

AUDITOR-GENERAL

Objectives

The Auditor-General for the ACT is appointed under the *Auditor-General Act 1996* (the Act) and is responsible to the ACT Legislative Assembly for conducting independent audits of all ACT public sector agencies. The Auditor-General reports directly to the ACT Legislative Assembly on the accountability, efficiency and effectiveness of the delivery of public services provided by ACT Government agencies.

The Act sets out the statutory mandate of the Auditor-General and the ACT Auditor-General's Office (the Office). The main functions of the Office are to promote accountability in the public administration of the Territory, audit the annual financial statements of the Territory, departments, authorities, and Territory owned corporations and subsidiaries, and conduct performance audits.

The Office also performs other activities such as responding to representations by the members of the Legislative Assembly and the community, and conducting investigations under the *Public Interest Disclosure Act 1994*.

2010-11 Priorities

Strategic and operational issues to be pursued in 2010-11 include:

- completing audits of the financial statements of agencies and reviews of statements of performance of agencies in accordance with the auditing standards and within the required timeframes;
- developing an annual performance audit program which is responsive to the needs of the community, the ACT Legislative Assembly and Government agencies;
- completing the planned program of performance audits and other investigations in an efficient and effective manner;
- addressing audit findings from the independent performance audit of the operations of the Audit Office;
- maintaining comprehensive quality control systems which comply with the requirements of new auditing standards; and
- re-building the Office's performance audit capacity following the recent departure of key senior staff.

Business and Corporate Strategies

The key strategies which the Audit Office will adopt to achieve its objectives and priorities are set out in the *Audit Office Strategic Plan 2008-2011*. The Strategic Plan is supported by an internal Action Plan which is developed annually to identify the specific actions required to achieve the Office's objectives. For 2010-11 the strategies include:

- providing relevant and timely information to the ACT Legislative Assembly through advice, briefings and reports;
- maintaining relationships with the ACT Legislative Committees, especially the Public Accounts Committee, through regular meetings and provision of advice;
- working with agencies to improve their performance by providing high quality and timely audit reports that focus on significant issues and include practical recommendations;
- applying efficient and effective audit methodologies;
- providing staff with training and professional development which maintains their technical expertise and knowledge of whole of government issues;
- maintaining sound quality control systems for financial and performance audits; and
- improving operations by implementing agreed recommendations from internal audits, peer reviews and the independent performance audit of the Audit Office.

Estimated Employment Level

2008-09 Actual Outcome	2009-10 Budget	2009-10 Est. Outcome	2010-11 Budget
31 Staffing (FTE)	35	35	35

Changes to Appropriation

Changes to Appropriation - Departmental

Government Payment for Outputs	2009-10 Est. Out. \$'000	2010-11 Budget \$'000	2011-12 Estimate \$'000	2012-13 Estimate \$'000	2013-14 Estimate \$'000
2009-10 Budget	2,112	2,147	2,183	2,220	2,220
2010-11 Budget Technical Adjustments					
Revised Indexation Parameters	-	-	-	-	38
Revised Wage Parameters	-	18	32	32	33
2010-11 Budget	2,112	2,165	2,215	2,252	2,291

Auditor-General Operating Statement

2009-10 Budget \$'000		2009-10 Est.Outcome \$'000	2010-11 Budget \$'000	Var %	2011-12 Estimate \$'000	2012-13 Estimate \$'000	2013-14 Estimate \$'000
Income							
Revenue							
2,112	Government Payment for Outputs	2,112	2,165	3	2,215	2,252	2,291
814	User Charges - Non ACT Government	894	921	3	948	977	1,006
2,386	User Charges - ACT Government	2,450	2,536	4	2,622	2,690	2,761
60	Interest	40	40	-	40	40	40
0	Other Revenue	79	0	-100	0	0	0
5,372	Total Revenue	5,575	5,662	2	5,825	5,959	6,098
Gains							
0	Other Gains	5	0	-100	0	0	0
0	Total Gains	5	0	-100	0	0	0
5,372	Total Income	5,580	5,662	1	5,825	5,959	6,098
Expenses							
3,054	Employee Expenses	3,318	3,326	..	3,404	3,468	3,534
474	Superannuation Expenses	555	572	3	588	600	613
1,724	Supplies and Services	1,613	1,738	8	1,784	1,805	1,815
95	Depreciation and Amortisation	79	75	-5	75	75	75
5,347	Total Ordinary Expenses	5,565	5,711	3	5,851	5,948	6,037
25	Operating Result	15	-49	-427	-26	11	61
25	Total Comprehensive Income	15	-49	-427	-26	11	61

**Auditor-General
Balance Sheet**

Budget as at 30/6/10 \$'000		Est.Outcome as at 30/6/10 \$'000	Planned as at 30/6/11 \$'000	Var %	Planned as at 30/6/12 \$'000	Planned as at 30/6/13 \$'000	Planned as at 30/6/14 \$'000
Current Assets							
1,014	Cash and Cash Equivalents	1,246	1,296	4	1,355	1,451	1,597
1,404	Receivables	1,276	1,276	-	1,276	1,276	1,276
4	Other	22	22	-	22	22	22
2,422	Total Current Assets	2,544	2,594	2	2,653	2,749	2,895
Non Current Assets							
459	Property, Plant and Equipment	425	395	-7	365	335	305
459	Total Non Current Assets	425	395	-7	365	335	305
2,881	TOTAL ASSETS	2,969	2,989	1	3,018	3,084	3,200
Current Liabilities							
208	Payables	53	53	-	53	53	53
10	Finance Leases	3	3	-	3	3	3
963	Employee Benefits	1,127	1,173	4	1,204	1,235	1,266
5	Other	5	0	-100	0	0	0
1,186	Total Current Liabilities	1,188	1,229	3	1,260	1,291	1,322
Non Current Liabilities							
54	Finance Leases	25	25	-	25	25	25
103	Employee Benefits	30	58	93	82	106	130
0	Other Provisions	73	73	-	73	73	73
1	Other	0	0	-	0	0	0
158	Total Non Current Liabilities	128	156	22	180	204	228
1,344	TOTAL LIABILITIES	1,316	1,385	5	1,440	1,495	1,550
1,537	NET ASSETS	1,653	1,604	-3	1,578	1,589	1,650
REPRESENTED BY FUNDS EMPLOYED							
1,510	Accumulated Funds	1,634	1,585	-3	1,559	1,570	1,631
27	Reserves	19	19	-	19	19	19
1,537	TOTAL FUNDS EMPLOYED	1,653	1,604	-3	1,578	1,589	1,650

**Auditor-General
Cash Flow Statement**

2009-10 Budget \$'000		2009-10 Est.Outcome \$'000	2010-11 Budget \$'000	Var %	2011-12 Estimate \$'000	2012-13 Estimate \$'000	2013-14 Estimate \$'000
	CASH FLOWS FROM OPERATING ACTIVITIES						
	Receipts						
2,112	Cash from Government for Outputs	2,112	2,165	3	2,215	2,252	2,291
3,200	User Charges	3,290	3,431	4	3,538	3,633	3,725
60	Interest Received	40	40	-	40	40	40
222	Other Revenue	423	439	4	452	466	472
5,594	Operating Receipts	5,865	6,075	4	6,245	6,391	6,528
	Payments						
3,022	Related to Employees	3,261	3,344	3	3,421	3,462	3,505
498	Related to Superannuation	559	564	1	570	577	585
1,755	Related to Supplies and Services	1,639	1,829	12	1,901	1,956	1,992
222	Other	262	288	10	294	300	300
5,497	Operating Payments	5,721	6,025	5	6,186	6,295	6,382
97	NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES	144	50	-65	59	96	146
	CASH FLOWS FROM INVESTING ACTIVITIES						
	Receipts						
0	Proceeds from Sale of Property, Plant & Equipment	5	0	-100	0	0	0
0	Investing Receipts	5	0	-100	0	0	0
0	NET CASH INFLOW/ (OUTFLOW) FROM INVESTING ACTIVITIES	5	0	-100	0	0	0
	CASH FLOWS FROM FINANCING ACTIVITIES						
	Payments						
0	Repayment of Finance Lease	12	0	-100	0	0	0
0	Financing Payments	12	0	-100	0	0	0
0	NET CASH INFLOW/ (OUTFLOW) FROM FINANCING ACTIVITIES	-12	0	100	0	0	0
97	NET INCREASE/ (DECREASE) IN CASH HELD	137	50	-64	59	96	146
917	CASH AT BEGINNING OF REPORTING PERIOD	1,109	1,246	12	1,296	1,355	1,451
1,014	CASH AT THE END OF THE REPORTING PERIOD	1,246	1,296	4	1,355	1,451	1,597

Auditor-General
Statement of Changes in Equity

Budget as at 30/6/10 \$'000		Est.Outcome as at 30/6/10 \$'000	Planned as at 30/6/11 \$'000	Var %	Planned as at 30/6/12 \$'000	Planned as at 30/6/13 \$'000	Planned as at 30/6/14 \$'000
Opening Equity							
1,485	Opening Accumulated Funds	1,619	1,634	1	1,585	1,559	1,570
27	Opening Asset Revaluation Reserve	19	19	-	19	19	19
1,512	Balance at the Start of the Reporting Period	1,638	1,653	1	1,604	1,578	1,589
Comprehensive Income							
25	Operating Result for the Period	15	-49	-427	-26	11	61
25	Total Comprehensive Income	15	-49	-427	-26	11	61
0	Total Movement in Reserves	0	0	-	0	0	0
Transactions Involving Owners Affecting Accumulated Funds							
Closing Equity							
1,510	Closing Accumulated Funds	1,634	1,585	-3	1,559	1,570	1,631
27	Closing Asset Revaluation Reserve	19	19	-	19	19	19
1,537	Balance at the End of the Reporting Period	1,653	1,604	-3	1,578	1,589	1,650

Notes to the Budget Statements

Significant variations are as follows:

Operating Statement

- other revenue: the increase of \$0.079 million in the 2009-10 estimated outcome from the original budget and the corresponding decrease of \$0.079 million in the 2010-11 Budget is due to an anticipated reimbursement in 2009-10.
- employee expenses: the increase of \$0.264 million in the 2009-10 estimated outcome from the original budget is the result of the engagement of staff on a short term basis to assist in the completion of the financial audit program and increases in estimates of employee benefit liabilities.
- supplies and services: the decrease of \$0.111 million in the 2009-10 estimated outcome from the original budget and the increase of \$0.125 million in the 2010-11 Budget from the 2009-10 estimated outcome reflects a one-off reduction in performance audit contractors in 2009-10.

Balance Sheet

- cash and cash equivalents: the increase of \$0.232 million in the 2009-10 estimated outcome from the original budget reflects the reduction of receivables and sale of asset.

- receivables: the decrease of \$0.128 million in the 2009-10 estimated outcome from the original budget reflects better than anticipated receipt of monies owed.
- payables: the decrease of \$0.155 million in the 2009-10 estimated outcome from the original budget reflects the expectation that there will be a lower level of unpaid invoices for goods and services.
- current and non current employee benefits: the increase of \$0.091 million in the 2009-10 estimated outcome from the original budget and the increase of \$0.074 million in the 2010-11 Budget from the 2009-10 estimated outcome is a result of the recruitment of more senior staff than originally budgeted, as well as the impact of changes in the accounting policy for employee benefits.
- other provisions: the increase of \$0.073 million in the 2009-10 estimated outcome from the original budget is a result of recognising a provision for make good under the terms of an accommodation lease.

Cash Flow Statement

Variances in the statement are explained in the notes above.

Statement of Changes in Equity

Variances in the statement are explained in the notes above.

