standards which incorporate the Australian Auditing Standards. A review is limited primarily to enquiries of entity personnel, inspection of evidence and observation of, and enquiry about, the operation of the control procedures for a small number of transactions or events.

Inherent Limitations

Because of the inherent limitations of any internal control structure it is possible that errors or irregularities may occur and not be detected. Further, the internal control structure, within which the control procedures that we have reviewed operate, has not been reviewed and no view is expressed as to its effectiveness.

A review is not designed to detect all weaknesses in control procedures as it is not performed continuously throughout the period and the tests performed are on a sample basis. Also, a review does not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

Independence

In conducting the review, I have followed the independence requirements of the Australian National Audit Office, which incorporate the ethical requirements of the Australian accounting profession.

Auditor's Statement

Based on my review, which is not an audit, nothing has come to my attention that causes me to believe that the Department of Finance and Deregulation did not maintain, in all significant respects, effective control procedures in relation to the *Advance to the Finance Minister* for the year ended 30 June 2008 based on the criteria referred to above.

Australian National Audit Office



Carla Jago
Executive Director

Delegate of the Auditor-General
Canberra
16 September 2008

ABSTRACT

ISSUES FROM THE ADVANCE TO THE FINANCE MINISTER AS A FINAL CHARGE

Appropriation Act (No. 1) 2007-2008 — \$3,204,267

Page No.	Portfolio	Issues from the Advance to the Finance Minister	Expenditure
		\$	\$
6	Health and Ageing	3,204,267	3,204,267
		3,204,267	3,204,267

**ISSUES FROM THE ADVANCE TO THE FINANCE MINISTER
AS A FINAL CHARGE**

Appropriation Act (No. 1) 2007-2008 — \$3,204,267

Portfolio/Agency	Issues from the Advance to the Finance Minister	Expenditure
	\$	\$
Health and Ageing		
Department of Health and Ageing		
Administered expenses — Outcome 9		
Private Health — A viable private health industry to improve the choice of health services for Australians	3,204,267	3,204,267
Total: Health and Ageing	3,204,267	3,204,267