

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 2012*.

2013-14 Priorities

Major priorities for 2013-14 include:

- developing a performance audit program that considers the needs of the ACT Legislative Assembly, ACT Government agencies and the wider community;
- subject to expected amendments to the *Auditor-General Act 1996*, likely greater consideration of private sector and non government organisations as part of expected new 'follow the dollar' powers;
- completing a planned 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 developing the Audit Office's policies and procedures to manage public interest disclosures to meet its commitments under the new *Public Interest Disclosure Act 2012*; and
- 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.

Business and Corporate Strategies

The Audit Office operates under the guidance of its Strategic Plan 2012-2015. The Strategic Plan is supported by internal action plans for the Audit Office's financial audit, performance audit and audit support functions. Major strategies in 2013-14 include:

- providing high quality, accurate and balanced reports of audits undertaken for the ACT Legislative Assembly and community. These reports will include recommendations that will, if implemented, improve agencies' administration and performance;
- providing informative and timely information to the ACT Legislative Assembly through reports, advice and briefings;
- enhancing effective relationships with the ACT Legislative Committees, especially the Public Accounts Committee, through regular reports, briefings and advice;
- applying efficient and effective audit methods;
- providing staff with learning and development opportunities that improve their performance;
- maintaining strong quality control systems for financial and performance audits; and
- improving operations by implementing agreed recommendations from internal audits and quality assurance reviews of financial and performance audits.

Estimated Employment Level

2011-12 Actual Outcome	2012-13 Budget	2012-13 Est. Outcome	2013-14 Budget
38 Staffing (FTE)	36	40 ¹	39

Note:

1. The increase in staffing (FTE) in the 2012-13 estimated outcome from the original budget is mainly due to the recruitment of financial audit staff to enable the whole of government financial statements to be completed one month earlier as required in an election year.

Changes to Appropriation

	2012-13	2013-14	2014-15	2015-16	2016-17
Government Payment for Outputs	Est. Out.	Budget	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
2012-13 Budget	2,545	2,585	2,624	2,663	2,663
2013-14 Budget Technical Adjustments					
Revised Indexation Parameters	-	(1)	(1)	(1)	31
Revised Superannuation Parameters	-	12	9	5	(2)
Revised Superannuation Guarantee Rate	-	2	4	8	13
2013-14 Budget	2,545	2,598	2,636	2,675	2,705

Auditor-General Operating Statement

2012-13 Budget \$'000		2012-13 Est. Outcome \$'000	2013-14 Budget \$'000	Var %	2014-15 Estimate \$'000	2015-16 Estimate \$'000	2016-17 Estimate \$'000
Income							
Revenue							
2,545	Government Payment for Outputs	2,545	2,598	2	2,636	2,675	2,705
813	User Charges — Non ACT Government	695	716	3	730	756	778
2,794	User Charges — ACT Government	3,001	3,092	3	3,157	3,208	3,261
88	Interest	55	40	-27	40	40	40
6,240	Total Revenue	6,296	6,446	2	6,563	6,679	6,784
6,240	Total Income	6,296	6,446	2	6,563	6,679	6,784
Expenses							
3,721	Employee Expenses	3,858	4,073	6	4,089	4,139	4,195
508	Superannuation Expenses	598	534	-11	524	518	517
2,136	Supplies and Services	1,824	1,829	-	1,872	1,925	1,976
98	Depreciation and Amortisation	98	98	-	98	98	98
0	Other Expenses	14	0	-100	0	0	0
6,463	Total Ordinary Expenses	6,392	6,534	2	6,583	6,680	6,786
-223	Operating Result	-96	-88	8	-20	-1	-2
-223	Total Comprehensive Income	-96	-88	8	-20	-1	-2

Auditor-General Balance Sheet

Budget as at 30/6/13 \$'000	Est. Outcome as at 30/6/13 \$'000	Budget as at 30/6/14 \$'000	Var %	Estimate as at 30/6/15 \$'000	Estimate as at 30/6/16 \$'000	Estimate as at 30/6/17 \$'000
Current Assets						
1,497	1,369	1,507	10	1,676	1,864	2,054
1,386	1,869	1,869	-	1,869	1,869	1,869
13	15	15	-	15	15	15
2,896	3,253	3,391	4	3,560	3,748	3,938
Non Current Assets						
311	234	188	-20	128	68	8
311	234	188	-20	128	68	8
3,207	3,487	3,579	3	3,688	3,816	3,946
Current Liabilities						
127	256	256	-	256	256	256
8	5	5	-	5	5	5
1,654	1,467	1,612	10	1,724	1,834	1,946
1,789	1,728	1,873	8	1,985	2,095	2,207
Non Current Liabilities						
8	20	20	-	20	20	20
148	178	213	20	230	249	269
75	75	75	-	75	75	75
231	273	308	13	325	344	364
2,020	2,001	2,181	9	2,310	2,439	2,571
1,187	1,486	1,398	-6	1,378	1,377	1,375
REPRESENTED BY FUNDS EMPLOYED						
1,104	1,403	1,315	-6	1,295	1,294	1,292
83	83	83	-	83	83	83
1,187	1,486	1,398	-6	1,378	1,377	1,375

Auditor-General Statement of Changes in Equity

Budget as at 30/6/13 \$'000		Est. Outcome as at 30/6/13 \$'000	Budget as at 30/6/14 \$'000	Var %	Estimate as at 30/6/15 \$'000	Estimate as at 30/6/16 \$'000	Estimate as at 30/6/17 \$'000
Opening Equity							
1,327	Opening Accumulated Funds	1,499	1,403	-6	1,315	1,295	1,294
83	Opening Asset Revaluation Reserve	83	83	-	83	83	83
1,410	Balance at the Start of the Reporting Period	1,582	1,486	-6	1,398	1,378	1,377
Comprehensive Income							
-223	Operating Result for the Period	-96	-88	8	-20	-1	-2
-223	Total Comprehensive Income	-96	-88	8	-20	-1	-2
0	Total Movement in Reserves	0	0	-	0	0	0
Closing Equity							
1,104	Closing Accumulated Funds	1,403	1,315	-6	1,295	1,294	1,292
83	Closing Asset Revaluation Reserve	83	83	-	83	83	83
1,187	Balance at the End of the Reporting Period	1,486	1,398	-6	1,378	1,377	1,375

Auditor-General Cash Flow Statement

2012-13 Budget \$'000		2012-13 Est. Outcome \$'000	2013-14 Budget \$'000	Var %	2014-15 Estimate \$'000	2015-16 Estimate \$'000	2016-17 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
2,545	Cash from Government for Outputs	2,545	2,598	2	2,636	2,675	2,705
3,600	User Charges	3,689	3,878	5	3,957	4,034	4,109
88	Interest Received	55	40	-27	40	40	40
466	Other Receipts	466	387	-17	387	387	387
6,699	Operating Receipts	6,755	6,903	2	7,020	7,136	7,241
Payments							
3,418	Related to Employees	3,718	3,679	-1	3,724	3,774	3,827
583	Related to Superannuation	673	619	-8	607	601	600
2,441	Related to Supplies and Services	2,129	2,174	2	2,207	2,260	2,311
285	Other	299	285	-5	285	285	285
6,727	Operating Payments	6,819	6,757	-1	6,823	6,920	7,023
-28	NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES	-64	146	328	197	216	218
CASH FLOWS FROM FINANCING ACTIVITIES							
Payments							
28	Repayment of Finance Leases	28	8	-71	28	28	28
28	Financing Payments	28	8	-71	28	28	28
-28	NET CASH INFLOW/ (OUTFLOW) FROM FINANCING ACTIVITIES	-28	-8	71	-28	-28	-28
-56	NET INCREASE / (DECREASE) IN CASH HELD	-92	138	250	169	188	190
1,553	CASH AT THE BEGINNING OF REPORTING PERIOD	1,461	1,369	-6	1,507	1,676	1,864
1,497	CASH AT THE END OF REPORTING PERIOD	1,369	1,507	10	1,676	1,864	2,054

Notes to the Budget Statements

Significant variations are as follows:

Operating Statement

- supplies and services: the decrease of \$0.312 million in the 2012-13 estimated outcome from the original budget is mainly due to savings from not needing to use contractors, as planned, as a result of successfully recruiting employees to undertake the financial audit and performance audit program.

Balance Sheet

- receivables: the increase of \$0.483 million in the 2012-13 estimated outcome from the original budget is mainly due to increased user charges because of new audits and a change in the timing of the financial audit program resulting in more work-in-progress being accrued at 30 June 2013.

Statement of Changes in Equity

There are no significant variances in the Statement of Changes in Equity.

Cash Flow Statement

- related to employees: the increase of \$0.3 million in the 2012-13 estimated outcome from the original budget is due to the employment of additional staff to complete the financial audit program for the year ended 30 June 2012 within the earlier timeframes that apply in an election year, and performance audit staff to complete the performance audit program.