

The AUDITOR GENERAL

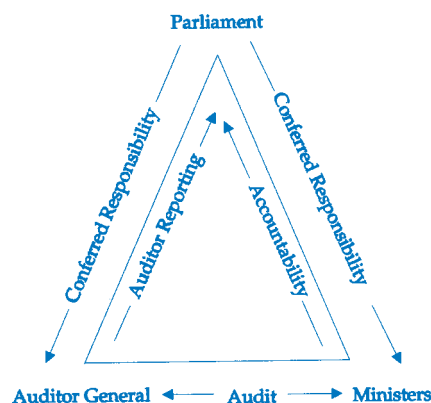
The Auditor General is an appropriately qualified independent statutory officer appointed by the Governor under the *Financial Administration and Audit Act 1985* (FAAA) and retains office until retirement, unless suspended by the Governor and removed from office by a resolution of both Houses of Parliament. He is also the Accountable Officer and Chief Executive Officer of the Office, a department of the public service of the State under the *Public Sector Management Act 1994*. For the purpose of executive administration, the Office currently falls within the ministerial portfolio of the Treasurer.

As the Accountable Officer, the Auditor General must discharge responsibilities under the FAAA (as modified by Part II of Schedule 1A). As Chief Executive Officer, the Auditor General is also responsible for a range of staffing functions under the *Public Sector Management Act 1994*.

Accountability and Authority

Accountability within the public sector is traditionally established when Parliament confers responsibility on public sector agencies, subject to control of a Minister of the Crown, to account through that Minister for all that is done in the exercise of their authority, the manner in which it is done and the ends sought to be achieved.

The Auditor General's responsibility, conferred by Parliament, is to audit and report upon the manner in which conferred responsibilities have been discharged by agencies. As such the Auditor General has a responsibility to the community generally and his role is superimposed on the accountability relationship between the responsible Minister and Parliament. The interrelationships can



best be demonstrated diagrammatically by the 'accountability triangle' above.

Thus the Auditor General can be seen as serving the public interest and an 'ally of the people and Parliament'. He must act, and be seen to be acting, independently in carrying out all of his powers and duties. This independence is the foundation of the external audit function in the public sector context.

The Auditor General's role is recognised under statute in his appointment by the Crown and by conferred authority to undertake audits in the manner he sees fit. In order therefore to properly discharge his responsibilities in terms of law, he must be free from pressure, influence or interference from any source that may erode such independence.

Summary of REPORTS TO PARLIAMENT

Protection of Critical Infrastructure Control Systems

(24 August 2005)

The examination identified opportunities to improve the security of a sample of critical infrastructure control systems such as through better risk management assessments, security management practices and by addressing system vulnerabilities



systems in place. However, the report highlights that the eventual outcome cannot be predicted and significant challenges lay ahead, which would put all parties under increasing pressure.

Second Public Sector Performance Report

(19 October 2005)

- **Production, Transport and Disposal of Controlled Waste**



The Water Corporation's sewer network is vulnerable to illegal dumping of Controlled waste whilst the Department of the Environment's Controlled Waste Tracking System was found to be unable to provide reliable data about the quantities and movement of controlled waste.

- **Regulation of Child Care Services**

The Department for Community Development was adequately assessing applications for new and renewed child care licenses but other aspects of the regulation regime were not as well managed.

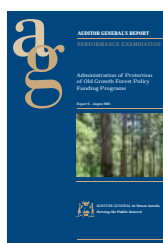
- **The Personnel and Payroll Processing Function at the Department of Education and Training**

Although the Department's personnel function is responsible for managing an annual payroll of nearly \$1.5b, it was undertaking little monitoring and measurement of the function. We estimated that 98 per cent of pays were correct and found that 89 per cent of new employees we sampled were put onto the payroll and paid promptly.

Administration of Protection of Old Growth Forests Policy Funding Programs

(24 August 2005)

The Performance Examination found that overall the administration of the Workers Assistance Program was satisfactory. However, because of shortcomings in processes and documentation, reasonable assurance could not be given that Business Exit Assistance applications were assessed consistently with Program Guidelines and that they met an acceptable standard of evidence to support the validity of payments made.



Contract Management of the City Rail Project

(31 August 2005)

Midway through the design and construction phase of this complex project, we found that the Public Transport Authority was competently managing the contract. Although this cannot guarantee a positive outcome, comfort can be taken from the robust processes and



Third Public Sector Performance Report

(16 November 2005)

- **Unauthorised Driving – Unlicensed Drivers and Unregistered Vehicles in Western Australia**



There is no reliable data on the incidence of unauthorised driving. Based on studies done in other jurisdictions, we estimated that as many as 66 000 drivers and 70 000 vehicles are on WA roads without authorisation.

- **Management of the Light Vehicle Fleet**

We found that the Fleet Steering Committee was undertaking little whole of government monitoring of the more than 9 000 passenger and light commercial vehicles. However, fleet management services were satisfactory and provided at competitive rates.

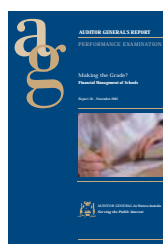
- **Redundancy and Redeployment**

Redundancy and redeployment is being adequately managed though opportunities exist to improve the management of the small number of long term redeployees.

Making the Grade? Financial management of Schools

(16 November 2005)

While schools have improved their financial management since this function was devolved to them in 1987, they are still not managing their finances adequately. There are ongoing problems with managing purchases,



payments and assets and ensuring they achieve value for money. The Department of Education and Training is aware of these problems and has taken action to improve financial management in schools but has not taken a co-ordinated approach with clear objectives, targets and timelines to resolve the problems.

Progress with Implementing the Response to the Gordon Inquiry

(23 November 2005)

The Performance Examination found inadequacies in the central reporting and monitoring of the progress of the Government's Action Plan and its initiatives to 'improve the capacity of government to protect children from abuse'. The Report provides guidance for improving effective oversight of the Action Plan and the lessons learned are relevant to the management of other Government Action Plans.



Audit Results Report by Ministerial Portfolios at 11 November 2005

(23 November 2005)

This Report provides a summary of the results of 175 financial statement and controls audits, 127 performance indicator audits and 24 audit certifications completed to 11 November 2005 and commentary on:

- ongoing information systems control weaknesses and other compliance and control issues



- timeliness of financial reporting and the future earlier reporting requirements commencing in 2005-06 under the *Financial Administration Legislation Amendment Act 2005* (FALAA) using the presentation required from adopting the Australian Equivalents of the International Financial Reporting Standards.

It also includes results of a review of key performance indicators and their use by agencies as an accountability and management tool.

Management of the TRELIS Project

(12 April 2006)

Many aspects of the project management of the Transport Executive and Licensing Information System (TRELIS) was found inadequate resulting in it being over budget and two years late in completion. However, the system was found to be reliable.



Audit Results Report on Universities and TAFE Colleges and other audits completed since 11 November 2005

(12 April 2006)

This Report summarises the results of 31 financial statement and controls audits and 21 performance indicator audits for four universities, three of their subsidiaries, 10 TAFE colleges and four other agencies with a 31 December 2005 reporting date, as well as eight agencies with a



30 June 2005 reporting date and two final audits. Eight certifications issued on agencies' financial and statistical data are also listed.

It also contains commentary on issues identified during the 2005 audits of universities and TAFE colleges, in particular the ongoing information technology system controls that require attention.

Public Sector Performance Report

(17 May 2006)

- Management of the WaterWise Rebate Program

The rebate program has saved water though the extent of the savings is difficult to estimate. Public statements about the amount of water saved have been based on an optimistic and undisclosed assumption that would have overstated the results of the program.

- Regulation of Animal Feedstuffs, Hormonal Growth Promotants and Veterinary Chemicals

Feedstuffs and hormonal growth promotants are being regulated in accordance with legislation and national guidelines.



Behind the Evidence: Forensic Services

(31 May 2006)

Many aspects of State government forensic services are working well. However, agencies (including the WA Police, the Chemistry Centre, and PathWest) are not working successfully together to provide timely and effective services to meet the needs of the justice system. Agencies need to work together to reduce a backlog in DNA analyses, better allocate resources, develop capacity to meet future demand, improve forensic information systems, and have ongoing assessment and resolution of risks related to occupational safety and health, and exhibit storage.



Help Wanted: Public Service Workforce Management

(21 June 2006)

Public service agencies are struggling to attract and retain staff and this is contributing to delays in service delivery and the implementation of new government initiatives. Underlying problems include agencies' recruitment practices as well as restrictive central government controls. There needs to be a re-think of the approach to public service workforce management and a coordinated response to workforce issues.



Early Diagnosis: Management of the Health Reform Program

(14 June 2006)

This report was an early diagnosis of the significant reforms to the State's health system. It found that there have been some notable early achievements, but that the management of the health reform projects to date does not provide assurance that the Health Reform Implementation Taskforce (HRIT) can keep the reform programme on track over the coming years. The HRIT needs to take a more disciplined and rigorous approach to managing the health reform program.



Procurement Reform: Beyond Compliance to Customer-Focus

(28 June 2006)

This performance examination found that the Department of Treasury and Finance (DTF) and agencies have made reasonable progress in the first year of procurement reforms. Looking at the implementation process and savings achieved by DTF and agencies, we recommended that if the full benefits of the reforms are to be achieved all parties involved will need to continuously monitor their performance and change their current approaches to procurement to ensure value for money is maintained.



Audit Clients

Audits Under FAAA

Departments

Administration of the Legislative Assembly
 Administration of the Legislative Council
 Commissioner for Equal Opportunity
 *Department for Community Development
 *Department for Planning and Infrastructure
 *Department of Agriculture and Food
 *Department of Attorney General
 *Department of Conservation and Land Management
 *Department of Consumer and Employment Protection
 *Department of Corrective Services
 *Department of Culture and the Arts
 *Department of Education and Training
 Department of Education Services
 *Department of Environment
 *Department of Fisheries
 *Department of Health
 *Department of Housing and Works
 *Department of Indigenous Affairs
 *Department of Industry and Resources
 *Department of Land Information
 Department of Local Government and Regional Development
 Department of Parliamentary Services
 *Department of Racing, Gaming and Liquor
 Department of Sport and Recreation
 *Department of the Premier and Cabinet
 Department of the Registrar, Western Australian Industrial Relations Commission
 *Department of Treasury and Finance
 Department of Water
 Governor's Establishment
 Office of Energy
 Office of Shared Services
 Office of the Director of Public Prosecutions
 Office of the Information Commissioner
 Office of the Inspector of Custodial Services

Office of the Public Sector Standards Commissioner
 Parliamentary Commissioner for Administrative Investigations
 *Western Australian Police Service
 Western Australian Electoral Commission

Statutory Authorities and Corporations

Agricultural Practices Board of Western Australia
 Agricultural Produce Commission
 Animal Resources Authority
 Armadale Redevelopment Authority
 Botanic Gardens and Parks Authority
 Building and Construction Industry Training Board
 Bunbury Water Board
 Busselton Water Board
 *Central TAFE
 Central West TAFE
 *Challenger TAFE
 Coal Industry Superannuation Board
 *Commissioner of Main Roads
 Construction Industry Long Service Leave Payments Board
 Corruption and Crime Commission
 Country High School Hostels Authority
 Country Housing Authority
 Curriculum Council
 *Curtin University of Technology
 C Y O'Connor College of TAFE
 *Disability Services Commission
 East Perth Redevelopment Authority
 Economic Regulation Authority
 *Edith Cowan University
 *Fire and Emergency Services Authority of Western Australia
 Fire and Emergency Services Superannuation Board
 Forest Products Commission
 Gaming and Wagering Commission of Western Australia
 Gascoyne Development Commission
 *Gold Corporation
 Goldfields-Esperance Development Commission
 Government Employees' Housing Authority
 *Government Employees Superannuation Board

Great Southern Development Commission
 Great Southern TAFE
 Hawthorn Hospital (Final Audit)
 Heritage Council of Western Australia
 Independent Market Operator
 *Insurance Commission of Western Australia
 Keep Australia Beautiful Council (WA)
 Kimberley TAFE
 Kimberley Development Commission
 Landcare Trust
 Law Reform Commission of Western Australia
 Legal Aid Commission of Western Australia
 Legal Contribution Trust
 Legal Costs Committee
 Local Health Authorities Analytical Committee
 *Lotteries Commission
 Metropolitan Cemeteries Board
 Midland Redevelopment Authority
 Mid West Development Commission
 Minerals and Energy Research Institute of Western Australia
 *Murdoch University
 Office of Health Review
 Parliamentary Inspector of the Corruption and Crime Commission
 Peel Development Commission
 Peel Health Services
 Perth International Centre for Application of Solar Energy
 Perth Market Authority
 Perth Theatre Trust
 Pilbara Development Commission
 Pilbara TAFE
 Potato Marketing Corporation of Western Australia
 Professional Combat Sports Commission
 Professional Standards Council
 *Public Transport Authority of Western Australia
 *Public Trustee
 Quadriplegic Centre Board
 *Racing and Wagering Western Australia
 Racing Penalties Appeal Tribunal of Western Australia
 Real Estate and Business Agents Supervisory Board

Recreation Camps and Reserve Board (Final Audit)
 *Rottnest Island Authority
 Rural Business Development Corporation
 Screen West (Inc.)
 Settlement Agents Supervisory Board
 Small Business Development Corporation
 South West Development Commission
 South West Health Board
 South West Regional College of TAFE
 State Government Insurance Corporation
 State Supply Commission
 Subiaco Redevelopment Authority
 Swan Bells Foundation Inc
 Swan River Trust
 *Swan TAFE
 The Aboriginal Affairs Planning Authority
 The Agriculture Protection Board of Western Australia
 The Anzac Day Trust
 The Board of the Art Gallery of Western Australia
 The Burswood Park Board
 The Coal Miners' Welfare Board of Western Australia
 The Eastern Goldfields Transport Board
 The Library Board of Western Australia
 *The Minister for Health in his capacity as the Deemed Board of Metropolitan Public Hospitals
 The National Trust of Australia (WA)
 The Queen Elizabeth II Medical Centre Trust
 *The State Housing Commission
 *The University of Western Australia
 The Western Australian Centre for Pathology and Medical Research (Final audit to 14/7/05)
 The Western Australian Egg Marketing Board (Final Audit to 2/7/05)
 The Western Australian Museum
 Trustees of the Public Education Endowment
 *WA Country Health Service
 Water and Rivers Commission
 West Coast TAFE
 Western Australian Alcohol and Drug Authority
 Western Australian Building

Management Authority
 Western Australian Coastal Shipping Commission
 Western Australian Gas Disputes Arbitrator
 Western Australian Greyhound Racing Association
 Western Australian Health Promotion Foundation
 Western Australian Institute of Sport
 Western Australian Meat Industry Authority
 *Western Australian Planning Commission
 Western Australian Sports Centre Trust
 *Western Australian Tourism Commission
 *Western Australian Treasury Corporation
 Wheatbelt Development Commission
 *Workcover Western Australia Authority
 Zoological Gardens Authority

Subsidiaries

ECU Resources for Learning Ltd
 Fresh Western Pty Ltd
 Homeswest Loan Scheme Trust
 Integral Leadership Centre Ltd
 Keystart Bonds Limited
 *Keystart Housing Scheme Trust
 Keystart Loans Limited
 Keystart Support (Subsidiary) Pty Ltd
 Keystart Support Pty Ltd
 Keystart Support Trust
 MS Biotechnology Pty Ltd (Dormant)
 Murdoch ILO Pty Ltd
 Murdoch Investments Company Pty Ltd
 Murdoch Link Pty Ltd
 Murdoch University Foundation
 Murdoch University Veterinary Centre Trust
 Murdoch Ventures Pty Ltd
 Murdoch Retirement Services Ltd
 Tarolinta Pty Ltd
 The University Club Pty Ltd
 The University Company Pty Ltd (dormant)
 Uniservices Kalgoorlie Pty Ltd
 WA Mint Pty Ltd (dormant)
 WANMTC Pty Ltd (dormant)
 Wind Energy Corporation Pty Ltd

Request Audits

Aberdeen Unit Trust
 Annual Reports on State Finance
 Curtin University of Technology Superannuation Scheme
 Foundation for Advanced Medical Research Inc
 Friends of the WCHS Inc
 Government House Foundation of Western Australia (Inc)
 Ngala Inc
 Numbers Investments Pty Ltd
 Poongsan Perth Mint Joint Venture
 SB Investment Trust
 South West Cogeneration Joint Venture
 Tertiary Institutions Service Centre (Inc)
 The Director of Legal Aid and Others in Trust

Audits Under Other Legislation

Cemeteries

Albany Cemetery Board
 Bunbury Cemetery Board
 Chowerup Cemetery Board
 Dwellingup Cemetery Board
 Geraldton Cemetery Board
 Kalgoorlie-Boulder Cemetery Board
 South Caroling Cemetery Board
 Upper Preston-Lowden Cemetery Board

Port Authorities

Albany Port Authority
 Broome Port Authority
 Bunbury Port Authority
 Dampier Port Authority
 Esperance Port Authority
 *Fremantle Port Authority
 Geraldton Port Authority
 Port Hedland Port Authority

Other Legislation

*Horizon Power
 *Synergy
 *Verve Energy
 *Water Corporation
 *Western Australian Land Authority
 *Western Power – Networks
 *Western Power Corporation (Final Audit to 31/3/06)

* Major Audit Clients

Office COMMITTEES

CORPORATE EXECUTIVE

Provides strategic direction and formulates corporate policies



Reporting to Corporate Executive

Committee	Purpose
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Office Consultative Committee (OCC)

To facilitate the efficient and effective conduct of Office activities by enabling the views of employees to be taken into account in decision-making



Occupational Safety and Health Committee (OS&H)

Provides employees and visitors to the Office with a safe and healthy place of work as required under the *Occupational Safety and Health Act 1984*



Statement of Compliance with Relevant Written Laws

ENABLING LEGISLATION

The administration of the Office of the Auditor General is established under Part III of the *Financial Administration and Audit Act 1985*.

LEGISLATION ADMINISTERED

The Office does not administer legislation.

LEGISLATION IMPACTING ON OFFICE ACTIVITIES

In the performance of its functions the Office complies with the following relevant written laws:

- *Financial Administration and Audit Act 1985* (FAAA), and *Corporations (Western Australia) Act 1990* (Corporations Law).
- *Public Sector Management Act 1994*, *Salaries and Allowances Act 1975*, *Public and Bank Holidays Act 1972*, *Equal Opportunity Act 1984*, *State Superannuation Act 2000*, *Superannuation and Family Benefits Act 1938*, *Occupational Safety and Health Act 1984*, *Workers' Compensation and Injury Management Act 1981*, *Minimum Conditions of Employment Act 1993* and *Industrial Relations Act 1979* (*Employment Acts*).
- *State Records Act 2000*
- *Corruption and Crime Commission Act 2003*
- *State Supply Commission Act 1991*
- *Disability Services Act 1993*
- *Electoral Act 1907*
- *Electronic Transactions Act 2003*
- *Public Interest Disclosure Act 2003*

The following written laws also impact on the Office's activities:

- *Constitution Act 1889* and *Constitution Acts Amendment Act 1899*, *Treasurer's Advance Authorisation, Supply, Loan and Appropriation Acts* and *Financial Agreement Acts*.
- *Interpretation Act 1984*, and written law affecting agencies and activities subject to audit by the Auditor General.

In the financial administration of the Office we have complied with the requirements of the FAAA and every other relevant written law, and exercised controls which provide reasonable assurance that the receipt and expenditure of moneys and the acquisition and disposal of public property and incurring of liabilities have been in accordance with legislative provisions.

At the date of signing we are not aware of any circumstances which would render the particulars included in this statement misleading or inaccurate.



D D R PEARSON
ACCOUNTABLE OFFICER



S THOMSON
CHIEF FINANCE OFFICER
31 August 2006

COMPLIANCE WITH PUBLIC SECTOR MANAGEMENT ACT SECTION 31(1)

The Office assesses compliance issues in relation to the Code of Ethics and Code of Conduct through proactive management and ongoing monitoring. Active discussion with staff regarding the Office's ethos and values is a formal component of the Work and Development Planning process and reinforces compliance with the Codes. When matters are raised concerning ethical issues, it is usually managed in-house, however on occasions advice and assistance is sought from an appropriate body. The Office is staffed by professional people who pride themselves in maintaining a well-earned reputation of trust and credibility. To ensure that staff are aware of their responsibilities each year they are required to sign a staff declaration stating that they will 'undertake to comply with all the relevant OAG policies and legislation and the Code of Conduct.'

The Office's Internal Auditor (who is an independent contractor has reviewed Human Resource documentation in relation to compliance of Public Sector Standards in Human Resource management. This audit confirmed that procedures and documentation provide evidence of compliance with Human Resource Standards and the Office's policies. 'The documentation that was reviewed provided adequate evidence of compliance with Office policies and HR standards. In addition, the reviews of selection reports carried out by the HR Manager provided additional assurance of compliance with policies and standards.

The Office conducted 19 recruitment processes in 2005-06. There were no breach claims lodged.



D D R PEARSON
AUDITOR GENERAL
31 August 2006

COMPLIANCE WITH ELECTORAL ACT 1907 SECTION 175ZE(1)

Any public agency required to publish an Annual Report under the FAAA or any other law is required under section 175ZE (1) to include a statement in the annual report setting out details of all expenditure in relation to:

- advertising agencies
- market research organisations
- polling organisations
- direct mail organisations
- media advertising organisations

detailing the amount of the expenditure and in relation to each class of expenditure constituted by subsection (1) the amount of the expenditure for the class, and the name of each person, agency or organisation to whom an amount was paid.

In compliance with the above, I submit the following details of advertising for job vacancies and the Parliamentary Survey:

• Total Expenditure	\$54 624
• Advertising Agencies	\$30 199
– Marketforce	\$28 659
– CPA Australia	\$1 540
• Market Research Organisations	\$24 425
– Audit Office of NSW	\$24 425



D D R PEARSON
ACCOUNTABLE OFFICER
31 August 2006

Glossary of Terms

Accountability is traditionally established when Parliament confers responsibility on public sector agencies to account through a Minister of the Crown for all that is done in the exercise of their authority, the manner in which it is done and the ends sought to be achieved.

Accrual Accounting provides information on revenues earned and expenditure incurred in an accounting period irrespective of when actual cash transactions occur (ie when money is received or paid). It also involves accounting for the portion of assets consumed and liabilities incurred during the period and provides a summary of the net worth of the entity at the end of the accounting period.

Annual Report on State Finances is a report prepared in accordance with the *Government Financial Responsibility Act 2000* that provides the State's public sector financial results for the budget year and outlines material differences between these results and the financial projections contained in the State Budget for that budget year.

Attest Audit is work performed to enable an opinion to be expressed regarding a report about financial or performance matters prepared by the party who is accountable for the financial transactions or the performance summary.

Auditor General's Report is the vehicle used to report to the Parliament the results of audits and examinations conducted under sections 79 and 80 of the *Financial Administration and Audit Act 1985*.

Australian Equivalents to International Financial Reporting Standards (AIFRS) are Accounting Standards issued by the Australian Accounting Standards Board (AASB) that are equivalent to Accounting Standards issued by the International Accounting Standards Board (IASB).

Controls, Compliance and Accountability Examinations (CCAs) focus on financial administration and management issues with the objective of identifying opportunities for improving agencies' operational performance, accountability, use of resources and compliance with legislation.

Corporatised Entities operate under enabling legislation in a similar manner to companies under the *Corporations Act 2001*.

Department means a body established or deemed to have been established under the *Public Sector Management Act 1994*.

Direct Reporting is an examination resulting in a written report being prepared where the party responsible for the matter examined has not been significantly involved in initiating or preparing the report.

Effectiveness Indicators are performance indicators that provide information on the extent to which agency level government desired outcomes have been achieved, or contributed to, through the delivery of services.

Efficiency Indicators are performance indicators that generally relate services to the level of resource inputs required to deliver them.

Entrance Interviews are formal meetings with senior management conducted during the audit planning phase to provide the opportunity to canvass with management issues of importance and to explore the proposed audit emphasis and areas of coverage.

Exit Interviews are formal meetings with senior management at the penultimate stage of audits and examinations to confirm understandings and to explain audit findings and conclusions.

Financial Statements are a presentation of financial information including accompanying notes derived from accounting records to communicate for a period of time an entity's financial performance and cash flows and at a point of time its financial position.

Follow-up Examination Performance Examinations are routinely followed up two to three years after tabling to review what has been done. A **Follow-on Examination** is a more extensive follow-up examination where a topic still has significant importance and relevance.

Interim Report is a report issued where the Auditor General is unable to issue an audit opinion within the predefined deadlines stipulated in the *Financial Administration and Audit Act 1985*.

Management Letter is a letter to senior management that conveys the significant audit findings and result of an audit.

Materiality is the magnitude of an omission or misstatement of accounting or performance information that, in the light of context or circumstances, makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced.

Matters of Significance are the 'key messages' in OAG reports. 'Key messages' are defined as the issues a general Parliamentary reader would take away from the report after the detail of specific findings and recommendations has receded into the background.

Outcomes are the effect, impact, result or consequence for the community, environment or target clients of government services.

Performance Auditing encompasses the range of audit and review activities from annual attest audit work on financial statements and performance indicators through to the preparation of direct reports on performance examinations.

Performance Examination (PE) is work performed in examining the accountability, efficiency and effectiveness of public sector agencies or specific areas within an agency or across a number of government agencies.

Performance Indicator (PI) is information about service performance or outcome achievement.

Performance Indicator Audit is work performed to enable an opinion to be expressed about whether or not the indicators are relevant and appropriate having regard to their purpose and fairly represent indicated performance.

Qualified Audit Opinion is expressed when the audit identified that the financial statements or performance indicators are likely to be misleading to users, controls were inadequate, there was material conflict between applicable financial reporting frameworks or an unavoidable limitation on audit work.

Service means the supply of an activity or good to a user external to the entity providing the service. Services comprise programs and outputs.

Significance is the relative importance in the circumstances, in relation to audit objectives, of an item, event or information, or problem the auditor identifies.

Statutory Authority means a person or body specified in Schedule 1 of the *Financial Administration and Audit Act 1985*. These agencies are established by Parliament under legislation for specified purposes.

Treasurer's Instructions are prescribed requirements at a minimum level with respect to financial administration that have the force of law and must be observed by public sector agencies under the *Financial Administration and Audit Act 1985*.

Unqualified Audit Opinion is expressed when the audit concludes that in all material respects the financial statements and performance indicators are presented fairly in accordance with the enabling legislation of the agency, applicable Accounting Standards, Treasurer's Instructions and other mandatory professional reporting requirements in Australia.

Working Papers are documents that record the auditor's planning, audit procedures performed, the auditor's findings and the conclusions drawn from the audit evidence obtained.

Office Directory

at 31 August 2006

AUDITOR GENERAL'S OFFICE

Des Pearson	9222 7501
Auditor General	
Peta Mullane	9222 7502
Executive Officer	
John Doyle	9222 7544
Deputy Auditor General	
Molly Elympos	9222 7506
Executive Assistant	

ASSURANCE SERVICE DIVISION

Stephen Howell	9222 7507
Executive Director	
Peter Sparkes	9222 3906
Director, Contracts	
Don Cunninghame	9222 7526
Director	
Ian Goldsmith	9222 7559
Director	
Vince Turco	9222 7515
Director	
Glenn Joseph	9222 3959
Acting Director	

COMPLIANCE AND INFORMATION SYSTEMS AUDIT DIVISION

Glen Clarke	9222 7543
Executive Director	
Steve Mackessy	9222 7554
Manager, Information Systems Audit	
Peter Bouhlas	9222 7522
Principal Analyst, Information Systems	

PERFORMANCE REVIEW DIVISION

Peter Wilkins	9222 7588
Executive Director	
Karen Schmidt	9222 3925
Associate Director	
Kim Lazenby	9222 7595
Associate Director	
Jason Beeley	9222 7579
Acting Associate Director	

STANDARDS AND QUALITY DIVISION

Paul Jost	9222 7514
Acting Assistant Auditor General	
Barry Rowe	9222 7503
Director Standards	
Rod Berg	9222 7591
Principal Adviser Performance Indicator Standards	

STRATEGY, POLICY AND INNOVATION DIVISION

Sandy Thomson	9222 7557
Assistant Auditor General	
Thelma Fermo	9222 7504
Executive Assistant	
Peter Villiers	9222 7558
Manager, Communications	
Natalie Mar	9222 7510
Acting Manager, Finance and Administrative Resources	
Nigel Pay	9222 7572
Manager, Human Resources	
Vince Partridge	9222 7508
Manager, Information Resources	
Jacquie Stepanoff	9222 7571
Manager, Planning and Coordination	

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