

**LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY**

**REVIEW OF  
AUDITOR-GENERAL'S REPORT  
NO 6, 1998**

*Assembly Members' Superannuation and Severance Payments to  
Former Members' Staffers*

**STANDING COMMITTEE FOR THE CHIEF MINISTER'S PORTFOLIO  
(INCORPORATING THE PUBLIC ACCOUNTS COMMITTEE)**

Public Accounts Committee Report Number 13

February 1999

## **RESOLUTION OF APPOINTMENT**

The Standing Committee for the Chief Minister's Portfolio was appointed by the Legislative Assembly on 28 April 1998 to examine any matter under the responsibility of the Chief Minister's portfolio. The Assembly also resolved that the committee perform the duties of a public accounts committee, specifically:

- (a) to examine:
  - (i) the accounts of the receipts and expenditure of the Australian Capital Territory;
  - (ii) the financial affairs of authorities of the Australian Capital Territory; and
  - (iii) all reports of the Auditor-General which have been laid before the Assembly;
- (b) to report to the Assembly, with such comments as it thinks fit, on any items or matters in those accounts, statements and reports, or any circumstances connected with them, to which the Committee is of the opinion that the attention of the Assembly should be directed; and
- (c) to inquire into any question in connection with the public accounts which is referred to it by the Assembly and to report to the Assembly on that question.

## **MEMBERSHIP OF THE COMMITTEE**

Mr Ted Quinlan MLA Committee Chair

Mr Trevor Kaine MLA Deputy Committee Chair

Mr Greg Cornwell MLA

Secretary: Bill Symington

## 1. INTRODUCTION

1.1. Auditor-General's Report No 6, 1998 was presented to the Assembly on 24 November 1998.

1.2. This audit covered superannuation payments made to Members of the Legislative Assembly who retired during the term of the Third Assembly and those Members who were not re-elected at the February 1998 election.. It also covered a severance payment to a staff member of a former Minister.

1.3. All Members not continuing in the Assembly became entitled to superannuation payments under the *Superannuation (Legislative Assembly Members) Act 1991* which is administered by the ACT Legislative Assembly Members' Superannuation Board.

1.4. Members' staff who are terminated as a result of their employing Member not being re-elected are entitled to severance payments in accordance with the *Legislative Assembly (Members' Staff) Act 1989* and relevant determinations made under the Act by the Chief Minister. Members' staff cease employment on polling day but are deemed to continue for another two weeks or until the result of the election is declared, whichever comes first. The employment of staff of Members not elected is then terminated.

## 2. AUDIT FINDINGS

2.1. The audit found that:<sup>1</sup>

(i) superannuation payments to three former Members who retired during the third Assembly were not calculated in accordance with the legislation, guidelines or policies and, as a consequence, were overpaid

(ii) superannuation for the five retiring Members following the election was not calculated in accordance with legislation, guidelines or policies and, as a consequence, the calculations were incorrect

(iii) severance payments to staff of former Members, except for the payment to a staff member of a former Minister, were generally correct

2.2. The three superannuation overpayments were \$3,833, \$3,941 and \$4,976 and the audit found that the process by which the payments were calculated lacked internal departmental control. The audit noted that action to recover the overpayments had been initiated.<sup>2</sup>

2.3. For four of the five retiring Members the entitlements were incorrect by amounts ranging from a potential underpayment of \$1,690 to an overpayment of \$646 and again the audit found a lack of internal departmental control over calculations and checking.<sup>3</sup>

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<sup>1</sup> Audit report p3

<sup>2</sup> *ibid*, p5

<sup>3</sup> *ibid*, p6

2.4. With regard to severance payments for 13 staff of Members who were not re-elected, the audit found that these were made correctly by the Legislative Assembly Secretariat.<sup>4</sup>

2.5. Severance payment to a staff member of a former Minister was made by the Chief Minister's Department which apparently had difficulty in determining the staff member's last day of service as a result of which there was an overpayment of \$530.<sup>5</sup>

### ***Action taken***

2.6. As mentioned above, action has been taken to recover overpaid superannuation from the three Members who retired during the third Assembly.

2.7. With regard to superannuation miscalculations for those Members who were not re-elected in 1998, the Chief Minister's Department has reviewed processes and a projected superannuation salary for each former Member will be calculated and discrepancies will be resolved before issuing statements or recommending amounts for determination by the ACT Legislative Assembly Members' Superannuation Board.<sup>6</sup>

2.8. With regard to staff severance payments, the committee notes that the Chief Minister's Department advised the Audit Office that a complete review had been undertaken of its processes. The audit report commented that if the changed procedures are systematically implemented and subjected to appropriate internal control the errors and difficulties encountered in the audit should not recur.<sup>7</sup>

## **3. COMMITTEE COMMENT**

3.1. The committee is satisfied that the matters raised by this audit have been addressed and notes that Chief Minister's Department procedures have been reviewed to ensure that final and other payments due to both Members separating from the Assembly and their staff are calculated in accordance with appropriate authority.

Ted Quinlan MLA  
Chair

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<sup>4</sup> *ibid*, p7

<sup>5</sup> *ibid*

<sup>6</sup> *ibid*, pp9,10

<sup>7</sup> *ibid*