

AUDITOR-GENERAL

Purpose

The Auditor-General for the ACT is a statutory position created under the *Auditor-General Act 1996* (the Act). Consistent with the Act, the main objectives of the Auditor-General and Auditor-General's Office (Audit Office) are to promote accountability in the public administration of the Territory and provide independent advice to the ACT Legislative Assembly on the efficiency and effectiveness of ACT public sector agencies.

The Audit Office performs its role mainly by conducting financial and performance audits and reporting the results of these audits to the ACT Legislative Assembly.

The Audit Office seeks to improve the delivery of public services by:

- drawing the attention of ACT Government agencies to those areas where the delivery of public services could be improved; and
- providing practical recommendations and advice to ACT Government agencies on how improvements could be made.

The Audit Office also performs other activities such as responding to representations by the members of the Legislative Assembly and the community, providing advice and briefings to Legislative Assembly committees and ACT Government agencies, and conducting investigations under the *Public Interest Disclosure Act 1994*.

2012-13 Priorities

Major priorities for 2012-13 include:

- developing a performance audit program that considers the needs of the ACT Legislative Assembly, ACT Government agencies and wider community;
- completing an expanded program of performance audits in accordance with professional auditing standards and other investigations in an effective and timely manner;
- completing an annual program of financial audits in accordance with professional auditing standards and whole of government financial reporting and annual reporting timetables;
- responding promptly and effectively to representations and public interest disclosures from the ACT Legislative Assembly, ACT Government agencies and the wider community;
- improving further the Audit Office's reporting, budgeting and time recording systems; and
- improving staff performance through Performance Development Plans that identify learning and development opportunities.

Business and Corporate Strategies

The Audit Office will be operating under the guidance of its recently developed *Strategic Plan 2012-2015*. The Strategic Plan is supported by internal action plans for the Audit Office's financial audit, performance audit and corporate services branches. Major strategies in 2012-13 include:

- providing high quality, accurate and balanced reports of audits undertaken for the ACT Legislative Assembly and community. These reports will include recommendations aimed at improving agencies' administration and performance;
- providing informative and timely information to ACT Legislative Assembly through reports, advice and briefings;
- enhancing effective relationships with ACT Legislative Committees, especially the Public Accounts Committee, through regular reports, briefings and advice;
- applying efficient and effective audit methodologies;
- providing staff with learning and development opportunities that improve their performance;
- maintaining strong quality control and review systems to provide assurance that performance and financial audits are completed in accordance with the auditing standards and identify opportunities for the Audit Office to improve its work practices; and
- improving operations by implementing agreed recommendations from internal audits and quality assurance reviews of financial and performance audits.

Estimated Employment Level

2010-11 Actual Outcome		2011-12 Budget	2011-12 Est. Outcome	2012-13 Budget
32	Staffing (FTE)	36	39 ¹	36

Note:

1. The increase in 3 FTE from the original budget to the 2011-12 estimated outcome is mainly due to the recruitment of financial audit staff towards the end of the 2011-12 financial year to enable the whole of government financial statements to be completed one month earlier as required in an election year.

Changes to Appropriation

Government Payment for Outputs	2011-12	2012-13	2013-14	2014-15	2015-16
	Est. Out.	Budget	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
2011-12 Budget	2,214	2,266	2,306	2,344	2,344
2nd Appropriation					
Revised Wage Parameters	8	31	31	32	33
2012-13 Budget Policy Adjustment					
Increased Resourcing for Performance Audits	-	250	250	250	250
2012-13 Budget Technical Adjustment					
Revised Indexation Parameters	-	(2)	(2)	(2)	36
2012-13 Budget	2,222	2,545	2,585	2,624	2,663

Auditor-General Operating Statement

2011-12 Budget \$'000		2011-12 Est. Outcome \$'000	2012-13 Budget \$'000	Var %	2013-14 Estimate \$'000	2014-15 Estimate \$'000	2015-16 Estimate \$'000
Income							
Revenue							
2,214	Government Payment for Outputs	2,222	2,545	15	2,585	2,624	2,663
799	User Charges - Non ACT Government	779	813	4	842	867	890
2,622	User Charges - ACT Government	2,700	2,794	3	2,866	2,936	3,007
103	Interest	88	88	-	88	88	88
0	Other Revenue	4	0	-100	0	0	0
5,738	Total Revenue	5,793	6,240	8	6,381	6,515	6,648
5,738	Total Income	5,793	6,240	8	6,381	6,515	6,648
Expenses							
3,674	Employee Expenses	3,460	3,721	8	3,784	3,871	3,921
485	Superannuation Expenses	488	508	4	500	492	485
1,600	Supplies and Services	2,017	2,136	6	2,000	2,050	2,099
75	Depreciation and Amortisation	98	98	-	98	98	98
5,834	Total Ordinary Expenses	6,063	6,463	7	6,382	6,511	6,603
-96	Operating Result	-270	-223	17	-1	4	45
6	Inc/Dec in Asset Revaluation Reserve Surpluses	0	0	-	0	0	0
6	Total Other Comprehensive Income	0	0	-	0	0	0
-90	Total Comprehensive Income	-270	-223	17	-1	4	45

Auditor-General Balance Sheet

Budget as at 30/6/12 \$'000	Est. Outcome as at 30/6/12 \$'000	Planned as at 30/6/13 \$'000	Var %	Planned as at 30/6/14 \$'000	Planned as at 30/6/15 \$'000	Planned as at 30/6/16 \$'000	
Current Assets							
338	Cash and Cash Equivalents	1,553	1,497	-4	1,649	1,843	2,080
1,497	Receivables	1,386	1,386	-	1,386	1,386	1,386
1,100	Investments	0	0	-	0	0	0
44	Other Current Assets	13	13	-	13	13	13
2,979	Total Current Assets	2,952	2,896	-2	3,048	3,242	3,479
Non Current Assets							
364	Property, Plant and Equipment	371	311	-16	265	205	145
364	Total Non Current Assets	371	311	-16	265	205	145
3,343	TOTAL ASSETS	3,323	3,207	-3	3,313	3,447	3,624
Current Liabilities							
100	Payables	127	127	-	127	127	127
8	Finance Leases	8	8	-	8	8	8
1,160	Employee Benefits	1,566	1,654	6	1,743	1,856	1,969
1,268	Total Current Liabilities	1,701	1,789	5	1,878	1,991	2,104
Non Current Liabilities							
8	Finance Leases	8	8	-	8	8	8
134	Employee Benefits	129	148	15	166	183	202
73	Other	75	75	-	75	75	75
215	Total Non Current Liabilities	212	231	9	249	266	285
1,483	TOTAL LIABILITIES	1,913	2,020	6	2,127	2,257	2,389
1,860	NET ASSETS	1,410	1,187	-16	1,186	1,190	1,235
REPRESENTED BY FUNDS EMPLOYED							
1,841	Accumulated Funds	1,327	1,104	-17	1,103	1,107	1,152
19	Reserves	83	83	-	83	83	83
1,860	TOTAL FUNDS EMPLOYED	1,410	1,187	-16	1,186	1,190	1,235

Auditor-General Statement of Changes in Equity

Budget as at 30/6/12 \$'000		Est. Outcome as at 30/6/12 \$'000	Planned as at 30/6/13 \$'000	Var %	Planned as at 30/6/14 \$'000	Planned as at 30/6/15 \$'000	Planned as at 30/6/16 \$'000
Opening Equity							
1,937	Opening Accumulated Funds	1,597	1,327	-17	1,104	1,103	1,107
13	Opening Asset Revaluation Reserve	83	83	-	83	83	83
1,950	Balance at the Start of the Reporting Period	1,680	1,410	-16	1,187	1,186	1,190
Comprehensive Income							
-96	Operating Result for the Period	-270	-223	17	-1	4	45
6	Inc/Dec in Asset Revaluation Reserve Surpluses	0	0	-	0	0	0
-90	Total Comprehensive Income	-270	-223	17	-1	4	45
0	Total Movement in Reserves	0	0	-	0	0	0
Closing Equity							
1,841	Closing Accumulated Funds	1,327	1,104	-17	1,103	1,107	1,152
19	Closing Asset Revaluation Reserve	83	83	-	83	83	83
1,860	Balance at the End of the Reporting Period	1,410	1,187	-16	1,186	1,190	1,235

Auditor-General Cash Flow Statement

2011-12 Budget \$'000	2011-12 Est. Outcome \$'000	2012-13 Budget \$'000	Var %	2013-14 Estimate \$'000	2014-15 Estimate \$'000	2015-16 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts						
2,214	2,222	2,545	15	2,585	2,624	2,663
3,422	3,480	3,600	3	3,693	3,788	3,882
103	88	88	-	88	88	88
452	456	466	2	472	472	472
6,191	6,246	6,699	7	6,838	6,972	7,105
Payments						
3,430	3,151	3,418	8	3,463	3,505	3,553
559	562	583	4	585	575	568
1,749	2,166	2,441	13	2,345	2,385	2,434
276	276	285	3	285	285	285
6,014	6,155	6,727	9	6,678	6,750	6,840
177	91	-28	-131	160	222	265
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
0	1,211	0	-100	0	0	0
0	1,211	0	-100	0	0	0
0	1,211	0	-100	0	0	0
CASH FLOWS FROM FINANCING ACTIVITIES						
Payments						
8	8	28	250	8	28	28
8	8	28	250	8	28	28
-8	-8	-28	-250	-8	-28	-28
169	1,294	-56	-104	152	194	237
1,269	259	1,553	500	1,497	1,649	1,843
1,438	1,553	1,497	-4	1,649	1,843	2,080

Notes to the Budget Statements

Significant variations are as follows:

Operating Statement

- government payment for outputs: the increase of \$0.323 million in the 2012-13 Budget from the 2011-12 estimated outcome is due to increased funding for performance audits (\$0.250 million), salary increases and indexation.
- employee expenses:
 - the decrease of \$0.214 million in the 2011-12 estimated outcome from the original budget is mainly due to cost savings generated by delays in recruitment; and
 - the increase of \$0.261 million in the 2012-13 Budget from the 2011-12 estimated outcome is mainly due to the engaging of staff to complete the financial audit program. The increase also includes indexation of estimated revised wage parameters.
- supplies and services:
 - the increase of \$0.417 million in the 2011-12 estimated outcome from the original budget is mainly due to the engagement of contractors to complete financial audits of reporting agencies for 2010-11 and 2011-12; and
 - the increase of \$0.119 million in the 2012-13 Budget from the 2011-12 estimated outcome is mainly due to additional performance audit contractors. This is partially offset by an expected reduction in financial audit contractors.
- depreciation and amortisation: the increase of \$0.023 million in the 2011-12 estimated outcome from the original budget is due to an upwards revaluation of property, plant and equipment at the end of the 2010-11 financial year.

Balance Sheet

- property, plant and equipment: the decrease of \$0.060 million in the 2012-13 Budget from the 2011-12 estimated outcome is mainly due to depreciation.
- current and non current employee benefits:
 - the increase of \$0.401 million in the 2011-12 estimated outcome from the original budget is mainly due to the unbudgeted transfer of annual and long service leave liabilities associated with the prior service of the Auditor-General. These liabilities were not known when the original budget was prepared; and
 - the increase of \$0.107 million in the 2012-13 Budget from the 2011-12 estimated outcome is mainly due to growth in the number of staff entitled to annual and long service leave, and the revised wage parameters.

Statement of Changes in Equity

Variations in the statement are explained in the notes above.

Cash Flow Statement

- proceeds from sale/maturity of investments: the increase of \$1.211 million in the 2011-12 estimated outcome from the original budget and the decrease of \$1.211 million in the 2012-13 Budget from the 2011-12 estimated outcome is due to a decision to withdraw funds held with the Territory Banking Account and place them in the Audit Office's operating bank account.

Other variations in the statement are explained in the notes above.

