

## AUDITOR-GENERAL

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### Objectives

Consistent with the functions of the Auditor-General, as set out in the *Auditor-General Act 1996*, the objectives of the Auditor-General's Office (the 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 services.

The Office performs its role mainly through conducting financial and performance audits and reporting the results to the ACT Legislative Assembly.

The 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 agencies, conducting investigations under the *Public Interest Disclosure Act 1994* and reporting under the *Government Procurement Act 2001*.

### 2007-08 Priorities

Strategic and operational issues to be pursued in 2007-08 include:

- completing the financial audit program in accordance with whole-of-government financial reporting and annual reporting timetables;
- conducting audits in compliance with new and revised national auditing standards;
- continuing the implementation of an up-to-date audit methodology on financial audits;
- responding to the community, Legislative Assembly and public sector agencies by delivering timely and cost effective performance audits and other investigations;
- improving the Office's capacity to provide advice to agencies on a range of matters, including legislation and governance;
- establishing and implementing an internal audit function to review the Office's internal practices and procedures; and
- developing and implementing the Office's Strategic Plan 2008-2011.

### Business and Corporate Strategies

In order to achieve its objectives and priorities, the Office will continue to operate under the guidance of its *Strategic Plan 2004-2007*. The Office will be developing a new four year Strategic Plan which will be supported by an Action Plan that assigns responsibility for specific actions.

## Estimated Employment Level

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	<b>2006-07 Est. Outcome</b>	<b>2007-08 Budget</b>
<b>Staffing (FTE)</b>	30	34

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## Changes to Appropriation

### Changes to Appropriation - Departmental

	2006-07	2007-08	2008-09	2009-10	2010-11
Government Payment for Outputs	Est. Out.	Budget	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2006-07 Budget</b>	<b>1,946</b>	<b>1,994</b>	<b>2,056</b>	<b>2,095</b>	<b>2,095</b>
<b>2007-08 Budget Technical Adjustments</b>					
Revised Indexation Parameters	-	1	2	2	37
Shared Services Centre SLA Adjustment	-	9	11	13	13
<b>2007-08 Budget</b>	<b>1,946</b>	<b>2,004</b>	<b>2,069</b>	<b>2,110</b>	<b>2,145</b>

## Auditor-General Operating Statement

2006-07 Budget \$'000		2006-07 Est.Outcome \$'000	2007-08 Budget \$'000	Var %	2008-09 Estimate \$'000	2009-10 Estimate \$'000	2010-11 Estimate \$'000
<b>Income</b>							
<b>Revenue</b>							
1,946	Government Payment for Outputs	1,946	2,004	3	2,069	2,110	2,145
200	User Charges - Non ACT Government	793	896	13	902	901	911
2,421	User Charges - ACT Government	2,049	2,248	10	2,324	2,389	2,429
25	Interest	40	40	-	40	40	40
<b>4,592</b>	<b>Total Revenue</b>	<b>4,828</b>	<b>5,188</b>	<b>7</b>	<b>5,335</b>	<b>5,440</b>	<b>5,525</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>4,592</b>	<b>Total Income</b>	<b>4,828</b>	<b>5,188</b>	<b>7</b>	<b>5,335</b>	<b>5,440</b>	<b>5,525</b>
<b>Expenses</b>							
2,934	Employee Expenses	2,581	2,895	12	2,981	3,027	3,068
350	Superannuation Expenses	493	495	..	510	525	541
1,291	Supplies and Services	1,729	1,784	3	1,820	1,843	1,857
38	Depreciation and Amortisation	52	35	-33	30	30	30
<b>4,613</b>	<b>Total Ordinary Expenses</b>	<b>4,855</b>	<b>5,209</b>	<b>7</b>	<b>5,341</b>	<b>5,425</b>	<b>5,496</b>
<b>-21</b>	<b>Operating Result</b>	<b>-27</b>	<b>-21</b>	<b>22</b>	<b>-6</b>	<b>15</b>	<b>29</b>

## Auditor-General Balance Sheet

Budget as at 30/6/07 \$'000		Est.Outcome as at 30/6/07 \$'000	Planned as at 30/6/08 \$'000	Var %	Planned as at 30/6/09 \$'000	Planned as at 30/6/10 \$'000	Planned as at 30/6/11 \$'000
<b>Current Assets</b>							
1,203	Cash and Cash Equivalents	837	891	6	958	1,045	1,157
839	Receivables	1,148	1,148	-	1,148	1,148	1,148
8	Other	6	6	-	6	6	6
<b>2,050</b>	<b>Total Current Assets</b>	<b>1,991</b>	<b>2,045</b>	<b>3</b>	<b>2,112</b>	<b>2,199</b>	<b>2,311</b>
<b>Non Current Assets</b>							
455	Property, Plant and Equipment	509	474	-7	444	414	384
<b>455</b>	<b>Total Non Current Assets</b>	<b>509</b>	<b>474</b>	<b>-7</b>	<b>444</b>	<b>414</b>	<b>384</b>
<b>2,505</b>	<b>TOTAL ASSETS</b>	<b>2,500</b>	<b>2,519</b>	<b>1</b>	<b>2,556</b>	<b>2,613</b>	<b>2,695</b>
<b>Current Liabilities</b>							
397	Payables	115	115	-	115	115	115
295	Employee Benefits	809	843	4	878	913	948
23	Other	16	16	-	16	5	0
<b>715</b>	<b>Total Current Liabilities</b>	<b>940</b>	<b>974</b>	<b>4</b>	<b>1,009</b>	<b>1,033</b>	<b>1,063</b>
<b>Non Current Liabilities</b>							
553	Employee Benefits	47	69	47	92	115	138
48	Other	36	20	-44	5	0	0
<b>601</b>	<b>Total Non Current Liabilities</b>	<b>83</b>	<b>89</b>	<b>7</b>	<b>97</b>	<b>115</b>	<b>138</b>
<b>1,316</b>	<b>TOTAL LIABILITIES</b>	<b>1,023</b>	<b>1,063</b>	<b>4</b>	<b>1,106</b>	<b>1,148</b>	<b>1,201</b>
<b>1,189</b>	<b>NET ASSETS</b>	<b>1,477</b>	<b>1,456</b>	<b>-1</b>	<b>1,450</b>	<b>1,465</b>	<b>1,494</b>
<b>REPRESENTED BY FUNDS EMPLOYED</b>							
1,189	Accumulated Funds	1,477	1,456	-1	1,450	1,465	1,494
<b>1,189</b>	<b>TOTAL FUNDS EMPLOYED</b>	<b>1,477</b>	<b>1,456</b>	<b>-1</b>	<b>1,450</b>	<b>1,465</b>	<b>1,494</b>

## Auditor-General Cash Flow Statement

2006-07 Budget \$'000		2006-07 Est.Outcome \$'000	2007-08 Budget \$'000	Var %	2008-09 Estimate \$'000	2009-10 Estimate \$'000	2010-11 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Receipts</b>							
1,946	Cash from Government for Outputs	1,946	2,004	3	2,069	2,110	2,145
2,621	User Charges	2,842	3,144	11	3,226	3,290	3,340
25	Interest Received	40	40	-	40	40	40
215	Other Revenue	215	216	..	216	222	228
<b>4,807</b>	<b>Operating Receipts</b>	<b>5,043</b>	<b>5,404</b>	<b>7</b>	<b>5,551</b>	<b>5,662</b>	<b>5,753</b>
<b>Payments</b>							
3,230	Related to Employees	3,020	3,334	10	3,433	3,494	3,551
1,307	Related to Supplies and Services	1,745	1,800	3	1,835	1,859	1,862
215	Other	215	216	..	216	222	228
<b>4,752</b>	<b>Operating Payments</b>	<b>4,980</b>	<b>5,350</b>	<b>7</b>	<b>5,484</b>	<b>5,575</b>	<b>5,641</b>
<b>55</b>	<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>63</b>	<b>54</b>	<b>-14</b>	<b>67</b>	<b>87</b>	<b>112</b>
<b>55</b>	<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>63</b>	<b>54</b>	<b>-14</b>	<b>67</b>	<b>87</b>	<b>112</b>
<b>1,148</b>	<b>CASH AT BEGINNING OF REPORTING PERIOD</b>	<b>774</b>	<b>837</b>	<b>8</b>	<b>891</b>	<b>958</b>	<b>1,045</b>
<b>1,203</b>	<b>CASH AT THE END OF THE REPORTING PERIOD</b>	<b>837</b>	<b>891</b>	<b>6</b>	<b>958</b>	<b>1,045</b>	<b>1,157</b>

## Auditor-General Statement of Changes in Equity

Budget as at 30/6/07 \$'000		Est.Outcome as at 30/6/07 \$'000	Planned as at 30/6/08 \$'000	Var %	Planned as at 30/6/09 \$'000	Planned as at 30/6/10 \$'000	Planned as at 30/6/11 \$'000
1,210	<b>Opening Balance</b>	1,504	1,477	-2	1,456	1,450	1,465
	<b>Accumulated Funds</b>						
-21	Operating Result for the Period	-27	-21	22	-6	15	29
	<b>Reserves</b>						
-21	<b>Total Income And Expense For The Period</b>	-27	-21	22	-6	15	29
	<b>Transactions Involving Equity Holders Affecting Accumulated Funds</b>						
1,189	<b>Closing Balance</b>	1,477	1,456	-1	1,450	1,465	1,494

### Notes to the Budget Statements

The Auditor-General's budget is determined by a procedure set in legislation. After consultation with the Auditor-General, the Standing Committee on Public Accounts advises the Treasurer of the level of funding which the Committee considers appropriate for the Auditor-General's Office.

Significant variations are as follows:

#### *Operating Statement*

- user charges – non ACT Government:
  - the increase of \$0.593 million in the 2006-07 estimated outcome from the original budget is due to the reclassification of revenue from ACT Government to non ACT Government user chargers and higher than anticipated audit fees; and
  - the increase of \$0.103 million in the 2007-08 Budget from 2006-07 estimated outcome is due to higher audit fees charged.
- user charges – ACT Government:
  - the decrease of \$0.372 million in the 2006-07 estimated outcome from the original budget is due to the reclassification of revenue from ACT Government to non ACT Government user charges; and
  - the increase of \$0.199 million in the 2007-08 Budget from 2006-07 estimated outcome is due to higher audit fees charged to ACT Government agencies.

- employee and superannuation expenses:
  - the decrease of \$0.210 million in the 2006-07 estimated outcome from the original budget reflects continued high staff turnover and the difficulty in recruiting suitable performance and financial audit staff; and
  - the increase of \$0.316 million in the 2007-08 Budget from the 2006-07 estimated outcome reflects the full year impact of the additional staff to perform audit and investigative activities of the Office.
- supplies and services: the increase of \$0.438 million in the 2006-07 estimated outcome from the original budget is primarily due to higher payments to contract audit firms for financial audits.

#### *Balance Sheet*

- cash: the decrease of \$0.366 million in the 2006-07 estimated outcome from the original budget is due to the Office projecting to hold a higher level of receivables at the end of year.
- receivables: the increase of \$0.309 million in the 2006-07 estimated outcome from the original budget reflects a higher level of financial audit work in progress at year end.
- property, plant and equipment:
  - the increase of \$0.054 million in the 2006-07 estimated outcome from the original budget is due to higher than budgeted spending on the Office's fitout; and
  - the decrease of \$0.035 million in the 2007-08 Budget from the 2006-07 estimated outcome represents the depreciation of the Office's accommodation fitout.
- payables: the decrease of \$0.282 million in the 2006-07 estimated outcome from the original budget is due to revised estimates of the level of outstanding accounts at the end of the financial year.
- current and non-current employee benefits: the increase of \$0.056 million in the 2007-08 Budget from the 2006-07 estimated outcome is primarily due to increased employee benefits associated with wage increases and additional staff.