

[AS REPORTED FROM THE COMMITTEE OF THE WHOLE HOUSE]

House of Representatives, 5 August 1991.

[Clauses 116 and 117 of this Bill were formerly clauses 116 and 117 of Finance Bill (No. 2): 83–1]

Hon. Maurice McTigue

PUBLIC FINANCE AMENDMENT (NO. 2)

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A BILL INTITULED

An Act to amend the Public Finance Act 1989

BE IT ENACTED by the Parliament of New Zealand as follows:

5 **1. Short Title and commencement**—(1) This Act may be cited as the Public Finance Amendment Act (No. 2) 1991, and shall be read together with and deemed part of the Public Finance Act 1989 (hereinafter referred to as the principal Act).

(2) This Act shall be deemed to have come into force on the 1st day of July 1991.

10 **116. New Part VIIA inserted**—The principal Act is hereby amended by inserting, after Part VII, the following Part:

No. 83—2H

“PART VIIA

“SECURITY AND INTELLIGENCE DEPARTMENTS

“70A. **Interpretation**—In this Part of this Act, ‘security and intelligence department’ means—

- “(a) The New Zealand Security Intelligence Service: 5
- “(b) The Government Communications Security Bureau.

“Appropriations

“70B. **Nature of appropriation required**—(1) A separate appropriation shall be made for each security and intelligence department. 10

“(2) Any money or costs appropriated under **subsection (1)** of this section may be expended or incurred only in relation to that appropriation and for no other purpose.

“(3) The provisions of **subsections (1) and (2)** of this section are, in relation to each security and intelligence department, in substitution for the provisions of subsections (3) and (4) of section 4 of this Act. 15

“70C. **Estimates**—(1) The Estimates shall, in relation to each security and intelligence department, contain the following information: 20

- “(a) The Minister of the Crown responsible for the Vote:
- “(b) The department administering the Vote:
- “(c) The Mode or Modes applicable to the Vote:
- “(d) A description of the class of outputs to be supplied, which class shall be described as a single class of outputs: 25
- “(e) In relation to the single class of outputs (which shall include within it any payments of benefits or grants on behalf of the Crown and any capital contributions), the expenditure of money to be made or the proposed costs to be incurred however they may be appropriated: 30

“(f) The Responsible Minister in relation to the department.

“(2) The provisions of **subsection (1)** of this section are, in relation to each security and intelligence department, in substitution for the provisions of subsections (2) and (3) of section 9 of this Act. 35

“Banking and Investment

“70D. **Departmental Bank Accounts**—(1) Notwithstanding section 19 of this Act, a security and intelligence department may, if authorised in writing by the Responsible Minister in relation to that department, open, maintain, and operate a 40

Departmental Bank Account or Accounts at banks other than those to which a direction under section 19 of this Act relates.

5 “(2) The Responsible Minister may give his or her authority under subsection (1) of this section only if satisfied that the security interests of the security and intelligence department so require.

10 “70E. **Payment into Bank Accounts**—Section 20 (2) of this Act shall apply, in relation to a security and intelligence department as if, for paragraph (a), there were substituted the following paragraph:

“ (a) Such money as may from time to time, on a basis agreed between the Chief Executive of the department and the Secretary, be disbursed to the department by the Treasury; and’.

15 “70F. **Power of Minister or Treasury in relation to Crown Bank Account and Departmental Bank Account**—The powers conferred on the Minister or the Treasury by section 21 of this Act shall, in respect of a Departmental Bank Account operated by a security and intelligence department, be
20 exercised on a basis agreed between the Minister and the Responsible Minister in relation to that department.

“Reporting

25 “70G. **Annual financial statements**—Section 35 of this Act shall, in relation to a security and intelligence department, have effect as if, for subsection (3), there were substituted the following subsection:

30 “ (3) The annual financial statements shall consist of such statements, prepared in accordance with generally accepted accounting practice, as, in the opinion of the Responsible Minister, will fairly reflect the financial operations of the department for the financial year to which those statements relate and the department’s financial position at the end of that financial year.’

35 “70H. **Half-yearly financial statements**—Section 36 of this Act shall, in relation to a security and intelligence department, have effect as if, for subsection (2), these were substituted the following subsection:

40 “ (2) The half-yearly financial statements of each department shall consist of such statements, prepared in accordance with generally accepted accounting practice, as, in the opinion of the Responsible Minister, will fairly reflect the financial operations of the department for the half-year to

which those statements relate and the department's financial position at the end of that half-year.'

"70I. **Tabling of financial statements**—This Act shall, in relation to a security and intelligence department, have effect as if, for section 39, there were substituted the following section: 5

" '39. (1) The annual and half-yearly financial statements of a department, together with, in each case, the audit opinion, shall be forwarded by the department to the Responsible Minister. 10

" '(2) The department shall (while continuing to protect information in respect of which, in its opinion, security must be maintained) supply to the Treasury such information as will enable the Treasury to include the financial results of the department's operations in the financial statements of the Crown. 15

" '(3) The department shall as soon as practicable after the end of each financial year, prepare a statement providing a record of the total of actual expenditure made and costs incurred for that financial year against the department's Vote for that financial year. 20

" '(4) The statement required by **subsection (3)** of this section, which shall be in lieu of an annual report, shall be forwarded to the Responsible Minister.

" '(5) The Responsible Minister shall, within 6 sitting days after receiving a statement prepared under **subsection (3)** of this section, table that statement in the House of Representatives.' 25

"70J. **Information to be provided to Treasury**—Notwithstanding section 79 of this Act, the powers conferred on the Treasury by that section shall be exercised in relation to a security and intelligence department only on such occasions and to such extent as the Secretary and the Chief Executive of the department agree or, failing agreement, as the Minister and the Responsible Minister jointly decide. 30

"70K. **Treasury instructions**—Notwithstanding section 80 of this Act, Treasury instructions issued under that section shall apply in relation to a security and intelligence department and its Chief Executive only on such occasions and to such extent as the Secretary and the Chief Executive of the department agree or, failing agreement, as the Minister and the Responsible Minister jointly decide." 35 40

117. Repeal—Section 88 (4) of the principal Act is hereby repealed.