

Other Financial Disclosures

Pricing Policies

The Office's fee model only invoices agencies for financial audits, although our fees incorporate a loading to recover one-third of our compliance audit work.

The fees are based on the hours required to do each financial audit. Where a contractor conducts the audit on the Office's behalf, the Office's fees are based on the contractor's fees.

The model also assumes:

- full recovery of identified overheads with these costs being spread over all financial audit engagements
- annual adjustment for inflation and cost pressures arising from salary increases and other expenses.

Capital Works Expenditure Summary

In 2007-08 actual capital expenditure totalled \$442 000, almost \$29 000 less than the Total Estimated Expenditure of \$471 000 referred to in the budget papers. The main reason for the variation was the incompleteness of two major Capital Works Projects, which have been carried forward into 2008-09.

Completion of the two projects carried forwards into 2008-09 will cost an estimated total of \$90 000:

- eTrack Practice Management System – \$30 000
- Intranet Replacement Project – \$60 000

Capital Works Funding Allocations

2007-08 Budget Allocation	\$471 000
Approved Carried Forward from 2006-07	\$147 000
Total CW Budget for 2007-08	\$618 000

Capital Works Projects Incomplete	2007-08 FYTD
Two Capital projects were in progress at the end of 2007-08:	
➤ eTrack Practice Management System	\$342 000
➤ Intranet Replacement Project	\$48 000
	\$390 000

The largest capital project implemented in 2007-08 was the Peripheral Enhancement Project. The total cost was \$34 000 compared to an estimated total cost of \$115 000 at 1 July 2007.

The remaining \$18 000 was spent on:	
➤ Mobile Email Project	\$15 000
➤ Accommodation Project	\$3 000
	\$18 000
Actual Capital Expenditure 2007-08	\$442 000
Balance at end of financial year	\$176 000

Employees

Employees by Division at June 2008¹

	2007	2008	Difference
Auditor General Unit ²	6	6	0
Assurance Services Division	60	40	-20
Performance Review Division	21	17	-4
Compliance and Information Systems	12	14	+2
Standards and Quality Division	4	4	0
Strategy Policy and Innovation Division	26	25	-1
Total	129	106	-23

¹ Includes 'inoperative' staff (ie on secondment, parental leave and leave without pay).

² Includes the Auditor General, Deputy Auditor General and support staff.

Table 21

Table 21 reflects the agency staffing profile contributing to the Equity Index.

The Office's representation of all groups except indigenous Australians and youth was above both community and public sector representation in 2008. The representation of youth was well above that of the general public sector, reflecting the Office's strong commitment to graduate recruitment. As in previous years, we have relied on our Graduate Program to fill our base level auditor positions and again met our target in appointing 10 graduates into our three year structured Graduate Development Program. After one year, the retention rate for these graduates was 60 per cent.

Categories	Actual 2004 %	Actual 2005 %	Actual 2006 %	Actual 2007 %	Actual 2008 %	2008 Public Sector Representation %	Community Representation %
Women	50	52.2	55	27	57		49.7
Indigenous Australians	2.7	0.8	0.9	0.8	0.8	3.0	3.2
People from Culturally Diverse Backgrounds	17.3	20	24.3	30.5	50	11.75	17
Disabilities	1.8	5.1	4.7	3.1	4.3	3.6	4
Youth	9	17	11.2	12	9.6	7.5	11.5

Table 21

Equity Index

A key factor in our success is having an ethical and equitable workplace free from bias, which values diversity and encourages both individual and collective achievement. The Equity Index provides a basis for comparing the distribution of a group across all levels of an organisation’s workforce to the distribution of the workforce as a whole.

If the group has a similar distribution to the total workforce, the Equity Index is 100. An index of less than 100 indicates the group is concentrated at lower employment levels. An index of more than 100 indicates the group is more likely to be at the higher levels.

A meaningful Equity Index cannot be calculated for a diversity group with less than 10 individuals. For this reason the Office only has an Equity Index for Women and for people from Culturally Diverse Backgrounds. The Office performance against these benchmarks is shown in Table 22.

Continuing to improve the Equity Index for Office is a priority.

Categories	Actual 2004	Actual 2005	Actual 2006	Actual 2007	Actual 2008	Public Sector Target 2009
Women	49	62	59	70	66	78
People from Culturally Diverse Backgrounds	72	78	59	79	60	100

Table 22

Employee Relations

The Office continued to operate over the course of the year in a cooperative industrial climate supported by an Office Consultative Committee. The Committee meets quarterly to discuss issues which affect staff, to provide the Executive with comments on staff related policies and procedures, and to have input into the development and monitoring of Equal Opportunity and Disability Inclusion Access Plans.

The Office also provides a confidential and independent Employee Assistance Program which can be accessed by employees and immediate family members. De-identified data and reports on usage are received, enabling the Office to detect trends in employee issues.

Employees have access to grievance procedures for breaches of public sector standards and unfair treatment. In 2007-08 the Office received one claim for a breach of standards in relation to recruitment, which was withdrawn by the complainant during the conciliation period. The Office also received a grievance alleging unfair treatment, which was independently investigated and not upheld.

Governance Disclosures

Senior Officers

At the date of reporting, other than normal contracts of employment of service, no senior officers, or firms of which senior officers are members, or entities in which senior officers have any substantial interests, had any interests in existing or proposed contacts with the office and senior officers.

Other Employment

Under Schedule 1, Clause 3 of the AG Act, the Auditor General must not, except so far as authorised by law or by resolutions of both Houses of Parliament, hold certain offices, places or positions referred to the *Constitution Acts Amendment Act 1899*. The Schedule also prohibits the Auditor General from engaging in any paid employment outside the duties of the Office of the Auditor General.

At no time while acting as the Auditor General or since my appointment to that office have I engaged in any paid employment outside the duties of my office. I am also a member of the State Records Commission, as authorised by the *State Records Act 2000*, section 58n (a).

Other Legal Requirements

Statement of Compliance with *Electoral Act 1907* section 175ZE (Advertising)

In compliance with this section I submit the following information:

1. Section 175ZE requires public agencies to include a statement in their annual reports on
 - all expenditure incurred
 - the recipients of such expenditure
 in relation to advertising agencies, market research organisations, polling organisations, direct mail organisations and media advertising organisations.
2. Office expenditure during 2007-08 related to advertising for job vacancies, the conduct of agency and parliamentary surveys, the Office’s contribution to the Australian Council of Auditors-General’s (ACAG) macro benchmarking survey and focus group research for a performance examination. The details were as follows:

Advertising Agencies		\$40 276.65
Marketforce	\$40 276.65	
Market Research Organisations		\$61 748.18
Orima Research	\$37 930.00	
Govmetrica	\$23 818.18	
Polling Organisations		\$0
Direct Mail Organisations		\$0
Media Advertising Organisations		\$0
Total Expenditure		\$102 024.83

Expenditure on advertising rose by eight per cent from 2006-07 to 2007-08 with the increase mainly associated with recruitment, which is directly linked with the attrition rate and labour market factors.

Statement of Compliance with *Disability Services Act 1993*

The Office of the Auditor General supports the principles of equity of access to services and facilities for people with disabilities. This is achieved through the Office’s Disability Access and Inclusion Plan which has been in operation since 1995 and which meets both our statutory requirements under the *WA Disability Services Act (1993)* and our obligations under the *Commonwealth Disability Discrimination Act (1992)*.

Our Plan continues to be updated to reflect changes in the needs of people with disabilities, with annual monitoring of outcomes being achieved against objectives. Examples of activities include making reports available in various formats and providing advice on the availability of the National Relay Service (TTY). Our internet and intranet websites are currently being upgraded and will feature an ability to increase the font size.

Statement of Compliance with *Public Sector Management Act* Section 31 (1)

In compliance with this section I submit the following information:

1. In the administration of the Office of the Auditor General I have complied with the Public Sector Standards in Human Resource Management, The Western Australian Public Sector Code of Ethics and the Office’s Code of Conduct.
2. One application was made for a breach of the Recruitment, Selection and Appointment Standard in 2007-08. This application was withdrawn by the complainant during the conciliation period.
3. Significant actions taken to monitor and ensure compliance for the reporting period were:
 - ✓ Information about the Standards, the WA Code of Ethics and the Office’s Code of Conduct is part of the Office’s induction materials and on the Offices’ intranet.
 - ✓ Employees are required to review and acknowledge the Office’s Code of Conduct annually.
 - ✓ Publications from the Integrity Coordinating Group are distributed to staff.

Statement of Compliance with *State Records Act 2000*, Section 61 and State Records Commission Standards, Standard 2, Principle 6

As required by the *State Records Act 2000*, the Office has a Recordkeeping Plan (RKP). The Recordkeeping Plan (including the Retention and Disposal Schedule) was reviewed and re-submitted to the State Records Office in March 2008.

State Records Commission Requirement	Office Response
The efficiency and effectiveness of the Organisation’s recordkeeping system is evaluated not less than once every five years.	During 2008 an internal audit was conducted on the recordkeeping systems within the Office. The audit confirmed that the Office’s recordkeeping system was operating in compliance with its Recordkeeping Plan and Retention and Disposal Schedule.
The Organisation conducts a recordkeeping training program.	<p>Training continues to be a priority and is addressed through the induction process with all new employees. All new employees are referred to the SRO guidelines ‘Recordkeeping in Western Australia: Who is responsible. A guide for Government employees and contractors’ that is published to the Office intranet.</p> <p>In addition, during 2008, an all staff session on ‘Driving an Electronic Document Management System (EDRMS)’ was held. This was part of the Office’s monthly seminar series and was designed to highlight recordkeeping practices in a ‘fun and informal’ manner.</p> <p>A specialised training session in ‘advanced searching techniques’ was designed and held for the Performance Review Division.</p>
The efficiency and effectiveness of the training program is reviewed from time to time.	The internal audit recommended a more formal training program with improved recording and reporting. This is planned for development in the coming year.
The Organisation’s Induction program addresses employees’ roles and responsibilities with regard to their compliance with the Organisation’s recordkeeping plan.	The Office’s Graduate Induction program is held on an annual basis and generalist sessions such as recordkeeping are made available to all employees. Individually recruited employees are given one-on-one induction and recordkeeping training in the EDRMS as required by their position.

Table 23

Government Policy Requirements

Corruption Prevention

The Office requires staff to sign an annual written declaration that stresses the need to maintain the highest personal and professional standards of conduct.

In 2006-07 the Declaration also incorporated the Office's Code of Conduct which requires staff to comply with all relevant legislation and policies: in particular, the *Auditor General Act 2006*, *Financial Management Act 2006*, the *Public Sector Management Act (1994)*, *Equal Opportunity Act (1984)* and the Office's policies, practices and procedures.

Substantive Equality

Substantive equality is a key component of the Office's Equal Employment Opportunity Management Plan with the principles of substantive equality embedded in recruitment policies and practices and aligned with our ethos and values. Substantive equality applies to the whole Office, with increased cultural diversity being experienced especially in the audit areas. The Office's EEO Plan is reviewed annually in consultation with the Office Consultative Committee, and progress against objectives is reported to the Corporate Executive. Induction and orientation programs also consider substantive equality.

Sustainability

In 2007-08 the Office reported on the following audits relating to environment and sustainability:

- Renewable Energy: Knowing What We Are Getting – November 2007
- Performance Examination of the Administration of Natural Resource Management Grants – November 2007
- Tracking Timber Logged From South-West Native Forests – September 2007
- Management of Native Vegetation Clearing – September 2007

Senior staff represented the Office at the International Organisation of Supreme Audit Institution's (INTOSAI) Regional Working Group on Environmental Auditing (RWGEA) in Melbourne in April 2008. This working group is an important opportunity for audit offices in the South Pacific region to share knowledge, skills and learning in the area of environment and sustainability auditing.

The Office also established a 'Green Team' in June 2008. The aim of the Green Team is to increase awareness of sustainable development issues, to assist employees in making choices that respect the environment and that promote sustainable development, and to reinforce the Office's efforts to economise on the use of resources and to minimise waste.

Occupational Safety and Health

Occupational Safety and Health and Injury Management Performance

The Office is committed to ensuring the well being of its employees. This commitment is outlined in the injury management policy which aims to facilitate, where possible, the safe and early return to meaningful productive work of any employee who suffers serious illness or injury. The policy and reporting requirements are available to staff via the intranet. In 2007-08 the Office recorded nil fatalities and one injury, which did not result in any lost time.

The Occupational Safety and Health Committee

The Office is committed to providing a safe work environment for its staff and visitors. An Occupational Safety and Health Committee and supporting policies and procedures assist the Office to meet this objective. The Committee comprises three safety and health representatives and one management representative.

Under the terms of the *Occupational Safety and Health Act (1984)*, the Committee is elected and representatives are appointed for a term of two years. Committee members receive formal training and all staff are advised of the contact details of representatives. Examples of activities in 2007-08 include policy review, regular hazard inspections, ergonomic assessments, investigating incidents and providing reports to Executive as to outcomes. New staff receive induction on OSH issues, including manual handling.

Statement of Compliance with the Injury Management Requirement of the *Workers' Compensation and Injury Management Act 1981*

The 2007-08 reporting year is the first time agencies have been required to include occupational safety, health and injury management information in their annual reports, in accordance with the Premier's Circular 2007/12: *Code of Practice: Occupational Safety and Health in the Western Australian Public Sector*.

Therefore, information is provided here on the Office's occupational safety, health and injury management performance, policies and initiatives. In particular:

- The Office is committed to ensuring the well being of its employees.
- An Occupational Safety and Health Committee has been set up to assist the Office in achieving its objectives.

- The committee is set up and operates in compliance with the *Occupational Safety and Health Act (1984)*.
- The Office has not experienced any situation to date which would require implementation of the injury management requirements of s1555C of the *Workers' Compensation and Injury Management Act 1981*.
- The Office is in the process of implementing systems to ensure workers who may suffer an injury compensable under the Act can access a return to work program that is in accordance with WorkCover WA's *Workers Compensation Code of Practice (Injury Management) 2005*.

Report on Annual OSH and Injury Management Performance 2007-08

Indicator	Target 2007-08	
Number of fatalities	Nil	Nil
LTI/D incidence rate*	1	Nil (or 10% reduction on previous year)
LTI severity rate	Nil	Nil (or 10% reduction on previous year)
Return to work	100%	Not specified
Managers trained in OSH and injury management	9%	Not specified
* LTI/D = lost time injury or disease		

Table 24

	2003-04	2004-05	2005-06	2006-07	2007-08
Frequency Rate					
LTI/D x 1 000 000 / Total Hours Worked	5.29%	5.34%	0	0	2.8
Incidence Rate					
Number of LTI/D x 100 / Total Employees	1.03	1.04	0	0	0.91
Average Lost Time Rate					
Number of lost days lost / Number of LTI/D	0	0	0	0	0
Estimated Cost of Claims / \$100 Payroll					
Estimated cost of claims x 100 / Total Payroll	0.03	0.04	0.14	0	0.01
Premium Rate					
Premium as a percentage of payroll	0.36	0.32	0.33	0.34	0.29
Rehabilitation Success					
Rehabilitation employees x 100 / Employees eligible for rehabilitation	100%	100%	100%	100%	100%

Table 25

Name, Method and Term of Appointment of Accountable Authority

Reporting under this heading ceased to be a requirement in 2006-07. However, the Office will continue to report on this matter as the Auditor General is an independent officer of Parliament and the *Auditor General Act 2006* introduced new arrangements for appointing an Auditor General, including consultation with Parliament and a strictly limited tenure.

Mr Colin Murphy was appointed Auditor General under the *Auditor General Act 2006* on 6 June 2007 after acting in the position from September 2006 to 5 June 2007. As prescribed in the Act, his appointment will end on 5 June 2017.

Exercise of Powers Conferred by Auditor General Act 2006

The AG Act conferred several new powers and duties on the Auditor General (AG). The following table provides information on their use.

Auditor General Act 2006	Comment
AG to have regard to audit priorities of Parliament as determined by either House, the Public Accounts Committee or the Estimates and Financial Operations Committee (s8)	Audit priorities are regularly discussed with parliamentary committees
AG may dispense with all or any part of an audit of the accounts of an agency (s14(2))	The AG did not dispense with any audits.
AG may audit the accounts of 'related entities' (s17)	No related entities were audited in 2007-08
AG may audit any accounts that the Treasurer requests the AG to audit (s19)	Nine entities were audited in 2007-08 at the request of the Treasurer
AG may carry out any audit that the Public Accounts Committee or the Estimates and Financial Operations Committee requests the AG to carry out (s20)	One audit was conducted in 2007-08 under s20 of the AG Act
AG to include in a report to Parliament an opinion as to whether a decision not to provide information to Parliament concerning any conduct or operations of an agency is reasonable and appropriate (s24)	In his report to Parliament tabled 28 November 2007, the AG provided his opinion on the 42 ministerial notifications he received between 1 February and 19 November 2007

Audit Clients (at 30 June 2008)

Financial Statements Audits

Departments

Administration of the Legislative Assembly
 Administration of the Legislative Council
 Commissioner for Equal Opportunity
 *Department for Child Protection
 Department for Communities
 *Department for Planning and Infrastructure
 *Department of Agriculture and Food
 *Department of Attorney General
 *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 and Conservation
 *Department of Fisheries
 *Department of Health
 *Department of Housing and Works
 *Department of Indigenous Affairs
 *Department of Industry and Resources
 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 the Commissioner for Children and Young People
 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

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 Superannuation Board
 Great Southern Development Commission
 Great Southern TAFE

Heritage Council of Western Australia
 *Housing Authority
 *Insurance Commission of Western Australia
 Keep Australia Beautiful Council (WA)
 Kimberley Development Commission
 Kimberley TAFE
 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 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
 *Rottnest Island Authority
 Rural Business Development Corporation
 Screen West (Inc.)
 Settlement Agents Supervisory Board

Small Business Development Corporation
 South West Development Commission
 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 University of Western Australia
 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 Land Information Authority
 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
 Homeswest Loan Scheme Trust
 Innovative Chiropractic Learning Pty Ltd (formally Murdoch ILO Pty 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 Investments Company Pty Ltd
 MurdochLINK Pty Ltd
 Murdoch Retirement Services Ltd
 Murdoch University Foundation
 Murdoch University Veterinary Centre Trust
 Murdoch Ventures Pty Ltd
 The University Club of Western Australia Pty Ltd
 The University Company Pty Ltd (Dormant)
 UWA Business School Executive Program Ltd
 WA Mint Pty Ltd (Dormant)
 Wind Energy Corporation Pty Ltd

Request Audits

Friends of the WCHS Inc
 Government House Foundation of Western Australia (Inc)
 Ngala Inc
 SB Investment Trust
 Sir Charles Gairdner Foundation Trust (formerly Foundation for Advanced Medical Research Inc)
 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

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

*Annual Report on State Finances
 *Horizon Power
 Independent Market Operator
 *Synergy
 *Verve Energy
 *Water Corporation
 *Western Australian Land Authority
 *Western Power – Networks

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.

Agency means a department, a sub-department or a statutory authority.

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.

Audit includes to examine, investigate, inspect and review.

Auditor General's Report is the vehicle used to report to Parliament the results of audits and examinations conducted under sections 12 to 20 of the *Auditor General Act 2006*.

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 explanatory 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.

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 (MoS) are the 'key messages' in Auditor General's 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 of 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 Management Act 2006*. These agencies are established by Parliament under legislation for specified purposes.

Sub-department means an entity in respect of which a declaration under section 56(2) of the *Financial Management Act 2006* has effect.

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 Management Act 2006*.

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, Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions.

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 29 August 2008)

AUDITOR GENERAL'S OFFICE

Colin Murphy 9222 7501
Auditor General

Peta Mullane 9222 7502
Executive Officer

Glen Clarke 9222 7543
Deputy Auditor General

Molly Elympos 9222 7506
Executive Assistant

ASSURANCE SERVICE DIVISION

Don Cunninghame 9222 7526
Assistant Auditor General

Peter Sparkes 9222 3906
Director, Contracts

Ian Goldsmith 9222 7559
Director

Vince Turco 9222 7515
Director

Patrick Arulsingham 9222 3944
Director

Liang Wong 9222 7542
A/Director

COMPLIANCE AND INFORMATION SYSTEMS AUDIT DIVISION

Colin Campbell 9222 3937
Assistant Auditor General

Peter Bouhlas 9222 7522
Principal Analyst, Information Systems

PERFORMANCE REVIEW DIVISION

Peter Wilkins 9222 7588
Assistant Auditor General

Jason Beeley 9222 7579
Director

Rod Berg 9222 7591
Principal Adviser
Performance Indicator Standards

STANDARDS AND QUALITY DIVISION

David Gilchrist 9222 7573
Assistant Auditor General

Paul Jost 9222 7514
Director

Barry Rowe 9222 7503
Director Standards

STRATEGY, POLICY AND INNOVATION DIVISION

Sandy Thomson 9222 7557
Assistant Auditor General

Thelma Fermo 9222 7504
Executive Assistant

Lesley Shi 9222 7590
Manager, Finance and
Administrative Resources

Vince Partridge 9222 7508
Manager, Information Resources

Michelle Bunn 9222 7571
Executive Officer/Analyst,
Planning and Coordination

Mandy Murray 9222 7564
Manager, Professional Development

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