

## AUDITOR-GENERAL

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### Purpose

The Auditor-General for the ACT is an independent statutory position established under the *Auditor-General Act 1996* (the Act). The main objective of the Auditor-General's Office (Audit Office) is to promote public accountability in the public administration of the Territory. This is mainly achieved by conducting financial and performance audits and performing other activities that are conducive to meeting this objective.

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 community and conducting investigations under the *Public Interest Disclosure Act 1994*.

### 2011-12 Priorities

The priorities for 2011-12 include:

- developing a performance audit program that considers the needs of the community, ACT Legislative Assembly and ACT Government agencies;
- completing a planned program of performance and financial audits and other investigations as required in an effective and timely manner;
- implementing audit software to assist in the completion of financial and performance audits;
- continuing to respond to representations and public interest disclosures in a timely and effective manner;
- maintaining sound quality control and review systems to provide assurance that the Audit Office is adhering to requirements of current auditing standards and to identify opportunities for the Office to improve its work practices;
- improving the Audit Office's capacity to complete performance audits following the recent departure of key senior staff;
- enhancing the Office's reporting, budgeting and time recording systems; and
- considering the impact of any changes to the *Auditor-General Act 1996* resulting from the Public Accounts Committee's inquiry into the Act.

## Business and Corporate Strategies

The major strategies to be pursued in 2011-12 include:

- providing informative and timely information to the ACT Legislative Assembly through reports, advice and briefings;
- maintaining effective relationships with the ACT Legislative Committees, especially the Public Accounts Committee, through regular briefings;
- working with ACT Government agencies to improve their performance by alerting agencies to areas of improvement and providing sound recommendations;
- applying efficient and effective audit methodologies;
- providing staff with learning and development opportunities that maintains their technical expertise and knowledge of whole-of-government issues;
- 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

2009-10 Actual Outcome		2010-11 Budget	2010-11 Est. Outcome	2011-12 Budget
36	<b>Staffing (FTE)</b>	35	35	36 <sup>1</sup>

Note:

1. The increase of one FTE in 2011-12 reflects the appointment of staff, offset by reduction of contractors.

## Changes to Appropriation

### Changes to Appropriation - Controlled

Government Payment for Outputs	2010-11 Est. Out. \$'000	2011-12 Budget \$'000	2012-13 Estimate \$'000	2013-14 Estimate \$'000	2014-15 Estimate \$'000
<b>2010-11 Budget</b>	<b>2,165</b>	<b>2,215</b>	<b>2,252</b>	<b>2,291</b>	<b>2,291</b>
<b>2011-12 Budget Policy Adjustments</b>					
Revised Wage Parameters	(6)	(4)	12	13	13
Savings Initiative	-	(1)	(2)	(2)	(2)
<b>2011-12 Budget Technical Adjustments</b>					
Revised Indexation Parameters	-	4	4	4	42
<b>2011-12 Budget</b>	<b>2,159</b>	<b>2,214</b>	<b>2,266</b>	<b>2,306</b>	<b>2,344</b>

## Auditor-General Operating Statement

2010-11 Budget \$'000		2010-11 Est.Outcome \$'000	2011-12 Budget \$'000	Var %	2012-13 Estimate \$'000	2013-14 Estimate \$'000	2014-15 Estimate \$'000
<b>Income</b>							
<b>Revenue</b>							
2,165	Government Payment for Outputs	2,159	2,214	3	2,266	2,306	2,344
921	User Charges - Non ACT Government	800	799	..	825	854	879
2,536	User Charges - ACT Government	2,693	2,622	-3	2,690	2,761	2,830
40	Interest	96	103	7	103	103	103
<b>5,662</b>	<b>Total Revenue</b>	<b>5,748</b>	<b>5,738</b>	<b>..</b>	<b>5,884</b>	<b>6,024</b>	<b>6,156</b>
<b>Gains</b>							
<b>0</b>	<b>Total Gains</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>5,662</b>	<b>Total Income</b>	<b>5,748</b>	<b>5,738</b>	<b>..</b>	<b>5,884</b>	<b>6,024</b>	<b>6,156</b>
<b>Expenses</b>							
3,326	Employee Expenses	3,346	3,674	10	3,758	3,820	3,908
572	Superannuation Expenses	478	485	1	497	503	508
1,738	Supplies and Services	1,738	1,600	-8	1,618	1,629	1,651
75	Depreciation and Amortisation	72	75	4	75	75	75
<b>5,711</b>	<b>Total Ordinary Expenses</b>	<b>5,634</b>	<b>5,834</b>	<b>4</b>	<b>5,948</b>	<b>6,027</b>	<b>6,142</b>
<b>-49</b>	<b>Operating Result</b>	<b>114</b>	<b>-96</b>	<b>-184</b>	<b>-64</b>	<b>-3</b>	<b>14</b>
0	Inc/Dec in Asset Revaluation Reserve Surpluses	-6	6	200	0	0	0
<b>0</b>	<b>Total Other Comprehensive Income</b>	<b>-6</b>	<b>6</b>	<b>200</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>-49</b>	<b>Total Comprehensive Income</b>	<b>108</b>	<b>-90</b>	<b>-183</b>	<b>-64</b>	<b>-3</b>	<b>14</b>

## Auditor-General Balance Sheet

Budget as at 30/6/11 \$'000		Est.Outcome as at 30/6/11 \$'000	Planned as at 30/6/12 \$'000	Var %	Planned as at 30/6/13 \$'000	Planned as at 30/6/14 \$'000	Planned as at 30/6/15 \$'000
<b>Current Assets</b>							
1,296	Cash and Cash Equivalents	1,269	1,438	13	1,479	1,568	1,710
1,276	Receivables	1,497	1,497	-	1,497	1,497	1,497
22	Other	44	44	-	44	44	44
<b>2,594</b>	<b>Total Current Assets</b>	<b>2,810</b>	<b>2,979</b>	<b>6</b>	<b>3,020</b>	<b>3,109</b>	<b>3,251</b>
<b>Non Current Assets</b>							
395	Property, Plant and Equipment	363	364	..	327	304	267
<b>395</b>	<b>Total Non Current Assets</b>	<b>363</b>	<b>364</b>	<b>..</b>	<b>327</b>	<b>304</b>	<b>267</b>
<b>2,989</b>	<b>TOTAL ASSETS</b>	<b>3,173</b>	<b>3,343</b>	<b>5</b>	<b>3,347</b>	<b>3,413</b>	<b>3,518</b>
<b>Current Liabilities</b>							
53	Payables	100	100	-	100	100	100
3	Finance Leases	0	8	#	8	8	8
1,173	Employee Benefits	940	1,160	23	1,204	1,249	1,316
<b>1,229</b>	<b>Total Current Liabilities</b>	<b>1,040</b>	<b>1,268</b>	<b>22</b>	<b>1,312</b>	<b>1,357</b>	<b>1,424</b>
<b>Non Current Liabilities</b>							
25	Finance Leases	0	8	#	8	8	8
58	Employee Benefits	110	134	22	158	182	206
73	Other Provisions	0	0	-	0	0	0
0	Other	73	73	-	73	73	73
<b>156</b>	<b>Total Non Current Liabilities</b>	<b>183</b>	<b>215</b>	<b>17</b>	<b>239</b>	<b>263</b>	<b>287</b>
<b>1,385</b>	<b>TOTAL LIABILITIES</b>	<b>1,223</b>	<b>1,483</b>	<b>21</b>	<b>1,551</b>	<b>1,620</b>	<b>1,711</b>
<b>1,604</b>	<b>NET ASSETS</b>	<b>1,950</b>	<b>1,860</b>	<b>-5</b>	<b>1,796</b>	<b>1,793</b>	<b>1,807</b>
<b>REPRESENTED BY FUNDS EMPLOYED</b>							
1,585	Accumulated Funds	1,937	1,841	-5	1,777	1,774	1,788
19	Reserves	13	19	46	19	19	19
<b>1,604</b>	<b>TOTAL FUNDS EMPLOYED</b>	<b>1,950</b>	<b>1,860</b>	<b>-5</b>	<b>1,796</b>	<b>1,793</b>	<b>1,807</b>

**Auditor-General  
Cash Flow Statement**

2010-11 Budget \$'000		2010-11 Est.Outcome \$'000	2011-12 Budget \$'000	Var %	2012-13 Estimate \$'000	2013-14 Estimate \$'000	2014-15 Estimate \$'000
	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
	<b>Receipts</b>						
2,165	Cash from Government for Outputs	2,159	2,214	3	2,266	2,306	2,344
3,431	User Charges	3,467	3,422	-1	3,508	3,600	3,694
40	Interest Received	96	103	7	103	103	103
439	Other Revenue	439	452	3	466	472	472
<b>6,075</b>	<b>Operating Receipts</b>	<b>6,161</b>	<b>6,191</b>	<b>0</b>	<b>6,343</b>	<b>6,481</b>	<b>6,613</b>
	<b>Payments</b>						
3,344	Related to Employees	3,582	3,430	-4	3,494	3,536	3,581
564	Related to Superannuation	562	559	-1	572	588	591
1,829	Related to Supplies and Services	1,890	1,749	-7	1,923	1,975	1,986
288	Other	288	276	-4	285	285	285
<b>6,025</b>	<b>Operating Payments</b>	<b>6,322</b>	<b>6,014</b>	<b>-5</b>	<b>6,274</b>	<b>6,384</b>	<b>6,443</b>
<b>50</b>	<b>NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>-161</b>	<b>177</b>	<b>-210</b>	<b>69</b>	<b>97</b>	<b>170</b>
	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
	<b>Receipts</b>						
0	Proceeds from Sale of Property, Plant & Equipment	37	0	-100	0	0	0
<b>0</b>	<b>Investing Receipts</b>	<b>37</b>	<b>0</b>	<b>-100</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>0</b>	<b>NET CASH INFLOW/ (OUTFLOW) FROM INVESTING ACTIVITIES</b>	<b>37</b>	<b>0</b>	<b>-100</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
	<b>Payments</b>						
0	Repayment of Finance Lease	25	8	-68	28	8	28
<b>0</b>	<b>Financing Payments</b>	<b>25</b>	<b>8</b>	<b>-68</b>	<b>28</b>	<b>8</b>	<b>28</b>
<b>0</b>	<b>NET CASH INFLOW/ (OUTFLOW) FROM FINANCING ACTIVITIES</b>	<b>-25</b>	<b>-8</b>	<b>-68</b>	<b>-28</b>	<b>-8</b>	<b>-28</b>
<b>50</b>	<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>-149</b>	<b>169</b>	<b>-213</b>	<b>41</b>	<b>89</b>	<b>142</b>
<b>1,246</b>	<b>CASH AT BEGINNING OF REPORTING PERIOD</b>	<b>1,418</b>	<b>1,269</b>	<b>-11</b>	<b>1,438</b>	<b>1,479</b>	<b>1,568</b>
<b>1,296</b>	<b>CASH AT THE END OF THE REPORTING PERIOD</b>	<b>1,269</b>	<b>1,438</b>	<b>13</b>	<b>1,479</b>	<b>1,568</b>	<b>1,710</b>

## Auditor-General Statement of Changes in Equity

Budget as at 30/6/11 \$'000		Est.Outcome as at 30/6/11 \$'000	Planned as at 30/6/12 \$'000	Var %	Planned as at 30/6/13 \$'000	Planned as at 30/6/14 \$'000	Planned as at 30/6/15 \$'000
<b>Opening Equity</b>							
1,634	Opening Accumulated Funds	1,823	1,937	6	1,841	1,777	1,774
19	Opening Asset Revaluation Reserve	19	13	-32	19	19	19
<b>1,653</b>	<b>Balance at the Start of the Reporting Period</b>	<b>1,842</b>	<b>1,950</b>	<b>6</b>	<b>1,860</b>	<b>1,796</b>	<b>1,793</b>
<b>Comprehensive Income</b>							
-49	Operating Result for the Period	114	-96	-184	-64	-3	14
0	Increase/(Decrease) in Asset Revaluation Reserve Surpluses	-6	6	200	0	0	0
<b>-49</b>	<b>Total Comprehensive Income</b>	<b>108</b>	<b>-90</b>	<b>-183</b>	<b>-64</b>	<b>-3</b>	<b>14</b>
<b>0</b>	<b>Total Movement In Reserves</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Transactions Involving Owners Affecting Accumulated Funds</b>							
<b>Closing Equity</b>							
1,585	Closing Accumulated Funds	1,937	1,841	-5	1,777	1,774	1,788
19	Closing Asset Revaluation Reserve	13	19	46	19	19	19
<b>1,604</b>	<b>Balance at the End of the Reporting Period</b>	<b>1,950</b>	<b>1,860</b>	<b>-5</b>	<b>1,796</b>	<b>1,793</b>	<b>1,807</b>

### Notes to the Budget Statements

Significant variations are as follows:

#### *Operating Statement*

- employee expenses: the increase of \$0.328 million in the 2011-12 budget from the 2010-11 estimated outcome mainly reflects the expected appointment of staff to fill vacancies resulting from the departure of senior audit staff in 2010-11. The increase also includes an allowance for the estimated impact of revised annual salary rates.
- supplies and services: the decrease of \$0.138 million in the 2011-12 Budget from the 2010-11 estimated outcome mainly reflects an expected reduction in contractor costs. Audit contractors were engaged in 2010-11 to assist in completing the financial audit program due to the loss of senior audit staff and difficulty in recruiting suitable replacements. These contractor costs are not anticipated in 2011-12.

### *Balance Sheet*

- cash and cash equivalents: the increase of \$0.169 million in the 2011-12 Budget from the 2010-2011 estimated outcome is due to the Audit Office expecting to set aside cash for meeting future expected increases in employee benefit liabilities.
- current and non current employee benefits: the decrease of \$0.181 million in the 2010-11 estimated outcome from the original budget is a result of payments of annual and long services leave entitlements to staff who left the Audit Office during 2010-11. The increase of \$0.244 million in the 2011-12 Budget from the 2010-11 estimated outcome is mainly due to the anticipated recruitment of more senior staff.

### *Cash Flow Statement*

Variances in the statement are explained in the notes above.

### *Statement of Changes in Equity*

Variances in the statement are explained in the notes above.

