

The Treasury

Legislative Amendments to Reporting Timeframes due to COVID-19 Information Release

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Cabinet Government Administration and Expenditure Review Committee

Minute of Decision

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Legislative Amendments to Reporting Timeframes due to COVID-19

Portfolio **Finance**

On 18 June 2020, the Cabinet Government Administration and Expenditure Review Committee (GOV):

- 1 **noted** that:
 - 1.1 COVID-19 has created risks on agencies' ability to produce quality financial and non-financial 2019/20 end-of-year reporting and on auditors being able to provide robust audit assurance over that reporting, within the current legislative timeframes;
 - 1.2 this reporting supports the fundamental principles of government accountability and transparency;

Statement on the Long-Term Fiscal Position

- 2 **noted** that:
 - 2.1 the statement on the long-term fiscal position is required under the Public Finance Act 1989 to be published no later than November 2020;
 - 2.2 due to the impacts of COVID-19 this deadline is no longer achievable;
- 3 **agreed** to amend section 26N of the Public Finance Act 1989 to extend, from November 2020 to no later than September 2021, the timeframe within which the Treasury must prepare, and the Minister of Finance must present to the House of Representatives, the statement on the long-term fiscal position;

2019/20 Annual Reporting Requirements

- 4 **agreed** to amend the Public Finance Act 1989 and the Crown Entities Act 2004 to extend by up to two months, as set out in Appendix One of the paper attached under GOV-20-SUB-0016, the timeframes in which reports and statements must be produced and in which auditors must audit those reports and statements for the 2019/20 financial year for:
 - 4.1 departments;
 - 4.2 organisations listed at Schedule 4 of the Public Finance Act 1989;

4.3 companies listed in Schedule 4A of the Public Finance Act 1989; and

4.4 Crown entities.

- 5 **noted** that the Local Government Act 2002 provides that timeframes in that Act, including those for annual reports prepared by local authorities and council-controlled organisations, can be extended or non-compliance with a timeframe validated by way of an Order in Council;

Legislative Amendment

- 6 **authorised** the Minister of Local Government to issue drafting instructions to the Parliamentary Counsel Office for the preparation of appropriate Orders in Council under section 261 of the Local Government Act 2002 applying to specific local authorities or council-controlled organisations who are likely to be unable or who have been unable to comply with the statutory timeframe to prepare their annual report, and with the effect of extending the timeframe for preparation of their annual reports, or validating non-compliance with the timeframe;
- 7 **invited** the Minister of Finance to issue drafting instructions to the Parliamentary Counsel Office for the development of an Omnibus Bill to implement the amendments agreed in paragraphs 3 and 4 above;
- 8 **authorised** the Minister of Finance and the Parliamentary Counsel Office to make additional minor amendments required to implement decisions that may arise during drafting;
- 9 **authorised** Ministers responsible for legislation to approve policy requests for including extensions to statutory timeframes for entities within the public sector for reporting covering the 2019/2020 financial year in the Bill;
- 10 **noted** that the Minister of Finance intends to report back to the Cabinet Legislation Committee with a draft Bill and timeline for the parliamentary process that will follow.

Rachel Clarke
Committee Secretary

Present:

Hon Grant Robertson (Chair)
Hon Chris Hipkins
Hon Ron Mark
Hon Tracey Martin
Hon Shane Jones
Hon Peeni Henare
Hon James Shaw

Officials present from:

Office of the Prime Minister
Officials Committee for GOV