

**Annual Report on the Operations**

**of the**

**Auditor-General's Department**

**for the**

**Year ending 30 June 2003**



## EMPLOYEES OF THE AUDITOR-GENERAL'S DEPARTMENT 2003

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Government  
of South Australia



**Auditor-General's  
Department**

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30 September 2003

The Hon M D Rann, MP  
Premier  
15th Floor State Administration Centre  
200 Victoria Square  
ADELAIDE SA 5000

Dear Premier

I am pleased to provide you with the Annual Report on the Operations of the Auditor-General's Department for the financial year ending 30 June 2003.

Yours sincerely

A handwritten signature in black ink, appearing to read 'K I MacPherson'.

K I MacPherson  
AUDITOR-GENERAL



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# Foreword

The Annual Report on the Operations of the Department for 2002-03 reflects our achievements for the year and the initiatives implemented to maintain and build our capacity for the future.

The form and content of the reports on agency operations were reviewed and revised in this year's Auditor-General's Annual Report. The changes implemented support more consistent presentation, greater analysis and commentary on financial outcomes and reflect current initiatives in financial reporting and analysis. I believe the changes increase the relevance and usefulness of my reports to Parliament.

In the past two years this report has focussed on the implementation of a new financial audit methodology. The current year has seen a follow up review of a selection of agency audit files to identify areas for improvement and to identify good practices that can be adopted throughout the Department.

During 2002-03 a new Corporate Plan was developed with input from all members of the Department. Reflecting on the previous Plan highlighted that significant developments were implemented by the Department in that time and that we have achieved considerable success in addressing planned priorities.

A significant initiative planned for in the previous Corporate Plan and fully implemented in 2002-03 was an integrated approach to Performance Review and Development for our staff. This initiative has provided tools and a framework for evaluating performance, identifying areas for development and planning for providing development opportunities.

The Department also developed and implemented a revised organisation structure during the year. This initiative was foreshadowed in the Corporate Plan and responded to strategic objectives of more effectively supporting our work on Public Interest and other Special Reviews and enhancing our executive support for the audit of agency financial statements and operations.

The review resulted in:

- The establishment of an additional Field Audit Director's position.
- A refocus of the Deputy Auditor-General's role from field audit to management to the conduct of Public Interest Reviews and other Special Reviews.

The restructure was initiated by the retirement of Mr Alan Norris as Director of Audits in 2002. I would like to take this opportunity to recognise his long and valued service as a Director within this Department and in other roles within the Public Service, to thank him for his support and to wish him well in his retirement.

In concluding I would again thank my staff for their support and commitment during the past year. Their professionalism and skills are key elements in completing our demanding program of agency audits and associated reports. As importantly, their preparedness to take on challenges and openness to innovation has provided the foundation for many of the corporate initiatives implemented during the year.



**SA AUDITOR-GENERAL**  
Ken MacPherson

# Performance Summary

## KEY FINANCIAL INDICATORS

	2002-03	2001-02	2000-01
	\$'000	\$'000	\$'000
Total Expenses			
• Prescribed Audits	9 493	8 941	8 648
• Special Investigations	179	219	1 029
Total Assets	2 042	1 545	1 195
Total Liabilities	2 213	2 061	1 918

## KEY OPERATING RESULTS

	2002-03	2001-02	2000-01
Audit Clients	168	176	182
Independent Audit Reports Issued	176	178	170
Qualified Audit Opinions Issued	10	15	11
Staff Establishment (FTE)	109	109	106
Average FTE for year	111	104*	100*

\* Excludes graduates employed as part of the South Australian Government University Graduate Youth Recruitment Initiative Equal Employment Opportunity Program. That program ceased from 1 July 2002.

## LIST OF REPORTS PRESENTED SINCE 1 JULY 2001

Date Presented	Report Title
14 July 2003	Report on the Process of Procurement of Magnetic Resonance Imaging Equipment by the North Western Adelaide Health Service
12 May 2003	Supplementary Report: Agency Audit Report : XTAB Pty Ltd
27 November 2002	Supplementary Report: Agency Audit Reports
30 September 2002	Report on the Operations of the Auditor-General's Department for the year ended 30 June 2002
30 September 2002	Report of the Auditor-General for the year ended 30 June 2002 - Part A Audit Overview and Part B Report on Individual Agencies
28 August 2002	Final Report on the Port Adelaide Waterfront Redevelopment Project: Misdirection of Bid Documents
19 July 2002	Interim Report of the Auditor-General on the Port Adelaide Waterfront Redevelopment Project: Misdirection of Bid Documents
24 October 2001	Auditor-General's Response to the Allegations made by the Hon Joan Hall MP on 4 October 2001
2 October 2001	Final Report of the Auditor-General on the Hindmarsh Soccer Stadium Redevelopment Project
12 November 2001	Supplementary Report: Agency Audit Reports
28 September 2001	Report on the Operations of the Auditor-General's Department for the year ended 30 June 2001
28 September 2001	Report of the Auditor-General for the year ended 30 June 2001 - Part A Audit Overview and Part B Report on Individual Agencies
24 July 2001	Interim Report of the Auditor-General on the Hindmarsh Soccer Stadium Redevelopment Project



# Corporate Overview

## THE AUDITOR-GENERAL

The Auditor-General, who is appointed by Parliament under the *Public Finance and Audit Act 1987*, leads the Auditor-General's Department and has specific statutory responsibilities in relation to the audit of the Public Accounts, the accounts of public authorities and for the review of the efficiency and economy of public sector operations.

## PURPOSE OF THE DEPARTMENT

As part of the public sector accountability process, the function of the Auditor-General's Department is to assist the Auditor-General to carry out the duties prescribed in the *Public Finance and Audit Act 1987*. The Auditor-General is currently the prescribed auditor of 168 public sector entities. (Refer to Appendix E for a list of agencies and statutory funds audited by the Department.)

The Department provides the Parliament (and consequently the people of South Australia) and public sector entities with independent professional audit opinions on matters related to financial management, compliance with legislative requirements and, where appropriate, comments on the efficiency and economy with which public sector resources are used.

## AUDIT LEGISLATION

*The Public Finance and Audit Act 1987* (the Act) provides a vital link in the chain of accountability of the Executive Government to the Parliament and to the taxpayers of this State who are the ultimate providers of funds for the operations of Government.

The Act prescribes the financial reporting obligations of the Treasurer and of public sector agencies. The provision of an independent professional attestation to those financial reports by the Auditor-General, in accordance with the provisions of the Act, together with the associated statutory reporting responsibilities of the Auditor-General, ensures that Parliament is provided with a high level of assurance that monies that have been raised and collected

have been expended properly and in accordance with the law.

Although there were no legislative changes to the Act during 2002-03, the Government has introduced amendments to the Act that are currently being considered by Parliament. The Auditor-General has provided, on request by the Government and certain members of Parliament, comments regarding proposed amendments for their consideration.

There are a wide range of statutory provisions that have a direct influence on the operations of the Auditor-General's Department. These include statutes that appoint the Auditor-General as the auditor of public sector agencies, other legislation which embodies special Commonwealth and State financial arrangements, the financial law of this State (eg Supply Acts, Appropriation Acts), the Corporations Act and the Whistleblowers Protection Act.

## ORGANISATIONAL STRUCTURE

### *Organisation*

During the year the organisation structure was revised to ensure that the priorities and risks of the Department were more effectively addressed. These changes included the establishment of an additional Director of Audits (Field Operations) position and the conduct of all public interest reviews under the management of the Deputy Auditor-General. The five Field Operations directorates and the Corporate Services directorate assist the Auditor-General in carrying out the audit responsibilities under the *Public Finance and Audit Act 1987*.

A complete organisational chart is shown in Appendix A.

There are two fundamental activities that underpin the operations of the Department ie Financial and Operational Audit activities and Corporate Support activities.

*Financial and Operational Audit Activities*

Within the five Field Operation's directorates the Department currently operates fourteen Field Audit sections, an Information Technology Audit section and a Public Interest Review section. Each Field Audit section is responsible for a portfolio of audits which is led by a Principal Audit Manager or an Audit Manager, who is supported by a team of up to seven audit professionals.

*Corporate Support Activities*

The Corporate Services directorate's function is to support audit staff in the discharge of their financial and operational audit responsibilities and to assist the Auditor-General in discharging his responsibilities as Chief Executive of the Department. The directorate comprises five sections that report to the Director of Audits (Policy, Planning and Research). The sections are:

- Corporate Initiatives
- Finance and Special Projects
- Human Resources and Corporate Support
- Information Technology Support
- Research and Quality Assurance.

**Department Executive**

The Executive of the Department consists of the Auditor-General, Deputy Auditor-General and the five Directors of Audits. It meets on a regular basis (usually weekly) and discharges its responsibilities through two principal mechanisms.

Firstly, the Executive, in consultation with staff of the Department: sets corporate policies, strategies and annual work programs to meet statutory audit responsibilities to the Parliament and public sector agencies; ensures the good administration of the Department; and oversees the development of all staff.

Secondly, the Executive: works with senior corporate and audit managers in coordinating and overseeing policy implementation; executes the strategies and work programs; and ensures the achievement of associated targeted outcomes.



**DEPARTMENT EXECUTIVE**

(Left to right) John Tate, Simon Marsh, Ken MacPherson, Ian McGlen, Simon O'Neill, Salv Bianco, Andrew Richardson.

## RELATIONSHIP WITH PARLIAMENT

The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General from the Executive Government and provides that the primary accountability of the Auditor-General is to the Parliament.

Provisions contained in the Act relating to the appointment and removal of the Auditor-General and funding for his salary emphasise that independence. Explicit reinforcement of the Auditor-General's independence is provided by subsection 24(6) of the Act which states that the Auditor-General is not subject to the direction of any person as to the manner in which he carries out the functions or exercises powers under the Act or to the priority that he gives any matter.

The *Public Finance and Audit Act 1987* also provides for a high level of accountability to be exercised, mainly through the submission to Parliament of the Annual Report of the Auditor-General. This Annual Report, which provides, the major means of communication between the Auditor-General and the Parliament consists of:

Part A the Audit Overview has as its main focus specific discussion and commentary concerning important information relating to the public finances of the State. Commentary includes observations regarding past year's budgeted and actual results, forecasts, debt and cash management and other salient matters. This part may also include some small commentary on other matters relating to financial management, accounting and control within the public sector.

Part B contains comments on the operations of individual public authorities, the financial statements of those public authorities and the Treasurer's Statements. Matters pertaining to public authorities and that are of administrative and financial management and control significance or importance to the Government and the Parliament are also contained in Part B.

In addition the Auditor-General meets the Committees of the Parliament on an 'as needs' basis.

## RELATIONSHIP WITH PORTFOLIO OF PREMIER AND CABINET

The Auditor-General is accountable for the outcomes of this Department to the Parliament. The *Public Finance and Audit Act 1987* requires and provides for the Auditor-General to be independent of Executive Government.

Accordingly, while the Department is considered part of the portfolio of the Premier and Cabinet, in the discharge of its audit responsibilities, it is independent of Executive Government. Further, the Department reports directly to the Parliament. The Department relates with the Department of the Premier and Cabinet only on matters concerning administrative arrangements and to the Department of Treasury and Finance for budget and finance related matters.

## RELATIONSHIP WITH AUDITEE AGENCIES

One of the dominant themes of recent developments in public sector management is the demand which is being placed upon Chief Executives and managers for the implementation and maintenance of sound financial systems and control processes within their agencies.

As part of the audit process, the Department contributes to the quality of public sector management by:

- Providing independent information and advice on the operations of agencies.
- Encouraging the development and maintenance of effective financial and management processes.
- Supporting the promotion and improvement in the form and quality of internal and external financial reporting by agencies.

## RELATIONSHIPS WITH AUDIT COMMITTEES

The Department recognises the benefits of creating and maintaining a climate of professional respect between itself and its auditee agencies. One method for building such an environment is the contribution made by the employees of this Department through their attendance at audit committee meetings for various auditee agencies.

## RELATIONSHIP WITH INTERSTATE AND OVERSEAS OFFICES

### Australasian Council of Auditors-General

The Australian Council of Auditors-General (ACAG) was established following the 19th Bicentennial Conference of Auditors-General in Perth in 1993. It provides consultative arrangements for the structured sharing of

pertinent information and intelligence between Auditors-General in a time of increasing complexity and rapid change.

Membership of ACAG is open to the Auditors-General of all audit jurisdictions within Australia, Fiji, New Zealand, and Papua New Guinea.

The role and function of ACAG is to:

- Provide a communication/coordination channel between audit offices to facilitate information and expertise exchange.
- Provide a 'public voice' aimed at developing a collective image by articulating collective views on matters of audit interest.
- Research and prepare papers on newly emerging or topical issues of interest to Auditors-General.
- Coordinate the development of a collective opinion of Auditors-General on accounting and auditing standards and other relevant issues.
- Coordinate efforts to improve the efficiency and effectiveness of public sector audit.

During 2002-03, the Auditor-General participated as a member of the Executive Committee of ACAG. In addition, the Department participated in a number of benchmarking exercises and projects involving the exchange of information and expertise.

## Corporate

# Plan: 2003-04 to 2005-06

The Corporate Plan is one of the most important documents we produce. It sets out the intended direction of the Department over the planning period 2003-04 to 2005-06, the issues and challenges we face, and our planned responses.

Developed this year for the new planning cycle, the Corporate Plan draws on the collaborative efforts of all staff, reflecting a corporate culture which values the professional input of our people. It reflects a balance of continuity and change. As we continue to pursue the highest standards of audit and investigatory service, there will be new initiatives to meet the challenges of our external environment, and the consolidation of the new organisational structure we put in place this year to better support the implementation of our corporate objectives.

This Corporate Plan will now be the foundation of our strategic management for the next three years, as we carefully and transparently monitor the goals we have set ourselves.

The vision for the future, mission, values and corporate objectives as detailed in the Corporate Plan are described below.

### VISION

We are committed to the continuous improvement of the quality of the services provided to the Parliament and people of South Australia and to the ongoing development of the capabilities of our people.

### MISSION

To contribute to the accountability of the Executive Government and public sector agencies to Parliament by the provision of independent reports on matters concerning finance, use of public resources and the probity and lawfulness of matters associated with public administration.

### VALUES

The shared ethical values we hold are the foundation of our actions, words and decisions. We strive to uphold them in everything we do, and in a collective manner the Department will perform in a most professional manner its review and reporting responsibilities to public sector agencies and the Parliament.

#### *Integrity*

We will display integrity through honest, ethical and professional behaviour.

#### *Independence*

In the conduct of our work and in forming our opinions we will exhibit independence, impartiality and fairness.

#### *Innovation*

We will strive for continuous improvement through acceptance and promotion of innovative ideas and the sharing of knowledge.

#### *Respect*

We will value the diversity and the contribution of individuals. We will foster a collaborative/team environment that encourages open communication, trust and empowerment, and respects the needs and preferences of our staff. We will foster effective working relationships which acknowledge and value the role and responsibilities of key stakeholders.

#### *Quality*

We will ensure our work is of high quality reflecting relevance, sound methodology, good judgement and thoroughness.

#### *Accountability*

We will be accountable for our decisions and actions and be transparent in the way we conduct our business.

## CORPORATE OBJECTIVES

To deliver our core services to the highest level, and in response to the challenges we see ahead, the Department will pursue four objectives over the planning period:

- To perform audits of the accounts and controls of public sector agencies, and to produce timely and relevant reports on the outcomes.
- To produce timely and relevant reports to Parliament on public sector interest issues.
- To enhance the Department's ability to attract, maintain and retain highly skilled and committed professional people.
- To enhance the efficient and effective operation of the Department.

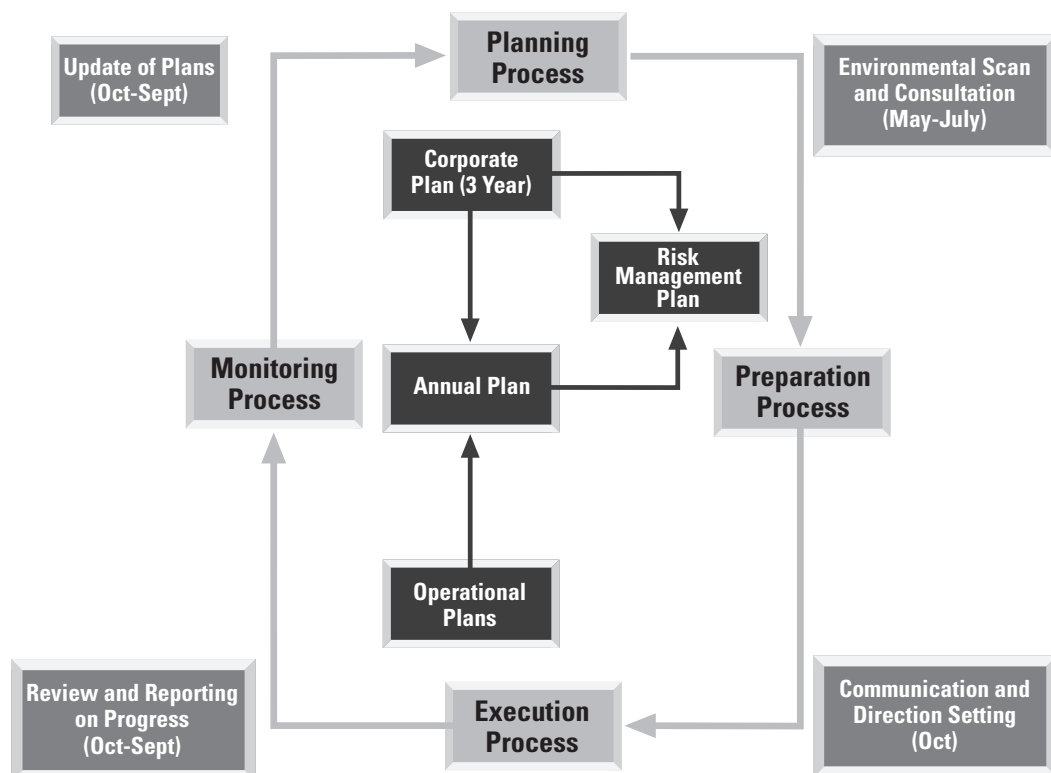
The Corporate Plan also sets out the detailed strategies and associated measures of achievement we will use to meet each of our objectives, and to evaluate the success of our actions.

## STRATEGIC MANAGEMENT FRAMEWORK

To meet the challenges we face in the future, and to ensure we effectively manage all of our responsibilities, the Department has introduced improvements to its strategic management framework. This framework provides a systematic and disciplined approach to selecting, implementing and managing the activities that will benefit the Department's long and short term performance. It is based around the principles of informed decision making, responsive planning and monitoring to ensure planned initiatives are effectively implemented.

The framework as depicted below illustrates that the process of strategic management is ongoing, and is characterised by the coordination of organisational efforts towards achieving agreed outcomes.

### STRATEGIC MANAGEMENT FRAMEWORK



# Provision of Auditing Services

## LEGISLATIVE MANDATE

The *Public Finance and Audit Act 1987* provides the statutory mandate for the Auditor-General to conduct the audits of public sector agencies.

The major principles embodied in that Act provide for the Auditor-General to:

- be appointed;
- be independent of the Executive Government;
- audit the accounts of the Treasurer, government departments, statutory authorities and other public sector agencies;
- examine the efficiency and economy with which government departments, statutory authorities and other public sector agencies use their resources;
- report audit findings and other stipulated matters to both Houses of Parliament;
- review summaries of confidential government contracts and report on the adequacy of the document as a summary of the contents of the contract when requested to do so by a Minister;
- have full and free access to all accounts, records, documents and information required for the discharge of the audit function;
- charge fees for conducting audits with the approval of the Treasurer.

The Act imposes a statutory obligation on the Auditor-General to conduct the audits of 168 public sector agencies and statutory funds.

## TYPES OF AUDITS AND REVIEWS CONDUCTED

The Act provides a mandate for the Auditor-General to conduct five different types of audits and reviews. These are:

- financial and compliance audit - subsection 31(1);
- efficiency and economy audit - subsection 31(2);

- review of the adequacy of controls exercised by auditee agencies - subsection 36(1)(a)(iii);
- examination of the accounts of a publicly funded body - section 32;
- review of a summary of a confidential government contract - section 41A.

### *Financial and Compliance Audit*

Subsection 31(1) of the Act prescribes that the Auditor-General is to audit the accounts of the Treasurer and also each public authority (as defined in the Act).

Such audits are known as financial and compliance audits. As that term indicates, the main thrust of these audits is directed towards the matter of accountability for the funds and resources made available to, and administered by agencies. The audit also provides a high level of assurance that all legal obligations and requirements have been met.

The Act does not prescribe the methods to be used in conducting a financial and compliance audit. The methods and practices adopted are continually reviewed and assessed by the Department to ensure the efficiency and effectiveness of the Department's audit processes are maintained.

The audit methodology used by the Department follows that stipulated in the Auditing and Assurance Standards and Auditing Guidance Statements issued by the Australian Accounting Research Foundation on behalf of the two major accounting bodies in Australia.

The particular methodology adopted by this Department is known as 'Risk Based Auditing' and is based on an audit software package on licence from an international firm of chartered accountants. This methodology places considerable emphasis on the planning of audits.



Principal Audit Manager, Martin Diegmann (back left) with his team members at the National Wine Centre.

The first stage of audit planning requires that all business activities of the auditee agency be identified. The audit risk associated with each of those business activities is then identified and documented by the auditor.

Factors taken into account in determining the audit risk include the risk inherent in the activities being undertaken by the auditee agency, the adequacy of the internal control structure established by the auditee agency, and the risk that the procedures employed by the auditor may not detect material misstatements in the financial statements.

The second stage requires that sufficient audit coverage and testing is planned in order to ensure that the audit risk identified in the first stage is reduced to an acceptable level. All audit plans are reviewed and approved by a Director of Audits.

Transactions and records required for audit testing are generally selected using statistical sampling methods and many are extracted from auditee agency files using special audit software routines.

Similarly, many of the audit tests to which those transactions and records are subjected are applied by using specialised audit software which operates on the notebook computers issued to each staff member.

Findings resulting from the audit are discussed with appropriate auditee agency staff and subsequently forwarded in writing by means of a management letter to the appropriate level of auditee agency management. A response in writing to the issues raised by Audit is sought from auditee agency management. The time period for a response is usually four weeks.



At the conclusion of each audit, a series of quality control reviews are undertaken by senior audit officers to ensure that:

- the work performed was of an acceptable professional standard including adequate explanation and understanding of the impact of material events occurring in the auditee agency;
- sufficient work was performed in order to form an opinion on the auditee agency's financial statements;
- the work performed was in accordance with that planned or good reasons exist (and are documented) for any material deviations;
- the results have been conveyed accurately and in a timely manner to auditee agency management;
- a written response has been received;
- the opinion expressed on the financial statements is reflected by the results of the audit;
- the opinion expressed on the controls exercised by the auditee agency is reflected by the results of the audit.

In accordance with professional standards, the Auditor-General issues an opinion on the financial statements of each auditee agency through a document known as an 'Independent Audit Report'.

The Independent Audit Report in most cases is not qualified. However, where the results of an audit are not satisfactory or where the accounting treatment for certain transactions does not comply with applicable professional accounting standards, the Independent Audit Report may be qualified, or in extreme cases, no opinion may be expressed. The inability to express an opinion signals the fact that there were issues associated with the audit of an auditee agency that warranted the attention of the Government and the Parliament. In accordance with professional requirements, full reasons are provided in those cases where the Independent Audit Report is qualified or where no opinion is given.



Audit Manager, Stephen Jared (third from left) with his team members at the Department for Environment and Heritage.

### ***Efficiency and Economy Audit***

Subsection 31(2) of the Act authorises the Auditor-General to examine the efficiency and economy with which a public authority (as defined in the Act) uses its resources.

Such audits are also known as 'value for money (or performance) audits'. This type of audit can be diverse in respect of the types of issues reviewed. It may be large and complex, it may encompass more than one organisation, or alternatively, it could be relatively small and cover only one section or part of an organisation.

The Department has established a group of officers who undertake reviews of specific matters of public interest. During 2002-03, the specific matters reviewed related to procurement reform in the public sector (including tendering and contracting), and the disposal of Crown property. The results of the work undertaken will be the subject of reporting to Parliament.

The methodology and approach adopted will, of course, vary from one subject matter to another. The overall methodology to be followed however, will encompass the following stages:

- planning;
- identifying the measurement model;
- fact gathering;
- assessment of facts against the measurement model;
- forming provisional conclusions;
- natural justice/procedural fairness processes;
- quality control;
- reporting.

The Act provides the Auditor-General with flexibility regarding reporting the results of efficiency and economy audits to Parliament. They may be included in the Auditor-General's Annual Report produced in accordance with the requirements of section 36 or they may be the subject of a separate report produced in accordance with section 37 of the Act.

It has been the policy of this Department to include comment on efficiency and economy audits finalised during the year in the Auditor-General's Reports to Parliament produced in accordance with section 36 of the Act.

#### **Review of the Adequacy of Controls Exercised by Auditee Agencies**

The responsibility to prepare financial statements and to present them for audit rests with the senior management of each auditee agency. That level of management also has a responsibility to maintain accounting systems which provide a high

level of assurance over the accuracy of financial records and which safeguard the assets of the auditee agency. An essential part of achieving this high level of assurance is the implementation and maintenance of a sound system of internal control.

Within the South Australian Public Sector, the responsibility for internal control systems is mandated in the Treasurer's Instructions, issued pursuant to the Act. Specifically Treasurer's Instruction 2 'Financial Management Policies' requires the Chief Executive of a public authority to ensure that the authority develops, implements and documents policies, procedures and systems which will assist the Chief Executive and the responsible Minister to discharge accountability in relation to the authority's:

- reporting of financial information to users of financial reports;
- application of accounting policies;
- financial management;
- internal control systems;
- business policies and practices;
- compliance with applicable laws and regulations;
- monitoring and controlling of risk.

The requirement for the Auditor-General to assess the adequacy of the management approach is prescribed in section 36 of the Act. That section requires the Auditor-General to form and express an opinion as to whether:

*"... the controls exercised by the Treasurer and public authorities in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities is sufficient to provide reasonable assurance that the financial transactions of the Treasurer and public authorities have been conducted properly and in accordance with law."*

To satisfy this legislative requirement, the Auditor-General expresses a separate control opinion for the Treasurer and for individual public authorities that is published in the Auditor-General's Annual Report to Parliament.

Accordingly, the audits of public sector agencies conducted by the Auditor-General must place particular emphasis on the identification, evaluation and testing of each auditee agency's system of internal control. The Department has developed a separate Controls Opinion Methodology, which formalises the processes involved in planning for, conducting, and reaching conclusions with respect to the opinion on internal controls.

At this stage, no external auditor in the private sector formally expresses an opinion on the effectiveness of an auditee's structure of internal control. Indeed the legislative requirement for the Auditor-General to express such an opinion illustrates one of the significant differences between auditing in the public sector and auditing in the private sector.

The Department's formal methodology has embraced many of the principles identified and reported on by the Committee of Sponsoring Organisations of the Treadway Commission (COSO). The COSO report sets out to establish a common, modern definition of internal control and to provide

a standard against which all entities can assess and improve their internal control systems. Importantly, COSO emphasises that internal control is not limited to expectations with respect to financial controls but it also encompasses the operational and regulatory environments, a fact which aligns the COSO principles with the Auditor-General's statutory mandate.

In accordance with Government objectives to improve performance and to allocate resources more efficiently through improved financial management practices, the Department of Treasury and Finance introduced a Financial Management Framework (FMF). The FMF places an emphasis on agency financial controls, introduces best practice techniques in financial management, and describes the key attributes of financial accounting.

The underlying principles of the FMF are consistent with the concepts identified and reported on by the COSO. The significant aspects of the FMF have been incorporated in the Controls Opinion Methodology utilised by the Department.



Audit Manager, Bill Sierros (on the right) with his team members at the Adelaide Convention Centre.

### ***Examination of the Accounts of a Publicly Funded Body***

When requested to do so by the Treasurer, the Auditor-General is also empowered to examine the accounts of any publicly funded body. These examinations are conducted, funded and reported as 'special investigations'.

A publicly funded body is defined in the Act as either an entity constituted under the *Local Government Act 1934* or any body or person carrying out functions of public benefit that has received money from the State by way of grant or loan.

Subsection 32(3) of the Act requires that any report resulting from such an examination be tabled in both Houses of Parliament.

During 2002-03, the Auditor-General was requested by the Treasurer, pursuant to section 32 of the *Public Finance and Audit Act 1987*, to undertake two examinations. The two examinations involved the administration of the Emergency Services budget over the last four years and the provision of financial assistance to the Basketball Association of South Australia.

Further information regarding these investigations is provided under the heading 'Special Investigations' on page 15 of this Report.

### ***Review of a Summary of a Confidential Government Contract***

Section 41A of the Act requires the Auditor-General, at the request of a Minister, to examine and report on summaries of confidential government contracts. These examinations are conducted, funded and reported as 'special investigations'.

The Report of the Auditor-General, expressing an opinion on the adequacy of the summary, is to be presented to the requesting Minister and is to be presented to both Houses of Parliament.

During 2002-03 there were no such summaries forwarded to the Auditor-General for examination and report.

## **WHISTLEBLOWER LEGISLATION**

In accordance with guidelines issued by the Commissioner for Public Employment, this Department has identified six senior officers to be 'responsible officers' to receive and action disclosures under the *Whistleblowers Protection Act 1993*.

Where complaints pursuant to the *Whistleblowers Protection Act 1993* are received by the Department, they are investigated.

# Issues Faced by the Auditor-General's Department

## During 2002-03

### EXTERNAL ISSUES AFFECTING THE DEPARTMENT

#### *Public Interest Reviews and Special Investigations*

Amendments to the *Public Finance and Audit Act 1987* are currently being considered by the Parliament. Certain of the proposed amendments have the potential to significantly change the scope of operations of the Department from past practice, particularly in the area of public interest reviews. This will not be ascertained until the matter is concluded.

Notwithstanding the outcome of this process, consistent with an ongoing focus on accountability in government, the Department commenced planning in 2002-03 with the aim of giving a stronger focus in future years to the timely identification and reporting of matters of public interest, including any matters referred to the Auditor-General for examination pursuant to the Act.

#### *Special Investigations*

During 2002-03, the Auditor-General received formal requests from the Treasurer of South Australia pursuant to section 32 of the *Public Finance and Audit Act 1987* to examine and report on:

- The administration of the Emergency Services Budget over the last four years with particular emphasis on the management of the Country Fire Services Budget and the funding of the McLaren Vale Ambulance Station.
- Matters relating to the provision of financial assistance to the Basketball Association of South Australia Inc (BASA) and BASA's operations. In particular whether due regard has been given by BASA to the economy and efficiency of operations including whether undertakings provided by BASA to identify further efficiencies have in fact been achieved.

Work on these examinations to date has involved:

- Relating in a formal manner with persons and organisations within Government and external to Government to obtain access to accounts, records and documents relating to the terms of reference of the examinations.
- Reviewing, cataloguing, analysing and evaluating the contents of all information obtained relative to the terms of reference of the examinations.

Reports on the outcomes of the examinations are to be tabled in Parliament during 2003-04.

#### *Public Sector Reform and Risk Management*

Ongoing reform and changes to the public sector continue to occur in infrastructure and methods of service delivery to the public by agencies of government. These changes involve business relationships with the private sector through existing, renewed or new models of participation.

In 2002-03 examples of change have included the implementation of a mandated human resource system across much of the Public Sector. Audit response has included development of guidance for auditors in assessing the individual circumstances of agencies. New banking arrangements were implemented in January 2003 necessitating all auditors to assess the new arrangements at individual agencies. The development of Public Private Partnerships (PPP) as a form of procurement has been taking shape over the past three years. PPP as a form of procurement, generally aims to encompass both infrastructure development and service provision and is based on complex contractual arrangements. The audit response to new forms of business requires investment in research and skills development.

Information technology remains prominent in agency service delivery and business processes. In 2002-03 the Department continued to develop a strategic approach to information technology audit and the production of timely and relevant reports on current issues in this area of government operations.

In addition, agencies are required to deliver government priorities more rapidly, to a higher standard, within tight budgetary constraints, and within a risk management culture. Ongoing budget pressure on agencies continues to drive efficiency and the streamlining of agency's activities.

The potential complexities associated with these reforms and changes and resultant risk management issues create a heightened level of audit risk. We understand that the public expectation on auditors is that such risk is met in a timely and professional manner. This affects the annual planning cycle for audits and also the strategic planning process so that the Department is positioned to respond to this environment over the longer term.

## **INTERNAL ISSUES AFFECTING THE DEPARTMENT**

### ***Maintaining Staff Satisfaction***

According to a recent survey of all staff, the Department has a positive and professional culture, and our people share a strong sense of pride in being a part of the Department. The Department has pursued a range of strategies and initiatives to achieve this outcome. Further detail is provided in the section 'Human Resource Management and Development'. In an era of sustained periods of high demand for professionals, the Department must continue to ensure it can reasonably compete for those resources. It must accordingly devote relevant time and effort in that regard.

### ***Continuous Improvement***

In the face of increased workload, the Department is committed to maintaining its record and reputation for consistently applying the highest audit standards. This has implications for many of our core business systems including audit methodology, reporting processes, knowledge management, consultation processes and project monitoring and control. Various sections of this report, including the Corporate Overview, Corporate Plan, Provision of Auditing Services, and Corporate Support Services provide detail of the Department's response to this challenge.

## **INDICATORS OF WORKLOAD AND PERFORMANCE**

The Auditor-General is appointed as the auditor of public sector agencies by statute. The amount of work required on an audit to enable an audit opinion to be expressed is determined by professional standards.

The quality of the work carried out by this Department and the value and quality of the output produced in the form of reports cannot be assessed by statistical means alone.

That quality requires assessment by:

- Subjecting the work undertaken to an independent professional review.
- Obtaining feedback from the users of the reports produced.

Nevertheless statistics can be, and are used to assess the workload and the performance of this Department.

The main measure of performance used is that which relates to the time expended on segments of audits (and on whole audits) compared with that budgeted. The operation of the Practice Management Information System, has improved the managerial control that can be exercised in that manner.

The table below provides a summary of some indicators of the Department's workload and of its performance for the past two years.

In interpreting those statistics relating to time expended on audits, it should be noted that the financial year for most auditees ends on 30 June and the figures shown relate to the audit year for those audits which usually

runs from October until the following September.

It is important to note that the Department, as part of its corporate planning process, is committed to the development of additional performance indicators and systems to report those indicators.

### STATISTICS RELATING TO AUDITS AND AUDIT TIMES

Workload	2002-03	2001-02
Independent Audit Reports issued	176	178
Average working days between auditee's end of financial year and issuing of an Independent Audit Report	79	86
Management letters issued	201	241
Hours expended on staff presenting and attending professional development courses	7 944	10 184
Hours recorded as leave taken during the financial year	30 775	28 557

Hours expended on Audits	2001 - 02 Audits	2000 - 01 Audits
Conduct of Audits	70 020	68 026
Management of audits	12 203	12 545
<b>TOTAL</b>	<b>82 223</b>	<b>80 571</b>

#### **Benchmarking**

The Department participates in benchmarking exercises with other audit offices as part of its involvement with the Australasian Council of Auditors-General (ACAG). During the year the Department participated in benchmarking our audit cost and inputs to other audit offices.

The performance indicators used in these exercises need to be used with some caution due to the following factors:

- Differences in geographical size and associated travel costs in some jurisdictions.
- Differences in audit mandates, ie audit offices are required to express opinions on various matters viz:
  - performance indicators;
  - controls exercised by auditees.
- Differences in administrative procedures, ie some offices make extensive use of contractors.
- Differences in the way auditees operate, including their organisational structure and the financial systems utilised.

## Corporate

# Support Services

The Corporate Support Services directorate supports the field audit staff in the discharge of their financial and operational audit responsibilities and assists the Auditor-General in discharging his responsibilities as the Chief Executive of the Auditor-General's Department.

The directorate comprises the following sections:

- Corporate Initiatives
- Human Resources and Corporate Support
- Finance and Special Projects
- Information Technology Support
- Research and Quality Assurance

### CORPORATE INITIATIVES

#### Role and Function

The Corporate Initiatives section was established this year to support the Executive by:

- Coordinating the development of the Corporate Plan and the establishment of operational goals and activities within the context of the plan.
- Designing systems and processes for monitoring and reporting on the achievement of corporate outcomes to the Executive.
- Contributing to Executive decision making in relation to corporate initiatives, and implementing identified initiatives.

#### Achievements

This year's most significant achievement was the development and launch of the Corporate Plan for the next triennium. This project began with the aim of developing a practical and effective plan with a clear vision of the Department's future direction and the strategies needed to get there, and, most importantly, with the total commitment of management and staff to fulfil the vision.

To achieve this aim, an approach was structured which featured the demonstrated commitment of senior management and Executive, and the involvement of all staff. A consultant with expertise in corporate planning was engaged to help establish the best methods for obtaining and managing the input from staff, and to facilitate our planning retreats and meetings.

The Corporate Plan was completed on target in June 2003, with the Executive hosting a formal celebration of its launch at the Adelaide Town Hall.

The Corporate Plan will now be used to drive the Department's strategic management, through the development of an Annual Plan and detailed operating plans to accomplish agreed strategies. As custodian of the Plan, the Corporate Initiatives section will work closely with the Executive to monitor its implementation.

Other major initiatives to be undertaken by the section during the year include:

- Coordinating the update of the Risk Management Plan, and establishing a reporting framework to monitor its implementation.
- Coordinating the implementation of a corporate information system to support the strategic management framework.

### HUMAN RESOURCES AND CORPORATE SUPPORT

During the year as part of an organisational restructure the Corporate Support team reporting relationship changed whereby the Corporate Support team now reports to the Manager Human Resources and Corporate Support. The Human Resource and Corporate Support section comprises:



## **Human Resources**

### ***Role and Function***

The Human Resource section's role is to facilitate and coordinate the development and implementation of human resource strategies in partnership with the Executive and managers of the Department.

### ***Achievements***

The achievements of the section and the Department are outlined in the section 'Human Resource Management and Development'.

## **Corporate Support**

### ***Role and Function***

The role of Corporate Support is to provide a range of administrative and support services including:

- Reception and keyboard processing services (including production of the Auditor-General's Reports for Parliament).
- The supply and procurement of office requisites.
- Administration of the Department's corporate records management and filing system.
- Desktop publishing.
- Internet/Intranet support.

### ***Achievements***

A structured planning process was developed which has resulted in the implementation of long term and short term planning within the team. This planning links to Corporate Plan objectives and reflects the corporate responsibility of this section.

As a result of this planning process a review of the resources and functions of the Corporate Support section was also

instigated which resulted in a new section structure. New staff were recruited in March 2003 and the section is now fully staffed.

To accommodate these changes the Section coordinated the redesign of the reception and visitors area and office accommodation of the Corporate Support section.

## **FINANCE AND SPECIAL PROJECTS**

### ***Role and Function***

During the year as part of an organisational restructure, the Finance and Accounting section and Special Projects Section were amalgamated. The role of the Finance and Special Projects section is to provide a range of accounting and administrative support services to the Department including:

- Processing payroll and the maintenance of personal classification, salary, superannuation, taxation, flexitime and other leave entitlement records.
- Administering the general ledger, accounts payable, accounts receivable and asset register accounting functions.
- Administering the Practice Management Information System (embracing labour time costing and billing processes).
- Processing occupational health and safety and workers compensation claims.
- Producing internal and external budgetary, statistical and financial monitoring reports including the Department's annual financial statements, periodic Department of Treasury and Finance reports and taxation returns.
- Facilitating and monitoring services relating to office accommodation.
- Providing a range of corporate services within the Department.



Manager Finance and Special Projects, Trevor Knight (3rd from left) and team members.

**Achievements**

During the year the Finance and Special Projects Section met all internal and external reporting requirements and maintained an effective internal control system. In particular the section contributed to the Department's achievement of its budgeted financial performance. In addition the section implemented a number of changes to core accounting systems and work practices to automate and improve the operations of the section.

In January 2003 a change was made in the whole-of-government banking arrangements. This required the establishment of new bank

accounts, electronic funds transfer software, purchase card arrangements, cheque stationery and encashment arrangements.

In addition the Australian Taxation Office conducted an audit on the operation of the Department's Goods and Services Tax system during the year and provided it with an excellent rating. Further the external audit for the previous year and the interim audit for the current year has not raised any matters.

**Payment of Accounts**

The following table provides an analysis of the timing of payments to creditors during 2002-03.

Particulars	Accounts Paid		Accounts Paid	
	Number	Percentage	Value (\$'000s)	Percentage
Paid by the due date	1 127	94	2 935	91
Paid late less than 30 days after due date	64	5	268	8
Paid late more than 30 days after due date	12	1	36	1
<b>Total</b>	<b>1 203</b>	<b>100</b>	<b>3 239</b>	<b>100</b>

**Fraud Control Policy**

Management have adequate systems in place that will prevent or detect the occurrence of any fraudulent practices. No cases of fraud were detected within the Department during 2002-03.

## INFORMATION TECHNOLOGY SUPPORT

### Role and Function

The Information Technology Support section's role is to provide a support/service function relating to all information technology aspects of the Department's operations including:

- Ensuring the continued availability of suitable hardware and software, through a designated maintenance, upgrade or replacement program.
- Ensuring adequate hardware, software and networking facilities are available to meet the anticipated user and processing demands.
- Evaluating new and upgraded software products and audit applications.
- Providing and supporting the communications and networking and internet requirements of the Department and individual staff.
- Ensuring the continuity, integrity and security of the Department's facilities, infrastructure, network and data.
- Providing ad hoc support, assistance or advice on a day-to-day basis, to all staff to maximize operational efficiency including:
  - on demand assistance with hardware or software faults;
  - general assistance/instruction for staff in the use of the software and functions available.
- Providing ad hoc support, assistance or advice on a day-to-day basis in the production of reports to Parliament.



Manager, Information Technology Support, Graham Pascoe (on the left) and team members.

## **Achievements**

### ***Hardware Upgrades***

During the year the Information Technology Support section undertook the replacement of 45 (50%) laptop computers and 10 (30%) desktop computers including the major upgrade of two of the Department's primary servers.

Major software and networking upgrades were undertaken simultaneously with the hardware upgrades. The section has also commenced issuing the Auditor-General's Annual Reports to Parliament and the Department's Annual Report on the Operations of the Auditor-General's Department, in a digitised form on Business Card CDs.

### ***Software Audit***

In accordance with Department policy, the Information Technology section conducted random software audits throughout the year. This includes the identification of software and other files which (while not necessarily illegal) are contrary to Department Information Technology Policy and are not approved for installation on the Department's computing or network facilities.

During the year only minor infringements were noted and these were subsequently corrected.

### ***Policy Development***

The Department is highly reliant on data and information that is captured, stored, processed and delivered by computers and their associated communications facilities. Such data and information play a vital role in supporting business processes and customer services, in contributing to operational and strategic business decisions and in conforming to legal, statutory and professional requirements.

Accordingly the data and information and the enabling technology are important assets that must be protected to a level commensurate with their value to the Department. Recognising this, the

Information Technology section has issued minor addendums to the Departments Information Technology Policy to all staff. A full review and revision of the IT Policy, Procedures and Guidelines is planned for 2003-04.

## **RESEARCH AND QUALITY ASSURANCE**

### **Role and Function**

The Research and Quality Assurance (RQA) team's charter is to provide a professional research and advisory service to the Executive and staff and to contribute to the continuous improvement of Department's auditing processes.

The team's specific objectives are to:

- Identify areas for improvement in the efficiency and effectiveness of auditing operations and methodologies.
- Ensure that effective quality control policies and procedures are in operation.
- Provide professional advice on emerging technical issues and respond to technical discussion papers issued by professional accounting and auditing bodies.
- Provide training to staff on audit methodology and associated audit tools.
- Provide a 'hot-line' service to support the users of the specialised audit software.

### **Achievements**

The major achievements over the past year include:

- Progressing with respect to the development of a robust quality assurance process.
- Conducting a series of reviews of selected audit files with the principal purpose of assessing the progress made in implementing the audit methodology.
- Making suggestions through an external consultant for improving the overall quality and usefulness of information reported in the Auditor-General's Annual Report.
- Expanding the Departmental training program by introducing another internally developed training course focusing on a major component of the audit.

### **Quality Assurance Framework**

To achieve our corporate objective of performing professional independent audits of the accounts of the Treasurer and the accounts and operations of public sector agencies, the Department, in its Corporate Plan, is committed to ensuring that quality control is exercised over all phases of the audit process.

As the current audit methodology namely *AGES*, (an acronym for **A**udit **G**uidance and **E**valuation **S**ystem) has been operational in the Department for several years, one of the principal tasks now assigned to the RQA team is the development and implementation of a new integrated and robust quality assurance framework covering audit work associated with both the financial attest and control opinion audits.

Significant progress has been made in developing a revised framework including defining the roles of senior management and the RQA team, and with emphasis on embedded quality processes supplemented by post audit review procedures. It is envisaged that the framework will be finalised and operational by 2004.

One of the strategies forming part of this framework is the establishment of a program of independent quality assurance reviews of agency audits. The reviews will focus on reconsidering the audit strategy applied in undertaking the audit, including the assessment of whether the planned strategy adequately catered for audit risk, was executed as planned and whether an appropriate audit opinion had been expressed for both the financial attest and controls opinion audits. Consideration will be given to the requirements of the Australian Auditing and Assurance standards and Departmental policies.

For the second time since the implementation of the *AGES* methodology, the Department completed a review of selected audit files with the principal purpose of assessing the progress made in implementing the methodology and to assist with any implementation issues. The findings from the review were presented to the Executive and then conveyed to all staff.

Overall the review highlighted that significant progress had been made in the operation of the methodology. The review also identified some areas where staff required further assistance to better apply the principles of the methodology. These matters are being addressed by further increasing the involvement of senior managers in the appropriate areas of the audit process.

Although the focus and intent of this type of review is somewhat different to a quality assurance review, there can be real similarities in the approaches undertaken. Given the success of the project this year, certain key elements of the approach undertaken will be considered in developing the revised quality assurance framework. For instance, unlike the first series of reviews that were undertaken in May 2001 where Deloitte Touche Tohmatsu took the lead role in facilitating the project, this year's reviews were principally lead and undertaken by departmental staff. This had the clear benefit of allowing a more detailed review to be undertaken, further developed the level of expertise within our Department and gave greater ownership of the process to the staff themselves.

### **Auditor-General's Annual Report**

This year an external consultant in conjunction with the RQA team, was engaged to review agency reporting within the Auditor-General's Annual Report, with a view to improving the overall quality and usefulness of information reported.

The consultant recommended some important changes to our reporting structure and these will be incorporated in this year's Annual Report.

To convey and explain the changes to the reporting structure to senior managers within the Department, the RQA team worked closely with the external consultant to develop and deliver a series of interactive information sessions. Feedback received from these sessions regarding the amendments to the financial reporting structure was extremely positive.

### **Staff Development**

The Department places a high priority on ensuring that all employees are properly trained and kept informed of major developments in the accounting and auditing profession so that each person is able to operate at a high level of proficiency.

The training and development of staff within the Department has been critical in developing the intellectual capital of the organisation. The continued maintenance and upgrading of knowledge and skills has contributed to a highly competent, professional and committed workforce.

To ensure success, it is imperative that a professional training and development program commences from the time a graduate first enters the Department and continues through all levels up to and including senior management. As part of the graduate induction course, the RQA team is responsible for training all graduates in the audit methodology and audit tools used by the Department.

Last year, one of the new training initiatives implemented was the engagement of an external contractor to conduct a series of accounting seminars designed to upskill and update staff on selected accounting principles and developments, and to stimulate conversations and thought

processes with respect to topical accounting issues of the day. Due to the success of this initiative, training sessions similar in style and format were held this year and they also proved successful.

This year also saw the introduction of another internally developed training course focusing on a major component of the audit methodology. This course was successfully delivered to the graduates that commenced during the year and will become a permanent feature of our professional development program.

As part of the Department's staff development program, the RQA team also regularly provides all employees with information affecting their work. This information has included details of:

- the operation of the AGES methodology within the Department;
- new and revised accounting and auditing standards;
- significant developments within the public sector that may have audit implications;
- progress made with respect to projects undertaken by the RQA team.

This information is now available on line through a centralised network system making it easier for staff to access the information in a more user friendly and convenient manner.



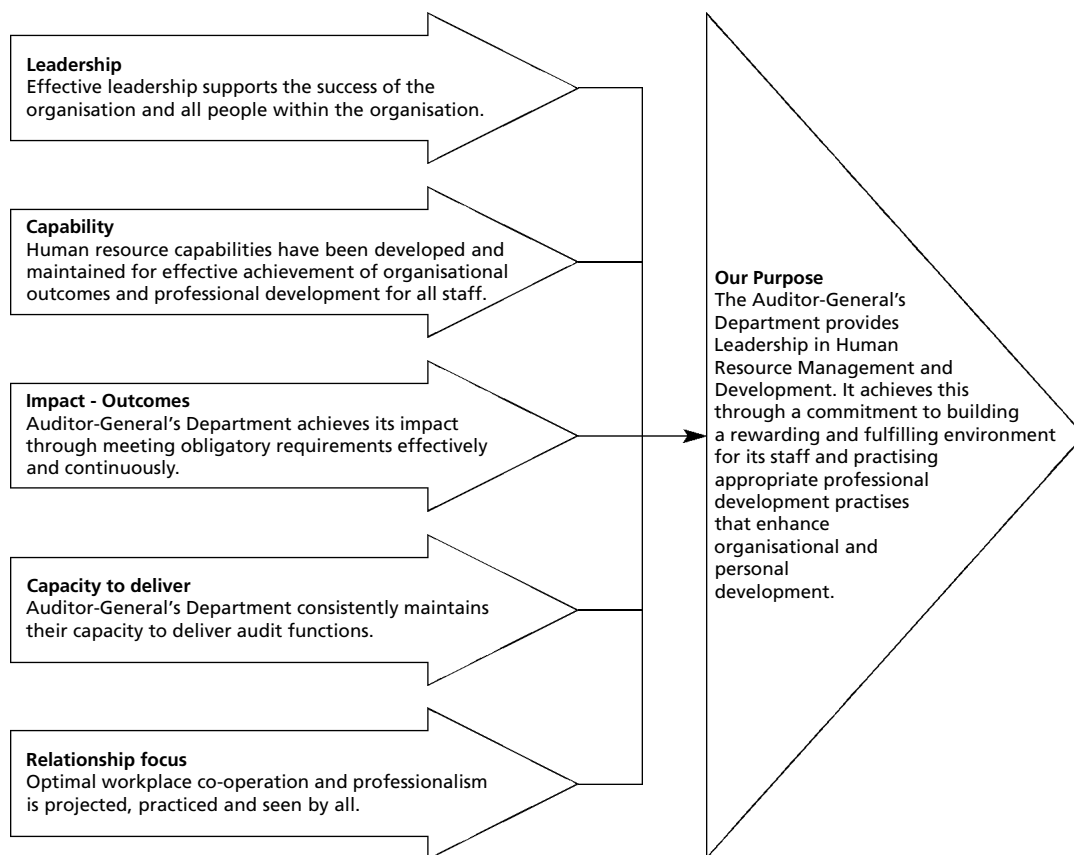
Principal Audit Manager, Research and Quality Assurance, Rodi Bergamaschi (on the right) and team members.

## Human Resource

# Management and Development

The Department has continued its commitment to investing in its employees and key strategic human resource initiatives. This includes the ability to attract, maintain and retain highly skilled and professional people and the commitment to building a rewarding and fulfilling work environment for staff. The Department has continued to develop and implement professional development practices that enhance organisational and personal development.

The commentary below highlights the goals, achievements and future strategies that have been identified as part of the Human Resource Management Strategic Plan for 2002-03, within five strategic result areas.



## LEADERSHIP

### Organisational Reviews

#### Outcome

The Department's structure and dynamics support the achievement of the Department's corporate objectives.

#### Achievements

A number of organisational reviews that were conducted during the year focussed on the assessment of organisational structure supporting corporate objectives. The annual review of the departmental structure resulted

in an increase in the executive team from six to seven, with an increased emphasis on corporate responsibility of the Executive.

Other reviews conducted during the year included the Corporate Support and Finance sections to ensure adequate staff resourcing in these sections.

#### Outlook

Regular reviews of the departmental structure will continue to ensure resources are being used effectively.

## **CAPABILITY**

### **Competency Development**

#### **Outcome**

Corporate competencies for employees are defined and established based on research.

#### **Achievements**

Competency profiles have been developed for all Field Audit and Corporate Service positions in the Department and the Department has established a working party to further integrate the competencies into the Department's human resource processes.

The integration of these competency profiles into key human resource processes and practices has commenced with:

- The implementation of a Performance Review and Development system.
- The development of competency based job and person specifications for Executive positions and all new Corporate Support positions.
- The development of a revised process for reclassification from Audit Analyst (ASO2) to Auditor Grade I (ASO3).
- The revision of selected recruitment and selection processes.
- Development of a revised graduate probationary process.

#### **Outlook**

The competency profiles will be further integrated into human resource processes and practices over the coming year.

### **Performance Management**

#### **Outcome**

Personal performance management systems and processes have been established to enhance staff development.

#### **Achievements**

During 2002-03 the performance review and development tools and processes were successfully implemented. As part of this process all employees had individual development plans by the end of 2002-03.

The basis of the Performance Review and Development system is employees and managers working together to identify objectives and development opportunities, then creating plans to achieve these. This process also assesses the employee's competency against core competencies and their performance of their key responsibilities or key outcomes from their job description.

A six month review of the Performance Review and Development system was conducted in March 2003 and identified that the majority of staff assess the system as an extremely positive step for the Department and are committed to the system as a means of furthering their personal development.

#### **Outlook**

A full review of the Performance Review and Development system will be completed in October 2003. The system will continue to be refined to ensure its ongoing success.

### **Professional Development**

#### **Outcome**

Training and development processes support, measure and develop staff capabilities.

#### **Achievements**

Within the Professional Development area the following activities have been the focus:

#### *Professional Development Program*

Particularly high importance is attached to the development and training of employees in order to achieve corporate goals. The Department continues to strive to increase opportunities available to staff for development, while still achieving corporate goals. The percentage of training expenditure relative to total employee remuneration costs for 2002-03 was 5.9 percent.



The 2002-03 program provided a range of training, development and learning activities for the varied and changing needs of the Department and its employees. The program provided a blend of technical, personal and management courses which were delivered using a variety of methods appropriate to the content. The courses included in the Professional Development Program are listed in Appendix B.

Key areas of the program were:

- training to facilitate the new performance review and development process;
- graduate training in technical and interpersonal skills; and
- leadership and management development.

The program was supplemented with employees attending external courses, conferences and seminars to assist in the fulfilment of the Department's business needs. Appendix C lists the main external training courses attended by employees.

#### *Leadership and Management Development*

There is commitment to the continued development of the leadership and management skills of staff. Total leadership and management development training expenditure for 2002-03 was \$98 000. This expenditure represents 1.7 percent of total employee remuneration expenditure.

Six employees at the Auditor Grade II (ASO4) level completed the First Line Management Program through the Office for the Commissioner for Public Employment. Employee satisfaction with the program was varied.

In the previous year all managers participated in a development centre which looked at key competencies required for this group in the area of establishing 'good communication processes in a team'. As a result of the outcomes of this process and to

complement the implementation of the Performance Review and Development system forty eight managers participated in a series of development courses in feedback and coaching skills.

Based on the success of the previous development centre for managers, all Auditor Grade II (ASO4)'s participated in a development centre based on the competency profile of the position. This development centre identified a series of training needs for this target group which will be addressed in the 2003-04 program.

Full support was given to three managers this year to participate in the University of Adelaide's Professional Certificate in Management. This program has provided these managers with the opportunity to develop their strategic thinking capabilities and translate these skills into action within the workplace.

#### *Education Assistance*

Continued further career development opportunities were provided to employees through study time assistance and fee reimbursement for designated courses.

During the year the reimbursement of fees for the completion of approved studies totalled \$26 000, whilst study time totalling 447 hours was granted.

#### *Employee Tertiary Qualifications*

The Auditor-General's mandate encompasses a broad range of government departments, statutory authorities, local governments and government owned companies. To effectively discharge this audit mandate, it is essential that employees possess tertiary and post-graduate qualifications.

The table below lists the main tertiary qualifications held by audit and non-audit employees. A number of employees hold two or more qualifications.

**EMPLOYEE TERTIARY QUALIFICATIONS**

Qualifications	Number
Bachelor of Arts (Accountancy)	17
Bachelor of Accountancy	8
Bachelor of Economics (Accountancy)	8
Bachelor of Economics	6
Bachelor of Business (Accountancy)	4
Bachelor of Commerce	52
Other Degrees	23
Diploma in Accountancy	11
Other Diplomas	12
Certificates	11

**Professional Bodies/Institutions**

Most employees are members of professional bodies and some are members of more than one professional body.

Employees are encouraged and supported to attain professional accreditation with CPA Australia (CPA status) and participate on special interest committees and working groups associated with the South Australian Division of CPA Australia.

Seventy four employees are members of CPA Australia. Two of these employees hold the designation of Fellow of that professional body. In addition one employee holds a fellowship in the Institute of Chartered Accountants in Australia, while seven employees are members of other professional bodies. The names of all employees in the Department, their tertiary qualifications and membership status are listed in Appendix D.

**Outlook**

The Department is continually adapting the Professional Development Program to best fit the strategic direction of the Department and the needs of employees.

The Department is looking at implementing accredited training packages as part of its Professional Development program in 2003-04.

The overall outcomes of these activities are that:

- Training and development processes support, measure, motivate and develop staff capabilities.
- A high level of employee professionalism is maintained.

**CAPACITY TO DELIVER**

**Managing Diversity**

**Outcome**

Managing diversity is practiced effectively throughout the Department.

**Achievements**

The Department continues to demonstrate its commitment to managing diversity through the implementation of new initiatives and the ongoing review of existing policies and practices.

**Flexible Working Arrangements**

In response to the Government's continued promotion of flexible working arrangements, during 2002-03 the Department formalised its flexi-time arrangements by developing a policy. The Department continues to allow all employees up to the ASO8 level to bank flexitime during the Audit Report production period, to assist employees to better balance work and life demands.

Since the implementation of the Purchased Leave policy in April 2002, two employees have utilised the new arrangement.

**Disability Action Plans**

The Department is committed to implementing strategies which promote equal opportunity for people with disabilities. Where possible the Department has actively participated in programs such as the disability employment strategy and focuses on providing a supportive work environment that is free from discrimination.

**Outlook**

The Department will continue to review and integrate policies and procedures to ensure that it complies with legislative requirements.

**Recruitment, Selection and Placement****Outcome**

Recruitment, selection and placement processes are reviewed and updated.

**Achievements**

Training was provided to all staff in the processes of recruitment and selection, both for selection panel members and applicants during 2002-03.

A major component of the Department's recruitment and workforce planning strategy is the Graduate Recruitment Program which represents a valuable source of new employees for the Department. The ability to attract appropriately qualified high calibre graduates is dependent upon its capacity to compete with private sector organisations in a highly competitive marketplace.

The Department has continued to improve its graduate recruitment strategy by gathering feedback from graduates every year and refining the recruitment process. The table at the bottom of the page, discloses the number of applications received when advertising for graduate positions and reflects the success in promoting the Department as an appealing employer that offers diverse opportunities for graduates. During 2002-03 eleven graduates were appointed.

Graduates are appointed under the *Public Sector Management Act 1995* and are initially employed on a twelve month probationary period. During this period, the graduate's manager completes four structured performance assessments to evaluate the graduate's work performance. In October 2002 the new Graduate Performance Review process was implemented which involves a series of assessments every three months. This new process provides the flexibility for a graduate to complete their probation at the end of nine months rather than twelve months.

**GRADUATE RECRUITMENT AND PLACEMENT**

	2003-04 Intake	2002-03 Intake	2001-02 Intake
Applications received	130	150	98
Applicants selected for interviews	19	41	39
Graduates appointed up to 30 June *	5	11	9

\* The majority of graduates commence duty in January following the appointment.

The Department continues to be recognised for its comprehensive Graduate Training program. The program comprises a range of modules which address areas of accounting and financial system operations and controls, auditing practice and methods and the development of personal skills and capabilities. Feedback from graduates indicates that the training program forms a valuable part of their graduate year.

**Outlook**

The Department will continue to implement the recommendations contained in the marketing plan to enhance the graduate recruitment cycle.

The training modules will continue to be delivered as part of the development cycle for all graduates commencing in January 2004.



Graduates from the year 2002-03

**Induction**

**Outcome**

Induction processes are reviewed and updated.

**Achievements**

All new employees participate in an induction program and receive an induction package which supports the information delivered during the program. The initial program is generally conducted over one day and is facilitated by members from various sections within the organisation. The information delivered during the program covers topics such as the structure of government, internal organisational structure, roles of specific sections within the Department, information technology, familiarisation with Departmental process and specialised software packages. The induction package can be used during and after the course as a general reference.

In 2002-03 a working group reviewed the Graduate Induction Program and developed a series of checklists which are completed jointly by the graduate and their manager. The checklists provide a consistent and thorough introduction for graduates during the first month in the field and have been very positively received by graduates and managers.

**Outlook**

The Department will continue to conduct its comprehensive induction program and twelve month training program. The structure of these programs will be based on the number of graduates employed, the amount of time required for methodology training, and the section or area of the Department they will be joining. Graduates' learning will be enhanced through on-the-job training and practical experience. The format and structure of these programs will continue to be evaluated and reviewed on an annual basis.

## Workforce Profile

### Outcome

Current and future needs are assessed to determine future resource requirements.

### Achievements

The Department collects a range of workforce statistics. These statistics provide the means of profiling our current workforce and comparing this with previous years statistics. During 2002-03 all staff were surveyed in order to update the Department's human resource information database, including their work experience and qualification profiles.

### Employee Classifications and Numbers

The Department has an approved staffing establishment of 109 full time equivalents (FTE), including the Auditor-General's position.

As at the last pay day in June 2003, the Department employed 119 employees (excluding the Auditor-General) representing 116.8 FTE.

The Department was temporarily over its establishment at 30 June 2003 as a result of graduate recruitment to replace traditional employee turnover rates which did not eventuate.

## PUBLIC SECTOR MANAGEMENT ACT EMPLOYEES (Excludes Auditor-General)

Stream	Ongoing			Contract Long Term			Contract Short Term			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Administration Services Officers												
Trainees							1	-	1	1	-	1
ASO1												
ASO2	3	9	12				5	7	12	8	16	24
ASO3	6	11	17							6	11	17
ASO4	14	12	26				-	1	1	14	13	27
ASO5	3	5	8							3	5	8
ASO6	9	6	15							9	6	15
ASO7	6	3	9							6	3	9
ASO8	9	3	12							9	3	12
<b>Total ASOs</b>	<b>50</b>	<b>49</b>	<b>99</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>8</b>	<b>14</b>	<b>56</b>	<b>57</b>	<b>113</b>
Executive - Level B*				6	-	6				6	-	6
<b>Grand Total</b>	<b>50</b>	<b>49</b>	<b>99</b>	<b>6</b>	<b>-</b>	<b>6</b>	<b>6</b>	<b>8</b>	<b>14</b>	<b>62</b>	<b>57</b>	<b>119</b>

\* All Executives have a right to be appointed to a further position in the public sector at the end of a limited term appointment.

No casuals employees were employed as at 30 June 2003.

*Age Profile Of Employees*

At 30 June 2003 the average age of the Department's employees was 33 years and 1 month compared to 33 years and 4 months as at 30 June 2002. Approximately two thirds of the staff (64 percent) are under 35 years of age as compared with the South Australian workforce statistics of 40 percent.

**AGE PROFILE OF EMPLOYEES**

Age Group (Years)	Number of Males	Number of Females	Total Employees	% of all Employees	% S Australian Workforce <sup>(1)</sup>	% Australia Population <sup>(2)</sup>
15-19	1	0	1	0.8	7.3	7.0
20-24	10	19	29	24.4	10.3	6.8
25-29	8	20	28	23.6	10.7	7.0
30-34	12	6	18	15.2	11.5	7.6
35-39	8	7	15	12.6	11.4	7.5
40-44	8	3	11	9.2	13.1	7.7
45-49	6	1	7	5.9	12.1	7.0
50-54	5	1	6	5.0	10.8	6.6
55-59	3	0	3	2.5	7.6	5.5
60-64	1	0	1	0.8	3.7	5.3
65 +	0	0	0	0	1.5	12.7
<b>TOTAL</b>	<b>62</b>	<b>57</b>	<b>119</b>	<b>100</b>	<b>100</b>	

(1) ABS Supertable C2 as at February 2003

(2) ABS age distribution at June 2003

*Work Experience Profile*

At 30 June 2003 the average work experience of employees in the Department was eight years and three months compared to eight years and six months at 30 June 2002. The marginal decrease can be attributed to cessations of employment of employees with more than eleven years of service.

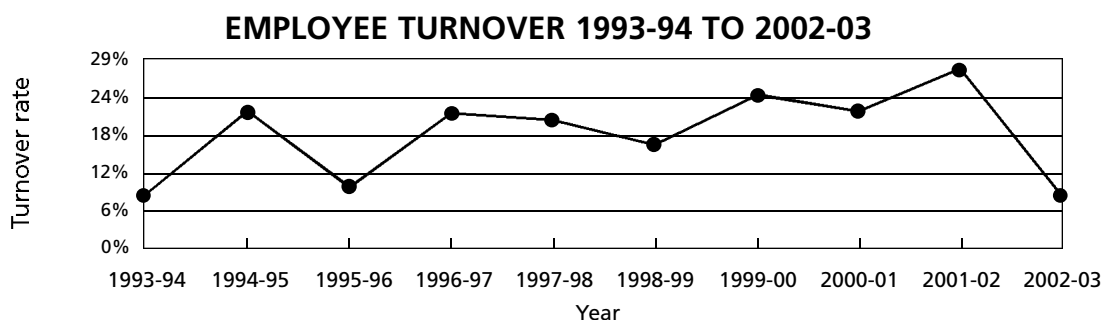
**WORK EXPERIENCE PROFILE**

Years of Service	0 <3	3 <6	6 <11	11 <16	16 <21	21+	Total
Employees with Work Experience in:							
• Auditor-General's Department	45	30	12	10	8	14	119
• Public Sector	41	29	12	10	11	16	119

*Employee Turnover and Movements*

The average employee FTE for 2002-03 was 111 (104 for 2001-02) and the rate of employee turnover for the financial year was 8 percent (28 percent for 2001-02). The turnover has been primarily among audit employees. Employees are still highly regarded by other public and private sector organisations.

The increase in the average FTE resulted from graduate recruitment to replace traditional employee turnover rates which did not eventuate.



**EMPLOYEE MOVEMENTS**  
(Excludes Auditor-General)

	2002-03	2001-02
Staff Employed 1 July	109	109
Losses:		
Retirements	1	-
Resignations	6	12
Appointments/Assignments to other public sector agencies	-	7
Temporary Assistance Ceased	1	2
Youth Traineeship Completed	-	1
Reassignment	-	1
Leave Without Pay	1	7
Other	1	-
Total Cessations	(10)	(30)
Gains:		
Appointments/Assignments from other public sector agencies	3	1
External appointments	14	19
Return from Leave Without Pay	2	8
Return from reassignment	-	1
Youth Traineeship Commenced	1	-
Other	-	1
Total Commencements	20	30
<b>Staff Employed 30 June</b>	<b>119</b>	<b>109</b>

The Department has a policy which encourages all employees leaving the organisation, on either a temporary or permanent basis, to participate in an exit interview process. This provides management with one mechanism for monitoring organisational and staff needs and identifying the principle reasons for employee turnover.

During 2002-03 the major reasons employees gave for ceasing employment within the Department were:

- career and personal development;
- job challenge;
- improved promotional opportunities;
- career change.

**Outlook**

The Department will continue to look at strategies to manage turnover.

## IMPACT - OUTCOMES

### Benchmarking

#### *Outcome*

Human resource management practices are benchmarked where relevant against other like organisations nationally and internationally.

#### *Achievements*

Some informal benchmarking of key human resource strategies against other organisations has been undertaken through networking with other audit offices and South Australian Government agencies.

#### *Outlook*

Opportunities to develop more formal processes of benchmarking human resource management practices will be pursued in the coming year.

## RELATIONSHIPS FOCUS

### Ongoing Improvement in Service Delivery

#### *Outcome*

Internal and external feedback is captured and used as the basis for improving workplace relationships and professionalism.

#### *Achievements*

In October 2002 a staff survey was conducted to gauge employee satisfaction on communication, leadership, job satisfaction, training and development, organisational culture, work teams and quality and service. Overall, the level of staff satisfaction for these measures was higher than external benchmarks.

The exit interview policy was also reviewed and refined to enable Human Resources to collect better information from departing employees about employment policy and initiatives. The information collected through this process consistently identifies that the Department has very flexible practices to allow a balance between work and personal responsibilities.

#### *Outlook*

The results of the survey highlighted a number of areas for improvement, which the Department will work towards over the next twelve months. A commitment has been made to conduct a staff satisfaction survey every year.



Human Resources and Corporate Support Team.



## OCCUPATIONAL HEALTH, SAFETY AND WELFARE

### *Outcome*

An occupational safe, healthy workplace for employees.

### *Achievements*

#### *Employee Health and Wellbeing*

Health and wellbeing programs are held for the benefit of all staff. As part of its pro-active program to promote a healthier work environment for employees, a Flu Vaccination Program was arranged. Twenty-nine percent of staff took the opportunity to receive a cost free vaccination.

#### *Employee Assistance Program*

This program provides staff and management with a proactive support mechanism for meeting personal needs and work performance objectives.

#### *Occupational Health, Safety and Welfare Committee*

The Occupational Health, Safety and Welfare Committee currently consists of eleven members with two management and nine employee representatives.

The functions of the Committee are to:

- Facilitate cooperation between managers/supervisors and employees in initiating, developing, carrying out and monitoring measures designed to ensure the OHS&W of all employees.
- Assist in the formulation, review and dissemination to employees of OHS&W practices, procedures or policies that are to be followed in the work place.
- Consult with managers/supervisors and employees on any proposed changes to OHS&W practices, procedures or policies.
- Keep under review and make recommendations associated with:
  - accident statistics;
  - developments in the field of rehabilitation of employees who suffer work related injuries;
  - the employment of employees who suffer from any form of disability.

- Assist in the:
  - return to work of employees who suffer work related injuries;
  - employment of employees who suffer from any form of disability.
- Monitor processes and make recommendations that may improve the claims management process.
- Assist in the resolution of issues relating to OHS&W of employees at any relevant workplace.
- Undertake such other functions as are directed or agreed upon by management and the OHS&W Committee.

The OHS&W Policies and Procedures Manual can be accessed on the Department intranet by all employees located within the central office or at remote work sites. The entire manual is reviewed and updated on a progressive basis during the year.

#### *Worksite Inspection*

Inspection reporting for temporary and permanent worksites is integrated within the audit process. Computer workstation checklists, relating to ergonomic, environmental and facilities assessments are completed annually.

#### *Performance Review*

External consultants were engaged to supply:

- An independent OHS&W legislative compliance and OHS&W management systems audit.
- Specified OHS&W training sessions.
- Advice and recommendations relating to the annual review and update of the OHS&W Action Plan.

There were no significant matters reported within the OHS&W legislative compliance audit, or the OHS&W management systems audit. The consultant provided an excellent overall rating.

#### *Workers Rehabilitation and Compensation*

The premium paid for workers compensation insurance for 2002-03 was \$1 500 (\$2 000).

**SICK LEAVE AND FAMILY CARERS LEAVE**

	2002-03	2001-02	2000-01
Average FTE sick leave days per employee	5.7	5.1	5.6
Average FTE family care leave days per employee	0.26	0.21	0.19

**OCCUPATIONAL HEALTH, SAFETY AND WELFARE STATISTICS**

	2002-03	2001-02	2000-01
<b>OHS&amp;W Legislative Requirements:</b>			
Notifiable occurrences pursuant to OHS&W Regs. Div 6.6	Nil	Nil	Nil
Notifiable injuries pursuant to OHS&W Regs, Div 6.6	Nil	Nil	Nil
Notices served pursuant to OHS&W Act s35, s39, and s40	Nil	Nil	Nil
<b>Injury Management Legislative Requirements:</b>			
Compliance with Schedule 4, Claims & Registration for Exempt Employer Regulations of the WRC Act	Yes	Yes	Yes
Employees who participated in a rehabilitation program	Nil	1	Nil
Employees rehabilitated and reassigned to alternative duties	Nil	Nil	Nil
Employees rehabilitated back to original work	Nil	1	Nil
<b>WorkCover Action Limits:</b>			
Open claims	Nil	1	Nil
% workers compensation expense of gross annual remuneration	0.01	0.01	0.02
<b>Number of Injuries</b>			
New workers compensation claims for the reporting period	1	1	Nil
Fatalities, lost time injuries, medical treatment only	Nil	Nil	Nil
Whole working days lost	Nil	8	Nil
<b>Cost of Workers Compensation:</b>			
Cost of new claims for financial year	\$52	\$296	Nil
Cost of all claims excluding lump sum payments	\$52	\$296	\$1 188
s42, s43, s44 lump sum payments (Paid by the Department)	Nil	Nil	Nil
Total amount recovered from external sources (s54)	Nil	Nil	Nil
Budget for workers compensation (Insurance Premium)	\$2 000	\$2 500	\$11 000
<b>Trends</b>			
Lost time injury frequency per million hours worked	Nil	Negligible	Nil
Most frequent cause of injury	None	Back injury	None
Most expensive cause of injury	None	Back injury	None
<b>Meeting OHS&amp;W Strategic Targets</b>			
Achievement of OHS&W action plan (Independent Audit Assessment)	Excellent	Excellent	Excellent

**Outlook**

Occupational health, safety and welfare culture and systems will continue to be integrated into the work environment. This includes taking proactive and preventative actions such as the conduct of regular health and wellbeing and other educational or training seminars.

## **SOCIAL CLUB**

The Social Club Committee manages activities and functions for its members, including an annual dinner, Christmas picnic, cricket match, golf day, quiz night, bowling night, movie night and regular happy hours.

These activities are funded by staff member subscriptions and provide an opportunity for greater staff interaction than exists during the course of daily operations.



Members of the Audit Office Social Club.

## Commentary on Financial Results

### FUNDING OF DEPARTMENT

The Department operates on funds appropriated by Parliament from the Consolidated Account.

Estimates of annual accrual expense and any capital requirements of the Department are submitted through the Department of Treasury and Finance to Parliament.

Audit fees received from public sector agencies are accounted for as an administered item and are paid into the Consolidated Account.

The following table discloses the financial performance of the Department on an accrual basis exclusive of goods and service tax.

Item	2002-03 Budget \$'000	2002-03 Actual \$'000	2002-03 Variance \$'000
Auditing Services Expense	9 992	9 677	(315)
Administered Revenue - Audit Fees	7 537	7 554	17

### PROGRAM

The sole program is the provision of auditing services covering all of the audit responsibilities prescribed under the *Public Finance and Audit Act 1987*.

This program is segmented into two sub-programs as follows:

#### *Prescribed Audits*

- The annual audits conducted as prescribed within the *Public Finance and Audit Act 1987* for all public sector entities required to be audited.
- Public interest services associated with the effective, efficient and economic acquisition, disposal or use of resources and facilities within the public sector.

#### *Special Investigations*

The Auditor-General may be requested in any given year to undertake:

- Special investigations when requested by the Parliament or Treasurer.
- Reviews of summaries of confidential government contracts when requested to do so by a Minister.

Consistent with the legislative requirement of audit independence, the reports are presented directly to the Parliament.

### CONTRACTED AUDITS

A number of audits are contracted out to the private sector where specialist audit skills are not available within the Department. The key criteria is to provide a professional audit in the most efficient and cost effective manner. During 2002-03, payments totalling \$665 000 (\$671 000) were made for contracted audits.

The Auditor-General is responsible for the contracted audits and senior audit staff review the plans prepared by the contracted auditor and exercise quality control over the work performed. The Auditor-General issues the independent audit report on the financial statements.

## CONSULTANTS

External consultants are engaged to assist in the fulfilment of the Auditor-General's statutory audit mandate and to provide skills that are not available within the Department.

During 2002-03, consultancies amounted to \$339 000 inclusive of \$167 000 relating to consultants engaged in the conduct of Special Investigations.

The following table provides details of the consultancies utilised in 2002-03.

Item	Details	\$'000
<b>Consultancies less than \$10 000</b>	8 Consultancies	22
<b>Consultancies \$10 000 - \$50 000:</b>	9 Consultancies	185
Deloitte Touche Tohmatsu	Facilitate the conduct of an implementation progress review of the Department's audit methodology.	
K J Bockmann Consulting	Professional services associated with the production of the Auditor-General's 2001-02 Annual Report to Parliament.	
Flinders Consulting Pty Ltd	Professional Advice in relation to E-Commerce - Legal, Privacy, Security and Project Management.	
EDN Pty Ltd	Design and undertake a needs/satisfaction survey of all staff within the Department.	
Henderson MS	Provide advice in a number of areas including accounting/auditing and in the establishment of Departmental policies/procedures.	
Henderson MS	Undertake a detailed review of selected agency financial statements and the accompanying audit text to those statements as included in the Auditor-General's Annual Report for 2002 with a view to improving the overall quality and usefulness of information reported.	
Iedex Pty Ltd	Assist the Department in the development and application of appropriate planning processes to prepare and implement the Corporate Plan for the three years from 2003-04 to 2005-06.	
Fisher Jefferies	Professional Advice in relation to the indemnification of Ministers of the Crown.	
Piper Alderman	Work associated with the conduct of the review of the Port Adelaide Waterfront Development Misdirection of Bid Documents.	
<b>Consultancies above \$50 000</b>	2 Consultancies	
Piper Alderman	Work associated with the conduct of the review of the Administration of the Emergency Services Budget.	77
Trenowden & Associates	Work associated with the conduct of the review of the Process of Procurement of Magnetic Resonance Imaging Equipment (MRI) by the North Western Adelaide Health Service.	55
<b>Total Consultancies</b>	19 Consultancies	339

# Financial Statements

## Statement of Financial Performance for the year ended 30 June 2003

		2003	2002
	Note	\$'000	\$'000
<b>EXPENSES FROM ORDINARY ACTIVITIES:</b>			
Employee entitlements	1.3, 6	6 026	5 351
Employment on-costs	6	1 077	954
Contract audit fees		665	671
Other expenses		626	780
Accommodation and service costs		487	561
Consultancies		339	356
Depreciation	1.4, 5.2	269	279
Staff development and training		185	209
Loss (Profit) on disposal of assets	4	3	(1)
<b>Total Expenses</b>	2	<b>9 677</b>	<b>9 160</b>
<b>REVENUES FROM ORDINARY ACTIVITIES:</b>			
Interest		73	132
Other income		11	3
<b>Total Revenues</b>		<b>84</b>	<b>135</b>
<b>NET COST OF SERVICES</b>		<b>9 593</b>	<b>9 025</b>
<b>REVENUES FROM GOVERNMENT:</b>			
Recurrent appropriations	3	9 938	9 232
<b>NET SURPLUS</b>		<b>345</b>	<b>207</b>
<b>TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH THE STATE GOVERNMENT AS OWNER</b>		<b>345</b>	<b>207</b>

**Statement of Financial Position as at 30 June 2003**

		2003	2002
	Note	\$'000	\$'000
<b>CURRENT ASSETS:</b>			
Cash	1.7, 8.1	1 471	940
Receivables	1.7	92	116
<b>Total Current Assets</b>		<b>1 563</b>	<b>1 056</b>
<b>NON-CURRENT ASSETS:</b>			
Computer and office facilities	1.4, 5	1 513	1 460
Accumulated depreciation	1.4, 5	(1 034)	(971)
<b>Total Non-Current Assets</b>	5	<b>479</b>	<b>489</b>
<b>Total Assets</b>		<b>2 042</b>	<b>1 545</b>
<b>CURRENT LIABILITIES:</b>			
Payables	1.7	47	43
Cash advance - Imprest accounts	1.7	3	3
Employee entitlements	1.3, 6	589	586
Employment on-costs		118	145
<b>Total Current Liabilities</b>		<b>757</b>	<b>777</b>
<b>NON-CURRENT LIABILITIES:</b>			
Employee entitlements	1.3, 6	1 287	1 136
Employment on-costs		169	148
<b>Total Non-Current Liabilities</b>		<b>1 456</b>	<b>1 284</b>
<b>Total Liabilities</b>		<b>2 213</b>	<b>2 061</b>
<b>NET ASSETS</b>	7	<b>(171)</b>	<b>(516)</b>
<b>EQUITY:</b>			
Opening balance - Deficit		(516)	(723)
Increase in net assets		345	207
<b>TOTAL EQUITY</b>	7	<b>(171)</b>	<b>(516)</b>
Commitments	11		

**Statement of Cash Flows for the year ended 30 June 2003**

		2003	2002
		Inflows (Outflows)	Inflows (Outflows)
		\$'000	\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	Note		
PAYMENTS:			
Employee entitlements		(5 862)	(5 196)
Employment on-costs		(1 088)	(920)
Goods and services		(2 536)	(2 878)
RECEIPTS:			
Interest		73	132
Other income		11	3
Goods and service tax refunds		257	270
CASH FLOWS FROM GOVERNMENT:			
Recurrent appropriations	3	9 938	9 232
<b>Net Cash provided by Operating Activities</b>	8.2	<b>793</b>	<b>643</b>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of computer and office facilities		(314)	(358)
Disposal of computer and office facilities		52	59
<b>Net Cash (used in) Investing Activities</b>		<b>(262)</b>	<b>(299)</b>
<b>NET INCREASE (DECREASE) IN CASH HELD</b>		<b>531</b>	<b>344</b>
<b>CASH AT 1 JULY</b>		<b>940</b>	<b>596</b>
<b>CASH AT 30 JUNE</b>	8.1	<b>1 471</b>	<b>940</b>



**Schedule of Administered Expenses and Revenues  
for the year ended 30 June 2003**

	Note	2003 \$'000	2002 \$'000
<b>ADMINISTERED EXPENSES:</b>			
Employee entitlements	1.3, 9.2	223	207
Amounts paid/payable to consolidated account		8 301	8 478
Goods and services tax paid/payable		755	770
<b>Total Administered Expenses</b>		<b>9 279</b>	<b>9 455</b>
<b>ADMINISTERED REVENUES:</b>			
Fees for audit services	9.1	7 554	7 700
Goods and services tax received/receivable on audit fees		755	770
Appropriation under Special Acts	3, 9.2	209	199
Appropriation - Goods and Services Tax	3	775	735
<b>Total Administered Revenues</b>		<b>9 293</b>	<b>9 404</b>
<b>ADMINISTERED REVENUE LESS ADMINISTERED EXPENSES</b>		<b>14</b>	<b>(51)</b>

**Schedule of Administered Assets and Liabilities as at 30 June 2003**

	Note	2003 \$'000	2002 \$'000
<b>ADMINISTERED ASSETS:</b>			
<b>CURRENT ASSETS:</b>			
Receivables	1.7, 9.1	394	564
<b>Total Administered Assets</b>		<b>394</b>	<b>564</b>
<b>ADMINISTERED LIABILITIES:</b>			
<b>CURRENT LIABILITIES:</b>			
Employee entitlements	1.3, 6	87	88
Payables		-	9
Amounts payable to consolidated account	9.1	394	564
Goods and services tax payable		168	187
<b>Total Current Liabilities</b>		<b>649</b>	<b>848</b>
<b>NON-CURRENT LIABILITIES:</b>			
Employee entitlements	1.3, 6	185	170
<b>Total Non-Current Liabilities</b>		<b>185</b>	<b>170</b>
<b>Total Administered Liabilities</b>		<b>834</b>	<b>1 018</b>

## Notes to and Forming Part of the Financial Statements

### 1. Statement of Significant Accounting Policies

#### 1.1 Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views and the Treasurer's Instructions and Accounting Policy Statements issued pursuant to the Public Finance and Audit Act 1987 (the Act). The accounts are presented on the accrual basis of accounting using historical cost accounting which does not take into account changing money values. Unless otherwise stated, the accounting policies adopted are the same as those in the previous year.

#### 1.2 Appropriations

The Department is funded by Parliamentary appropriations for the full accrual cost of its services. The appropriation is paid into Special Deposit Account titled 'Auditor-General's Department Operating Account'. Appropriation for accrued expense at year end has in previous years been deposited in a special deposit account in the name of the Department at Treasury titled 'Accrual Appropriation Excess Funds'. Use of the funds requires the approval of the Treasurer. Pursuant to Treasurer's Instruction 3.8, this money is deemed to be controlled by the public authority in the name of which the money is recorded.

Administered items are funded by Parliamentary appropriations on a cash basis.

#### 1.3 Employee Entitlements

Provision has been made for employee entitlement liabilities arising from services rendered by employees to balance date in accordance with Australian Accounting Standard AAS 30 'Accounting for Employee Entitlements'. Employee entitlements comprise entitlements to salaries and wages, annual leave, long service leave and workers compensation.

- *Salaries, Wages*  
Liabilities for salaries and wages are recognised, and are measured as the amount unpaid at current pay rates in respect of employee service periods up to the reporting date.
- *Annual Leave*  
Liabilities for annual leave are recognised, and are measured as the amount unpaid at the pay rate at which the liability is expected to be settled in respect of employee service periods up to the reporting date.
- *Sick Leave*  
No liability is recognised, as sick leave taken by employees is considered to be taken from the current year's accrual.
- *Long Service Leave*  
Long service leave is recognised on a pro-rata basis for the employee service periods up to the reporting date. The Department of Treasury and Finance has advised that a benchmark of seven years service (previously eight years) can be used for a shorthand estimation of long service leave liability in accordance with the provisions of AAS 30. This advice has been adopted and the long service leave liability as at 30 June 2003 has been calculated at nominal amounts based on current salary and wage rates for employees with seven or more years service.

The long service leave to be taken in the 12 months to 30 June 2004 has been estimated by adding the estimated termination payments in this period to the estimated long service leave to be taken by ongoing employees in the 12 months (based on previous years' experience). The basis of calculation is similar to that used in previous years.

- *Workers Compensation*  
The workers compensation provision is an actuarial estimate of the outstanding liability at 30 June provided by a consulting actuary engaged through the Office for the Commissioner for Public Employment. This actuarial estimate provides for the estimated cost of ongoing payments to employees as required under current legislation.

The Department is responsible for the payment of day to day workers compensation claims. Any lump sum settlements are funded from the Government Workers Compensation Fund, administered by the Department of the Premier and Cabinet.

- *Superannuation*  
The Department's liability for superannuation is to the Department of Treasury and Finance rather than the superannuation beneficiaries. The Department pays amounts to the Department of Treasury and Finance which represents the Department's share of the accruing liability to employees in relation to the Government's various superannuation schemes. The liability for superannuation is included in Employment on-costs.

#### 1.4 Computer and Office Facilities

Computer and office facilities are recorded at historical cost less accumulated depreciation.

Non-current assets with acquisition cost greater than \$2 000 are depreciated using the straight line method of depreciation over their useful lives, which reflects the consumption of their service potential.

All assets useful lives have been set at three years.

**1.5 Inventories**

Consumable supplies are not recognised in the Statement of Financial Position as the value of these supplies is not considered to be material.

**1.6 Administered Items**

The Department has two Administered Items namely:

- *Special Acts*  
As provided in subsection 24(4) of the Act, the Department receives a separate appropriation for the cash salary and allowances of the Auditor-General.
- *Administered Revenue*  
Section 39 of the Act provides for the levying of fees for audit services provided by the Department. All audit fee monies received by the Department are paid into the Consolidated Account. The Department receives a cash appropriation to fund the payment of Goods and Services Tax on audit fees to the Australian Taxation Office.

**1.7 Financial Instruments**

The Department's accounting policies for financial instruments, including the terms and conditions of each class of financial asset and financial liability recognised at 30 June 2003, are as follows:

- Cash is held in two Special Deposit Accounts as detailed in Note 1.2 and in two imprest accounts;
- Two interest free imprest accounts are advanced to the Auditor-General by the Treasurer pursuant to section 9 of the Act and are repayable on demand.
- Receivables relate to:
  - Audit Fee debtors (Note 9.1). Terms are 14 days;
  - Goods and Services Tax Receivable. Terms are 14 days of submission of quarterly Business Activity Statement;
- Payables are raised for amounts billed but unpaid and are normally settled within 30 days;
- All financial instruments are valued at historical cost in the Statement of Financial Position, which approximates net fair value.

**1.8 Goods and Services Tax**

In accordance with the requirements of UIG Abstract 31 'Accounting for the Goods and Services Tax (GST)', revenues, expenses and assets are recognised net of the amount of GST except that:

- the amount of GST incurred by the Department as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense;
- receivables and payables are stated with the amount of GST included.

The net GST receivable/payable to the Australian Taxation Office has been recognised as a receivable/payable in the Statement of Financial Position.

Cash flows are reported on a gross basis in the Statement of Cash Flows. The GST component of the cash flows arising from investing or financing activities, which are recoverable from, or payable to, the Australian Taxation Office have however been classified as operating cash flows.

**1.9 Changes in Accounting Policy**

In accordance with Accounting Standard AASB 1028 "Employee Benefits", on 1 July 2002 the Department changed its policy for recognising provisions for annual leave. Under the new policy the amount of the provision is calculated using the remuneration rate expected to apply at the time of settlement, rather than the remuneration rate that applies at reporting date. The previous years figures in the statement of financial performance were not adjusted as if the new policy had always been applied as the impact was immaterial. Had the previous years figure been adjusted the effect of this change in accounting policy is to decrease the accumulated deficit for the Department by \$16 000.

**2. Objectives of the Department**

The Department's main statutory responsibilities are to audit the public accounts and the accounts of public authorities and to report the results to Parliament in accordance with the requirements of the Act.

The Department's sole program is the provision of Auditing Services covering all the audit responsibilities prescribed under the Act. Within this program class there are two subprograms:

- *Prescribed Audits*  
Includes all audit work to be undertaken for agencies where the Auditor-General is the prescribed auditor and the Department must annually conduct the audit as prescribed by the Act. During the year the Department spent \$9 493 000 (\$8 941 000) on this subprogram.
- *Special Investigations*  
Includes all work defined in the Act that is specifically requested to be undertaken by the Auditor-General. The Auditor-General may be requested to undertake work associated with:
  - conducting and reporting on Special Investigations when requested by the Parliament or Treasurer;
  - reviewing summaries of confidential government contracts and reporting on the adequacy of the document as a summary of the contents of the contract when requested to do so by a Minister.

These projects have specific Terms of Reference requested by the referring party and are treated as a separate output. Consistent with the legislative requirement of audit independence the reports are presented directly to the Parliament. During the year the Department expenditure on this subprogram totalled \$179 000 (\$219 000).

**3. Funding of the Department**

Appropriations to the Department in 2002-03 amounted to \$9 938 000 (\$9 232 000).

Appropriations under Special Acts are reported under Administered Items.

A summary of appropriations and departmental accrual funding for the year is set out below.

Appropriation:	Department		Administered Items	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Prescribed audits	9 458	9 232	-	-
Special Investigations	480	-	-	-
Special Acts	-	-	209	199
Goods and Services Tax	-	-	775	735
	<b>9 938</b>	<b>9 232</b>	<b>984</b>	<b>934</b>
Accrual Appropriation Excess Funds Account:				
Interest	18	84		
Balance of funds at beginning of year	369	285		
Balance of funds at end of year	<b>387</b>	<b>369</b>		

**4. Loss (Profit) on Disposal of Assets**

	2003 \$'000	2002 \$'000
Historic cost of assets disposed	261	236
Less: Accumulated depreciation	206	178
	55	58
Proceeds on disposal	52	59
Total Loss (Profit) on Disposal of Assets	<b>3</b>	<b>(1)</b>

**5. Computer and Office Facilities**

**5.1 Classes of Computer and Office Facilities**

	2003 \$'000	2002 \$'000
Computing and office equipment - At cost	899	898
Accumulated depreciation	(495)	(489)
	404	409
Computer software - At cost	301	301
Accumulated depreciation	(287)	(270)
	14	31
Library - At cost	16	16
Accumulated depreciation	(16)	(16)
	-	-
Leasehold improvements - At cost	127	76
Accumulated depreciation	(76)	(76)
	51	-
Projects - At cost	169	169
Accumulated depreciation	(159)	(120)
	10	49
<b>Total Computer and Office Facilities</b>	<b>479</b>	<b>489</b>

**5.2 Reconciliation of Carrying Amount**

	Carrying Amount 1 July \$'000	Additions \$'000	Disposals \$'000	Depreciation \$'000	Carrying Amount 30 June \$'000
Computing and office equipment	409	263	55	213	404
Computer software	31	-	-	17	14
Library	-	-	-	-	-
Leasehold improvements	-	51	-	-	51
Projects	49	-	-	39	10
<b>Total Computer and Office Facilities</b>	<b>489</b>	<b>314</b>	<b>55</b>	<b>269</b>	<b>479</b>

**6. Employee Entitlements**

	Department		Administered Items	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Current:				
Salaries	19	25	1	1
Annual leave provision	393	359	86	87
Long service leave provision	174	198	-	-
Workers compensation provision	3	4	-	-
<b>Total Current</b>	<b>589</b>	<b>586</b>	<b>87</b>	<b>88</b>
Non-Current:				
Long service leave provision	1 280	1 123	185	170
Workers compensation provision	7	13	-	-
Total Non-Current	1 287	1 136	185	170
<b>Aggregate Employee Entitlement Liability</b>	<b>1 876</b>	<b>1 722</b>	<b>272</b>	<b>258</b>

Employee entitlements recorded under Administered Items relate to the salary and allowances of the Auditor-General. During the 2002-03 year there was an increase in employee entitlements and the associated on-costs as a result of graduate recruitment to replace employee turnover levels which did not eventuate and the implementation of a revised organisational structure.

**7. Total Equity**

The deficit arises as a result of the Department's previous funding arrangements. Prior to 1998-99, the Department was funded on a cash basis, which did not take account of the full accrual liabilities. The Department will continue to receive annual appropriations from the Consolidated Account to fund its operations. Without funding to meet past liabilities the Department will continue to have a deficit.

**8. Notes to the Statement of Cash Flows**

**8.1 Reconciliation of Cash**

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks. Cash at 30 June as shown in the Statement of Cash Flows is reconciled to the Statement of Financial Position as follows:

	2003 \$'000	2002 \$'000
Auditor-General's Department Operating Account	1 081	568
Accrual Appropriation Excess Funds Account	387	369
Imprest Accounts	3	3
	<u>1 471</u>	<u>940</u>

**8.2 Reconciliation of Net Cost of Services to Net Cash provided by Operating Activities**

Net cost of services	(9 593)	(9 025)
Cash flows from government	9 938	9 232
Depreciation	269	279
Decrease in receivables	24	15
Increase in employee entitlements	151	143
Increase (Decrease) in creditors and accruals	7	(34)
(Decrease) Increase in employment on costs	(6)	34
Loss (Profit) on disposal of assets	3	(1)
<b>Net Cash provided by Operating Activities</b>	<u>793</u>	<u>643</u>

**9. Administered Items**

**9.1 Auditing Fees**

Section 39 of the Act provides for the levying of fees for audit services provided by the Department that are paid into the Consolidated Account.

Fees outstanding at 1 July	564	590
Billings (including goods and services tax)	<u>8 301</u>	<u>8 470</u>
	8 865	9 060
Receipts (including goods and services tax)	<u>8 471</u>	<u>(8 496)</u>
<b>Fees outstanding at 30 June</b>	<u>394</u>	<u>564</u>

At 30 June, the value of audit work in progress was \$2 255 000 (\$2 352 000). The Department is of the opinion that this amount is recoverable.

**9.2 Special Acts**

Subsection 24(4) of the Act, provides that the salary and allowances of the Auditor-General will be determined by the Remuneration Tribunal and will be paid from the Consolidated Account.

**10. Remuneration of Employees**

The number of employees whose total remuneration is within the followings bands was:

	2003 Number of Employees	2002 Number of Employees
\$120 000 - \$129 999		4
\$130 000 - \$139 999	3	1
\$140 000 - \$149 999	2	
\$250 000 - \$259 999		1
\$260 000 - \$269 999	1	

Total remuneration received or receivable by these employees was \$962 000 (\$896 000).

**11. Operating Leases**

The Department's operating leases are for the leasing of office accommodation and motor vehicles.

- **Office Accommodation**  
Office accommodation is leased from the Real Estate Management business unit of the Department for Administrative and Information Services (DAIS). The lease expires on 30 June 2004 and there is a right of renewal for six years from that date. The rental amount is based on floor space and the time period of the lease, with the rental rate reviewed by Real Estate Management every two years.
- **Motor Vehicles**  
Motor vehicles are leased from the Fleet SA business unit of DAIS. The vehicles are leased for a specified time period or a specified number of kilometres, whichever occurs first. The lease rate is determined according to the type of vehicle being leased and the number of months of the lease period. The lease rates are reviewed annually by Fleet SA.

For the current year the total amount of expense for minimum lease payments for operating leases was \$487 000 (\$533 000).

<b>Operating Lease Commitments</b>	<b>2003</b>	<b>2002</b>
At the reporting date the Department had the following obligations under non-cancellable operating leases (these obligations have not been recognised as liabilities):	<b>\$'000</b>	<b>\$'000</b>
Not later than one year	493	476
Later than one year and not later than five years	41	454
<b>Total Operating Lease Commitments</b>	<u><u>534</u></u>	<u><u>930</u></u>

<b>12. Remuneration of Auditor</b>		
Remuneration for audit of financial reports	7	7
Remuneration for other services	-	-
	<u><u>7</u></u>	<u><u>7</u></u>

To the best of our knowledge and belief internal controls over financial reporting have been effective throughout the year ended 30 June 2003 and the foregoing Statement of Financial Performance, Statement of Financial Position and Statement of Cash Flows and the Notes thereto, present fairly, in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, applicable Australian Accounting Standards and other mandatory professional reporting requirements, the financial position of the Auditor-General's Department as at 30 June 2003, the results of its operations and its cash flows for the year ended 30 June 2003.



K I MacPherson  
AUDITOR-GENERAL



T N Knight  
MANAGER, FINANCE AND SPECIAL PROJECTS

# Independent Audit Report

Grant Thornton 

Chartered Accountants and Business Advisers

## INDEPENDENT AUDIT REPORT TO THE TREASURER OF THE SOUTH AUSTRALIAN GOVERNMENT

### Scope and Summary of our role

#### The financial report and Auditor General's responsibility

The financial report of the Auditor-General's Department comprises the statement of financial performance, statement of cash flows, and schedule of administered expenses and revenues for the year ended 30 June 2003, the statement of financial position and the schedule of administered assets and liabilities as at 30 June 2003, and the accompanying notes to the financial statements.

The Auditor-General, and the Manager, Administration and Finance, of the Auditor General's Department is responsible for the preparation and true and fair presentation of the financial report in accordance with Section 35 of the Public Finance and Audit Act, 1987. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

#### The auditor's role and work

We conducted an independent audit in order to express an opinion to the Treasurer of the South Australian Government. Our audit was conducted in accordance with Australian Auditing and Assurance Standards [and International Standards on Auditing], in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Public Finance and Audit Act, 1987, Treasurer's instructions promulgated under the Act, applicable Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Auditor General's Department's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Auditor-General and the Manager.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

### Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements

### Audit opinion

In our opinion, the financial report of the Auditor-General's Department

- presents fairly the financial position of the Auditor-General's Department at 30 June 2003, and the results of its operations and its cash flows for the year ended on that date, and
- is presented in accordance with the Public Finance and Audit Act, 1987, Treasurer's instructions under the Act, applicable Accounting Standards and other mandatory financial reporting requirements in Australia.

GRANT THORNTON  
CHARTERED ACCOUNTANTS

  
S J GRAY  
Partner

Signed at Adelaide this 21 day of August 2003

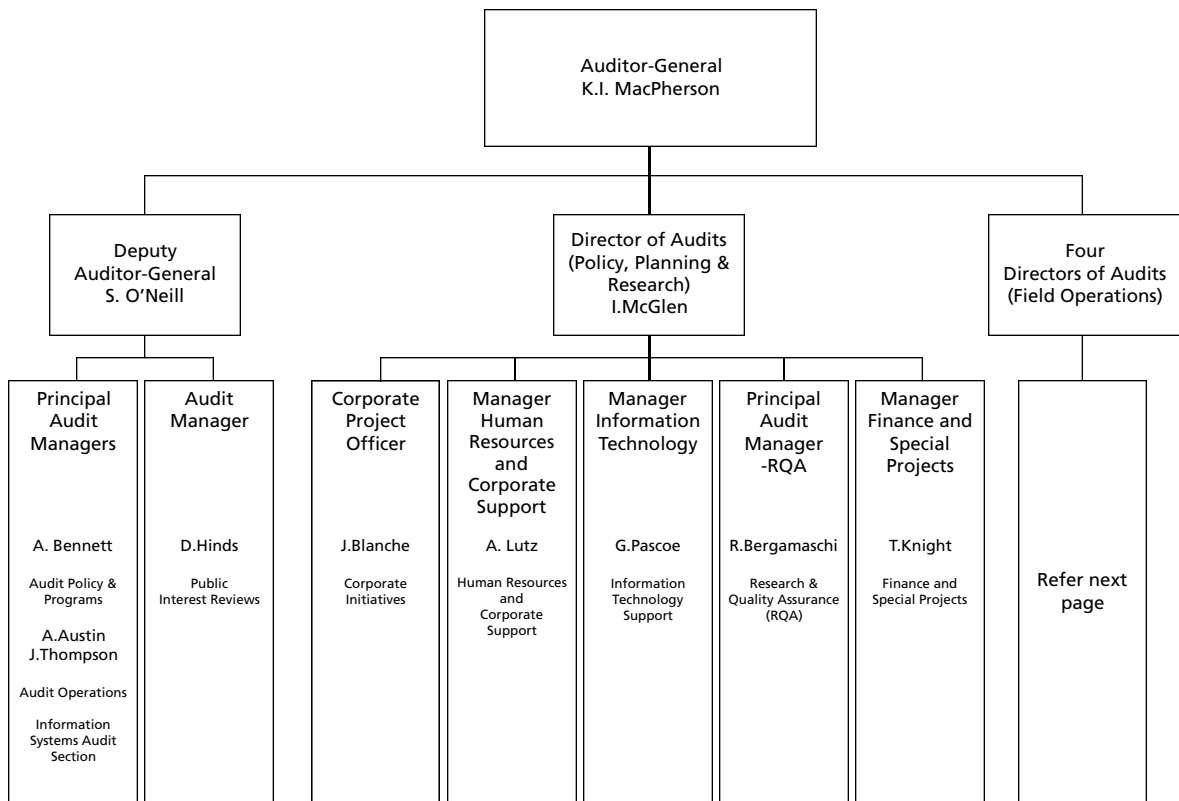
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# APPENDICES

## APPENDIX A

### DEPARTMENT ORGANISATION CHART

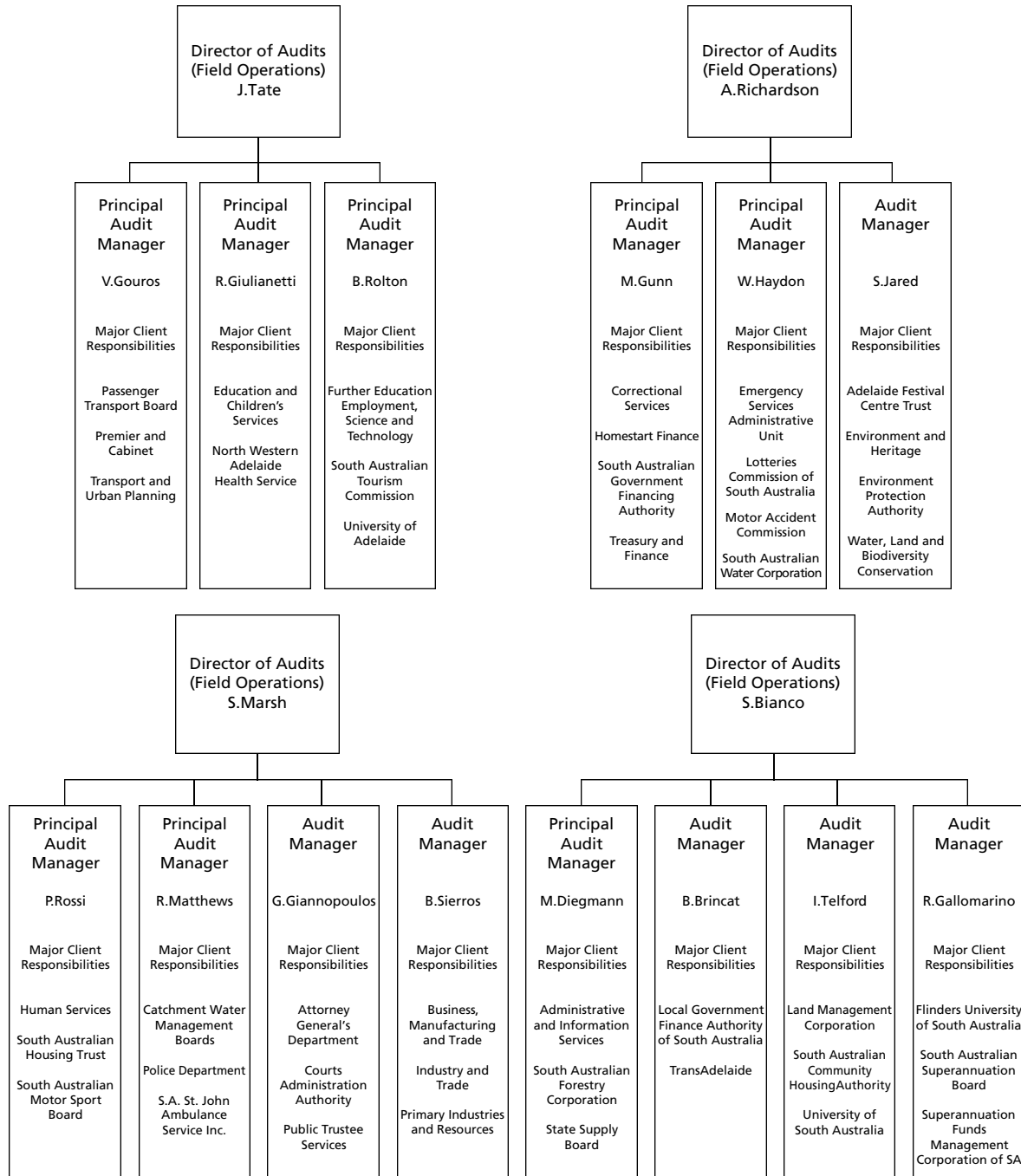
as at 30 June 2003





## DEPARTMENT ORGANISATION CHART

as at 30 June 2003



## APPENDIX B

## PROFESSIONAL DEVELOPMENT COURSES ATTENDED 2002-03

COURSE TITLE	TRAINING HOURS
Accounting for Non-Current Assets	207
Accounting Standards Update	332
ACL - Graduates	159
Advanced ACL	180
AGES Audit Methodology Training	227
AS/2 Document Manager	150
AS/2 Trial Balance Training	83
Business Cycles Training - Fixed Assets	88
Business Cycles Training - Payroll	52
Business Cycles Training - Revenue	52
CHRIS Information Session	108
Corroborative Inquiry	92
Ergonomics and Manual Handling	120
Get That Job - Session 1 - Applying for Jobs	42
Get That Job - Session 2 - Preparing for the Selection Process	56
Graduate Induction - January 2003	90
Graduate Training Module - Conflict Resolution	48
Graduate Training Module - Interpersonal Skills	56
Graduate Training Module - Team Participation	52
iGrafx	40
Interpretation and Analysis of Financial Statements	160
Occupational Health Safety and Welfare	191
Performance Feedback for Graduates	40
Performance Feedback Skills for Managers	371
Performance Review and Development	824
Performance Review and Development for Graduates	15
Performance Review and Development Information Sessions	146
Team Communication - Understanding Individual Difference	60
The In's and Out's of Recruitment and Selection	278
The Manager as Coach	144
Time Management - Getting Everything Done	12
<b>TOTAL</b>	<b>4 475</b>

## APPENDIX C

## EXTERNAL TRAINING COURSES ATTENDED 2002-03

COURSE TITLE	TRAINING HOURS
2002 Administrative Law Reform	8
2002 Frontier Software National Client Conference	21
AccPac Open Day	21
Action Learning Workshops	53
Adverse Events	14
Audit Best Practice Forum - Auditing & Government	17
Auditing Solicitors' Trust Accounts	2
Best People: Best Practice	28
Building Human Resource Capability: HR Foundations	12
Contact Person Role	4
CPA Congress 2002	163
Desktop Publishing	8
Discrimination and Harassment	4
Excel 2000 XP Advanced	15
Financial Reporting in the Public Sector	11
Fringe Benefits Tax Workshop	6
General Disposal Schedules for State Government Agencies	3
Government Accounting Information Forum	38
HR Measurement	20
Leadership SA - First Line Management Program	263
Mail / Messaging (Outlook)	8
Muffins on Monday - Executive Employment	2
Open Publish 2002	53
Pagemaker 6.5 Basics	15
Performance Audit Senior Executives Forum	6
Professional Certificate in Management	120
Public / Private Partnerships	30
Public Sector Industrial Relations Fundamentals	8
Rehabilitation and Compensation	16
Risk Management in the Public Sector	24
Senior First Aid	34
Stress Management & Successful Relaxation Techniques	8
The 10 Point Plan in Action	56
Umanage 2002	34
Value Achievement Procurements Purpose	8
Word for Windows 2000 Intermediate Training	7
Word for Windows 2000 Introduction Training	14
<b>TOTAL</b>	<b>1 154</b>

## APPENDIX D

## STAFF LIST AS AT JUNE 2003

EMPLOYEE		QUALIFICATIONS	MEMBERSHIP OF PROFESSIONAL BODIES
Abbott	D M	B Sc (Maths & Comp Sc)	ASA
Adams	B J	B Com	
Anderson	K	B Com	CPA
Austin	A	Ass Dip Comp Stud, Cert in Softw QA & Man	
Barclay	K	B Com (Acc)	
Bennett	A F	Dip Acc	CPA, MACS
Bergamaschi	R C	B Ec, Grad Dip Acc	CPA
Bianco	S	B A (Acc)	CPA
Blanche	J	B Ec (Acc)	CPA
Borgman	B J	B Acc, B Bus (MIS)	ASA
Brincat	B P	B A (Acc)	CPA
Brooke-Smith	E	B Man (Mktg)	
Brooks	T	B Acc	ASA
Calabrese	A	B Com	
Calabrese	I	B Com	
Champness	B	B App Ec (Fin)	
Chan	C	B Com, B Comp Sc	ASA
Chuah	R	B Com, Grad Dip Psyc	ASA
Churches	S L	B Ec (Acc)	CPA
Coelho	R	B Acc	
Creek	A	B Com (Hons), Dip Govt (Mgmt),	CPA
Davies	S	B Com	ASA
De Cesare	D	B Ec (Acc)	CPA
Deegan	P A		
Diegmann	M	B A (Acc)	CPA
Fitzgerald	J	B Acc	CPA
Fogal	A	B Com (Acc)	ASA
Furze	K A	Sec Dip	
Gallomarinno	R	B Ec (Acc)	CPA
Garreffa	M	B Com, B Bus (MIS)	
Giannopoulos	G	B A (Acc)	CPA
Gichuhi	L	B Com	ASA
Giulianetti	R	B Ec (Acc)	F CPA
Gladigau	S M	B Com	
Gouros	V	B Ec, Dip Acc	CPA
Grace	A J	B Com	
Grace	A K	B Com (Acc & Fin)	
Grieger	B	B Com	ASA
Grossi	M	B Com, B Bus(Bnk & Fin)	
Gunn	M L	B A (Acc), Grad Dip Acc	CPA
Gust	I	B Com (Acc), B Ec	
Hartshorne	C	B Com (Acc)	ASA
Hatswell	C	B A (Ec), Grad Dip Acc	ASA
Haydon	W M	B Ec (Acc)	CPA
Hinds	D G	B Eng	FCA
Hodgetts	C	B Com, B Fin	
Huddy	R W	B Bus Prop (Val), B Bus (Acc)	ASA

## STAFF LIST AS AT JUNE 2003

EMPLOYEE		QUALIFICATIONS	MEMBERSHIP OF PROFESSIONAL BODIES
Iacopetta	F	B Acc	
Jared	S P	B A (Acc)	ASA
Jarrett	L C	B Com	CPA
Jasser	D O	B Com	ASA
Jordan	C V	Cert First Line Mgmt, Cert Bus Pract, Dip Govt (Mgmt)	
Kelly	C L	B A (Acc)	ASA
Kennedy	A M	B Bus (Acc)	CPA
Kiefel	D	B Com(Acc)	CPA
Knight	T N	B Com & Admin, Dip Acc, Dip Cost Acc	ACA (NZ), CMA (NZ)
Kobelt-Moore	T	B Bus (Bnk & Fin)	
Kolecki	C	Cert Off Sk, Cert Off Proc, Cert Clerical Proc (Gen Off)	
Lam	E	B Com (Acc)	
Leckie	J S	B Bus (Acc)	CPA
Loffler	M	B Com (Acc)	
Logozzo	A	B Com (Acc), B Bus (Bank & Fin)	CPA
Loizi	S		
Lutz	A L	B Man, Grad Dip Com	
Mack	J	B Com (Acc)	
MacLean	S	B Com (Acc)	
MacPherson	K I	LLB	FCPA
Marsh	S W	B Ec, Dip Acc	CPA
Matthews	R J	B A (Acc)	CPA
McGlen	I C	B A (Acc)	CPA
McGowan	C	B Com (Acc & Fin)	ASA
Migliore	F	B A (Acc)	CPA
Mouton	S A	B Com	CPA
Munro	T	B Com (Acc)	
Nguyen	D	B Com (Acc), LLB, GDLP	Law Scty
Nguyen	H T	B Com	CPA
Nugent	S M	B Ec (Acc)	CPA
O'Donohue	D	B Com	ASA
O'Neill	S	B A (Acc)	CPA
Owen	M	B A (Acc)	CPA
Pascoe	G J	Bus Cert (Acc)	
Pedron	D	B Com (Acc)	ASA
Pike	D	B Com (Acc)	
Pineda	J	B Chem Eng, B Acc	ASA
Pineda	L	B Com	ASA
Poulos	G	B Bus (Acc)	
Reagen	L		
Reszitaryk	I M	B A (Acc)	CPA
Richardson	A J	B Ec (Acc)	CPA
Richardson	L C	B Com	CPA
Roberts	J		
Rolton	B W	Dip Acc	CPA
Romeo	F	B Acc	ASA

## STAFF LIST AS AT JUNE 2003

EMPLOYEE		QUALIFICATIONS	MEMBERSHIP OF PROFESSIONAL BODIES
Rossi	P A	B A (Acc)	CPA
Rowell	S	B Com (Acc)	ASA
Scalzi	D		
Sexton	T	B A (Acc)	CPA
Shuttleworth	A		AHRI
Shore	R	B Com (Acc)	ASA
Sierros	B	B Ec, Dip Acc	CPA
Slaytor	K M	B A (Jur), LLB, GDLP, B Acc	CPA
Smart	D H	B Ec, B Acc, B A (Hons) (Psych)	ASA
Sorell	M	B Com (Acc)	ASA
Srdic	S	B Com, Adv Dip in Acc	
Stathoulis	H	B Com	CPA
Stephens	R		
Stint	M J	Adv Dip in Acc, Cert Bus Prac, Cert First Line Mgnt	ANIA
Symons	T	B Com	
Tang	E S	B Com (Acc), B Sc (Comp Science)	ASA
Tate	W J	B A (Acc)	CPA
Tauriello	A	B Com (Acc)	CPA, IPA
Telford	I	B A (Acc)	CPA
Terrington	K	B Com	
Thompson	G P	B Com (Acc)	CPA
Thompson	J D	B A, Grad Dip Sys Anal, Mast Prof Acc	
Wilmshurst	S	Adv Dip in Acc	
Westlake	S	B Com	
Wozniak	M M	Cert Voc Edn (Inf Tech), Cert Microcomp Sup	
Yates	KA	B Com	ASA
Yip	J	B Com, LLB, GDLP	ASA, LSSA

**APPENDIX E****AGENCIES AND STATUTORY FUNDS AUDITED BY THE DEPARTMENT  
(AS AT 30 JUNE 2003)**

Aboriginal Lands Trust  
 Adelaide Cemeteries Authority  
 Adelaide Convention Centre Corporation  
 Adelaide Entertainments Corporation  
 Adelaide Festival Centre Trust  
 Adelaide Festival Corporation  
 Adelaide International Film Festival  
 Administrative and Information Services - Department for  
 Agents Indemnity Fund  
 Animal and Plant Control Commission  
 Arid Areas Catchment Water Management Board  
 Art Gallery Board  
 Attorney-General's Department  
 Austraining International Training Pty Ltd  
 Australian Children's Performing Arts Company - The  
 Austrics  
 Bio Innovation South Australia  
 Botanic Gardens & State Herbarium - Board of the  
 Business, Manufacturing and Trade - Department of  
 Carrick Hill Trust  
 Carwell Pty Ltd  
 Child and Youth Health  
 Chiropractors Registration Board of South Australia  
 Coast Protection Board  
 Commissioners of Charitable Funds  
 Construction Industry Training Board  
 Correctional Services - Department for  
 Country Fire Service Board  
 Courts Administration Authority  
 Crichbee Pty Ltd  
 Dairy Authority of South Australia  
 Distribution Lessor Corporation  
 Dog and Cat Management Board  
 Dog Fence Board  
 Dried Fruits Board of South Australia  
 Drug and Alcohol Services Council  
 Economic Development Board  
 Education Adelaide  
 Education and Children's Services - Department of  
 Electricity Sale/Lease Proceeds Account

**AGENCIES AND STATUTORY FUNDS AUDITED BY THE DEPARTMENT  
(AS AT 30 JUNE 2003)**

Electricity Supply Industry Planning Council  
Emergency Services Administrative Unit  
Environment and Heritage - Department for  
Environment Protection Authority  
Environmental Protection Fund  
Essential Services Commission of South Australia  
Eyre Peninsula Catchment Water Management Board  
Flinders Medical Centre  
Flinders University of South Australia - The  
Further Education, Employment, Science and Technology - Department of  
General Reserves Trust  
Generation Lessor Corporation  
Government Workers Rehabilitation and Compensation Fund  
Governors' Pensions Scheme  
History Trust of South Australia  
HomeStart Finance  
Human Services - Department of  
Independent Gambling Authority  
Independent Gaming Corporation Ltd  
Industrial and Commercial Premises Corporation  
Information Industries Development Centre (Playford Centre)  
Institute of Medical and Veterinary Science  
Intellectual Disability Services Council  
Judges' Pensions Scheme  
Julia Farr Services  
Justice - Department of  
Kantilla Pty Ltd  
Land Management Corporation  
Legal Services Commission of South Australia  
Legislature - The  
Libraries Board of South Australia  
Local Government Finance Authority of South Australia  
Local Government Superannuation Board  
Lotteries Commission of South Australia  
Martindale Hall Conservation Trust  
Medical Board of South Australia  
Medvet Science Pty Ltd  
Modbury Hospital Board of Management  
Motor Accident Commission



## **AGENCIES AND STATUTORY FUNDS AUDITED BY THE DEPARTMENT (AS AT 30 JUNE 2003)**

Mount Lofty Summit Development Trust  
 Museum Board  
 Narana Pty Ltd  
 National Centre for Vocational Education Research Ltd  
 National Wine Centre  
 Native Vegetation Fund  
 North West Adelaide Health Service  
 Northern Adelaide and Barossa Catchment Water Management Board  
 Occupational Therapists Registration Board of SA  
 Onkaparinga Catchment Water Management Board  
 Optometrists Board of South Australia  
 Outback Areas Community Development Trust  
 Parliamentary Superannuation Scheme  
 Passenger Transport Board  
 Patawalonga Catchment Water Management Board  
 Planning and Development Fund  
 Playford Capital Pty Ltd  
 Police Department  
 Police Superannuation Scheme  
 Ports Corp Sale/Lease Proceeds  
 Premier and Cabinet - Department of the  
 Primary Industries and Resources - Department of  
 Public Trustee  
 Repatriation General Hospital Incorporated  
 RESI Corporation  
 Residential Tenancies Fund  
 Retail Shop Leases Fund  
 River Murray Catchment Water Management Board  
 Royal Adelaide Hospital  
 SA St John Ambulance Service Inc  
 SABOR Ltd  
 SABT Pty Ltd  
 Second Hand Motor Vehicles Compensation Fund  
 Senior Secondary Assessment Board of South Australia  
 South Australian Aboriginal Housing Authority  
 South Australian Asset Management Corporation  
 South Australian Athletics Stadium  
 South Australian Community Housing Authority  
 South Australian Country5Arts Trust  
 South Australian Dental Service

**AGENCIES AND STATUTORY FUNDS AUDITED BY THE DEPARTMENT  
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South Australian Film Corporation  
South Australian Finance Trust Limited  
South Australian Forestry Corporation  
South Australian Government Captive Insurance Corporation  
South Australian Government Financing Authority  
South Australian Health Commission  
South Australian Housing Trust  
South Australian Local Government Grants Commission  
South Australian Metropolitan Fire Service  
South Australian Motor Sport Board  
South Australian Psychological Board  
South Australian Superannuation Scheme  
South Australian Tertiary Admissions Centre  
South Australian Tourism Commission  
South Australian Trade and Investment Corporation  
South Australian Water Corporation  
South Australian Water Corporation Hydro Joint Venture  
South Australian Water International Pty Ltd  
South East Catchment Water Management Board  
South Eastern Water Conservation and Drainage Board  
Southern Group Insurance Corporation Ltd  
Southern State Superannuation Scheme  
State Disaster Relief Fund  
State Electoral Office  
State Governor's Establishment  
State Heritage Fund  
State Opera of South Australia - The  
State Supply Board  
State Theatre Company of South Australia  
Superannuation Funds Management Corporation of South Australia  
Targeted Voluntary Separation Package Schemes  
Teachers Registration Board  
Torrens Catchment Water Management Board  
TransAdelaide  
Transmission Leasing Pty Ltd  
Transmission Lessor Corporation  
Transport and Urban Planning - Department of  
Treasury and Finance - Department of  
Treasury and Finance - Department of - Special Deposit Accounts  
University of Adelaide

**AGENCIES AND STATUTORY FUNDS AUDITED BY THE DEPARTMENT  
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University of South Australia  
University of South Australia Foundation Incorporated  
Venue Management - Office of  
Veterinary Surgeons Board  
Water Resources Levy Fund  
Water, Land and Biodiversity Conservation - Department of  
West Beach Trust  
Wildlife Conservation Fund  
Women's and Children's Hospital

***Total number of audits for 2002-03***

**168**

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