



ACT AUDITOR-GENERAL'S OFFICE



MEDIA RELEASE

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Performance Audit Report

Management of Trust Moneys and Other Non-Public Moneys

The Auditor-General, Mrs Tu Pham, has today presented a Performance Audit report titled **Management of Trust Moneys and Other Non-Public Moneys**, to the Speaker for tabling in the Legislative Assembly.

The Territory receives and manages certain moneys held in trust, and third party moneys. As at 30 June 2005, the Territory reported \$208 million being held in trust.

The performance audit assessed whether the trust moneys and other third party moneys held by selected government agencies have been managed in accordance with relevant legislation; accounted for accurately and transparently; and managed to adequately protect the rights of beneficiaries.

Audit Opinions

- Overall, most of the audited agencies have managed trust moneys and third party moneys in accordance with relevant legal and administrative requirements.
- Adequate controls and procedures have been put in place by most agencies to ensure trust accounting records are accurate and transparent.
- Most agencies have satisfactorily fulfilled their responsibility to invest trust moneys prudently in accordance with relevant legislation.

Key Findings

- The provisions in the *Financial Management Act 1996*, in relation to the definition and management of Territory trust moneys do not apply to Territory authorities. As a result, these entities are not required to adhere to the same legislative framework in the management of trust moneys as Government Departments. This may create inconsistent and less effective practice in trust management across the ACT public sector.

- There exists a level of uncertainty amongst agencies regarding the obligation to invest trust moneys. As a result, certain trust moneys held by ACT Planning and Land Authority, ACT Health, and Department of Justice and Community Safety were not invested with the ACT Public Trustee as required by Government policy. Further guidance from Department of Treasury would be useful to clarify the need for agencies to invest with the Public Trustee.
- Some agencies did not correctly classify some of their third party moneys as trust moneys. Consequently, these moneys were not managed, accounted for, and reported in accordance with their proper legal status.

Recommendations

The audit made eight recommendations. The majority of the audited agencies agreed or agreed-in-part to all recommendations.

Further Information

For further information, please contact Rod Nicholas, Director, Performance Audits and Corporate Services on 6207 0833. Copies of the report are available from the ACT Auditor-General's Office (Level 4, 11 Moore Street, Canberra City) and from its website, www.audit.act.gov.au.