

# Operational Summary - Financial Audit Services

## Overview

27 FTE staff, 21.5 in Hobart and 5.5 in Launceston

- Undertakes the statutory responsibility to examine 154 annual financial statements of government agencies and public bodies in 2007-08.
- 88 audits undertaken in-house and 31 audits dispensed with.
- Revenue is generated from fees for audits conducted, \$ 3.359m for 2007-08.
- Contracted to private sector audit firms 35 financial audits valued at \$0.751m and specialist work, taxation and information technology, valued at \$0.150m.
- Tabled in Parliament two reports on the outcomes of the financial audits, costing \$0.295m to produce.
- 1 qualified audit opinion issued.

## Key measures

Measure	Last Year	Target	This Year
Parliamentary Satisfaction – Usefulness of Reports	87	75	N/m
Client Satisfaction – Audit Service	76	75	N/m
Outcome of external cold file reviews	Positive	Positive	Positive
Financial audit milestones met	N/m	90%	87%
Audit reports issued within 30 days of receipt of signed financial statements	93%	85%	61%
Audits completed within 3.5 months of financial statement balance date for government departments, government business enterprises, state owned companies and the university	80%	85%	58%
All other audits completed within 4 months of financial statement balance date	74%	85%	60%
Training days per full-time equivalent	13.2	10	13.1
Completion of performance appraisals	100%	100%	100%
Achieve prescribed chargeable activity	102%	100%	88%
Break-even financial result for audit cycle	3% profit	Within 5%	1% profit
Table reports in Parliament in target months	100%	100%	100%

N/m = Not measured in that year

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## Operational performance

For us to achieve our purpose, the Financial Audit Services (FAS) business unit must conduct financial statement audits with the objective of issuing an audit opinion on the financial statements of public sector entities and special whole-of-government statements. These statements must be issued in a timely manner so that we can meet our statutory obligations and well as allow the public sector entities to meet their statutory obligations. This requires cooperation and commitment from all parties. We inform our principal client, the Parliament, on the outcomes of these audits by tabling reports in Parliament.

During the year, FAS met the objective of completing all the audits of public sector entities who submitted their financial statements to us. The timeliness of the process and status of audits is detailed in our reports to Parliament referred to below.

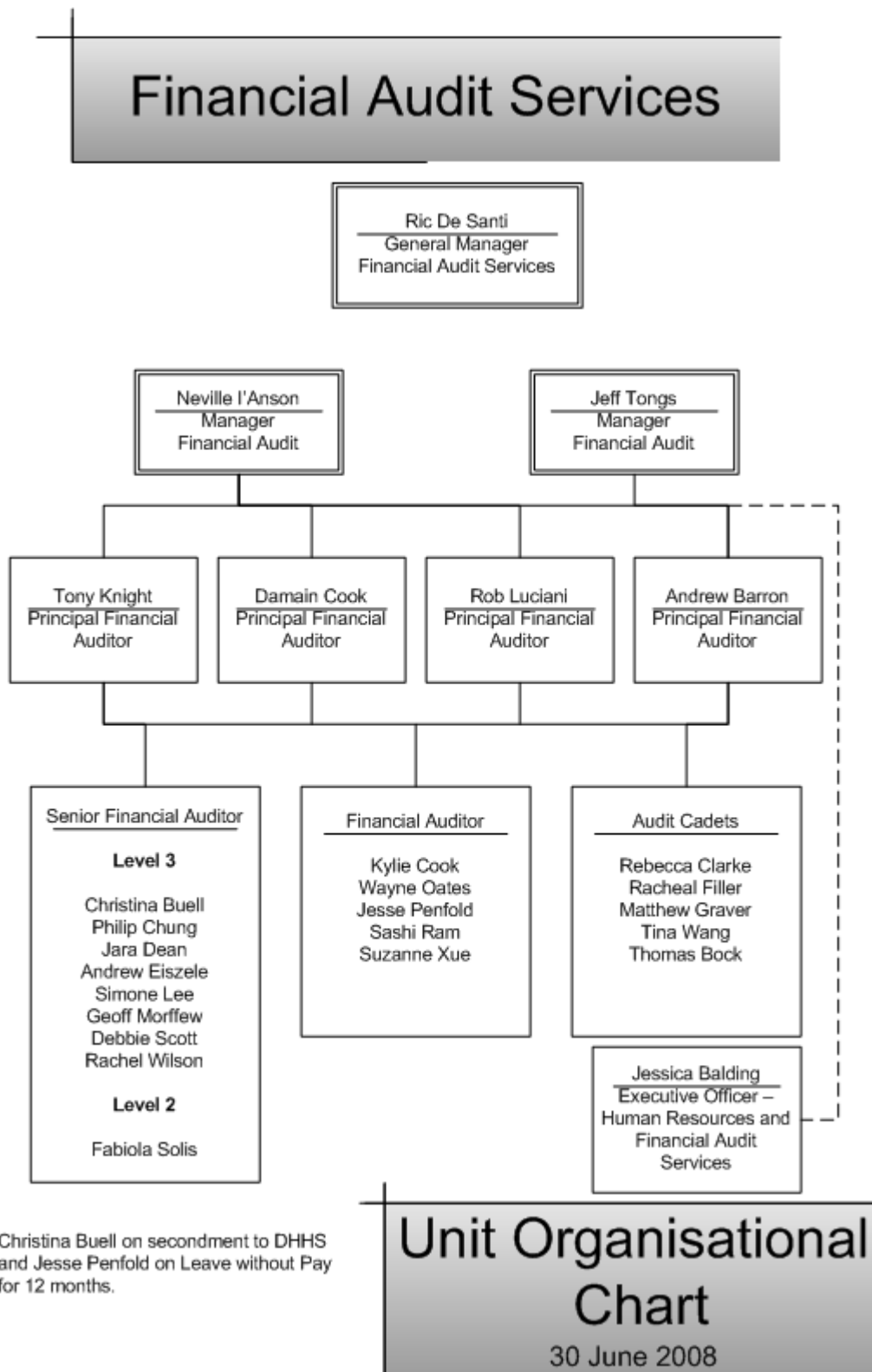
FAS internal processes were achieved satisfactorily in that staff received professional development, the quality assurance reviews were positive, performance appraisals were conducted and the audits for the 2006-07 audit cycle were completed within the performance parameters. In contrast, in terms of timeliness FAS did not achieve the performance targets for the completion of audits. In fact compared to the previous year, performance deteriorated. Despite this, no clients were prevented from meeting their own annual reporting requirements. The performance was influenced by a lengthy recruitment process undertaken during the year (refer to HR section), the introduction of new accounting and auditing standards and the first full year implementation of a new financial audit methodology. The level of chargeable activity was not achieved for the year again influenced by the recruitment process as well as secondments, and staff turnover and absenteeism.

FAS published and tabled in Parliament two reports on the outcomes of the financial audits in accordance with the prescribed timetable. Parliamentarians were invited to presentations on the day of tabling and informal feedback on the usefulness of the reports was positive.



Neville l'Anson and Andrew Barron discussing the draft statements of a client.

## Unit structure



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## Reports to Parliament

In accordance with the statutory requirements of the *Financial Management and Audit Act 1990* we tabled two reports in Parliament.

### Government Departments and Public Bodies 2006-07 – November 2007

The report is a three volume set and provides detailed financial analysis of the financial statements of Government departments and public sector bodies.

The report details significant items identified during the conduct of the financial audits and provides Members of Parliament with comprehensive financial summaries for most clients.

In addition, the report provided Parliament with an analysis of the Budget Outcomes Statements and Public Account Statements, raised matters of significance and a follow-up of significant matters previously raised. Timeliness and quality of financial statements were reported and the winners of our Annual Working Paper Awards for the 2005-06 year were also acknowledged.

### Local Government Authorities and Public Bodies 2006-07

This report dealt with the audits of Local Government authorities and public bodies relating to the financial years ending 30 June 2007 and 31 December 2007 that were not reported in the November 2007 report.

In addition, the report included an analysis of the Consolidated Statements for the State of Tasmania, Local Government rating, comparative analysis of Local Government authorities, raised matters of significance and reported audits dispensed with.

Both these reports can be viewed and/or downloaded from our website [www.audit.tas.gov.au](http://www.audit.tas.gov.au).

## Management of financial audits

While the Auditor-General is responsible for auditing all public sector bodies under the *FMAA 1990*, there is discretionary power as to who will conduct the audits. Under section 46 of the *FMAA 1990* the Auditor-General discharges his responsibility by appointing officers within the Office, or some other suitably qualified persons to carry out the whole or a part of an audit or investigation. We outsourced 35 financial audits to the private sector under the supervision of the Auditor-General and these audits are listed in the Appendices in this report.

We have established a register of external audit service providers that is updated annually and it is from this register that suitably qualified persons are selected from to conduct audits under section 46 of the *FMAA 1990*. The list of external audit service providers is included on our website and in the Appendices in this report.

Under section 41 of the *FMAA 1990* the Auditor-General can dispense with audits after consideration of alternative accountability arrangements for the public bodies concerned. Two aspects considered were the materiality of the financial transactions involved and the most cost effective means of conducting audits. The audits dispensed with are detailed in the reports to Parliament previously referred to and are noted in the list of clients in the Appendices in this report.

The table below indicates the mix of audit service providers for our financial audit portfolio:

	2003-04	2004-05	2005-06	2006-07	2007-08
Number of non local government financial statement audits contracted to private sector audit firms by the Auditor-General	9	13	13	28	<b>26</b>
Number of local government audits conducted by private sector audit firms	5	4	6	7	<b>9</b>
Audits conducted by the Tasmanian Audit Office	106	117	103	91	<b>88</b>
Audits of public bodies dispensed with	17	11	32	32	<b>31</b>
<b>Total number of audits in portfolio</b>	<b>137</b>	<b>145</b>	<b>154</b>	<b>158</b>	<b>154</b>

## Outlook for 2008-09

- Improve the timeliness of completion of financial audits
- Implementation of a new Audit Act which will require, inter alia, a large proportion of financial audits to be completed one month earlier
- Staffing levels to be adjusted to deal with the shorter completion timeframe
- Build on the implementation of our audit methodology, ipsam
- Ongoing improvements to our process of managing contracted audits
- Continue to provide updates on new accounting and auditing standards to staff and clients
- Ensure we maintain a customer focus at the same time adopting a more commercial focus in relation to the management of audit fees.

# Operational Summary - Performance Audit Services

## Overview

7.5 FTE staff, 7 in Hobart and 0.5 in Launceston

- The PAS unit undertook the statutory responsibility of conducting performance audits, compliance audits and special investigations and reported findings to the Parliament.
- Eight reports were tabled in Parliament.
- Revenue of \$1.061m was generated from hours spent on audits based on an hourly rate.
- Two audits, valued at \$0.146m, were contracted to private sector audit firms.

## Key measures

Measure	Last Year	Target	This Year
Parliamentary Satisfaction:			
▪ Worthwhile topics	88	75	N/m
▪ Style and readability	93	75	N/m
▪ Skills	93	75	N/m
▪ Usefulness	84	75	N/m
Outcome of internal cold file reviews	Positive	Positive	Positive
Number of reports tabled in Parliament	9	8	8
Training days per full-time equivalent	7.9	10	9.4
Completion of performance appraisals	100%	100%	100%
Audits completed within 8 months	56%	100%	88%
Recommendations agreed and acted upon within two years after tabling	71 %	70%	94%

N/m = Not measured in that year

## Operational performance

The primary objective of the Performance Audit Services (PAS) business unit is to table eight reports in Parliament on the outcomes of the audits in that program. The PAS unit achieved the target and the eight reports are summarised later in this section.

The Parliamentary survey is conducted every two years, so there is no measure for this year. However informal feedback from Parliamentarians who attended our report presentations during the year and from members of the Public Accounts Committee (PAC) indicated satisfaction with the reports tabled.

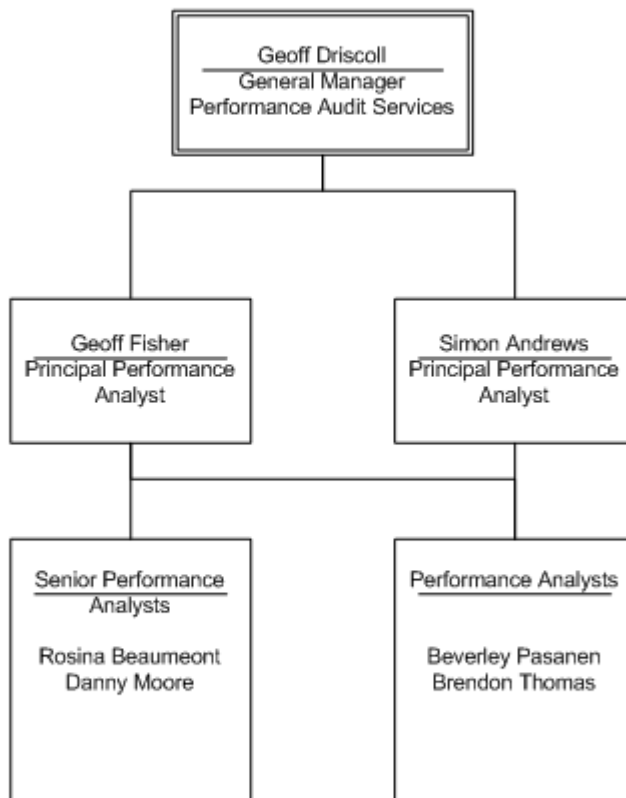
'Recommendations agreed and acted on' was measured using the results of the follow-up audit, which found an unusually high take-up of recommendations by audited entities.

Historically, the most difficult target has been completion of audits within eight months because of the impact of staff shortages and the need to interrupt the standard program to perform urgent work. In 2007-08 the section achieved 88% for this measure, which represents a considerable improvement over previous years. The one audit not completed within eight months occurred due to staff turnover.

Overall, there has been a significant improvement in the results due largely to lower staff turnover even though the section was not fully staffed for much of the year.

## Unit structure

# Performance Audit Services



# Unit Organisational Chart

30 June 2008

## Reports to Parliament

During the year there were eight reports tabled in Parliament resulting from performance audits completed and special investigations undertaken. These reports are available on our web site at [www.audit.tas.gov.au](http://www.audit.tas.gov.au).



### Special Report No. 69 – Public building security

#### Audit Purpose and Findings

The audit reviewed the security arrangements at schools, libraries, Service Tasmania shops and hospitals, encompassing three government departments.

Whilst there were some areas of concern, the standard of security at the premises audited was generally satisfactory. However, we found that incident reporting could be improved and that there was a need to ensure that site management apply consistent, effective procedures and solutions to security issues to preserve a safe environment for staff and the public.

This led to eighteen recommendations being made aimed at improving security.

#### Client Response

<b>Service Tasmania – DPIWE</b>	“Overall, I am of the view that the report and its recommendations are appropriate and reflect the current situation regarding security arrangements associated with the Service Tasmania shops.”
<b>Schools and Libraries – DOE</b>	“The Department of Education welcomes the findings in the Report and the opportunity to comment on the key recommendations. The Report has successfully highlighted a range of issues that are of significance to this Department and has made a series of recommendations which are generally consistent with the Department’s current plans for improvement in security.”
<b>Hospitals – DHHS</b>	“The Department welcomes the findings of the audit in its recognition that the standard of security at the Department of Emergency Medicine was satisfactory and the recommendations will be reviewed with all Hospital CEOs through the formal audit improvement plans managed by the agency’s Risk Management and Audit Committee.”

## Special Report No. 70 – Procurement in government departments and Payment of accounts by government departments

### Procurement in government departments Audit Purpose and Findings

The audit examined procurement processes for acquisitions for over \$10 000 in six government departments. Building and construction work was excluded from the audit scope. The audit was focused on agency compliance with procurement-related Treasurer's Instructions, which outline the guiding principles: value for money; open and effective competition; compliance with ethical standards; and enhancing opportunities for local business.

We found that Treasurer's Instructions (TIs) had generally been applied, although some exceptions were noted at most audited departments.

We made eight recommendations aimed at strengthening compliance with TIs.

### Client Response

#### Department of Treasury and Finance

"Overall, the results of the audit are pleasing, and indicate that there is a high level of awareness of the Treasurer's Instructions (TIs) and the way in which they are required to undertake goods and services procurement."

#### Department of Education

"The Department of Education (DoE) notes the recommendations of the report. DoE will continue to pursue improved compliance and the publication of this report will provide an opportunity for DoE to remind all operational areas of the requirement to apply sound procurement practices."

#### Department of Infrastructure, Energy and Resources

"The Department is pleased with the high level of compliance with TIs identified in this report."

### Payment of accounts by government departments Audit Purpose and Findings

The audit looked at how well five departments complied with trading terms when processing accounts for payment. The audit was based on Treasurer's Instructions which require that payment is made in accordance with agreed terms and by the due date.

We found that a high proportion (24%) of accounts were paid late. The report contained six recommendations aimed at reducing the level of overdue payments.

### Client Response

#### Department of Economic Development

"The Department supports the recommendations in the report. "

#### Department of Police and Emergency Management

"Overall the Department of Police and Emergency Management (DPEM) notes the outcomes, recommendations and DPEM findings, outlined in the report. Furthermore, DPEM considers the Compliance Audit will provide further impetus to the Department's ongoing review of supplier payment processing."

#### Department of Primary Industries and Water

"The Department supports the recommendations made within the report."

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## Special Report No. 71 – Property in police possession and Control of assets: Portable and attractive items

### Property in police possession Audit Purpose and Findings

This report examined how well the Department of Police and Emergency Management managed public property in its possession.

The Department takes possession of large quantities of including property handed in by the public and property taken into possession by police such as motor vehicles, illegal drugs, marine items and electronic equipment.

While we found no instances of property that had been misplaced or could not be located, we were concerned that an integrated electronic system was not in place to record and monitor property holdings. The complexity of the system, which involved the completion and use of multiple forms and receipts, made compliance with internal procedures and legislation difficult.

The report contained thirteen recommendations.

### Client Response – Department of Police and Emergency Management

".....Tasmanian Police has previously recognised this issued and a project has commenced designed to implement a centralised electronic property management system which will incorporate property tracking. State-wide training in property management will be an integral part of that property management system.

.....Tasmania Police will review its conveyance and storage arrangements for drugs and firearms to address the issues identified during your audit.

.....the Tasmania Police Manual was amended in August 2007 in relation to banking and handling money. Those recommendations will be reviewed to identify any need for additional amendments in line with your recommendations.

In relation to recommendation 8, the Department of Justice has previously been approached with a view to amending the required legislation.

In relation to recommendations 9 to 13, Tasmania Police has commenced a review of its current procedures and internal documentation in the context of the issues identified during your audit and will implement ant necessary changes.

Thank you again for the opportunity to comment."

### Control of assets: Portable and attractive items Audit Purpose and Findings

The audit looked at the recording, control and disposal of minor assets (generally below \$10 000) in government departments.

Some minor assets, denoted as portable and attractive items, are particularly susceptible to theft or loss, for example, personal computers and ancillary items, power tools and cameras.

The audit was based on Treasurer's Instructions which require registration of portable and attractive items for physical control purposes.

We found that agencies had either provided guidelines and registers to define and record PA items or were in the process of reviewing their asset management systems. However, whilst agencies had effective registration and control over IT assets, other portable and attractive items were not reliably recorded.

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## Client Response

### Department of Education

"The Department of Education (DoE) notes the recommendations of the report. The Department is implementing a new finance system within schools. Within the scope of this project is the implementation of an asset recording system which will also allow the recording of portable and attractive assets together with defined disposal details. It is proposed that the project team review the recommendations of this report and incorporate any required changes. DoE will consider implementing a similar requirement for non-school business units."

### Department of Health and Human Services

"The Department of Health and Human Services (DHHS) recognises the importance of ensuring that its portable and attractive items are appropriately managed. DHHS is committed to improving its policies, procedures and controls for recording, disposing and managing its minor assets, and has commenced an agency-wide asset management project ... DHHS will be implementing the above recommendations as part of this project."

### Department of Tourism, Arts and Environment

"The Department acknowledges the list of recommendations contained in the report and is committed to addressing and implementing all of the recommendations."

## Special Report No. 72 – Public sector performance information

### Audit Purpose and Findings

The audit reviewed performance information that government departments publish in the public domain. Non-financial performance reporting is a vital element in keeping the community informed about:

- how well existing services perform
- how well services meet the needs of clients
- how efficiently services are provided
- fairness of access to services
- whether agencies had implemented promised initiatives.

The objective of the audit was to assess the usefulness of publicly reported performance information in agencies' annual reports and budget papers.

We found that in many cases the measures did not relate to agency objectives or were difficult to understand. There was also an almost universal lack of efficiency performance indicators that hindered judgements as to whether government services were becoming more or less cost effective to deliver. We also argued that while much information is included in annual reports about achievements, it was often difficult to marry this to budgeted initiatives.

The report contained an unusually high number of recommendations — 43 in total — that ultimately aimed at providing better information about how usefully taxpayers' dollars have been spent.

<b>Client Response</b>	
<b>Department of Education</b>	"The Department of Education appreciates the acknowledgement of the effort it has made to report performance to the community and commits to further improving its reporting based on the audit findings."
<b>Department of Health and Human Services</b>	"In general, the Agency accepts the Auditor-General's recommendations, but notes that the findings relate to the state of performance reporting over two years ago. Since 2005-06, the Agency has made significant changes to its performance reporting which in part address some of the recommendations and findings outlined in the report."
<b>Department of Infrastructure, Energy and Resources</b>	"In an Agency that is as diverse as DIER in its functions, it is a challenge to give a fully comprehensive picture of all aspects of its operations in the Annual Report and Budget Papers and the Corporate Plan is a key document that guides Agency actions in this regard."
<b>Department of Police and Emergency Management</b>	"The Department of Police and Emergency Management acknowledges the positive comments provided by the Auditor-General about the Department's KPI framework: it was found to be generally satisfactory, with recommendations that further work was required to improve and extend the existing performance indicators in some areas."

## Special Report No. 73 – Timeliness in the Magistrates Court

<b>Audit Purpose and Findings</b>
<p>The progress of a matter within the Magistrates Court system, due to its nature, is time consuming, with time necessarily spent in preparing a case for trial, conducting the hearings and determining the final outcome. Prolonged waiting times in courts affect efficient operation and impact on the effectiveness of the court system. This performance audit assessed the efficiency and effectiveness of the management of magistrate's court cases with a focus on timeliness.</p> <p>We had difficulty measuring the time that cases actually spend in the Court because of a large number of 'inactive' cases - that is, cases that do not have a next appearance date listed. The causes of inactive cases are beyond the control of the Court but their presence impacted on the timeliness statistics collected by the courts. When excluded we found that the majority of Criminal and Youth Justice matters proceed through the court system in acceptable timeframes.</p> <p>Examination of the reasons for adjournment indicated that defendants failing to appear in Court were the cause of most unnecessary adjournments. There may be action the Court can take that will improve that rate of defendants not appearing. It was also found that management of case information was inefficient and we noted inaccuracies in the electronic database.</p> <p>The report makes 12 recommendations aimed at improving the planning, information collected and reported and at reducing case timeframes.</p>

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## Client Response

### Chief Magistrate

"Thank you for providing me with your Special Report No. 73 entitled Timeliness in the Magistrates Court and for your invitation to comment upon it.

I have carefully considered the list of Recommendations set out in your Report.

I endorse each of those Recommendations.

The Court has commenced an examination of the manner of their implementation."

### Department of Justice

"The Court has found this performance audit of considerable assistance in thinking about its measures of timeliness and some aspects of its process. There are also specific recommendations which the Department will need to consider, and if possible progress, including those relating to the CRIMES system and the reporting of the performance information, locally as well as to the Productivity Commission Report on Government Services.

Overwhelmingly it seems that this audit has been a positive experience for the Court and its officers, and I trust, your staff. I appreciate the contribution it will make to understanding the many factors influencing timeliness in the justice system."

## Special Report No. 74 – Follow up of performance audits April – October 2005

### Audit Purpose and Findings

Follow-up audits are performed to provide Parliament with information about the extent to which clients have acted on recommendations made in selected previous performance audit reports. This audit reviewed:

- No. 54 Infrastructure funds
- No. 55 Gun control in Tasmania
- No. 56 TT-Line: Governance review
- No. 57 Public Housing: Meeting the need?
- No. 58 Asset management: Bridges
- No. 58 Managing FBT liabilities

We were pleased that for each report, management had made changes to implement the recommendations. Where recommendations had not been implemented, we sought and received explanations as to why this was the case.

### Client Response

The eight departments involved stated that they were happy with the report's conclusions and the follow up process in general.

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## Outlook for 2008-09

- New Audit Act will broaden our mandate with respect to performance audits and we need to prepare for this impact
- Continue to increase the readability of our reports and expand our reader base
- Consider a new audit methodology
- Increase the efficiency of our internal processes
- Build on the working relationship with the Public Accounts Committee.



Members of the Performance Audit Services unit, Melinda Gambrell (far left) and from right to left Geoff Driscoll, Geoff Fisher and Danny Moore with David Strong (Support Services) and Rob Luciani (Financial Audit Services).

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# Operational Summary - Support Services

## Overview

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6.7 FTE staff all in Hobart

Provided the following services to the Auditor-General and Business Units:

- human resources
- finance
- risk management
- information technology
- information management
- strategic management and governance
- administrative services.

## Key measures

Measure	Last Year	Target	This Year
Unqualified audit report	Unqualified	Unqualified	<b>Unqualified</b>
Overhead budget accuracy	12.1% over	Within 5%	<b>6.1% under</b>
Cash balance at year end	Positive	Positive	<b>Positive</b>
Financial Performance Index	71	> 80	<b>83</b>
Training days per full-time equivalent	12.4	10	<b>9.0</b>
Completion of performance appraisals	100%	100%	<b>100%</b>

## Operational performance

Our external auditors McLean Delmo issued an unqualified audit report on the financial statements for the year ended 30 June 2008 on 6 August 2008.

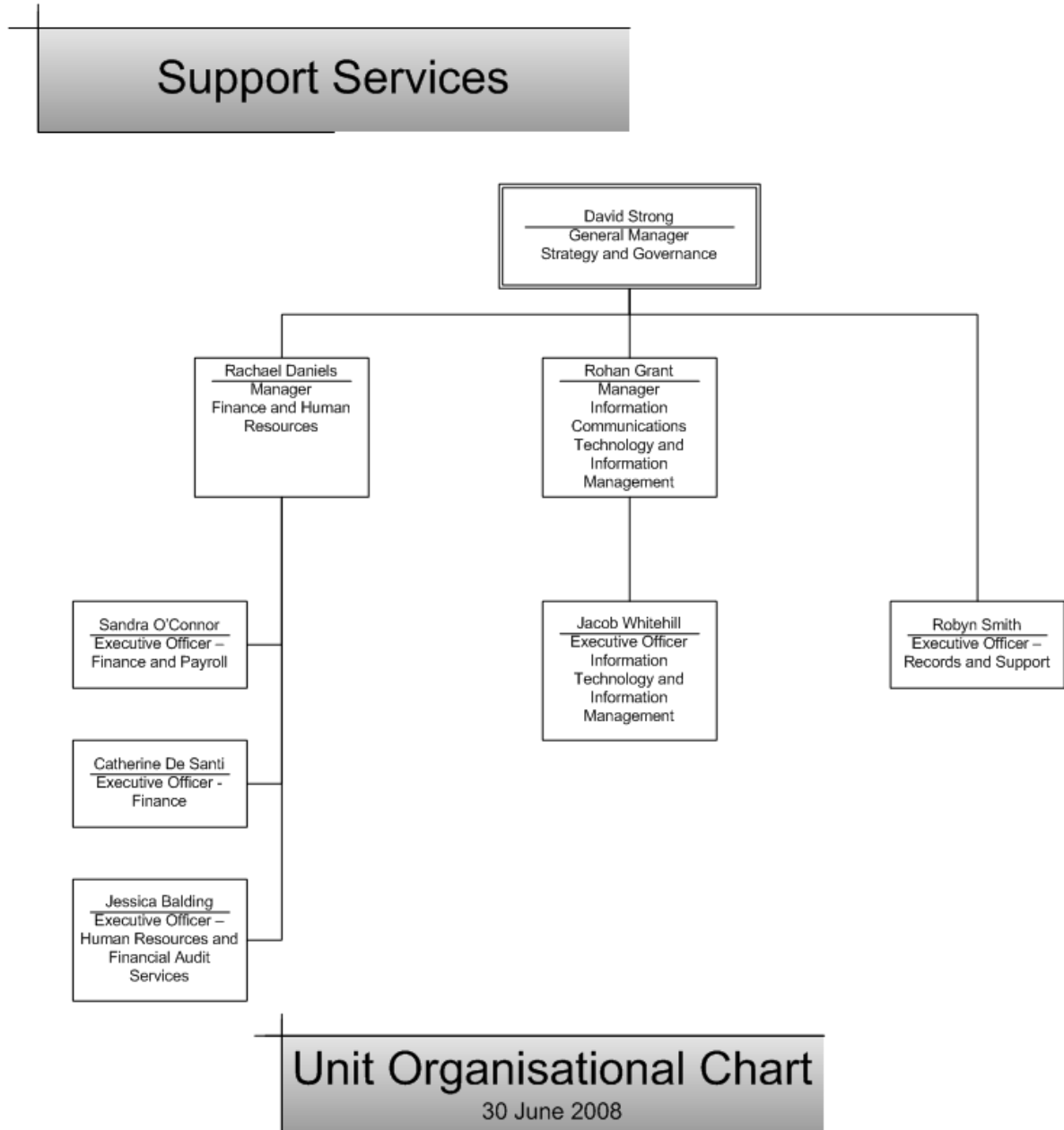
The Support Services unit has responsibility for ensuring that the approved corporate overhead budget is managed effectively. There was a significant improvement as the actual expenditure on corporate overheads was 6.1% under budget this year compared to 12.1% over last year.

Our financial performance is derived from our financial functions, the age of accounts payable and receivable, how quickly we turn work in progress into cash receipts, managing our revenue and expenditure budgets to ensure we meet our financial outcomes target and maintaining positive cash flows. As at year end our financial performance index was 83, compared to the monthly average of 77 during the year. This was an improvement on the previous year and met the target measure.

Our cash management is a major issue as we do not have an overdraft facility. In comparison to the previous year we increased the balance of financial assets by 5% from \$809k to \$848k.

With respect to staff, all performance appraisals were conducted and appropriate skill development identified. The average number days training per FTE was nine days, just below the target of 10 days.

## Unit structure



## Strategy and governance

During the year our governance and risk management frameworks were reviewed and revised frameworks have been recently issued. At our corporate planning day in December 2007 all staff engaged in a consultative process that yielded new vision and purpose statements and a statement of values and behaviours.

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The implementation of the new strategic planning framework will continue into 2008-09 as the reporting and review mechanisms are implemented. The strategic planning framework was referred to earlier in this report under the Organisational Framework section and the governance and risk management framework is discussed in more detail later in this report.

The development of policies and procedures relating to activities undertaken by Support Services continued during 2007-08 and will be finished during 2008-09. Most recommendations from internal and external reviews have been addressed.

All delegations for finance, human resources and information management were reviewed during the year. Amendments and additional delegations identified were authorised and became effective 1 July 2008.

## Human resources

### Recruitment

During the year we undertook a major restructure by advertising twenty eight positions or 66% of our establishment in June 2007. The recruitment process was completed in December 2007 when the last position was filled. The process resulted in internal promotions, external appointments, resignations and transfers to other agencies. We are confident that this investment in restructuring and recruitment will pay dividends in future years.

After the recruitment process the Office's competency framework and recruitment and selection framework were evaluated and some minor amendments / enhancements were made in light of the experiences from the process.

### Industrial and workplace relations

We currently await the results of the negotiations between the Government and public sector unions on the outcomes of a new public sector wages agreement. If the wages agreement does not provide us with the flexibility and remuneration outcomes originally sought under our own agreement, then we may consider pursuing its own agreement again.

There was one internal grievance lodged during the year that was resolved with the assistance of an external mediator.

There were three formal applications for review of recruitment decisions under the *State Service Act 2000* and, after informal discussions, were withdrawn.

Our cadetship has been reviewed and approved by the Department of Premier and Cabinet for a further two years when it will be reviewed again.

## Health and safety

Our Health and Safety Committee, as a sub committee of the Human Resources Committee, was constituted with two employee nominated representatives being elected.

Our voluntary influenza vaccination program had a 50% participation rate increase for the year. The Office's participation rate in the Global Corporate Challenge ( see [www.gcc2008.com.au](http://www.gcc2008.com.au)) increased by 50% with three teams entering this year and also 50% of staff participated in 10 000 steps challenge events during the year. Our health and well being program concluded in December 2007 and was successful.

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There were no workers compensation claims lodged this year and all other open claims were closed so there are no outstanding claims at year end. There were two workplace incidents resulting in minor injury reported, but there were no days lost.

Ergonomic assessments for new staff and staff requesting a review were conducted by our consultant during the year and where instructed equipment was purchased. Workplace safety inspections were carried out, the results reported to the EMG and following approval, the recommendations are being actioned.

Our Employee Assistance Program is available to staff and this program was accessed by staff during the year.



Members of the Support Services Unit – Narelle Hind, Catherine De Santi, Robyn Smith, Sandra O'Connor and Rachael Daniels.

## Financial management and administrative services

During the year Support Services developed a monthly suite of reports, in consultation with the other business units, for the units. The unit also undertook a review of the structure of information within the finance system and made amendments so that reporting in 2008-09 will provide more options for analysis.

The upgrade of the financial systems did not occur earlier in the financial year, as originally intended, as our testing identified some major issues with the proposed version. During June 2008, after final testing, the upgrade was approved to occur in August 2008. The upgrade will provide enhancements to reporting, additional financial functionality and new human resource modules. As a result of the delay in the application upgrade the planned new job costing system implementation during 2007-08 will be delayed by between nine to twelve months.

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During the budget process for 2008-09 the Government altered the funding arrangements for performance audits and external reviews so that the funds will be appropriated directly to the Office. Up to 30 June 2008 we invoiced the Government directly for these services.

The current accommodation for the employees in Hobart is inadequate and since October 2007 the Office has been negotiating with a landlord for tenancy that meets our requirements. The Office has engaged architects and consultants who have provided approved layout plans and cost estimates. In April 2008 we, as requested, provided the Department of Treasury and Finance with a proposal for funding and is still to be finalised.

## Information and communications technology

During the year our centralised computer systems were upgraded. This included reducing the number of servers and using state of the art software to manage the operation of the server network. This required the transfer of applications and data from legacy servers on a one at a time basis. The process required considerable reconfiguration of operating and backend systems.

With the planned upgrades to financial, human resources and records management systems, a test system was created to allow users to test the application systems before they were placed into the production systems.

Web content management software was installed to manage our internet and intranet sites. As at 30 June our intranet site is being managed by this application software and the internet site will be launched once security protocols have been tested and approved.

The rollout of the financial audit methodology, ipsam, was completed and this coincided with the replacement of personal computers and portables and a new standard operating environment.

During 2008-09 the strategic plan for information and communications technology will be completed together with policies and procedures, the disaster recovery plan will be tested and our business continuity plan finalised.

## Information management

For the most of 2007-08 there has not been a dedicated resource for information management, but due to recent changes in staffing levels in Support Services and a reorganisation of roles, this has been addressed.

As mentioned previously, preparations are underway to upgrade the records management system and the intranet has been launched using the new web content management system.

Staff have been briefed on policies relating to email management and the clean desk and clear screen policy.

The reports produced that we published are on our external web site.

## Outlook for 2008-09

We will:

- lift operational effectiveness and service levels
- assess how TAO can use the technology we have acquired to improve existing services, add new services and reduce costs
- increase the efficiency of our internal processes
- build on the working relationship with our stakeholders.