

## AUDITOR-GENERAL

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### Objectives

Consistent with its responsibilities under 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 improving 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 reporting requirements under the *Government Procurement Act 2001* and investigations carried out under the *Public Interest Disclosure Act 1994*.

### 2005-06 Highlights

Strategic and operational issues to be pursued in 2005-06 include:

- completing the financial audit program in accordance with the whole of government timetable;
- assisting agencies with the smooth transition to reporting under the international accounting standards framework;
- improving the Office's capacity to deliver timely performance audits and other investigations;
- improving the Office's capacity to provide advice to agencies on a range of matters including relevant legislative reviews and good governance;
- improving staff training and development; and
- continuing to implement the Office's 2004-2007 Strategic Plan.

## Changes to Appropriation

### Changes to Appropriation - Departmental

	2004-05	2005-06	2006-07	2007-08	2008-09
Government Payment for Outputs	Est. Outc.	Budget	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2004-05 Budget</b>	<b>1 279</b>	<b>1 305</b>	<b>1 331</b>	<b>1 357</b>	<b>1 357</b>
<b>2005-06 Budget Policy Adjustments</b>					
Accommodation Costs	0	75	115	124	133
<b>2005-06 Budget Technical Adjustments</b>					
Revised Indexation Parameters	0	0	0	0	41
<b>2005-06 Budget</b>	<b>1 279</b>	<b>1 380</b>	<b>1 446</b>	<b>1 481</b>	<b>1 531</b>

### Changes to Appropriation - Departmental

	2004-05	2005-06	2006-07	2007-08	2008-09
Capital Injections	Est. Outc.	Budget	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2004-05 Budget</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2nd Appropriation</b>					
Audit Office Accommodation	650	0	0	0	0
<b>2005-06 Budget</b>	<b>650</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Auditor-General Operating Statement

2004-05 Budget \$'000		2004-05 Est.Outcome \$'000	2005-06 Budget \$'000	Var %	2006-07 Estimate \$'000	2007-08 Estimate \$'000	2008-09 Estimate \$'000
<b>Income</b>							
<b>Revenue</b>							
1 279	Government Payment for Outputs	1 279	1 380	8	1 446	1 481	1 531
253	User Charges - Non ACT Government	253	260	3	268	276	285
2 112	User Charges - ACT Government	2 112	2 176	3	2 240	2 308	2 377
23	Interest	23	25	9	25	25	25
<b>3 667</b>	<b>Total Revenue</b>	<b>3 667</b>	<b>3 841</b>	<b>5</b>	<b>3 979</b>	<b>4 090</b>	<b>4 218</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>3 667</b>	<b>Total Income</b>	<b>3 667</b>	<b>3 841</b>	<b>5</b>	<b>3 979</b>	<b>4 090</b>	<b>4 218</b>
<b>Expenses</b>							
2 126	Employee Expenses	2 120	2 208	4	2 283	2 361	2 432
232	Superannuation Expenses	300	280	-7	291	302	302
1 202	Supplies and Services	1 255	1 309	4	1 358	1 412	1 458
25	Depreciation and Amortisation	25	54	116	38	35	30
<b>3 585</b>	<b>Total Ordinary Expenses</b>	<b>3 700</b>	<b>3 851</b>	<b>4</b>	<b>3 970</b>	<b>4 110</b>	<b>4 222</b>
<b>82</b>	<b>Operating Result</b>	<b>-33</b>	<b>-10</b>	<b>70</b>	<b>9</b>	<b>-20</b>	<b>-4</b>

## Auditor-General Balance Sheet

Budget as at 30/6/05 \$'000		Est.Outcome as at 30/6/05 \$'000	Planned as at 30/6/06 \$'000	Var %	Planned as at 30/6/07 \$'000	Planned as at 30/6/08 \$'000	Planned as at 30/6/09 \$'000
<b>Current Assets</b>							
127	Cash	211	323	53	408	463	532
555	Receivables	852	852	-	852	852	852
300	Investments	400	400	-	400	400	400
9	Other	0	0	-	0	0	0
<b>991</b>	<b>Total Current Assets</b>	<b>1 463</b>	<b>1 575</b>	<b>8</b>	<b>1 660</b>	<b>1 715</b>	<b>1 784</b>
<b>Non Current Assets</b>							
22	Property, Plant and Equipment	664	610	-8	572	537	507
<b>22</b>	<b>Total Non Current Assets</b>	<b>664</b>	<b>610</b>	<b>-8</b>	<b>572</b>	<b>537</b>	<b>507</b>
<b>1 013</b>	<b>TOTAL ASSETS</b>	<b>2 127</b>	<b>2 185</b>	<b>3</b>	<b>2 232</b>	<b>2 252</b>	<b>2 291</b>
<b>Current Liabilities</b>							
100	Payables	157	157	-	157	157	157
130	Employee Benefits	220	251	14	283	317	352
13	Other	16	16	-	16	16	16
<b>243</b>	<b>Total Current Liabilities</b>	<b>393</b>	<b>424</b>	<b>8</b>	<b>456</b>	<b>490</b>	<b>525</b>
<b>Non Current Liabilities</b>							
254	Employee Benefits	431	452	5	474	496	519
5	Other	36	52	44	36	20	5
<b>259</b>	<b>Total Non Current Liabilities</b>	<b>467</b>	<b>504</b>	<b>8</b>	<b>510</b>	<b>516</b>	<b>524</b>
<b>502</b>	<b>TOTAL LIABILITIES</b>	<b>860</b>	<b>928</b>	<b>8</b>	<b>966</b>	<b>1 006</b>	<b>1 049</b>
<b>511</b>	<b>NET ASSETS</b>	<b>1 267</b>	<b>1 257</b>	<b>-1</b>	<b>1 266</b>	<b>1 246</b>	<b>1 242</b>
<b>REPRESENTED BY FUNDS EMPLOYED</b>							
511	Accumulated Funds	1 267	1 257	-1	1 266	1 246	1 242
<b>511</b>	<b>TOTAL FUNDS EMPLOYED</b>	<b>1 267</b>	<b>1 257</b>	<b>-1</b>	<b>1 266</b>	<b>1 246</b>	<b>1 242</b>

## Auditor-General Cash Flow Statement

2004-05 Budget \$'000		2004-05 Est.Outcome \$'000	2005-06 Budget \$'000	Var %	2006-07 Estimate \$'000	2007-08 Estimate \$'000	2008-09 Estimate \$'000
	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
	<b>Receipts</b>						
1 279	Cash from Government for Outputs	1 279	1 380	8	1 446	1 481	1 531
2 365	User Charges	2 370	2 436	3	2 508	2 584	2 662
23	Interest Received	23	25	9	25	25	25
346	Other Revenue	218	215	-1	215	215	215
<b>4 013</b>	<b>Operating Receipts</b>	<b>3 890</b>	<b>4 056</b>	<b>4</b>	<b>4 194</b>	<b>4 305</b>	<b>4 433</b>
	<b>Payments</b>						
2 311	Related to Employees	2 305	2 436	6	2 520	2 607	2 676
1 215	Related to Supplies and Services	1 254	1 293	3	1 374	1 428	1 473
347	Other	215	215	-	215	215	215
<b>3 873</b>	<b>Operating Payments</b>	<b>3 774</b>	<b>3 944</b>	<b>5</b>	<b>4 109</b>	<b>4 250</b>	<b>4 364</b>
<b>140</b>	<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>116</b>	<b>112</b>	<b>-3</b>	<b>85</b>	<b>55</b>	<b>69</b>
	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
	<b>Payments</b>						
0	Purchase of Property, Plant and Equipment	650	0	-100	0	0	0
<b>0</b>	<b>Investing Payments</b>	<b>650</b>	<b>0</b>	<b>-100</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>0</b>	<b>NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES</b>	<b>-650</b>	<b>0</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
	<b>Receipts</b>						
0	Capital Injection from Government	650	0	-100	0	0	0
<b>0</b>	<b>Financing Receipts</b>	<b>650</b>	<b>0</b>	<b>-100</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>0</b>	<b>NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES</b>	<b>650</b>	<b>0</b>	<b>-100</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>140</b>	<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>116</b>	<b>112</b>	<b>-3</b>	<b>85</b>	<b>55</b>	<b>69</b>
<b>287</b>	<b>CASH AT BEGINNING OF REPORTING PERIOD</b>	<b>495</b>	<b>611</b>	<b>23</b>	<b>723</b>	<b>808</b>	<b>863</b>
<b>427</b>	<b>CASH AT THE END OF THE REPORTING PERIOD</b>	<b>611</b>	<b>723</b>	<b>18</b>	<b>808</b>	<b>863</b>	<b>932</b>

## Auditor-General Statement of Changes in Equity

Budget as at 30/6/05 \$'000		Est.Outcome as at 30/6/05 \$'000	Planned as at 30/6/06 \$'000	Var %	Planned as at 30/6/07 \$'000	Planned as at 30/6/08 \$'000	Planned as at 30/6/09 \$'000
429	<b>Opening Balance</b>	650	1 267	95	1 257	1 266	1 246
	<b>Accumulated Funds</b>						
82	Operating Result for the Period	-33	-10	70	9	-20	-4
	<b>Reserves</b>						
82	<b>Total Income And Expense For The Period</b>	-33	-10	70	9	-20	-4
	<b>Transactions Involving Equity Holders Affecting Accumulated Funds</b>						
0	Capital Injections	650	0	-100	0	0	0
511	<b>Closing Balance</b>	1 267	1 257	-1	1 266	1 246	1 242

### 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 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 \$0.101m in the 2005-06 Budget from the 2004-05 estimated outcome is due to the funding for additional rental and overhead costs associated with the Office's new accommodation (\$0.075m) and indexation (\$0.026m); and
- depreciation and amortisation: the increase of \$0.029m in the 2005-06 Budget from the 2004-05 estimated outcome is due to the capitalised office fit-out for the new accommodation.

#### *Balance Sheet*

- current assets: the increase of \$0.472m in the 2004-05 estimated outcome from the original budget reflects the greater cash balances brought over from 2003-04 due largely to less than budgeted employee-related expenditure (\$0.184m), and a projected higher level of debtors associated with audit work (\$0.297m);
- non current assets: the increase of \$0.642m in the 2004-05 estimated outcome from the original budget is due to the capitalised office fit-out for the new accommodation; and

- total liabilities: the increase of \$0.358m in the 2004-05 estimated outcome from the original budget is primarily due to the prior service entitlements brought by new appointments and additional liabilities arising from the recent wage increases.

#### *Cash Flow Statement*

The major variances within the Cash Flow Statement are explained within the Operating Statement and Balance Sheet.

Other significant variations are as follows:

- purchase of property, plant and equipment and capital injection: the increase of \$0.650m in the 2004-05 estimated outcome from the original budget relates to the fit-out of the new office accommodation at 11 Moore Street.

