

AUDITOR-GENERAL

Objectives

The comprehensive audit program of the Auditor-General's Office consists of financial statement audits and performance audits. Consistent with its responsibilities under the *Auditor-General Act 1996* and the *Financial Management Act 1996*, the Office will continue to complete its major responsibilities for financial statements within the time constraints of annual reporting guidelines. As from 1996-97, the Office has also been required to audit output statement performance measures provided by departments and authorities. Some investigations are also carried out under the *Public Interest Disclosure Act 1994*.

Financial statement audits and performance audits will continue to be undertaken by both Office staff and contracted firms.

The Office is funded for performance audits through a specific appropriation for outputs. Fees are charged for all financial statement audits including output statement performance measure audits.

1999-2000 Highlights

Strategic and operational issues to be pursued in 1999-2000 include:

- conducting a range of performance audits of whole of government activities, agencies, individual appropriation units, output classes or elements thereof; and
- implementing new state of the art electronic audit working papers software for the conduct of financial statements audits.

| Budget Summary | 1999-2000 Planned \$'000 |
|---|---|
| Revenues | |
| • Appropriation for performance audits | 904 |
| • User charges - General Government Sector | 1 133 |
| • User charges - Public Trading Enterprises | 246 |
| • User charges - non ACT Government | 67 |
| • Other own source revenue | 4 |
| Services Provided | |
| • Financial statements audits | 1 514 |
| • Performance audits | 901 |

Auditor-General Operating Statement

| 1998-99 Budget \$'000 | | 1998-99 Est.Outcome \$'000 | 1999-00 Budget \$'000 | Var % | 2000-01 Estimate \$'000 | 2001-02 Estimate \$'000 | 2002-03 Estimate \$'000 |
|-----------------------------|--|----------------------------------|-----------------------------|-------------|-------------------------------|-------------------------------|-------------------------------|
| Revenue | | | | | | | |
| 886 | Appropriation for Performance Audits | 886 | 904 | 2 | 909 | 913 | 921 |
| 0 | User Charges - Non ACT Government | 67 | 67 | - | 67 | 67 | 67 |
| 1 120 | User Charges - ACT Government | 1 514 | 1 379 | -9 | 1 379 | 1 379 | 1 379 |
| 4 | Interest | 4 | 4 | - | 4 | 4 | 4 |
| 2 010 | Total Revenue | 2 471 | 2 354 | -5 | 2 359 | 2 363 | 2 371 |
| Expenses | | | | | | | |
| 1 040 | Employee Expenses | 1 060 | 1 255 | 18 | 1 255 | 1 255 | 1 255 |
| 100 | Superannuation Expenses | 136 | 160 | 18 | 160 | 160 | 160 |
| 851 | Administrative Expenses | 1 145 | 986 | -14 | 986 | 986 | 986 |
| 1 | Depreciation and Amortisation | 4 | 14 | 250 | 14 | 14 | 14 |
| 1 992 | Total Expenses | 2 345 | 2 415 | 3 | 2 415 | 2 415 | 2 415 |
| 18 | Operating Result | 126 | -61 | -148 | -56 | -52 | -44 |
| 442 | Accumulated Funds - Start of Period | 442 | 568 | 29 | 507 | 451 | 399 |
| 460 | Accumulated Funds - End of Period | 568 | 507 | -11 | 451 | 399 | 355 |

**Auditor-General
Statement Of Financial Position**

| Budget as at 30/6/99 \$'000 | Est.Outcome as at 30/6/99 \$'000 | Planned as at 30/6/00 \$'000 | Var % | Planned as at 30/6/01 \$'000 | Planned as at 30/6/02 \$'000 | Planned as at 30/6/03 \$'000 |
|--|---|---|------------------|---|---|---|
| Current Assets | | | | | | |
| 336 | Cash | 395 | 348 | -12 | 306 | 238 |
| 406 | Receivables | 280 | 280 | - | 280 | 280 |
| 0 | Other | 15 | 15 | - | 15 | 15 |
| 742 | Total Current Assets | 690 | 643 | -7 | 601 | 533 |
| Non Current Assets | | | | | | |
| 4 | Property, Plant and Equipment | 67 | 53 | -21 | 39 | 11 |
| 4 | Total Non Current Assets | 67 | 53 | -21 | 39 | 11 |
| 746 | TOTAL ASSETS | 757 | 696 | -8 | 640 | 544 |
| Current Liabilities | | | | | | |
| 126 | Creditors | 36 | 36 | - | 36 | 36 |
| 97 | Employee Entitlements | 88 | 88 | - | 88 | 88 |
| 223 | Total Current Liabilities | 124 | 124 | - | 124 | 124 |
| Non Current Liabilities | | | | | | |
| 63 | Employee Entitlements | 65 | 65 | - | 65 | 65 |
| 63 | Total Non Current Liabilities | 65 | 65 | - | 65 | 65 |
| 286 | TOTAL LIABILITIES | 189 | 189 | - | 189 | 189 |
| 460 | NET ASSETS | 568 | 507 | -11 | 451 | 355 |
| REPRESENTED BY FUNDS EMPLOYED | | | | | | |
| 460 | Accumulated Funds | 568 | 507 | -11 | 451 | 355 |
| 460 | TOTAL FUNDS EMPLOYED | 568 | 507 | -11 | 451 | 355 |

Auditor-General Cashflow Statement

| 1998-99 Budget \$'000 | | 1998-99 Est.Outcome \$'000 | 1999-00 Budget \$'000 | Var % | 2000-01 Estimate \$'000 | 2001-02 Estimate \$'000 | 2002-03 Estimate \$'000 |
|-----------------------------|--|----------------------------------|-----------------------------|-------------|-------------------------------|-------------------------------|-------------------------------|
| 319 | CASH AT BEGINNING OF REPORTING PERIOD | 336 | 395 | 18 | 348 | 306 | 268 |
| | CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | |
| | Receipts | | | | | | |
| 886 | Cash for Performance Audits | 886 | 904 | 2 | 909 | 913 | 921 |
| 1 120 | User Charges | 1 581 | 1 446 | -9 | 1 446 | 1 446 | 1 446 |
| 4 | Interest Received | 4 | 4 | - | 4 | 4 | 4 |
| 2 010 | Operating Receipts | 2 471 | 2 354 | -5 | 2 359 | 2 363 | 2 371 |
| | Payments | | | | | | |
| 1 140 | Related to Employees | 1 196 | 1 415 | 18 | 1 415 | 1 415 | 1 415 |
| 851 | Related to Administration | 1 145 | 986 | -14 | 986 | 986 | 986 |
| 1 991 | Operating Payments | 2 341 | 2 401 | 3 | 2 401 | 2 401 | 2 401 |
| 19 | NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES | 130 | -47 | -136 | -42 | -38 | -30 |
| | CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | |
| | Payments | | | | | | |
| 2 | Purchase of Property, Plant and Equipment | 71 | 0 | -100 | 0 | 0 | 0 |
| 2 | Investing Payments | 71 | 0 | -100 | 0 | 0 | 0 |
| -2 | NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES | -71 | 0 | -100 | 0 | 0 | 0 |
| | CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | |
| 0 | NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES | 0 | 0 | - | 0 | 0 | 0 |
| 17 | NET INCREASE/(DECREASE) IN CASH HELD | 59 | -47 | -180 | -42 | -38 | -30 |
| 336 | CASH AT THE END OF THE REPORTING PERIOD | 395 | 348 | -12 | 306 | 268 | 238 |

Notes to the Budget Statements

The Auditor-General's budget each year is determined by a procedure set in legislation. After consultation with the Auditor-General, the Public Accounts Committee (which, for this role, is now incorporated within the Standing Committee for the Chief Minister's Portfolio), through its Chair, advises the Treasurer of the level of funding which the Committee considers appropriate for the Office of the Auditor-General.

Fees are charged for all financial statement audits including output statement performance measure audits.

Operating Statement

Significant variations are as follows:

- operating revenue: the decrease of \$0.117m in 1999-2000 is mainly due to a reduction of \$0.135m in fees for audit. The estimated outcome for 1998-99 includes special audits conducted during the year. The same level of activity is not anticipated during 1999-2000;
- operating expenses: the increase of \$0.070m in 1999-2000 comprises:
 - an increase of \$0.195m in employee expenses due to a net increase in staff numbers and the effect of increased salary rates for the full year in 1999-2000 (pay rates became effective 31 January 1999);
 - an increase of \$0.024m in superannuation expenses due to the direct result of the increase in employee expenses;
 - an increase of \$0.010m in depreciation expenses due to the result of a full year's depreciation being charged on the electronic workpapers hardware during 1999-2000, compared to three months' charge in the preceding year; and offset by
 - a decrease of \$0.159m in administrative expenses mainly due to the inclusion of contractor expenses for work conducted on special audits during 1998-99, in addition to one-off expenditure being incurred during 1998-99 in relation to the implementation of the new electronic workpaper system.

Changes to Appropriation

Changes to Departmental Appropriations

| Appropriation for Performance Audits | 1998-99 Est. Outc. \$'000 | 1999-00 Budget \$'000 | 2000-01 Estimate \$'000 | 2001-02 Estimate \$'000 | 2002-03 Estimate \$'000 |
|--|---------------------------------|-----------------------------|-------------------------------|-------------------------------|-------------------------------|
| 1998-99 Budget | 886 | 901 | 906 | 906 | 906 |
| Operating Statement outcome changes | 0 | 0 | 0 | 4 | 4 |
| Indexation of the 2002-03 estimate | 0 | 0 | 0 | 0 | 8 |
| Transfer of registry services from DUS | 0 | 3 | 3 | 3 | 3 |
| 1999-2000 Budget | 886 | 904 | 909 | 913 | 921 |

This table presents a reconciliation of appropriation relating to the Cashflow Statement.

