

AUDITOR-GENERAL

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:

- inform the ACT Legislative Assembly and the community of the performance of the public sector; and
- contribute to the improvement of the performance of public sector agencies.

The Office performs its role mainly through conducting financial statement 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*.

2006-07 Priorities

Strategic and operational issues to be pursued in 2006-07 include:

- completing the financial audit program in accordance with the whole-of-government timetable and within budgets;
- implementing a new financial audit methodology, including new audit software;
- assisting agencies with the smooth transition to reporting under the international accounting standards framework;
- 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; and
- conducting staff training and development through the Office's 'Learning and Development Program'.

Changes to Appropriation

Changes to Appropriation - Departmental

	2005-06	2006-07	2007-08	2008-09	2009-10
Government Payment for Outputs	Est. Outc.	Budget	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
2005-06 Budget	1,380	1,446	1,481	1,531	1,531
2006-07 Budget Policy Adjustments					
Additional Compliance and Performance Audit Capacity	-	500	513	525	538
2006-07 Budget Technical Adjustments					
Revised Indexation Parameters	-	-	-	-	26
2006-07 Budget	1,380	1,946	1,994	2,056	2,095

Auditor-General Operating Statement

2005-06 Budget \$'000		2005-06 Est.Outcome \$'000	2006-07 Budget \$'000	Var %	2007-08 Estimate \$'000	2008-09 Estimate \$'000	2009-10 Estimate \$'000
Income							
Revenue							
1,380	Government Payment for Outputs	1,380	1,946	41	1,994	2,056	2,095
260	User Charges - Non ACT Government	208	200	-4	276	285	292
2,176	User Charges - ACT Government	2,452	2,421	-1	2,308	2,377	2,437
25	Interest	25	25	-	25	25	25
3,841	Total Revenue	4,065	4,592	13	4,603	4,743	4,849
Gains							
0	Total Gains	0	0	-	0	0	0
3,841	Total Income	4,065	4,592	13	4,603	4,743	4,849
Expenses							
2,208	Employee Expenses	2,436	2,934	20	2,817	2,900	2,942
280	Superannuation Expenses	290	350	21	359	359	365
1,309	Supplies and Services	1,342	1,291	-4	1,412	1,458	1,495
54	Depreciation and Amortisation	54	38	-30	35	30	30
3,851	Total Ordinary Expenses	4,122	4,613	12	4,623	4,747	4,832
-10	Operating Result	-57	-21	63	-20	-4	17

Auditor-General Balance Sheet

Budget as at 30/6/06 \$'000		Est.Outcome as at 30/6/06 \$'000	Planned as at 30/6/07 \$'000	Var %	Planned as at 30/6/08 \$'000	Planned as at 30/6/09 \$'000	Planned as at 30/6/10 \$'000
Current Assets							
323	Cash	498	553	11	608	677	767
852	Receivables	839	839	-	839	839	839
400	Investments	650	650	-	650	650	650
0	Other	8	8	-	8	8	8
1,575	Total Current Assets	1,995	2,050	3	2,105	2,174	2,264
Non Current Assets							
610	Property, Plant and Equipment	493	455	-8	420	390	360
610	Total Non Current Assets	493	455	-8	420	390	360
2,185	TOTAL ASSETS	2,488	2,505	1	2,525	2,564	2,624
Current Liabilities							
157	Payables	397	397	-	397	397	397
251	Employee Benefits	263	295	12	329	364	399
16	Other	23	23	-	23	23	23
424	Total Current Liabilities	683	715	5	749	784	819
Non Current Liabilities							
452	Employee Benefits	531	553	4	575	598	621
52	Other	64	48	-25	32	17	2
504	Total Non Current Liabilities	595	601	1	607	615	623
928	TOTAL LIABILITIES	1,278	1,316	3	1,356	1,399	1,442
1,257	NET ASSETS	1,210	1,189	-2	1,169	1,165	1,182
REPRESENTED BY FUNDS EMPLOYED							
1,257	Accumulated Funds	1,210	1,189	-2	1,169	1,165	1,182
1,257	TOTAL FUNDS EMPLOYED	1,210	1,189	-2	1,169	1,165	1,182

**Auditor-General
Cash Flow Statement**

2005-06 Budget \$'000		2005-06 Est.Outcome \$'000	2006-07 Budget \$'000	Var %	2007-08 Estimate \$'000	2008-09 Estimate \$'000	2009-10 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
1,380	Cash from Government for Outputs	1,380	1,946	41	1,994	2,056	2,095
2,436	User Charges	2,660	2,621	-1	2,584	2,662	2,729
25	Interest Received	25	25	-	25	25	25
215	Other Revenue	215	215	-	215	215	221
4,056	Operating Receipts	4,280	4,807	12	4,818	4,958	5,070
Payments							
2,436	Related to Employees	2,674	3,230	21	3,120	3,201	3,249
1,293	Related to Supplies and Services	1,326	1,307	-1	1,428	1,473	1,510
215	Other	215	215	0	215	215	221
3,944	Operating Payments	4,215	4,752	13	4,763	4,889	4,980
112	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	65	55	-15	55	69	90
112	NET INCREASE/(DECREASE) IN CASH HELD	65	55	-15	55	69	90
611	CASH AT BEGINNING OF REPORTING PERIOD	1,083	1,148	6	1,203	1,258	1,327
723	CASH AT THE END OF THE REPORTING PERIOD	1,148	1,203	5	1,258	1,327	1,417

Auditor-General Statement of Changes in Equity

Budget as at 30/6/06 \$'000		Est.Outcome as at 30/6/06 \$'000	Planned as at 30/6/07 \$'000	Var %	Planned as at 30/6/08 \$'000	Planned as at 30/6/09 \$'000	Planned as at 30/6/10 \$'000
1,267	Opening Balance	1,267	1,210	-4	1,189	1,169	1,165
	Accumulated Funds						
-10	Operating Result for the Period	-57	-21	63	-20	-4	17
	Reserves						
-10	Total Income And Expense For The Period	-57	-21	63	-20	-4	17
	Transactions Involving Equity Holders Affecting Accumulated Funds						
1,257	Closing Balance	1,210	1,189	-2	1,169	1,165	1,182

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

- government payment for outputs: the increase of \$0.566 million in the 2006-07 Budget from 2005-06 estimated outcome is due to the additional resources provided to improve the audit and investigative capacity of the Office;
- user charges – ACT Government: the increase of \$0.276 million in the 2005-06 estimated outcome from the original budget is due to increased audit activity; and
- employee and superannuation expenses:
 - the increase of \$0.238 million in the 2005-06 estimated outcome from the original budget reflects higher staff level associated with increased audit activity and higher costs; and
 - the increase of \$0.558 million in the 2006-07 Budget from the 2005-06 estimated outcome reflects the additional resources provided to improve the audit and investigative capacity of the Office.

Balance Sheet

- cash and investments: the increase of \$0.425 million in the 2005-06 estimated outcome from the original budget largely represents the flow-on effect of higher cash and investment balances in the 2004-05 audited outcome;
- property, plant and equipment: the decrease of \$0.117 million in the 2005-06 estimated outcome from the original budget represents a lower level of asset purchases in the 2004-05 audited outcome;
- payables: the increase of \$0.240 million in the 2005-06 estimated outcome from the original budget is due to revised estimates of the level of outstanding accounts at the end of the financial year; and
- employee benefits: the increase of \$0.091 million in the 2005-06 estimated outcome from the original budget and the increase of \$0.054 million in the 2006-07 Budget from the 2005-06 estimated outcome represents the higher salary costs noted above.

