

# **SOUTH AUSTRALIA**

**Report on the Operations**

**of the**

**Auditor-General's Department**

**for the**

**Year ended 30 June 2000**



## EMPLOYEES OF THE AUDITOR-GENERAL'S DEPARTMENT 2000

ADDRESS: Auditor-General's Department  
Level 9, State Administration Centre  
200 Victoria Square  
ADELAIDE SA 5000

TELEPHONE: (08) 8226 9640  
FACSIMILE: (08) 8226 9688  
INTERNET: <http://www.audit.sa.gov.au>  
EMAIL: [audgensa@audit.sa.gov.au](mailto:audgensa@audit.sa.gov.au)



**Auditor-General's  
Department**

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9th Floor State Administration Centre,  
200 Victoria Square  
Adelaide  
South Australia 5000

29 September 2000

Telephone: +61 +8 8226 9640  
Facsimile: +61 +8 8226 9688  
DX 56208 Victoria Square

E-mail: [admin@audit.sa.gov.au](mailto:admin@audit.sa.gov.au)  
Web: <http://www.audit.sa.gov.au>

The Hon J W Olsen, FNIA, MP  
Premier  
9th Floor  
Terrace Towers  
178 North Terrace  
**ADELAIDE SA 5000**

ABN: 53 327 061 410

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 ended 30 June 2000.

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 Auditor-General's Department contributes to the accountability of the Executive Government and public sector agencies to Parliament by the provision of independent reports on matters concerning public sector finance, use of public resources and the probity and lawfulness of matters associated with public administration.

During the year, the Department finalised its Corporate Plan for the period 1999-2000 to 2001-2002. The Plan envisages the Auditor-General's Department addressing a number of challenges that are relevant to the Department in meeting its mission of contributing to the accountability of the Executive Government and public sector agencies to Parliament.

Some of the challenges stem from the administrative, service delivery, and financial management changes affecting the size, risk profile and accountability framework of this State's public sector. Other challenges arise in the context of this Department's continuous drive to enhance the culture and work environment that will both attract and retain high quality staff and lead to improved audit work performance.



SA AUDITOR-GENERAL  
KEN MacPHERSON

1999-2000 was a most challenging and demanding year. While continuing to conduct independent audits of public sector agencies, the Department has also been engaged in two focussed and extensive reviews relating to the disposal of the Government's electricity assets and the Hindmarsh Soccer Stadium redevelopment project.

In addition, the Department commenced implementation of a new financial audit methodology and refined that methodology where necessary to cater for the specific requirements of the public sector. In addition the methodology was modified to cater for the additional statutory requirement for the Auditor-General to express an opinion on the effectiveness of an auditee agency's structure of internal control.

Further the Department maintained a strong emphasis on addressing matters seen by the Executive and staff of the Department as important in improving its Human Resource policies and practices.

The Corporate Plan of the Department includes a section relating to 'values' that I and all members of the Department hold as the foundation upon which our actions, words and decisions are based and may be evaluated. They comprise integrity, independence, innovation, respect, quality and accountability.

I know that all staff members of the Auditor-General's Department are working in a professional and committed manner to uphold these values and I thank them sincerely for that and their work efforts and support to me during the year.

# Five Year Summary

## Financial

	1999-2000	1998-99	1997-98	1996-97	1995-96
	\$'000	\$'000	\$'000	\$'000	\$'000
Total Audit Fees Raised	8 234	8 030	7 204	7 044	7 742
Total Expenses <sup>(1)</sup>	9 528	8 641	8 566	7 747	8 082
Total Assets	1 364	845	563	524	517
Total Liabilities <sup>(1)</sup>	2 066	1 941	1 717	1 475	1 695

<sup>(1)</sup> The financial statements for 1996-97 and subsequent years exclude Special Acts expenditure whereas for prior years this expenditure is included.

## Employment

	1999-2000	1998-99	1997-98	1996-97	1995-96
Staff Establishment (FTE)	106	106	106	106	106
Average FTE for year	94.4 <sup>(2)</sup>	93.6 <sup>(2)</sup>	100.5 <sup>(2)</sup>	104.9	105.5

<sup>(2)</sup> Average FTE for the year excludes graduates employed as part of the South Australian Government University Graduate Youth Recruitment Initiative Equal Employment Opportunity Program.

## Workload

	1999-2000	1998-99	1997-98	1996-97	1995-96
Number of Reports Tabled	6	3	7	3	6
Number of Appearances at Parliament Committee	7	5	9	2	6
Number of Audit Clients	190	195	200	205	206



# Corporate Overview

## PURPOSE OF THE DEPARTMENT

The Department provides the Parliament (and consequently the people of South Australia) and public sector entities with independent professional 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.

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 190 public sector entities.

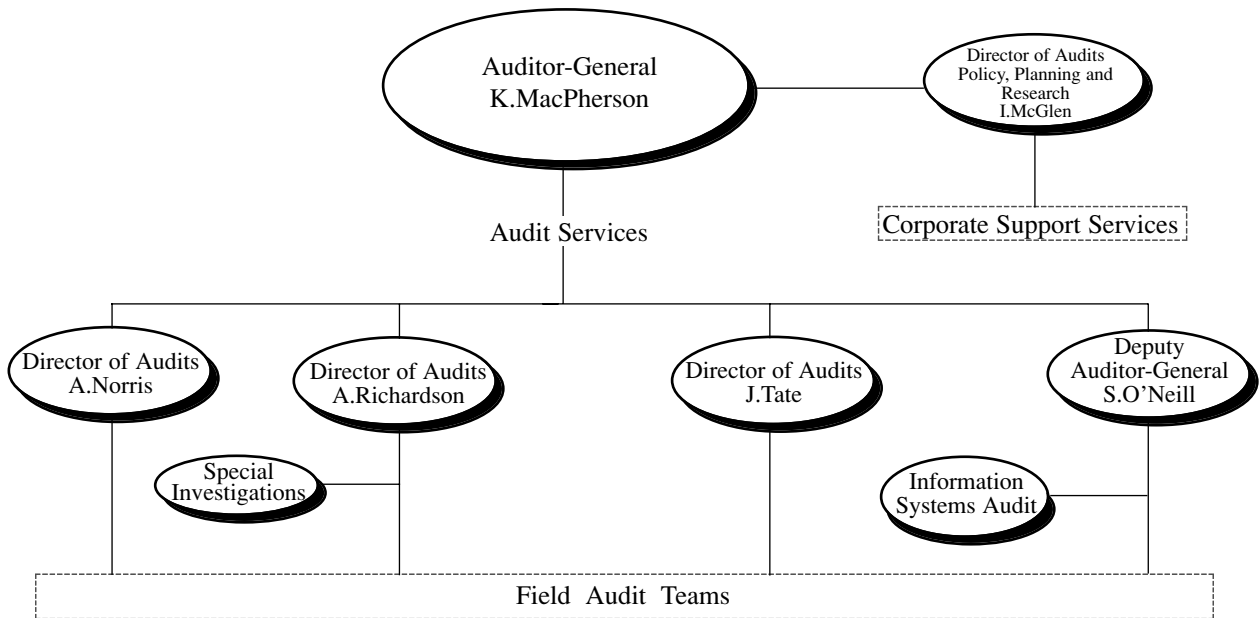
## ORGANISATIONAL STRUCTURE

### Organisation

The Department currently operates 14 field audit sections, an information systems audit section, a special investigation section and five support services sections. All sections report to a Director of Audits. A complete Departmental organisational chart is attached as Appendix A.

Each field audit section is responsible for a portfolio of audits and is led by a Principal Audit Manager or an Audit Manager, who is supported by a team of up to seven auditors.

*Auditor-General's Department Organisation Chart*



***Departmental Executive***

The Executive of the Department consists of the Auditor-General and five Directors of Audits. It meets on a regular basis (usually weekly) and considers its accountability in two areas.

Firstly, the Executive, in consultation with staff of the Department, sets corporate policies, strategies and annual work programs to meet the 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.



**DEPARTMENTAL EXECUTIVE**

(left to right): KEN MacPHERSON, ALAN NORRIS, IAN McGLEN  
ANDREW RICHARDSON, JOHN TATE, SIMON O'NEILL

## RELATIONSHIPS WITH PARLIAMENTARY COMMITTEES

The Auditor-General and senior Audit Officers met with members of various Parliamentary Committees in 1999-2000.

The table below provides details of the Committees of the Parliament with which Audit had contact during the year.

### PARLIAMENTARY COMMITTEES

Name of Committee and Topic Discussed	Attended by	Date
<b>Economic and Finance Committee</b> The Auditor-General's Report	Auditor-General Mr S O'Neill Mr A Norris Mr J Tate Mr A Richardson Mr T Bennett	27 October 1999
<b>Economic and Finance Committee</b> Arrangements for the conduct of the bidding and probity process associated with sale of electricity assets	Auditor-General Mr S O'Neill Mr A Norris Mr T Bennett	10 November 1999
<b>Economic and Finance Committee</b> ETSA sale and disposal	Auditor-General Mr S O'Neill Mr A Norris	17 November 1999
<b>Electricity Disposal Parliamentary Select Committee</b>	Auditor-General Mr S O'Neill Mr A Norris	30 November 1999
<b>Economic and Finance Committee</b> Inquiry into the Auditor-General's Report (Defamation Report Hon Mr N Xenophon)	Auditor-General Mr T Bennett	1 December 1999
<b>Electricity Disposal Parliamentary Select Committee</b>	Auditor-General Mr S O'Neill Mr A Norris	3 December 1999
<b>Estimates Committee A</b> The Department's Budget Estimates	Auditor-General Mr I McGlen Mr T Knight	14 June 2000

## RELATIONSHIPS WITH OTHER AGENCIES

### *Portfolio of Premier and Cabinet*

The Auditor-General is accountable for the outcomes of this Department to the Parliament and a critical factor in satisfying the various responsibilities in an effective and efficient manner relates to the matter of the independence of the Auditor-General. Recognising this 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 and its relationship with the Department of the Premier and Cabinet is limited to matters concerning administrative arrangements.

### *Other Audit Offices*

During the year the Auditors-General meet as the Australasian Council of Auditors-General (ACAG).

The ACAG was established following the 19th Bicentennial Conference of Australasian Area Auditors-General in Perth in 1993. It provides a consultative arrangement 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 Auditor-General of all audit jurisdictions within Australia, Fiji, Hong Kong, 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.

## Corporate

# Plan 1999-2000 to 2001-02



## BACKGROUND

The Corporate Plan is an important means of communicating to Parliament (our client) and to auditees, staff and the public why we exist, where we are heading and what we expect to achieve.

During the year the Department developed, in consultation with the staff of the Department, a new Corporate Plan covering the three year period 1999-2000 to 2001-2002. The Plan aims to address a number of challenges facing the Department and the mission, values and corporate objectives of the Department detailed in the plan are described below.

## MISSION

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

## VALUES

The values we hold, both as individuals and as a collective body (as a Department), are the foundation upon which our actions, words and decisions are based. Acknowledging this we have taken the opportunity to document the values which the Department is committed to and which underpin the strategic planning processes and the operations of the Department.

Our values are:

- |                       |  |
|-----------------------|--|
| <i>Integrity</i>      | We will display integrity through honest, ethical and professional behaviour.  |
| <i>Independence</i>   | In the conduct of our work and in forming our opinions we will exhibit independence, impartiality and fairness.  |
| <i>Innovation</i>     | We will strive for continuous improvement through acceptance and promotion of innovative ideas and the sharing of knowledge.   |
| <i>Respect</i>        | We will respect diversity and the contribution of others and will create a collaborative/team environment that encourages open communication, trust and empowerment. We will foster effective working relationships which acknowledge and value the role and responsibilities of key stakeholders. |
| <i>Quality</i>        | We will ensure our work is of high quality reflecting relevance, sound methodology, good judgement and thoroughness.   |
| <i>Accountability</i> | We will be accountable for our decisions and actions and be transparent in the way we conduct our business.  |

## CORPORATE OBJECTIVES AND ASSOCIATED OUTCOMES

- Perform professional independent audits and other examinations of the accounts and operations of public sector agencies.

*Outcome* ☞ Improved provision of professional assurance services to the public sector.

- Report to Parliament on matters relating to public finance, public administration and public accountability that in the opinion of the Auditor-General are important to bring to the attention of Government and Parliament; and Report to public sector agencies regarding issues arising from the audit review of accounts and operations.

*Outcome* ☞ Improved provision of professional, timely, relevant, independent opinions and reports on public sector finance, administration and public accountability matters.

- Enhance the Department's ability to attract, maintain and retain highly skilled and committed professional people.

*Outcome* ☞ Improved environment and opportunities for staff members.

- Provide infrastructure and support that encourages improved use of knowledge and expertise, to assist the Department to meet its ongoing professional responsibilities.

*Outcome* ☞ Enhanced utilisation of corporate knowledge systems in the provision of audit service.

## STRATEGIES

To achieve these objectives, the Department's Corporate Plan has strategies and associated targeted outcomes which are considered important to discharging, in a professional manner, the responsibilities conferred on the Auditor-General and the Department by legislation and the administrative arrangements of the Government.

## ACHIEVEMENT OF THE PLANNED STRATEGIES

The Department has made progress towards the achievement of some strategies outlined in the Corporate Plan.

The following provides details of the significant achievements with respect to the Corporate Plan during the 1999-2000 financial year.

- Commenced the phased implementation of a new audit methodology involving five of the fourteen field audit teams.
- Presentation of the Auditor-General's Annual Audit Report to Parliament as prescribed by the *Public Finance and Audit Act 1987*.
- Presentation of the following four Supplementary Reports to Parliament pursuant to the *Public Finance and Audit Act 1987*.
  - Electricity Businesses Disposal Process in South Australia: Arrangements for the Probity Audit and Other Matters: Some Audit Observations;
  - Intellectual Property Management;
  - Civil Proceedings for Defamation Against Ministers of the Crown: Payment of Damages and Costs from Public Funds;
  - Supplementary Agency Audit Reports.
- Independent quality assurance reviews were conducted on thirteen agency audits and no significant matters were identified.
- Implementation of a Leadership and Management Development Program for all Managers within the Department.

# Provision of Auditing Services

## LEGISLATIVE MANDATE

*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.

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/State financial arrangements, the financial law of this State (eg Supply Acts, Appropriation Acts) and the Corporations Law.

However, the statute that has the greatest impact on the operations of this Department is the *Public Finance and Audit Act 1987*. That Act 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 190 agencies and statutory funds (this does not include 8 entities that are within the control of the South Australian Asset Management Corporation and which, in accordance with section 33 of the Act, are audited by the Auditor-General).

## TYPES OF AUDITS AND REVIEWS CONDUCTED

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

- financial and compliance audits - subsection 31(1)
- efficiency and economy audits - subsection 31(2)
- reviews of the adequacy of controls exercised by auditees - subsection 36(i)(a)(iii)
- examinations of publicly funded bodies - section 32
- summaries of confidential government contracts - section 41A

In addition, the Auditor-General has a statutory obligation to examine and report on relevant long term leases under section 22 of the *Electricity Corporations (Restructuring and Disposal) Act 1999*.

**Financial and Compliance Audits**

Subsection 31(1) of the Act imposes a statutory obligation on the Auditor-General 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 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 financial and compliance audits. 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 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'. This methodology places considerable emphasis on the planning of audits.

The first stage of audit planning requires that all auditable areas of the auditee agency be identified and the audit risk associated with each of those auditable areas being identified and documented.

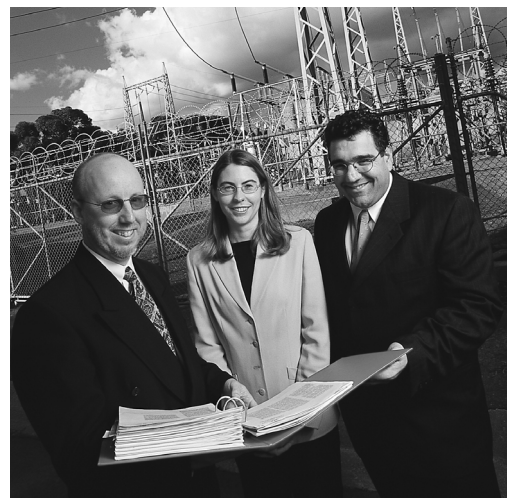
Factors taken into account in determining the audit risk include the risk inherent in the activities being undertaken by the auditee agency, the adequacy of the internal control structure established by the auditee agency, and the risk that the procedures employed by the auditor may not detect material 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/or records required for audit testing are generally selected using statistical sampling methods and many are extracted from agency files using special audit software routines.

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

Details of the audit work done and the results of that work are recorded electronically using an audit software package acquired from an international firm of chartered accountants.



(left to right) Principal Audit Manager, Michael Gunn, team member Belinda Ball and Manager Compliance, ElectraNet SA, Peter Psaroulis



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 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:

- 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 work performed was of an acceptable professional standard;
- 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 Managers Dennis Round, George Knezevic and their team at the South Australian Metropolitan Fire Service

### ***Efficiency and Economy Audits***

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'. As would be expected, 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 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;
- fact gathering;
- quality control;
- assessment of facts;
- forming provisional conclusions;
- natural justice/procedural fairness; processes;
- 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 Annual Report produced in accordance with the requirements of subsection 36(1) of the Act or they may be the subject of a special 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 Annual Report to Parliament produced in accordance with subsection 36(1) of the Act.

A number of efficiency and economy audits and extended audit reviews were undertaken during 1999-2000. The results of these audit reviews will be included in the 1999-2000 Auditor-General's Report to Parliament.

This Department does not maintain a separate dedicated team to conduct efficiency and economy audits. The audits are conducted by field audit staff supplemented where necessary by external consultants.

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

#### *Background*

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 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, this responsibility for internal control systems is embodied 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 risk.

The requirement for the Auditor-General to assess the adequacy of the management approach is found 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 audit control opinion for the Treasurer and for individual public authorities. These separate opinions are published in the Auditor-General's Annual Report to Parliament.

It follows therefore, that 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 and quite specific Controls Opinion Methodology, which formalises the processes involved in planning for, conducting and reaching conclusions with respect to the controls opinion.

#### *The Department's Methodology*

At this stage, no external auditor in either the private sector or the public sector, other than the South Australian Auditor-General formally expresses an opinion on the effectiveness of an auditee agency's structure of internal control.

Indeed the legislative requirement for the Auditor-General to express such an opinion illustrates one of the more 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 key attributes of financial accounting.

The underlying principles of the FMF are consistent with the concepts identified and reported on by the COSO. A review of the FMF, to ensure that all significant aspects of the framework have been incorporated in the Controls Opinion Methodology, resulted in the methodology being updated to include additional financial management practices that needed to be considered in forming the controls opinion.

The Controls Opinion Methodology provides a means of substantiating the controls opinion by requiring the auditor to:

- Consolidate and document work undertaken during the course of the financial and compliance audit as it relates to the assessment of internal control.
- Complete a series of questionnaires designed to enable the auditor to determine whether the controls in the organisation are sufficient to provide reasonable assurance that the financial transactions have been conducted properly and in accordance with the law.

#### ***Examinations of Publicly Funded Bodies***

When requested to do so by the Treasurer, the Auditor-General is also, empowered to examine the accounts of any publicly funded body.

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

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.

An examination of the circumstances surrounding the redevelopment of Hindmarsh Soccer Stadium was commenced during 1999-2000 following a request from the Treasurer and is to be the subject of a separate Report to Parliament.

#### ***Summaries of Confidential Government Contracts***

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.

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

During the year the Auditor-General was requested by the Treasurer to report on contract summaries in relation to the Pelican Point Power Station project.



Information Technology Systems Auditors  
Rod Vowles and Tony Bennett.

### ***Auditor-General's Role in the Electricity Corporations' Restructuring And Disposal***

The Auditor-General has obligations flowing from the restructure and disposal of the government-owned electricity assets.

In particular section 22 of the *Electricity Corporations (Restructuring and Disposal) Act 1999*, requires that the Auditor-General must within the period of six months after the 'prescribed date', examine each relevant long-term lease and report on:

- the proportion of the proceeds of the leases used to retire State debt;
- the amount of interest on State debt saved as a result of the application of those proceeds.

Further the Auditor-General must incorporate in the report, a report on the probity of the processes leading up to the making of each relevant long-term lease, and ensure copies of the report are presented to both Houses of Parliament.

As there is no mandate for the Auditor-General to report progressively on the probity of the processes for the disposal of the electricity assets, a number of reports by the Auditor-General have been prepared in terms of section 36(1)(b) of the *Public Finance and Audit Act 1987*.

That section of the Act enables the Auditor-General to report on any matter that, in the opinion of the Auditor-General, should be brought to the attention of the Parliament and Government. Obviously the matter of the disposal of the electricity assets is one of public interest and importance.

During 1999-2000 one report relating to the arrangements for the probity audit was prepared and tabled in Parliament on 28 October 1999. In addition, a number of other reports on aspects of the process for the disposal of the South Australian government-owned electricity assets including matters associated with the engagement of advisers to assist in that process have been prepared and will be tabled in Parliament during 2000-2001.

To assist in the production of these reports, it was necessary to supplement the resources available to the Department with external expertise. This expertise was provided by officers from the Australian Government Solicitor following approval from both the Commonwealth and State Governments.

### **WHISTLEBLOWER LEGISLATION**

In accordance with guidelines issued by the Commissioner for Public Employment, this Department has identified five 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 1999-2000

During 1999-2000 a number of issues impacted on the operations of this Department.

Some of those issues were brought about by amending legislation, some by changed administrative procedures and others occurred as a result of Government policy directives.

## GOVERNMENT POLICY DIRECTIVES

Variations to government policy can have a material effect on audit tasks and responsibilities.

Policy initiatives in the areas of contracting out, budget reform, privatisation, and accounting and financial reporting methods have continued during 1999-2000.

### **Contracting Out**

A number of major projects involving the contracting out of public sector services require audit attention. Examples of these projects include those associated with the management of the water and wastewater services for the Adelaide Region, the provision of public transport services on selected routes, the management of selected hospitals, and the management of a prison.

The audit involvement with these projects is extensive and ranges from understanding the process and assessing its probity, through to examining compliance with the terms of the contract.

### **Budget Reform**

The Department of Treasury and Finance has, over the past two years, implemented a budget reform program involving the introduction of accrual based budgeting and funding and a focus on agency output classes.

These initiatives required Audit involvement to assess the nature and extent of changes implemented and the implications for financial systems and reporting. A summary of the audit work performed is included in Part A of the 1999-2000 Auditor-General's Report to Parliament.

### **Privatisation**

In the 1999-2000 Auditor-General's Report to Parliament there is commentary on asset sales. For most assets, the sale process is complex with the consequent need to recognise and address the associated risks.

The most significant public sector asset disposal in the State's history is that of the electricity assets. Under the *Electricity Corporation (Restructuring and Disposals) Act 1999* the Auditor-General has certain explicit responsibilities. Notwithstanding, these responsibilities, the requirement to consider the adequacy of controls in relation to the acquisition and disposal of assets under the *Public Finance and Audit Act 1987* has led to an extensive workload in relation to the electricity assets disposal process. In 1999-2000 audit effort has principally been directed to:

- the disposals process for electricity assets;
- the effect of electricity asset disposals on the public finances;
- other asset sales.

These matters are subject to a range of reporting in the 1999-2000 Auditor-General's Report.

### **Special Investigations**

In December 1999 the Auditor-General received a formal request from the Treasurer of South Australia, pursuant to section 32 of the *Public Finance and Audit Act 1987* to examine and report on dealings relating to the Hindmarsh Soccer Stadium Redevelopment Project. The formal request of the Treasurer was consistent with a request embodied in a motion passed by the Legislative Council in November 1999.

Audit's examination of the Hindmarsh Stadium Project has been extensive, involving:

- 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 redevelopment, operation, financial affairs and management of the Hindmarsh Soccer Stadium.
- Reviewing, cataloguing, analysing and evaluating the contents of all information obtained relative to the Terms of Reference of the examination.
- Conducting formal interviews with various persons to further explore and clarify specific issues that have arisen in the course of the examination.

The examination will be subject to a separate report to Parliament.

### ***Contract Summaries***

The Auditor-General was requested by the Treasurer to examine and report on contract summaries in relation to the construction of the Pelican Point Power Station.

In essence, the contracts between the State and the developer related to actions the State agreed to undertake to facilitate the development of the power station. The report expressing an opinion on the adequacy of the summaries is to be tabled in Parliament in the latter part of 2000.

### ***Financial Management Framework***

From 1 July 1998 a Financial Management Framework that sets out principles for good financial management applied to all non-commercial sector agencies. The framework identifies a number of key components and related principles that together address matters including internal control, planning and reporting. The framework is of direct relevance to the Auditor-General's responsibilities in relation to expressing an opinion on the

effectiveness of the control structures in agencies.

Audit attention was given to applying the framework in audits undertaken and assessing agency progress in implementing the framework. This matter is reported in Part A of the 1999-2000 Auditor-General's Report to Parliament.

### ***Financial Accounting and Control Systems***

Public sector agencies have been undertaking a number of Electronic Commerce and Internet initiatives resulting in an increased use of these technologies. To establish the current control environment under which these initiatives operate, Audit has sought details in regard to the policies and procedures adopted within agencies to assist in forming an opinion on the appropriateness of practices employed.

Further, Audit has undertaken reviews focussing on security and integrity with a number of government agencies. In conjunction with these reviews, Audit has carried out an assessment of the contracted out IT infrastructure (ie EDS [Australia] Pty Limited), operations at the Glenside IPC and a number of remote sites.

## **CHANGED ADMINISTRATIVE ARRANGEMENTS**

Restructuring of government departments takes place periodically. The last major restructure was in October 1997 with some further change since that date, most recently with effect from February 2000.

Restructuring of agencies creates issues requiring specific additional audit attention. Issues include resolution of past and new financial reporting arrangements, rationalisation of inherited systems, and the amalgamation of the component parts of the new agencies. Audit of such arrangements is resource intensive.

Audit resources continued to be devoted to understanding the accountability arrangements that operate within the new

portfolios, particularly where a portfolio comprises departments and statutory authorities. A clear understanding of the reporting arrangements between departments and statutory authorities within a portfolio is of significant importance in assessing internal control environments.

Other changed administrative arrangements that Audit needs to take into account in framing audit programs for agencies include the devolution of responsibility to individual agencies and officers from central agencies, and the participation by private sector agencies in the provision of services to public sector agencies.

## WHOLE-OF-GOVERNMENT REPORTING

From reporting dates on or after 30 June 1999, Australian Accounting Standard AAS 31 Financial Reporting by Governments became operative. The Government has prepared unaudited whole of government financial statements for the three years prior to 1999-2000 and has undertaken work to facilitate the publication of audited financial statements for 1999-2000 in compliance with AAS 31. Audit work this year addressed the 1998-99 whole-of-government statements and matters including the legislative basis for audit. A summary of audit work performed is included in Part A of the 1999-2000 Auditor-General's Report to Parliament.

## 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 can only be assessed by:

- Subjecting the work undertaken to a professional and independent peer 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 implementation of the Practice Management Information System, has improved the managerial control that can be exercised in that manner.

The table on the following page provides a summary of some indications of the Department's workload and of its performance for the past two years.

In interpreting those statistics relating to time expended on audits etc, it must be understood that the financial year for most auditees ends on 30 June. By necessity the audit year for those audits 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. Performance indicators proposed relate to:

- The timeliness and quality of reporting to auditee management on the results of audits.
- The timeliness of the issue of the Independent Audit Report.
- Further benchmarking the conduct of audits against both internal and best practice benchmarks in similar jurisdictions.



## STATISTICS RELATING TO AUDITS AND AUDIT TIMES

Workload	1999-2000	1998-99
Number of audits undertaken as at 30 June	190 <sup>(1)</sup>	195 <sup>(2)</sup>
Number of Independent Audit Reports issued	177	172
Average number of working days between auditee's end of financial year and issuing of an Independent Audit Report	87	93
Number of management letters issued	192	161
Number of hours expended on conducting audits to 30 June (Excludes audit management hours)	50 147 <sup>(3)</sup>	60 481
Number of hours expended on management of audits	8 749	9 562
Number of hours expended on staff presenting and attending professional development courses	8 348	7 232
Number of hours recorded as leave taken during the financial year	27 357	28 304

<sup>(1)</sup> Excludes 8 organisations controlled by the South Australian Asset Management Corporation. These organisations were dissolved on 1 July 2000.

<sup>(2)</sup> Excludes 10 organisations controlled by the South Australian Asset Management Corporation.

<sup>(3)</sup> The reduction in hours related to the implementation of the new audit methodology, the Leadership and Management Development Program and other staff development training.

### Benchmarking

Currently the Department actively 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 the following benchmarking exercises:

- benchmarking the audit offices' audit methodologies;
- benchmarking the audit cost/inputs of each audit office;
- benchmarking of audit offices Human Resources.

It is important to note, however, the performance indicators used in these

exercises need to be used with some caution due to the following factors:

- Differences in audit mandates, ie audit offices are required to express opinions of various matters viz:
  - performance indicators;
  - controls exercised by auditees.
- Differences in administrative procedures, ie some offices make extensive use of contractors.
- Differences in geographical size and associated travel costs in some jurisdictions.
- 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 departmental responsibilities as the Chief Executive Officer of the Auditor-General's Department.

The directorate includes the following functional units:

- Administration and Finance
- Human Resource Management and Development
- Information Technology Support
- Research and Quality Assurance
- Special Projects

### ADMINISTRATION AND FINANCE

#### *Role and Function*

The Administration and Finance section comprises:

##### *Administration:*

- supplies reception and keyboard processing services (including production of the Auditor-General's Reports to Parliament);
- administers the supply and procurement of office requisites;
- operates the Department's corporate records management and filing system;
- maintains the Department's library.

##### *Finance:*

- performs the payroll function including maintenance of personal classification, salary, superannuation, taxation, flexitime and other leave entitlement records;
- performs the general ledger, accounts payable, accounts receivable and asset register accounting functions;

- administers the Practice Management Information System (embracing time costing and billing processes);
- administers supply and procurement processes, occupational health and safety and workers compensation claims;
- produces internal and external budgetary, statistical and financial monitoring reports (including the Department's annual financial statements, periodic Treasury and Finance reports and taxation returns).

#### *Achievements*

##### *General Ledger and Accounts Payable*

The general ledger and accounts payable processing is performed on a desktop computer using the South Australian Government mandated AccPac System in conjunction with the SQL database software.

During April 2000 the system was upgraded from version 4.0 to version 4.1.

##### *Goods and Services Tax*

An AccPac system test database was established in April 2000 and used to formulate and validate documented procedures and processes relating to the implementation of the Goods and Services Tax (GST) from 1 July 2000.

An evaluation of the AccPac Accounts Receivable module is also in progress to further automate the production, and taxation audit requirements, associated with preparation of quarterly GST Business Activity Statements commencing from 30 September 2000.

##### *Payment of Accounts*

Analysis of the Department payment to creditors during 1999-2000 is detailed on the table on the following page.

Particulars	Number of Accounts Paid	Percentage of Accounts Paid (by number)	Value of Accounts Paid (\$'000)	Percentage of Accounts Paid (by value)
Paid by the due date	1 080	94	3 511	95
Paid late and paid 30 days or less from due date	47	4	112	3
Paid late and paid more than 30 days from due date	23	2	60	2
<b>Total</b>	<b>1 150</b>	<b>100</b>	<b>3 683</b>	<b>100</b>

*Practice Management Information System*

The Department's PMIS System:

- records time spent on audits;
- reports on variances between time spent on audits and that budgeted;
- raises invoices and records fees charged to auditees.

A new version of the system was implemented during the year and the development of a more comprehensive financial management system is planned next year through appropriate interfacing of the PMIS, CONCEPT payroll and the AccPac systems.

**Fraud Control Policy**

Because of its statutory mandate and professional obligations, the Department is acutely aware of the need for management to 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 1999-2000.

**HUMAN RESOURCE MANAGEMENT AND DEVELOPMENT**

**Role and Function**

The Human Resources section's role is predominantly 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' of this report.

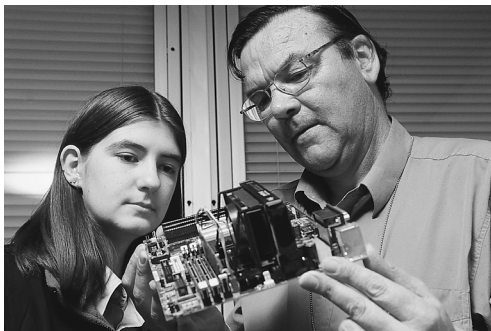
**INFORMATION TECHNOLOGY SUPPORT**

**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 designated maintenance, upgrade or replacement program.
- Ensuring adequate hardware, software and networking facilities are available to meet the anticipated user and/or processing demands.

- Evaluating new/upgraded software products and audit applications.
- Providing and supporting the communications and networking/internet requirements of the Department and individual staff.
- Providing ad hoc support, assistance or advice on a day-to-day basis, to all Departmental staff to maximise operational efficiency including:
  - on demand assistance with hardware or software faults;
  - downloading client data (tapes) to the central system for audit access;
  - 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.



Information Technology Manager, Graham Pascoe and trainee Kristie Naylor.

**Achievements**

*Year 2000 Compliance*

In 1995-96, in conjunction with the migration from SUN/UNIX to Intel/Microsoft, the Department instituted a replacement/upgrade program covering all hardware, software and applications. This initiative enabled the acquisition or upgrade to Year 2000 compliance without additional (unplanned) costs to the

Department. No problems were reported, or remedial action required, due to the Year 2000 rollover.

*Internet*

The Department has now finalised the connection of its local area network to the Internet to enable/provide:

- Individual Internet e-mail accounts for intra/inter department, national and international correspondence.
- Access to the SA Government's Internet Web site and other information on government departments.
- Access to accounting/auditing/legal research sites, including accounting/auditing standards and handbooks.
- Establishment of a 'web presence', to electronically publish the Reports of the Auditor-General, the Department's Operations Report and Special Investigation Reports.

*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 Support section, being responsible for the development of the Departmental Information Technology Policy within this Department, has updated and issued the Information Technology Policy to all staff.

*Software Audit*

In accordance with Departmental Policy, the Information Technology Support section conducts a software audit of all PCs throughout the year. This includes the identification of software and other files which (while not necessarily illegal) are contrary to Departmental Policy and are not approved for installation on the Department's computing or network facilities. In addition, the software audit includes checks to ensure that the current software/files are installed, particularly the Virus Scanning Software and 'signature' files.

During the year only minor infringements were noted and corrected.

## **RESEARCH AND QUALITY ASSURANCE**

*Role and Function*

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

The section's specific objectives are to:

- Identify areas for improvement in the efficiency and effectiveness of the Department's 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 Department's specialised audit software.

*Achievements*

The major achievements over the past twelve month period include implementing the Department's new financial audit methodology and refining that methodology to cater for the specific requirements of the public sector. Other important areas that the section has been responsible for include actively participating in a quality assurance program, undertaking a review of selected audit software tools used by the Department, training staff in audit related software products and responding to accounting and auditing technical issues.

*Audit Methodology*

Public sector auditing demands that auditors be at the forefront of their profession by adopting best practice audit methodologies in servicing their clients.

Following on from the successful Pilot Site review of the Deloitte Touche Tohmatsu (DTT) AuditSystem/2 (AS/2) audit methodology, the Department this year adopted a "phase in" implementation of that methodology. The Research and Quality Assurance section has been responsible for managing and coordinating the implementation of the new methodology.

The Department has named the AS/2 audit methodology AGES, an acronym for Audit Guidance and Evaluation System. This represented an important step in taking ownership of the product and making it our own.

Five audit fields sections were trained in AGES and successfully applied the methodology over a wide range of agency types, clearly indicating significant benefits will be achieved upon full implementation.

The "phase in" implementation concept was designed to allow us to adopt the DTT audit methodology and refine that approach where necessary so as to cater for our specific public sector requirements.

This is particularly the case with respect to integrating the audit work required to satisfy the financial attest and controls opinion mandates. The framework for the integration of this work has now been completed and will be implemented in 2000-2001.

It is envisaged that next year the new audit methodology will be applied across the Department and those officers that were involved in the implementation this year will play an active role in assisting those coming on board for the first time.

It is expected that the audit methodology will improve the Department's service delivery by focusing on adding value to the operations of Government and its agencies.

This improvement is expected in both the quality of service provided and efficiencies in its delivery. The new methodology is a key enabler in improving audit outcomes and to better service stakeholder and staff needs.

#### *Quality Assurance Reviews*

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, is committed to ensuring that quality control is exercised over all phases of the audit process.

One of the strategies adopted to accomplish this aim is the establishment of a program of independent quality assurance reviews of agency audits.

The reviews focus on compliance with professional auditing standards and Departmental policies, ensuring that audit working paper files contain appropriate audit evidence. Further, the general comprehensiveness, clarity and logic of these files is also evaluated.

The 1999-2000 review identified certain areas in which improvements could be made to the audit documentation process. The recommendations made or findings emanating from the reviews have been addressed.



RQA section developing the Audit Methodology AGES

The Department recognises the value and the contribution that these independent assessments can make to the audit process and the program of quality assurance reviews will continue in 2000-2001. Further supporting this, the 2000-2001 quality assurance program will include a mixture of audit files completed under the new and old audit methodologies.

#### *Audit Software Tools*

During the year the RQA section performed a detailed analysis of two audit related software tools, namely its data analysis and flowcharting packages. This involved reviewing and evaluating alternative packages utilised in both the private and public sectors.

From this review, the Department has upgraded its current data analysis package to ACL (Audit Command Language) and its current flowcharting package to Igrafx Professional.

#### *Graduate Training*

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 the professional training and development program commences from the time a graduate first enters the Department and continues through to all levels (including senior management). As part of the graduate induction course, the Research and Quality Assurance section is responsible for training all graduates in the audit methodology and audit tools used by the Department.

#### *Information Network*

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.

As part of this process, the Research and Quality Assurance section regularly provides all employees information affecting their work. This information includes details of:

- The implementation 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 section.
- Research publications that are available for review.

## **SPECIAL PROJECTS**

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

The Special Projects section was established in 1999-2000 following a review to identify areas where efficiencies could be implemented and to devise a more flexible and effective distribution of responsibilities.

The section's role is to enhance communication, provide administrative support to project managers and the Auditor-General which contributes to the continuous improvement of corporate services within the Department.

#### ***Achievements***

The establishment of the section occurred late in the year and finalisation of the transfer of responsibilities was completed by June 2000.

## Human Resource

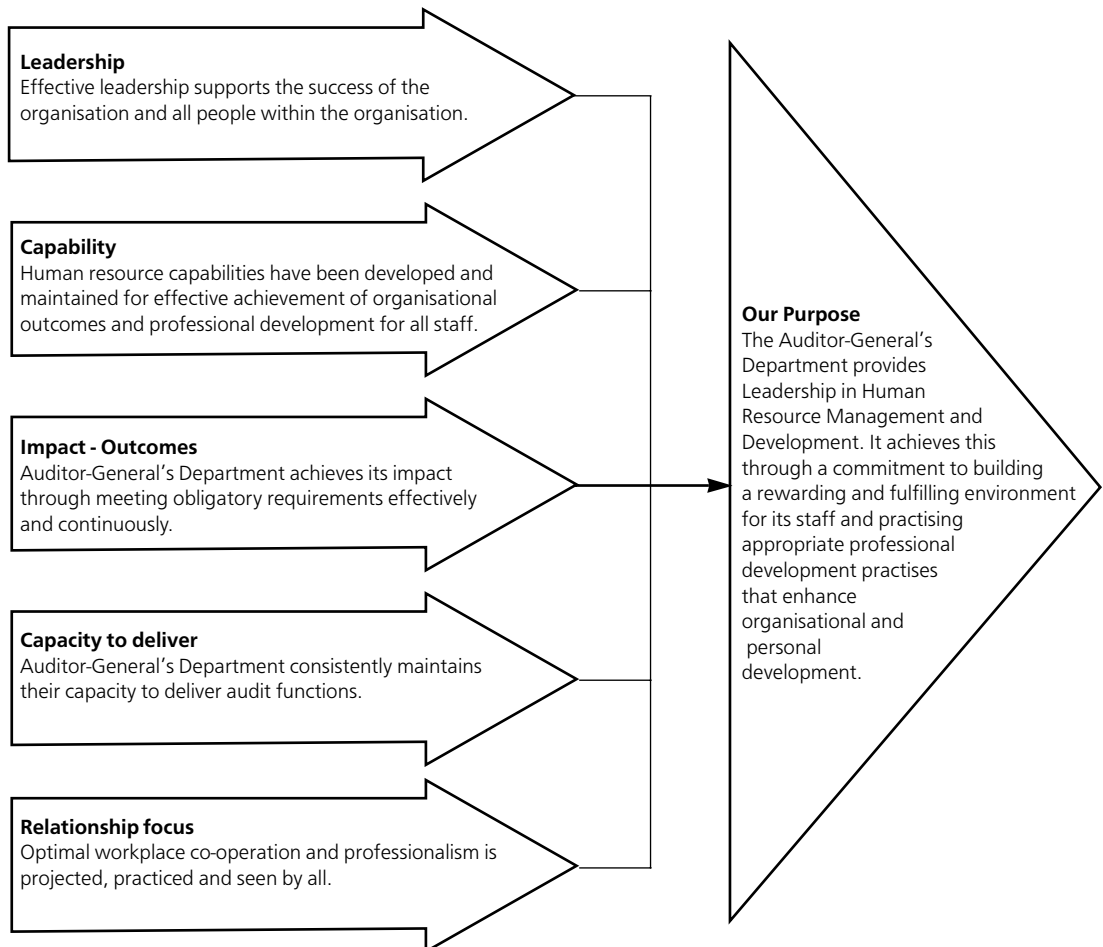
# Management and Development

### HUMAN RESOURCE MANAGEMENT STRATEGIC PLAN

The development and implementation of the Human Resource Management Strategic Plan in August 1998 has seen a strong alliance forged between the overall corporate objectives of the Auditor-General's Department and Human Resource Management Strategic Plan. The critical success factors which have contributed to this partnership include the

integration of the human resource role into the central decision-making and planning areas of the organisation and, the active cooperation and support from the executive, managers and staff within the Department.

The following information highlights the goals, achievements and future strategies that form part of the Human Resource Management Strategic Plan implementation process as represented below.







Catherine Miller and her Human Resource Management team focusing on future strategies for staff development

## LEADERSHIP

### **Communication Strategy**

#### **Outcome**

*Management team take effective leadership and ownership to support the achievement of organization through agreed communication process.*

#### *Achievements*

The Department recognises the importance of improving internal communication processes covering a range of matters associated with the general and audit responsibilities and, has conveyed this message in its Corporate Plan. Communication improvements have been identified by the Communication Liaison Group and integrated into the Department's key performance indicators which follow on from the Department's Corporate Objectives.

#### *Outlook*

The establishment of key performance indicators and their alignment with the Corporate Plan will drive the continuous improvement in communication processes within the Department.

### **Competency Development**

#### **Outcome**

*To adopt a purpose-built competency-based approach as a basis for monitoring and measuring human resource and organisational effectiveness.*

#### *Achievements*

The development of leadership and corporate competencies is one of the Human Resource Management Strategic Plan priority areas for implementation. During late 1999 work commenced on developing competencies for the Audit Clerk and Auditor Grade I levels. Staff at all organisational levels were involved in the development of these competency



Competency Committee setting criteria for competency profiles

profiles by defining elements of competence, performance criteria and required knowledge and understanding. This project concluded in March 2000 with the outcome being two competency profiles that can be relied upon to assist in graduate training and development, and in setting the criteria for progression from Audit Clerk to Auditor Grade I.

*Outlook*

The Human Resource section is now challenged with integrating competencies with other human resource management systems such as recruitment and selection, training and development programs and performance management. The Department has also committed to the development of competency profiles for Auditor Grade II level positions.

**CAPABILITY**

***Professional Development***

**Outcome**

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

*Achievements*

Within the capability strategic results area the following activities have been the focus:

*Leadership and Management Development Program*

The Department recognises leadership and management skills can be learned and developed through theory based and action learning programs. As a major initiative in addressing the identified personal and organisational leadership and management training needs of Section

Managers within the Department, a customised Leadership and Management Development Program was developed and implemented as part of the 1999-2000 Professional Development Program.

The outcomes of the program were designed to complement the Department's continuous drive to enhance the culture and work environment, develop the capability to attract, motivate and retain a highly skilled and adaptive workforce, improve the audit leadership and, increase the Department's professional status as a respected provider of public sector audit services contributing to sound public sector administration within the State.

The program focused on the development of the following Office for the Commissioner for Public Employment Leadership SA capabilities and competencies.

- A high level of networking and relationship skills, both at individual and at organisational level.
- Ability to provide clear direction in a changing environment.

- Ability to develop and build trust and empowerment.
- Ability to think, plan and act strategically, understanding relationships between strategies and articulating strategies to others.
- Effective communicators and listeners.
- Effective mediators and negotiators.
- Leading and managing teams.
- Leading and managing change in an environment where change is continuous.
- Influencing skills.
- Coaching and mentoring skills.
- Challenging paradigms.

The program implementation model developed, enabled Managers to gain theoretical management knowledge and translate this information into action learning projects. Overall the program was deemed by all participants and Executive to be a success and an evaluation report has been submitted by Human Resources Manager to ensure the continued success of this program.



Graduation ceremony at conclusion of Leadership and Management Development Program

*Leadership SA Program*

Six staff applied to undertake the Leadership SA program conducted by the Commissioner for Public Employment and four received full scholarships into the "Introduction to Management" program. To date, four staff have completed the program having achieved Certificate III.

*Professional Development*

The Department attaches particularly high importance to the development and training of its employees in order to achieve the corporate goals. Training and development was identified as a key priority strategy in the Human Resource Management Strategic Plan.

The 1999-2000 Professional Development Program was based on the responses to the Training Needs Analysis conducted during the year.

The program emphasised a range of training, development and learning activities for the varied and changing needs of the Department and its employees. The courses included in the Professional Development Program are detailed in Appendix B. The training focused on three main areas;

- the leadership and management development program (1611 hours);
- AGES audit methodology (1195 hours);
- review of computer processing environments and general computer controls (492 hours).

As part of that program the Department presents a series of technical workshops which update all employees on technical issues and developments.

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

The Department sponsored four managers this year through the University of Adelaide Professional Certificate in Management program. This program has provided these managers with the opportunity to develop their strategic thinking capabilities and translate these skills into action within the workplace.

The Department, in addition, encouraged employees to maintain and enhance their skills through the application of self-paced learning by using CD ROM training packages and video tapes.

*Review of Job and Person Specifications*

The Department completed a review of job and person specifications for all non-executive positions. All non-executive positions have outcome oriented job and person specifications that reflect redefined roles and responsibilities.

*Education Assistance*

The Department continued to provide further career development opportunities to its employees through study time assistance and fee reimbursement to designated courses.

The Department has a strong link with CPA Australia and supports the CPA Program. Staff undertaking the Program receive reimbursement of fees upon successful completion of subjects.

During the year the reimbursement of fees totalled \$15 600, whilst study time totalling 1060 hours was granted.

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 its employees possess tertiary and post-graduate qualifications.

The table below outlines the main tertiary qualifications held by employees in the Department.

### EMPLOYEE TERTIARY QUALIFICATIONS

Qualifications	Number
Bachelor of Arts (Accountancy)	18
Bachelor of Accountancy	14
Bachelor of Economics (Accountancy)	9
Bachelor of Economics	12
Bachelor of Business (Accountancy)	4
Bachelor of Commerce	31
Other Degrees	11
Diploma in Accountancy	14
Other Diplomas	7
Certificates	11

#### *Professional Bodies /Institutions*

As would be expected of a professional department, most of the employees are members of professional bodies and some employees are members of more than one professional body.

The Department supports and encourages employees 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-one employees are members of CPA Australia. Three 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. Nine employees are members of other professional bodies.

During 1999-2000 the Department continued to support the CPA Australia Work Experience Program with the placement of three university students in the Department for a period of two weeks. The main objective of the program is to give students undertaking tertiary studies some experience of working in their field of interest.

The names of all employees in the Department, their tertiary qualifications and membership status are listed in Appendix D.

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.

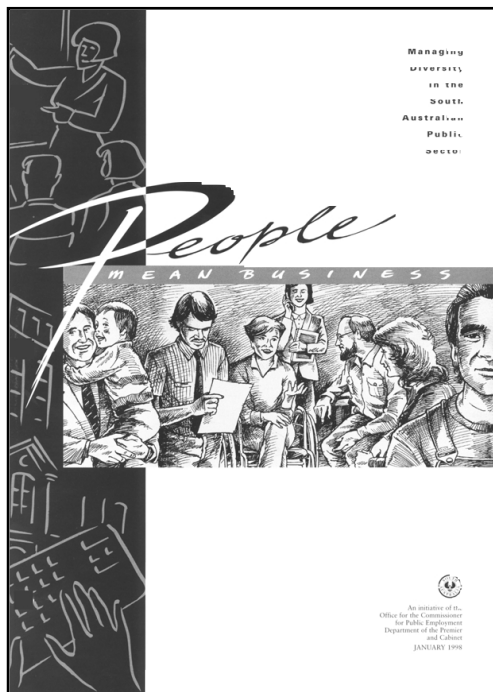
#### *Outlook*

The most useful training and development insights have been gained from evaluations conducted after each training program. This useful feedback mechanism will continue to influence the Department's Professional Development Program and provide an opportunity to influence employee performance and organisational effectiveness.

**Managing Diversity**

**Outcome**

*Managing Diversity is practiced effectively throughout the organisation.*



An initiative of the Office for the Commissioner for Public Employment

*Achievements*

The Department supports flexible work arrangements and has demonstrated this commitment through the introduction of banking flexitime during the Audit Report period and the development of a part-time work policy. Other activities include the identification of career bottlenecks which resulted in the organisational review of Deputy Audit Manager positions.

*Outlook*

Key workforce analysis will continue to be a focus for the Department in the next year. Strategies such as the Department's Marketing Plan and graduate recruitment will be influenced by this information.

**Performance Management**

**Outcome**

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

*Achievements*

The model of performance management utilised within the Auditor-General's Department is based on progressive feedback following the completion of discrete auditing projects. This evaluation is used as a mechanism to structure opportunities for individual development in specific areas of auditing. This performance management model has assisted auditing staff in developing their technical and managerial skills resulting in a large proportion of staff achieving promotional positions within the Department, Public and Private Sectors.

*Outlook*

The Department will continue to focus on performance management by undertaking an evaluation of the existing performance management system. This project will include recommendations for improvements to be implemented during this period.

## IMPACT - OUTCOMES

### Key Performance Indicators

#### Outcome

*Development of key performance indicators.*

#### Achievements

As a service provider, the provision of efficient auditing services is an important objective of the Department. As such, it is important that the Department finds ways to measure its performance.

To satisfy this need for measurement, the Department established a key performance indicators committee to develop appropriate key performance indicators that meet the needs of our clients and our objectives.

This committee has gone through the process of developing key performance indicators that are appropriate for our Department. The trialling of these key performance indicators in the next 12 months will provide a platform for the Department to further assess our performance.

In developing the key performance indicators, it was important that there was a link to the corporate planning process undertaken by the Department. The key performance indicators were developed on the balanced scorecard approach, with the identification of core processes which link resource management, learning and other key processes at the strategic level.

#### Outlook

In this and future years, performance will be measured against the focus areas outlined in the Department's Corporate Plan. The Plan aims to address a number of challenges facing the Department in

meeting its mission of contributing to the accountability of Government and the public sector to Parliament and the taxpayer, while at the same time enhancing the culture and work environment of the Department to attract and retain quality staff and lead to improved audit work performance. Key performance indicators will play an important role in measuring the Department's objectives.

## CAPACITY TO DELIVER

### Consultative Committee

#### Outcome

*Enterprise bargaining processes have been designed and implemented to achieve workplace needs of all staff.*

#### Achievements

1999-2000 marked the introduction of the provisions of the South Australian Government Wages Parity Enterprise Agreement 1999. This Agreement ensured consistent conditions and rates of pay both within the Department and across the Public Service. Given this new enterprise bargaining framework, the Department's Enterprise Bargaining Committee reviewed its terms of reference which included a change in title from the Auditor-General's Enterprise Bargaining Committee to the Auditor-General's Department Consultative Committee.

The Consultative Committee has continued to review human resource policies and procedures in particular Managing Poor Performance, Grievance Resolution, Recruitment and Selection, Study Assistance, Travel and Meal Allowance, Leave Arrangements, Temporary Assignment Outside of Auditor General's Department.

An employees suggestion box scheme has been implemented by the Department and provides employees with the opportunity to submit proposals for improvements relating to the organisation's work methods, efficiency or general operations via the Department's Consultative Committee. Ultimately, it will provide a forum for employees to express thoughts or concerns on various topics and provides an opportunity to recognise employee's ideas or proposals.

*Outlook*

Auditor-General's Department Consultative Committee will continue to discuss matters relevant to the South Australian Government Wages Parity Enterprise Agreement 1999 and other matters which are within the scope of the Enterprise Bargaining framework.

**Recruitment, Selection and Placement**

**Outcome**

*Recruitment, selection and placement processes are reviewed and updated.*

*Achievements*

A major component of the Department's recruitment and workforce planning strategy is its Graduate Recruitment Program. Graduate recruitment represents a valuable source of new employees for the Department. The Department's ability to attract appropriately qualified high calibre graduates relies on its capacity to compete with private sector organisations in a highly competitive marketplace. The Department successfully promotes itself by producing an attractive career's booklet, offering academic prizes, attending careers fairs and conducting information sessions at all three South Australian Universities.

During the year the Human Resource section reviewed some of the mechanisms used to attract graduates. This included revision of the graduate booklet which

outlines work opportunities available within the Department and development of the Department's internet homepage, particularly the recruitment section of this web site. The career booklet and internet both represent initial points of contact for graduates, and the general public, therefore it was important to ensure that these mediums appropriately reflected the Department's professional image and important role in the public sector.

The number of applications received when advertising for graduate positions reflects the Department's success in promoting itself as an appealing employer that offers diverse opportunities for graduates. During 1999-2000 the Department appointed 22 graduates and received a subsidy for 12 of these graduates under the SA Government University Graduate Youth Recruitment Initiative Equal Opportunity Program.

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 complete four structured performance assessments to evaluate the graduate's work performance. This appraisal system has been enhanced by competency profile development for the Audit Clerk and Auditor Grade 1 levels and it is anticipated that the performance appraisal process will be further revised during the development of a formal performance management system for the whole organisation.

The Department is developing a revised Graduate Training Program. This development responds to the high turn over of graduates and is intended to ensure that training provided is relevant to the graduates work, is provided consistently across the audit teams and is capable of efficient and flexible delivery. 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.



Each training module will integrate elements of formal training sessions, on the job training and evaluation of training achievements. Development of training modules is largely the responsibility of work groups comprising field audit staff. This approach will ensure that the relevance and practical focus of the training is maintained.

The Department also employed two trainees under the South Australian Government Youth Training Scheme. These trainees were placed in the Information Technology Support section with one working on multi-media projects within the Department, and the other fulfilling an information technology help desk and general support role.

**2000 GRADUATE INTAKE**

<b>Graduates Recruitment and Placement</b>			
	<b>2000-01</b>	<b>1999-2000</b>	<b>1998-99</b>
Number of applications	119	118	186
Number selected for interviews	40	38	38
Number appointed up to 30 June	9*	22	17

\* Graduates due to commence in January 2001



Graduates from Year 2000 Intake.

*Outlook*

The Department will continue to focus on mechanisms used to attract graduates by developing a marketing plan which investigates the means for improving the Department's ability to attract graduates. The timing of graduate intakes and the annual training program graduates participate in, will be reviewed given the significant amount of training associated with the new audit methodology.

The coming year will see the completion of the training modules which are currently in draft form and the preparation of course

material for the formal training sessions. Material will also be prepared to introduce the new training modules to staff who provide on the job training and will evaluate each graduate's training achievements. It is planned to complete development of this material by January 2001 and to implement the new program with the graduates who commence at that time.



Graduate Training Program Work Group assessing training modules for graduates

## 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 induction program. This program has been recently evaluated and revised. The initial induction program is generally conducted over a four day period and facilitated by members from various sections within the organisation. The information delivered during the induction program covers topics such as the structure of government, internal organisational structure, roles of specific sections within the Department, information technology, familiarisation with the audit process and specialised software packages. The induction package can be relied upon during and after the course as a general reference.

A twelve month training program has been established for graduates to support their initial induction and covers issues such as ergonomics, interpersonal communication, understanding key financial systems and report writing. This training program corresponds with the modular approach developed by the Graduate Training Program Work Group.

### Outlook

The Department will continue to conduct its comprehensive induction program and 12 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.

## Organisation Structure Review

### Outcome

*Nature of advancement opportunities reviewed and options agreed and changes implemented.*

### Achievements

During 1999-2000 the Department reviewed the Deputy Audit Manager position classification level and established an internal reclassification process. This process captured the classification criteria identified in the Administrative Services Stream Classification Standards and translated it into the auditing environment. To ensure classification consistency, the Department has developed assessment procedures and criteria for Deputy Audit Manager applicants and the Assessment Panel. A special feature of this initiative is the assignment of responsibility for an agency audit after consultation between the Director of Audits, Audit Manager and Deputy Audit Manager.

During the year, an internal review was conducted of the Human Resource section. The outcome of this initiative saw the reconfiguration of the Human Resource Consultant position role and responsibilities to incorporate the essential staff development elements from the Staff Development Officer position. This reengineering of roles and responsibilities and the reduction of a position (Staff Development Officer) from the Human Resource section. This is not an indication of a decline in the Human Resource section's services provision, rather a strategy of continuous improvement that links employee skills and knowledge to appropriate positions to gain maximum organisational efficiencies and job satisfaction.

### Outlook

It is anticipated that the new Deputy Audit Manager organisation structure will have an impact on reducing staff turnover rates, as career opportunities for progression within the Department are viewed as more transparent and obtainable.

**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 previous years statistics.

*Employee Classifications and Numbers*

The Department has an approved staffing establishment of 106 full time equivalents (FTE), including the Auditor-General's position.

As at the last pay day in June 2000, the Department employed 113 employees representing 106 FTE. Whilst this figure indicates the Department is at establishment, however effectively the Department is actually under establishment given 12 Graduates (ASO2) and 1 trainee in the Information Technology Support section do not actually form part of the Department's establishment. Their positions are subsidised through the SA Government University Graduate Youth

Recruitment Initiative Equal Employment Opportunity Program and SA Government Youth Training Scheme respectively.

Accordingly the Department's actual establishment as at the last pay day in June 2000 was 94 FTE.

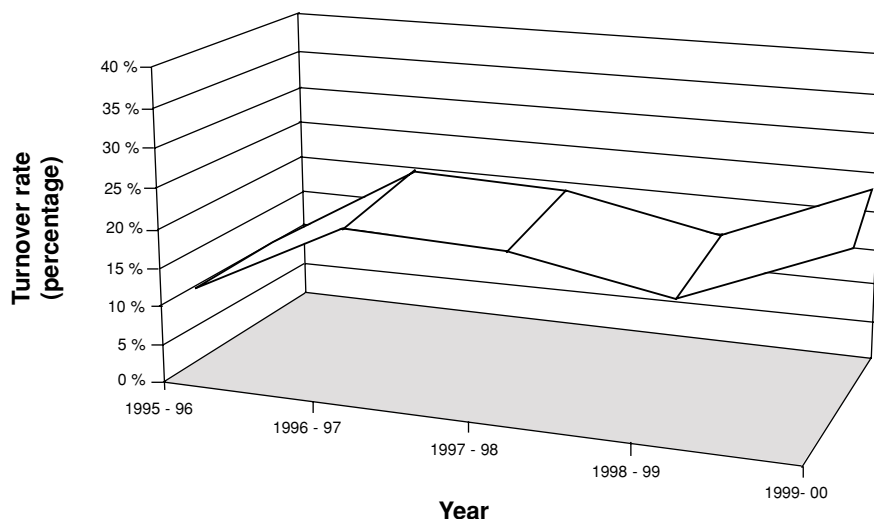
There have been changes in the employees' classifications over the past year with the implementation of progression from the lower to upper Deputy Audit Manager. This has resulted in an increase at the ASO6 level and a decrease at the ASO5 level. Consistent with the high intake of graduates for the 1999-2000 year the most significant area of increase has been at the ASO2 level with 22 graduates appointed.

The tables on the following pages provide a broad profile of our employees with emphasis on employee movements, age profiles and work experience profile.

*Employee Turnover and Movements*

On average the employee FTE for 1999-2000 was 96.4 (93.6 for 1998-99) and rate of employee turnover for the financial year was 24 percent (16 percent for 1998-99). The turnover has been primarily among audit employees. Employees of this Department are still sought frequently by other public and private sector organisations.

**EMPLOYEE TURNOVER 1995-96 TO 1999-2000**



## PUBLIC SECTOR MANAGEMENT ACT EMPLOYEES

Stream	Ongoing			Contract Longer Term			Contract Shorter Term			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
ADMINISTRATIVE												
Administration												
Services Officers												
ASO1	-	2	2							-	2	2
ASO2	4	8	12				6	15	21	10	23	33
ASO3	7	8	15							7	8	15
ASO4	6	12	18					1	1	6	13	19
ASO5	5	3	8							5	3	8
ASO6	9	2	11							9	2	11
ASO7	5	2	7							5	2	7
ASO8	9	2	11							9	2	11
Total - Admin.												
Services Officers:	45	39	84				6	16	22	51	55	106
TRAINEE												
Trainee NTW							-	1	1	-	1	1
Total - Trainee								1	1	-	1	1
EXECUTIVE												
Executive Services												
Level B				5*	-	5				5	-	5
OTHER												
Auditor-General	1	-	1							1	-	1
Total - Executive	1	-	1	5	-	5				6	-	6
Total - All Streams	46	39	85	5	-	5	6	17	23	57	56	113

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

*Work Experience Profile*

At 30 June 2000 the average work experience of employees in the Department was 7 years and 11 months compared to 8 years and 7 months at 30 June 1999. The slight decrease can be attributed to the relative stability of the workforce at the senior/middle management levels.

## WORK EXPERIENCE PROFILE

Years of Service	0-2	3-5	6-10	11-15	16-20	21+	Total
Employee Numbers with:							
· Work experience in the Auditor-General's Department	55	12	11	17	6	12	113
· Work experience in the Public Sector	52	12	8	19	6	16	113

**EMPLOYEE MOVEMENTS**

	1999-2000		1998-99	
Staff Employed 1 July		111		111
Losses:				
Retirements	2		—	
Resignations	10		9	
Appointment/Assignment to other public sector agencies	10		8	
Youth Traineeship Completed	2		1	
Leave Without Pay	2		—	
Other	1		—	
		27		18
		84		93
Gains:				
Appointments/Assignments from other public sector agencies	4		4	
External appointments	24		13	
Youth Traineeship Commenced	1		1	
		29		18
<b>Total</b>		<b>113</b>		<b>111</b>

**AGE PROFILE OF EMPLOYEES**

Age	Number of Employees
under 20	1
20-24 years	32
25-29 years	23
30-39 years	28
40-49 years	20
50+ years	9
<b>Total</b>	<b>113</b>

*Age Profile Of Employees*

At 30 June 2000 the average age of the Department's employees was 33 years 3 months compared to 32 years 11 months as at 30 June 1999.

Most of the Department's workforce falls in the 20-24 year old bracket, with this group accounting for 28 percent. Large proportions of employees are in the 30-39 year old group (25 percent) and the 25-29 year old group (23 percent).

*Outlook*

In the next year a workforce analysis will be undertaken to identify future needs and demands of the organisation taking into account future trend.

**Occupational Health, Safety and Welfare**

**Outcome**

*Our physical and workplace environment both onsite and offsite supports effectiveness of our work.*

*Achievements*

*Employee Assistance Program*

One of the key priorities achieved this year has been the development and introduction of an Employee Assistance

Program which was supported by a promotional usage guide. This program provides staff and management with proactive support mechanism which can be tailored to meet their personal needs and achieve the maximum results.

*Health and Wellbeing Programs*

The Auditor-General's Department has continued to demonstrate its people-centred approach to occupational health and safety by offering health and wellbeing professional seminars and exercise programs to all staff. These programs focused on personal health management strategies to reduce occupational health hazards associated with intensive work periods.

*Occupational Health, Safety and Welfare Committee*

The OHS&W Committee has developed an OHS&W manual which is stored in a networked computer facility that can be accessed by all employees located within the Department or at remote work sites.

Work site inspection reporting that is integrated within the audit reporting process was also updated during the year.



Staff attending health and well being program

An external consultant was engaged during the year to conduct an OHS&W legislative audit, to provide appropriate OHS&W training sessions and prepare an OHS&W action plan for the OHS&W Committee to monitor its developments and achievement of established objectives.

No workers compensation claims were received during the year.

The premium paid for workers compensation insurance for 1999-2000 was \$10 400 (1998-99 \$14 500).

The Departmental Occupational Health, Safety and Welfare Statistics are as follows:

		1999-2000
1	Average number of full-time equivalents (FTEs) employed	96.43
2	Average number of people employed	97.55
3	Total number of hours worked by employees	199,000
4	Incidents that resulted in a workers compensation claim:	
	- total number of new workers compensation claims for the reporting period	0
	- incidence rate (new claims) using FTEs	0
	- incidence rate (new claims) using number of people	0
5	Incidents that did not result in a workers compensation claim:	
	- total number of incidents which did not result in a workers compensation claim	5
	- incidence rate using FTEs	5.2
	- incidence rate using number of people	5.2
6	Total number of new workers compensation claims that resulted in an incapacity for work of five or more working days	0
7	Most frequent causes (mechanisms) of injury	-
8	Most expensive causes (mechanisms) of injury	-
9	Organisation's budget allocation for workers compensation	**
10	Total cost of workers compensation claims charged against insurance fund	\$735.00
11	Organisation's actual expenditure on occupational health and safety programs	\$37,000
12	Number of hours of training in occupational health and safety	511
13	Number of health and safety representatives	0
14	Composition of corporate occupational health and safety committee:	
	-management representatives (Directors) -	2
	employee representatives	9
15	Number of default notices issued	0
16	Number of times work has stopped	0
17	Number of improvement notices issued	0
18	Number of prohibition notices issued	0
19	Total number of employees who participated in the organisation's rehabilitation program	0
20	Total number of employees rehabilitated to their original work	0
21	Total number of employees rehabilitated and reassigned to alternative duties	0
22	Total number of employees still on rehabilitating programs	0
23	Total number of employees who have been certified as unable to return to any kind of work and are still receiving income maintenance	0
24	Total number of employees whose claims have been finalised and who have left the public sector	0

\*\* Due to the Department's low accident/injury rate all expenditure is specifically funded and accordingly budgets are not established at the start of the year.



*Sick Leave and Family Carers Leave*

The average number of days taken per full time equivalent employed during 1999-2000 for sick leave was 4.9 days (5.2 days for 1998-99) and family carers leave was 0.1 day (0.05 day for 1998-99).

**SICK LEAVE AND FAMILY CARERS LEAVE**

	1997-98	1998-99	1999-2000
Average number of sick leave days taken per FTE	6.0	5.2	4.9
Average number of family carer leave days taken per FTE	0.08	0.05	0.1

*Outlook*

The Auditor-General's Occupational Health, Safety and Welfare Committee will continue to integrate Occupational Health and Safety into the Department's working environment. The Department also recognises that effective integration of Occupational, Health and Safety requires employee preventative action learning activities such as the health and well being program conducted during the Audit Report period.

The overall outcomes of these activities are:

- That the Department consistently maintains the capacity to deliver audit functions through attracting and maintaining appropriately skilled people and developing effective human resource systems and processes.
- That an organisational environment exists where people are valued, diversity accepted and sound equitable policies are in place.

## 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 and other receivables are accounted for as an Administered Item and are paid into the Consolidated Account.

### STATEMENT OF OUTPUTS

#### *Output Class Descriptions*

The Department's sole output class is the provision of auditing services covering all the audit responsibilities prescribed under the *Public Finance and Audit Act 1987*.

Within this class there are two outputs:

#### *Prescribed Audits*

For agencies required to be audited, the Department must annually conduct an audit covering the areas prescribed by the *Public Finance and Audit Act 1987*.

#### *Special Investigations*

The Auditor-General may be requested in any given year 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.

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

In June 1999, as a result of the enactment of the *Electricity Corporations (Restructuring and Disposal) Act 1999* the Auditor-General is required to report on the relevant long term leases.

Two other special investigation projects were initiated during the current year, being a contract summary of the Pelican Point Power project and a review of the Hindmarsh Soccer Stadium developments.

### FINANCIAL PERFORMANCE – ACTUAL vs BUDGET

The following table discloses the financial performance of the Department on an accrual basis.

Item	1999-2000 Budget \$'000	1999-2000 Actual \$'000	1999-2000 Variance \$'000
Auditing Services	9 609	9 528	(81)
Administered Receipts	8 235	8 236	1

**CONTRACT AUDITORS**

The Auditor-General contracts a number of audits to the private sector to access specialist audit skills not available within the Department. The key criteria is to provide a professional audit in the most efficient and cost effective manner.

During 1999-2000, payments totalling \$687 000 (1998-99 \$802 000) were made to various auditing firms in respect of contract audits.

The Auditor-General has responsibility for the contracted audits and senior staff of the Department review the plans prepared by the contracted auditor and exercise quality control over the work performed. At the conclusion of the audit the Auditor-General issues the Independent Audit Report on the financial statements.

**USE OF CONSULTANTS**

The Department engages external consultants to assist in the fulfilment of the Auditor-General's statutory audit mandate and to have access to/or supplement skills that are not available within the Department. The expenses associated with consultancies amounted to \$990 158 during 1999-2000 (1998-99 \$251 936).

The following table provides details of the consultants utilised by the Department in discharging its statutory obligations.

Item	Details	\$
<b>Consultancies less than \$10 000</b>	20 Consultancies (Departmental Operations) 4 Consultancies (Special Investigations)	83 755
<b>Consultancies \$10 000 - \$50 000:</b> Gilbert & Tobin Prof J Richardson Flinders University (J Bannister) K J Bockmann Consulting University of Melbourne - (I Ferguson) Deloitte Touche Tohmatsu Scott Henderson	1998-99 Annual Audit Report 1998-99 Annual Audit Report 1998-99 Annual Audit Report 1998-99 Annual Audit Report Valuation of Forests Audit Methodology & Software Audit Quality Assurance Reviews	147 548
<b>Consultancies above \$50 000:</b> Australian Government Solicitor Fisher Jeffries	ETSA Probity Audit (Special Investigation) Hindmarsh Soccer Stadium (Special Investigation)	758 855
<b>Total Consultancies</b>		<b>\$990 158</b>

# Financial Statements

## Operating Statement for the year ended 30 June 2000

		2000	1999
	Note	\$'000	\$'000
<b>OPERATING EXPENSES:</b>			
Employee entitlements		5 058	4 920
Employment on-costs		983	1 001
Administration expenses, minor equipment and sundries		1 027	820
Contract audit fees		687	802
Consultancies		215	252
Special Investigations	4	775	-
Accommodation and service costs		469	489
Depreciation		281	351
Loss on disposal of assets	5	33	6
<b>Total Operating Expenses</b>		<b>9 528</b>	<b>8 641</b>
<b>NET COST OF SERVICES</b>		<b>9 528</b>	<b>8 641</b>
<b>REVENUES FROM GOVERNMENT:</b>			
Recurrent appropriations		9 922	8 641
Other appropriations		-	58
<b>Total Revenues from Government</b>	3	<b>9 922</b>	<b>8 699</b>
<b>INCREASE IN NET ASSETS</b>		<b>394</b>	<b>58</b>

## Statement of Financial Position as at 30 June 2000

		2000	1999
	Note	\$'000	\$'000
<b>CURRENT ASSETS:</b>			
Cash	1,7, 10,1	857	342
Receivables		18	-
<b>Total Current Assets</b>		<b>875</b>	<b>342</b>
<b>NON-CURRENT ASSETS:</b>			
Plant and equipment	1,4, 6	489	503
<b>Total Non-Current Assets</b>		<b>489</b>	<b>503</b>
<b>Total Assets</b>		<b>1 364</b>	<b>845</b>
<b>CURRENT LIABILITIES:</b>			
Creditors and accruals	1,7, 7	333	164
Cash advance - Imprest accounts	1,7	3	3
Employee entitlements	1,3, 8	573	611
<b>Total Current Liabilities</b>		<b>909</b>	<b>778</b>
<b>NON-CURRENT LIABILITIES:</b>			
Creditors and accruals	1,7, 7	138	136
Employee entitlements	1,3, 8	1 019	1 027
<b>Total Non-Current Liabilities</b>		<b>1 157</b>	<b>1 163</b>
<b>Total Liabilities</b>		<b>2 066</b>	<b>1 941</b>
<b>NET ASSETS DEFICIENCY</b>	9	<b>702</b>	<b>1 096</b>
<b>EQUITY:</b>			
Opening balance - Deficiency		1 096	1 154
Less: Increase in net assets		394	58
<b>FUNDS DEFICIENCY</b>	9	<b>702</b>	<b>1 096</b>

### Statement of Cash Flows for the year ended 30 June 2000

	Note	2000 Inflows (Outflows) \$'000	1999 Inflows (Outflows) \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
PAYMENTS:			
Employee entitlements		(5 121)	(4 777)
Employment on-costs		(983)	(940)
Administration, minor equipment and sundries		(980)	(807)
Contract audit fees		(687)	(803)
Consultancies		(192)	(250)
Special Investigations		(775)	-
Accommodation and service costs		(468)	(483)
CASH FLOWS FROM GOVERNMENT:			
Recurrent appropriations	3	9 922	8 641
Other appropriations		-	58
<b>Net Cash provided by Operating Activities</b>	10.2	<b>716</b>	<b>639</b>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of plant and equipment		(247)	(340)
Disposal of plant and equipment		46	40
<b>Net Cash used in Investing Activities</b>		<b>(201)</b>	<b>(300)</b>
<b>NET INCREASE IN CASH HELD</b>		<b>515</b>	<b>339</b>
<b>CASH AT 1 JULY</b>		<b>342</b>	<b>3</b>
<b>CASH AT 30 JUNE</b>	10.1	<b>857</b>	<b>342</b>

### Schedule of Administered Expenses and Revenues for the year ended 30 June 2000

	Note	Special Acts		Administered Revenue	
		2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
<b>ADMINISTERED EXPENSES:</b>					
Employee entitlements	11.2	208	196	-	-
Revenue paid/payable to consolidated account	1.9, 11.1	-	-	8 236	8 035
<b>Total Administered Expenses</b>		<b>208</b>	<b>196</b>	<b>8 236</b>	<b>8 035</b>
<b>ADMINISTERED REVENUES:</b>					
Fees for audit services	11.1	-	-	8 234	8 030
Sundry revenue		-	-	2	5
Appropriation under Special Acts	11.2	188	172	-	-
<b>Total Administered Revenues</b>		<b>188</b>	<b>172</b>	<b>8 236</b>	<b>8 035</b>
<b>ADMINISTERED REVENUE LESS ADMINISTERED EXPENSES</b>		<b>(20)</b>	<b>(24)</b>	<b>-</b>	<b>-</b>

### Schedule of Administered Assets and Liabilities as at 30 June 2000

	Note	Special Acts		Administered Revenue	
		2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
<b>ADMINISTERED ASSETS:</b>					
CURRENT:					
Receivables	1.7, 11.1	-	-	56	211
<b>Total Administered Assets</b>		<b>-</b>	<b>-</b>	<b>56</b>	<b>211</b>
<b>ADMINISTERED LIABILITIES:</b>					
CURRENT:					
Employee entitlements	1.3, 8	89	87	-	-
Revenue payable to consolidated account	1.9, 11.1	-	-	56	211
<b>Total Current Liabilities</b>		<b>89</b>	<b>87</b>	<b>56</b>	<b>211</b>
NON-CURRENT:					
Employee entitlements	1.3, 8	145	127	-	-
<b>Total Non-Current Liabilities</b>		<b>145</b>	<b>127</b>	<b>-</b>	<b>-</b>
<b>Total Administered Liabilities</b>		<b>234</b>	<b>214</b>	<b>56</b>	<b>211</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 or, except where stated, current valuations of non-current assets. 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. Recurrent appropriations consist of the funding received during the year as departmental cheques are drawn and the funding appropriation for year end accruals.

Appropriations for accrued expense at year end are 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.

Appropriations for Administered Items are detailed in Note 1.6.

**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, long service leave and annual leave.

- *Annual Leave*

Liabilities for salaries and wages and annual leave are recognised, and are measured as the amount unpaid at current pay rates in respect of employee service periods up to the reporting date.

- *Long Service Leave*

Long service leave is recognised on a pro-rata basis for the employee service periods up to the reporting date. Liabilities in respect of these entitlements have been calculated at nominal amounts based on current salary and wage rates. The Department of Treasury and Finance has advised that a benchmark of 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 2000 has been calculated on that basis.

The long service leave to be taken in the 12 months to 30 June 2001 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.

- *Sick Leave*

No liability is recognised, as sick leave taken by employees is considered to be taken from the current year's accrual.

- *Employment On-Costs*

The liability for employment on-costs include superannuation contributions to the Department of Treasury and Finance and payroll tax. These amounts are classified under creditors and accruals.

**1.4 Plant and Equipment**

Items of plant and equipment are recorded at historical cost less accumulated depreciation.

Non-current assets with acquisition cost greater than \$2 000 are systematically 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 two Administered Items are Special Acts and Administered Revenue. As provided in subsection 24(4) of the Act, the Department receives a separate appropriation for the salary and allowances of the Auditor-General. All revenue received by the Department is credited to the Consolidated Account.

**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 2000, are as follows:

- Cash is held in a Special Deposit Account at Treasury 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 11.1). Terms are 14 days;
  - Subsidies due from the Office for the Commissioner for Public Employment for the employment of graduates. Terms are 30 days.
- Creditors are raised for amounts billed but unpaid and are normally settled within 30 days (Note 7);
- 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**

The accounting policies adopted for the treatment of the Goods and Services Tax (GST) are in accordance with Urgent Issues Group Abstract 31 (Accounting for the Goods and Services Tax (GST)). Input tax credits due from the Australian Taxation Office are included in receivables.

**1.9 Comparative Figures**

Where necessary, comparative figures have been adjusted to conform with changes in presentation in 1999-2000.

The Department pays all of its cash receipts into the Consolidated Account. For the first time a recognition has been made in the Administered Items Schedules of the liability to deposit outstanding audit fees to the Consolidated Account. The previous years figures have been amended to conform with this treatment.

**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 output class is the provision of Auditing Services covering all the audit responsibilities prescribed under the Act. Within this class there are two outputs:

- *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.
- *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 therefore treated as a separate output. Consistent with the legislative requirement of audit independence the reports are presented directly to the Parliament.

**3. Funding of the Department**

Appropriations to the Department in 1999-2000 amounted to \$9 922 000 (\$8 699 000) and included an appropriation of \$411 000 (\$324 000) for unrepresented cheques at the year end.

The appropriations to the Department consisted of \$9 028 000 (\$8 699 000) for Prescribed Audits and \$894 000 (nil) for three Special Investigations being \$500 000 funding for the current year and \$394 000 funding for the 2000-01 year.

At year end a further \$121 000 (\$281 000) funding was required by the Department to meet the full accrual cost of its services. This additional accrual funding, together with the approved Special Investigations funding of \$394 000 for 2000-01, which was unspent at year end, was deposited in an 'Accrual Appropriation Excess Funds' account at Treasury. The balance of that account at 30 June 2000 was \$854 000 (\$339 000).

Appropriations under Special Acts are reported under Administered Items.

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

	Department		Special Acts	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
Appropriations:				
Prescribed audits	9 028	8 699	-	-
Special Investigations	894	-	-	-
Special acts	-	-	188	172
	<b>9 922</b>	8 699	<b>188</b>	172
Accrual Appropriation Excess Funds Account:				
Unspent appropriation for the year	394	58	-	-
Additional accrual funding for the year	121	281	-	-
	<b>515</b>	339	-	-
Add: Balance of funds held at beginning of year	339	-	-	-
Balance of funds held at end of year	<b>854</b>	339	-	-

**4. Special Investigations**

Expenditure for Special Investigations relates to investigations concerning the long term lease of the State's Electricity Assets, Hindmarsh Stadium and the Pelican Point Power Station Contract Summary.

**5. Loss on Disposal of Assets**

	2000 \$'000	1999 \$'000
Historic cost of assets disposed	269	237
Less: Accumulated depreciation	190	191
	<b>79</b>	46
Trade-in on disposal	46	40
<b>Total Loss on Disposal of Assets</b>	<b>33</b>	6

**6. Plant and Equipment**

The Department's fixed assets comprise the following:

Computing and office equipment - At cost	731	767
Less: Accumulated depreciation	383	350
	<b>348</b>	417
Computer software - At cost	252	259
Less: Accumulated depreciation	240	230
	<b>12</b>	29
Library - At cost	27	27
Less: Accumulated depreciation	27	25
	-	2
Leasehold improvements - At cost	76	76
Less: Accumulated depreciation	76	47
	-	29
Projects - At cost	150	31
Less: Accumulated depreciation	21	5
	<b>129</b>	26
<b>Total Plant and Equipment</b>	<b>489</b>	503

**7. Creditors and Accruals**

Current:		
Creditors	198	27
Employment on-costs	135	137
<b>Total Current</b>	<b>333</b>	164
Non-Current:		
Employment on-costs	138	136
<b>Total Non-Current</b>	<b>138</b>	136
<b>Total Creditors and Accruals</b>	<b>471</b>	300



8. <b>Employee Entitlements</b>	Department		Special Acts	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
Current:				
Salaries	68	132	4	6
Annual leave provision	325	303	85	81
Long service leave provision	180	176	-	-
<b>Total Current</b>	<b>573</b>	<b>611</b>	<b>89</b>	<b>87</b>
Non-Current:				
Long service leave provision	1 019	1 027	145	127
<b>Total Non-Current</b>	<b>1 019</b>	<b>1 027</b>	<b>145</b>	<b>127</b>
<b>Aggregate Employee Entitlement Liability</b>	<b>1 592</b>	<b>1 638</b>	<b>234</b>	<b>214</b>

Employee entitlements recorded under Special Acts relate to the salary and allowances of the Auditor-General.

9. **Funds Deficiency**

The funds deficiency 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. In the absence of further funding to meet past liabilities the Department will continue to have a funds deficiency.

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

10.1 **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:

	2000 \$'000	1999 \$'000
Deposits at call - Accrual appropriation excess funds	854	339
Cash - Imprest accounts	3	3
	<b>857</b>	<b>342</b>

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

	2000 \$'000	1999 \$'000
Net cost of services	(9 528)	(8 641)
Cash flows from government	9 922	8 699
Depreciation	281	351
Increase in receivables	(18)	-
(Decrease) Increase in employee entitlements	(46)	143
Increase in creditors and accruals	72	81
Loss on disposal of assets	33	6
<b>Net Cash provided by Operating Activities</b>	<b>716</b>	<b>639</b>

11. **Administered Items**

11.1 **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.

	2000 \$'000	1999 \$'000
Fees outstanding at 1 July	211	167
Add: Billings	8 234	8 030
	<b>8 445</b>	<b>8 197</b>
Less: Receipts*	8 389	7 986
<b>Fees outstanding at 30 June</b>	<b>56</b>	<b>211</b>

\* These amounts are credited to the Consolidated Account. In addition, sundry income paid into Consolidated Account during the year totalled \$2 000 (\$5 000).

At 30 June, the value of audit work in progress was \$2.803 million (\$3.161 million). The Department is of the opinion that this amount is recoverable.

11.2 **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.

**12. Remuneration of Employees**

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

\$110 000 - \$119 999	<b>3</b>	4
\$120 000 - \$129 999	<b>1</b>	1
\$130 000 - \$139 999	<b>1</b>	-
\$220 000 - \$229 999	<b>-</b>	1
\$240 000 - \$249 999	<b>1</b>	-

<b>2000</b>	1999
<b>Number of Employees</b>	Number of Employees
<b>3</b>	4
<b>1</b>	1
<b>1</b>	-
<b>-</b>	1
<b>1</b>	-

Total remuneration received or receivable by these employees was \$853 000 (\$795 000).

**13. Operating Leases**

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

- *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, however, 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 rental expense for minimum lease payments for operating leases was \$467 000.

<i>Operating Lease Commitments</i>	<b>2000</b>	1999
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>	\$'000
Not later than one year	<b>482</b>	476
Later than one year and not later than five years	<b>1 361</b>	1 761
Later than five years	<b>-</b>	-
<b>Total Operating Lease Commitments</b>	<b>1 843</b>	<u>2 237</u>

**14. Remuneration of Auditor**

Amounts received, or due and receivable, for audit  
Amounts received, or due and receivable, for other services

<b>8</b>	9
<b>-</b>	-
<b>8</b>	<u>9</u>

To the best of our knowledge and belief internal controls over financial reporting have been effective throughout the year ended 30 June 2000 and the foregoing Operating Statement, 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 2000, the results of its operations and its cash flows for the year ended 30 June 2000.

  
K I MacPherson  
**AUDITOR-GENERAL**

  
T N Knight  
**MANAGER, ADMINISTRATION  
AND FINANCE**

A Member Firm of PKF International

Chartered Accountants  
& Business Advisers1st Floor  
44 Greenhill Road  
Wayville  
South Australia 5034  
GPO Box 2505  
Adelaide SA 5001

DX 221 Adelaide

Tel: 618 8373 2070  
Fax: 618 8373 2087  
www.pkf.com.au

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

**Scope**

As required by Section 35 of the Public Finance and Audit Act, 1987, we have audited the financial report of the Auditor-General's Department, comprising the Operating Statement, Statement of Cash Flows, and Schedule of Administered Expenses and Revenues, for the year ended 30th June 2000, the Statement of Financial Position and the Schedule of Administered Assets and Liabilities as at 30th June 2000, and the Notes thereto. The Auditor-General, and the Manager, Administration and Finance, of the Auditor-General's Department, are responsible for the preparation and presentation of the financial report and the information contained therein. We have conducted an independent audit of the financial report in order to express an opinion on it to the Treasurer of the South Australian Government.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the Public Finance and Audit Act 1987, Treasurer's Instructions promulgated under that Act, applicable Australian Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) so as to present a view which is consistent with our understanding of the Auditor-General's Department's financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

**Audit Opinion**

In our opinion, the financial report presents fairly in accordance with the Public Finance and Audit Act 1987, Treasurer's Instructions promulgated under the Act, applicable Australian Accounting Standards and other mandatory professional reporting requirements, the financial position of the Auditor-General's Department as at 30th June 2000 and the results of its operations for the year then ended.

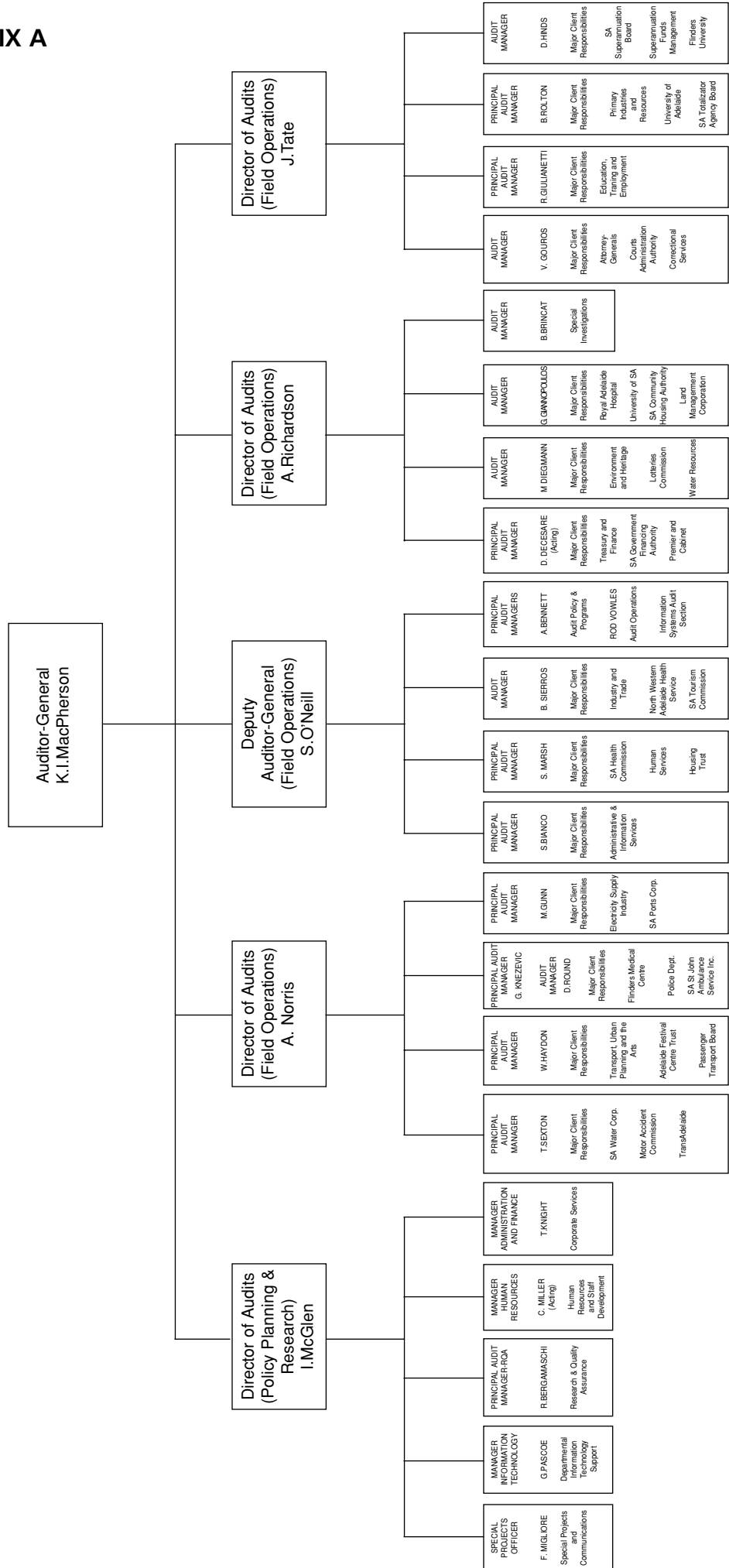
PKF  
Chartered Accountants

P J WHELAN  
Partner

Adelaide, 21 August 2000

APPENDIX A

DEPARTMENTAL ORGANISATION CHART  
as at 30 June 2000



## APPENDIX B

## SUMMARY OF FORMAL PROFESSIONAL DEVELOPMENT 1999-2000

	DURATION (DAYS)	TRAINING (HOURS)
AS/2 Trial Balance Training	1	285
GST Update	0.3	138
Time Management	0.5	118
AGES Audit Methodology	5.6	1195
Introduction to Public Finance	0.5	95
Graduate Induction	3.5	324
Graduate Induction - OHSW and Ergonomics Training	0.8	105
Financial Management Framework and Procurement Reform	0.3	164
Coaching, Mentoring and Supervision	1.7	375
Leadership and Management Development Program - Module 1	0.5	160
Review of Computer Processing Environments and General Computer Controls	3	492
IDEA and ABC Flowchart	1.5	154
General Public Sector Finance and Accrual - Output Budget Reporting	0.2	106
Leadership and Management Development Program - Module 2	0.7	150
OHSW Training for Managers and Supervisors	0.3	48
Leadership and Management Development Program - Module 3	0.9	228
2000 Accounting Update	0.5	273
Verbal and Interpersonal Communication	0.7	75
Report Writing - Auditor Grade I and II	1	98
Leadership and Management Development Program - Module 4	3.7	1073
Report Writing - Graduates	2	233
AS/2 Graduate Training	2	90
Weathering the Weather	0.3	74
Mental Wellbeing	0.3	46
<b>Total</b>		<b>6 099</b>

## APPENDIX C

## SUMMARY OF MAIN EXTERNAL TRAINING PROGRAMS 1999-2000

	DURATION (DAYS)	TRAINING (HOURS)
Auditing Solicitor Trust Accounts	0.3	4
IT Architectures for Electronic Commerce	0.2	2
Counselling and Mediation Skills for Managers	0.8	6
HR Week	1	8
South Australian Power Lease Briefing	1	38
Project Management	2	15
Managers and Supervisors Conference	1	15
Budget Information Forum	0.6	14
Managing Multiple Projects, Objectives and Deadlines	1	8
Internal Auditing	3	45
Australian Society of Certified Practising Accountants: State Congress 1999	2	131
IT Strategic Planning	1	8
Capital Works Acquittals and the Public Works Committee	0.5	42
Administrative Assistants Conference	1	15
Ethics and Accountability	1	83
The Changing Face of Super SA	0.2	3
Fire Safety Certificate	1	60
Corporate Memory: Here Today Gone Tomorrow	1	9
FBT Seminar	0.2	3
Managing Beyond 2000	1	5
The Moving Target - GST and Workers Compensation	0.6	4
1999/2000 Taxation Seminar and Workshop	1	15
Basic Solicitors' Trust Account Audit Course	0.3	4
Potential, Performance and Progress	5	75
Concept - End of Year Training	0.8	6
Concept - GST/PAYG Workshop	0.4	3
<b>Total</b>		<b>621</b>

**APPENDIX D**  
**STAFF LIST AS AT JUNE 2000**

EMPLOYEE		QUALIFICATIONS	MEMBERSHIP OF PROFESSIONAL BODIES
Allen	J L	Cert in Clerical & Admin	
Anderson	K	B Com	ASA
Atwell	K	B Com	
Ball	B S	B Acc	ASA
Barton	R		
Bennett	A F	Dip Acc	CPA, MACS
Beccaris	R		
Bergamaschi	R C	B Ec, Grad Dip Acc	CPA
Bianco	S	B A Acc	CPA
Blanche	J K	B Ec Acc	CPA
Bonython	R L	B Com	ASA
Borgman	B J	B Acc, B Bus (MIS)	ASA
Brincat	B P	B A Acc	CPA
Brink	J	B Acc	ASA
Brooks	T	B Acc	
Calabrese	I	B A Acc	CPA
Chan	C	B Com, B Comp Sc	ASA
Churches	S L	B Ec Acc	CPA
Creek	A	B Com (Hons)	ASA
Chuah	R	B Com	
De Cesare	D	B Ec Acc	CPA
Deegan	P A		
Diegmann	M	B A Acc	CPA
Dimanopoulos	S	B Acc	ASA
Dimopoulos	P	B Com (Acc)	
Duong	L	B Ec, Grad Dip Com	
Fitzgerald	K	Assoc Dip Acc, B Com	
Furze	K A	Sec Dip	
Gallomarino	R	B Ec Acc	CPA
Garreffa	S M	B Acc	ASA
Giannopoulos	G	B A Acc	CPA
Gichuhi	L	B Com	
Giulianetti	R	B Ec Acc	F CPA
Goss	B	B Com	ASA
Gouros	V	B Ec, Dip Acc	CPA
Grace	A J	B Com	
Grace	A K		
Gunn	M L	B A Acc, Grad Dip Acc	CPA

## STAFF LIST AS AT JUNE 2000

EMPLOYEE		QUALIFICATIONS	MEMBERSHIP OF PROFESSIONAL BODIES
Gust	I	B Ec	
Gust	L	B Ec, B Com	ASA
Hartshorne	C	B Com (Acc)	ASA
Hatswell	C	B Ec, Grad Dip Acc	
Haydon	W M	B Ec Acc	CPA
Hill	H	B Acc	
Hill	T C	B Ec Acc	CPA
Hinds	D G	B Eng	FCA
Hoff	J	B Com	ASA
Holownia	M	B Com	
Huddy	R W	B Bus Prop (Val), B Bus Acc	ASA
Jared	S P	B A Acc	ASA
Jarrett	L C	B Com	ASA
Jasser	D	B Com	ASA
Jordan	C V	Cert First Line Mgmt, Cert Bus Pract	
Kelly	C L	B A Acc	ASA
Kennedy	A M	B Bus Acc	CPA
Knezevic	G	B Ec, Dip App Corp Fin	CPA, ASIA
Knight	T N	B Com & Admin, Dip Acc, Dip Cost Acc	ACA (NZ), CMA (NZ)
Lalic	S	B A Acc	ASA
Lambropoulos	P		
Lardner	A M	Dip Inf Sys, Cert Off Sys	RMAA
Leckie	J S	B Bus Acc	CPA
Lloyd	R	B Com	
MacPherson	K I	LLB	FCPA
Marsh	S W	B Ec, Dip Acc	CPA
Matthews	R J	B A Acc	CPA
Miller	C	Assoc Dip Hum Res Mgmt	AHRI
McDonnell	C	Cert Off Sk, Cert Off Proc, Cert Clerical	Proc (Gen Off)
McGlen	I C	B A Acc	CPA
McGowan	C		
Migliore	F	B A Acc	CPA
Moorman	V	B Sc, Dip Acc, NNEB	CPA
Morotti	S	B A Acc	CPA
Mouton	S A	B Com	ASA
Naylor	K A		
Nguyen	H T	B Com	ASA
Norris	A D	Dip Acc	FCPA
Nugent	S M	B Ec Acc	CPA



## STAFF LIST AS AT JUNE 2000

EMPLOYEE		QUALIFICATIONS	MEMBERSHIP OF PROFESSIONAL BODIES
O'Donohue	D	B Com	
O'Neill	S	B A Acc	CPA
O'Neil	T	Assoc Dip Acc, B Com, B Bus (MIS)	ASA
Owen	M	B Acc	CPA
Pascoe	G J	Bus Cert (Acc)	
Pineda	L	B Com	ASA
Poulos	G	B Bus Acc	
Reszitaryk	I M	B A Acc	CPA
Richardson	A J	B Ec Acc	CPA
Richardson	L C	B Com	ASA
Richardson	O	B Man (Lab Rel) (Hons)	AHRI
Rolton	B W	Dip Acc	CPA
Romeo	F	B Acc	ASA
Rossi	P A	B A Acc	CPA
Round	D H	Dip Acc	CPA
Rowell	S	B Com (Acc)	
Schirmer	L		
Sennar	T	B Acc	ASA
Sexton	T P	B A Acc	CPA
Shore	R	B Com	
Sierros	B	B Ec, Dip Acc	CPA
Slaytor	K M	B A (Jur), LLB, GDLP, B Acc	ASA
Smart	D H	B Ec, B Acc, B A (Hons) (Psych)	ASA
Stathoulis	H	B Com	ASA
Stint	M J	Adv Dip in Acc	ANIA
Swanson	Z	B Com (Acc)	
Symons	T	B Com	
Tan	L	Assoc Dip Acc, B Com	
Tang	E S	B Com, B Sc (Comp Science)	ASA
Tate	W J	B A Acc	CPA
Thai	V	B Acc	ASA
Thompson	G P	B Com Acc	ASA
Vowles	R M	B Ec, Bus Cert (Acc)	ISACA
Williams	K	B Acc	ASA
Woolcock	J	B Acc	
Wozniak	M M	Cert Voc Edn (Inf Tech), Cert Microcomp Sup	

## APPENDIX E

### AGENCIES AND STATUTORY FUNDS AUDITED BY THE DEPARTMENT (AS AT 30 JUNE 2000)

Aboriginal Health Council of South Australia  
Aboriginal Housing Authority  
Aboriginal Lands Trust  
Adelaide Casino – Statement of Monthly Gross and Net Gambling Reserve  
Adelaide Convention Centre  
Adelaide Entertainments Corporation  
Adelaide Festival Centre Trust  
Adelaide Festival Corporation  
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 Pty Ltd  
Austriacs  
Bookmark Biosphere Trust  
Botanic Gardens and State Herbarium – Board of the  
Carrick Hill Trust  
Carwell Pty Ltd  
Child and Youth Health  
Chiropractors 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  
Dairy Authority of South Australia  
Distribution Lessor Corporation  
Dog and Cat Management Board  
Dog Fence Board  
Dried Fruits Board  
Drug and Alcohol Services Council  
Education Adelaide  
Education, Training and Employment – Department of  
Electricity Industry Superannuation Scheme  
Electricity Reform and Sales Unit  
Electricity Sale/Lease Proceeds Account  
Electricity Supply Industry Planning Council  
Emergency Services Administrative Unit  
Energy Industry Ombudsman  
Enfield General Cemetery Trust  
Environment and Heritage – Department for  
Environment Protection Authority

**AGENCIES AND STATUTORY FUNDS AUDITED BY THE DEPARTMENT  
(AS AT 30 JUNE 2000)**

Fire Equipment Services South Australia  
 Flinders Coal Pty Ltd  
 Flinders Medical Centre  
 Flinders Power Pty Ltd  
 Flinders University of South Australia  
 Forestry SA  
 Funds SA Subsidiary Holding Corporation  
 Gaming Supervisory Authority Operating Account  
 General Reserves Trust  
 Generation Lessor Corporation  
 Government Workers Rehabilitation and Compensation Fund  
 Governors Pensions Schemes  
 Health and Community Services Ministerial Council  
 Hills Transit  
 History Trust of South Australia  
 HomeStart Finance  
 Human Services – Department of  
 Independent Gaming Corporation Ltd.  
 Industrial and Commercial Premises Corporation  
 Industry and Trade – Department of  
 Information Industries Development Centre  
 Institute of Medical and Veterinary Science  
 Intellectual Disability Service Council Inc.  
 Judges Pensions Schemes  
 Julia Farr Services  
 Justice – Department of  
 Justice Information System Services  
 Kantilla Pty Ltd  
 Land Management Corporation  
 Legal Services Commission of South Australia  
 Legal Services Commission of South Australia – Trust Account  
 Legislature – The  
 Libraries Board of South Australia  
 Local Government Finance Authority of South Australia  
 Local Government Superannuation Board  
 Lotteries Commission of South Australia  
 Medical Board of South Australia  
 Medvet Science Pty Ltd  
 Modbury Hospital  
 Motor Accident Commission  
 Museum Board  
 Narana Pty Ltd  
 National Centre for Vocational Education Research Ltd  
 National Wine Centre  
 Native Vegetation Fund  
 Natural Heritage Trust Partnership

**AGENCIES AND STATUTORY FUNDS AUDITED BY THE DEPARTMENT  
(AS AT 30 JUNE 2000)**

North Western Adelaide Health Service  
Northern Adelaide/Barossa Catchment Water Management Board  
Notional State Housing Authority  
Occupational Therapists Registration Board of South Australia  
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  
Police Department  
Police Superannuation Scheme  
Premier and Cabinet – Department of the  
Primary Industries and Resources – Department of  
Public Trustee Office  
Racing Industry Development Authority  
Repatriation General Hospital Incorporated  
RESI Power Corporation  
RESI Capital (No 2) Pty Ltd  
RESI Capital Pty Ltd  
RESI Corporation  
RESI Energy Corporation  
RESI OE Pty Ltd  
RESI Power Pty Ltd  
RESI Syn Pty Ltd  
RESI Utilities Pty Ltd  
Residential Tenancies Fund  
Retail Shop Leases Fund  
River Murray Catchment Water Management Board  
Roxby Downs – Municipality of  
Royal Adelaide Hospital  
Rural Adjustment Scheme  
Rural Industry Adjustment and Development Fund  
S.A. St. John Ambulance Service Incorporated  
SABOR Ltd  
SABT Pty Ltd  
Second Hand Vehicles Compensation Fund  
Senior Secondary Assessment Board of SA  
Seventh Australian Masters Games Corporation  
South Austral – Asia Trust  
South Austral-Asia Pty. Ltd.  
South Australian Asset Management Corporation  
South Australian Athletics Stadium  
South Australian Centre for Public Health  
South Australian Community Housing Authority

**AGENCIES AND STATUTORY FUNDS AUDITED BY THE DEPARTMENT  
(AS AT 30 JUNE 2000)**

South Australian Country Arts Trust  
 South Australian Dental Service  
 South Australian Film Corporation  
 South Australian Finance Trust Ltd  
 South Australian Government Captive Insurance Corporation  
 South Australian Government Commercial Properties  
 South Australian Government Employee Residential Properties  
 South Australian Government Financing Authority  
 South Australian Health Commission and Associated Activities  
 South Australian Housing Trust  
 South Australian Independent Industry Regulator  
 South Australian Local Government Grants Commission  
 South Australian Metropolitan Fire Service  
 South Australian Motor Sport Board  
 South Australian Ports Corporation  
 South Australian Psychological Board  
 South Australian Superannuation Scheme  
 South Australian Tertiary Admissions Centre  
 South Australian Totalizator Agency Board  
 South Australian Tourism Commission  
 South Australian Trade and Investment Corporation  
 South Australian Water Corporation  
 South East Catchment Water Management Board  
 South Eastern Water Conservation and Drainage Board  
 Southern Group Insurance Corporation  
 Southern State Superannuation Scheme  
 State Disaster Relief Fund  
 State Electoral Office  
 State Heritage Fund  
 State Opera of South Australia – The  
 State Opera Ring Corporation  
 State Supply Board  
 State Theatre Company of South Australia  
 Superannuation Funds Management Corporation of South Australia  
 Supported Residential Facilities Indemnity Fund  
 Targeted Voluntary Separation Package Scheme  
 Teachers Registration Board  
 Terra Gas Trader Pty Ltd  
 Torrens Catchment Water Management Board  
 TransAdelaide  
 Transmission Leasing Pty Ltd  
 Transmission Lessor Corporation  
 Transport, Urban Planning and the Arts – Department for  
 Treasury and Finance – Department of  
 University of Adelaide  
 University of South Australia

University of South Australia Foundation Inc  
Veterinary Surgeons Board  
Water Resources – Department for  
Water Resources Levy Fund  
West Beach Trust  
Wildlife Conservation Fund  
Women's and Children's Hospital

*Total number of audits for 1999-2000*                      **190**

N.B. The above list excludes 8 entities that are within the control of the South Australian Asset Management Corporation. These organisations were dissolved on 1 July 2000.

