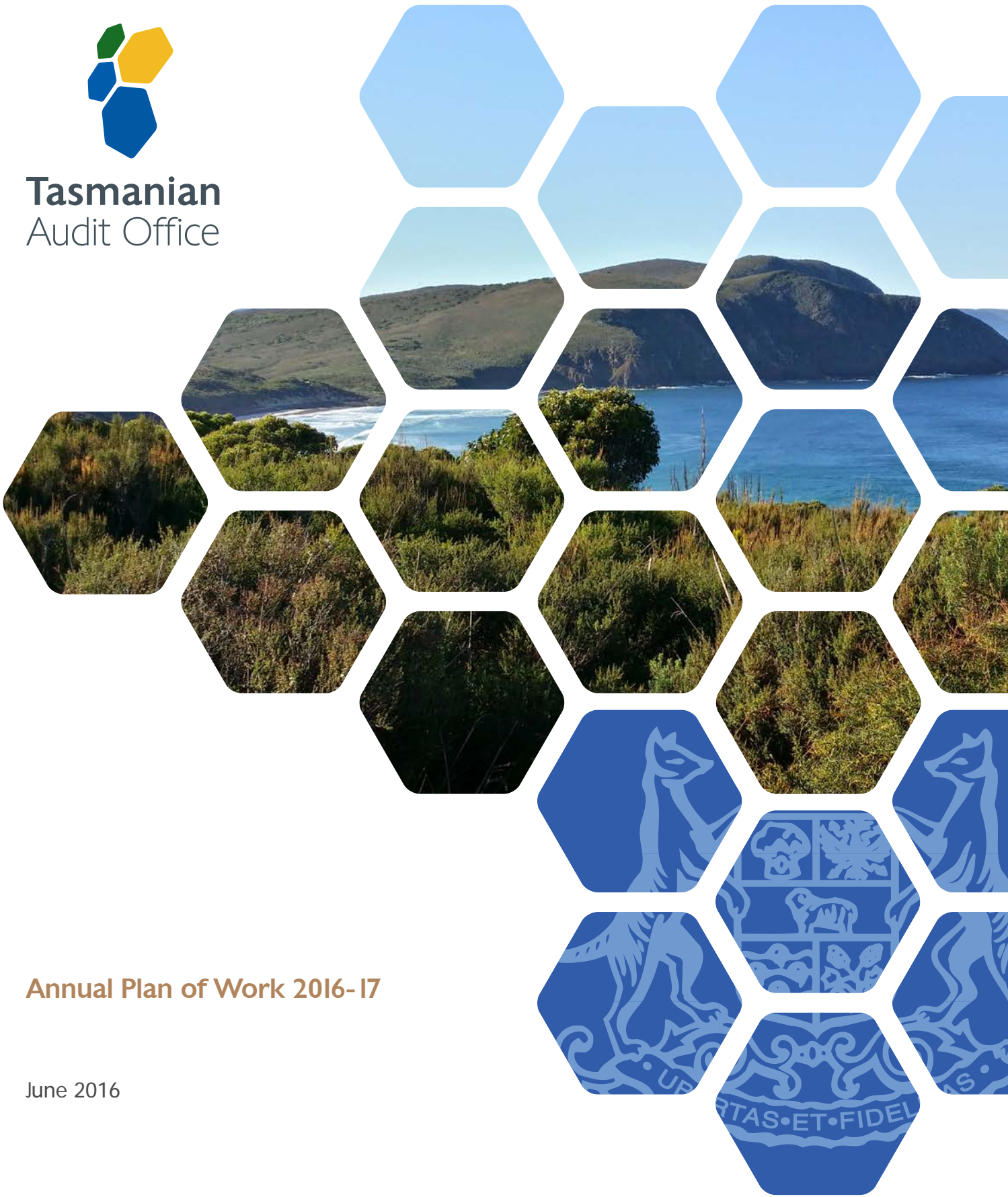




Tasmanian
Audit Office



Annual Plan of Work 2016-17

June 2016

THE ROLE OF THE AUDITOR-GENERAL

The Auditor-General's roles and responsibilities, and therefore of the Tasmanian Audit Office, are set out in the *Audit Act 2008* (Audit Act).

Our primary responsibility is to conduct financial or 'attest' audits of the annual financial reports of State entities. State entities are defined in the Interpretation section of the Audit Act. We also audit those elements of the Treasurer's Annual Financial Report reporting on financial transactions in the Public Account, the General Government Sector and the Total State Sector.

Audits of financial reports are designed to add credibility to assertions made by accountable authorities in preparing their financial reports, enhancing their value to end users.

Following financial audits, we issue a variety of reports to State entities and we report periodically to the Parliament.

We also conduct performance audits and compliance audits. Performance audits examine whether a State entity is carrying out its activities effectively and doing so economically and efficiently. Audits may cover all or part of a State entity's operations, or consider particular issues across a number of State entities.

Compliance audits are aimed at ensuring compliance by State entities with directives, regulations and appropriate internal control procedures. Audits focus on selected systems (including information technology systems), account balances or projects.

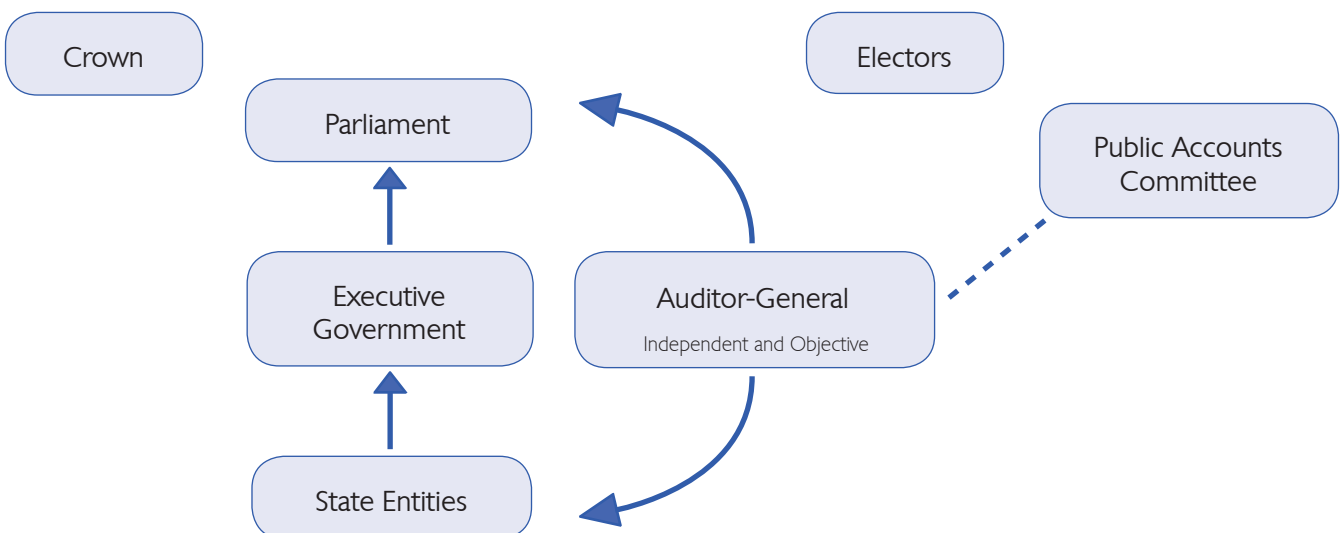
We can also carry out investigations but only relating to public money or to public property. In addition, the Auditor-General is now responsible for state service employer investigations.

Performance and compliance audits are reported separately and at different times of the year, whereas outcomes from financial statement audits are included in one of the regular volumes of the Auditor-General's reports to the Parliament normally tabled in May and November each year.

Where relevant, the Treasurer, a Minister or Ministers, other interested parties and accountable authorities are provided with opportunity to comment on any matters reported. Where they choose to do so, their responses, or summaries thereof, are detailed within the reports.

The Auditor-General's Relationship with the Parliament and State Entities

The Auditor-General's role as Parliament's auditor is unique.





24 June 2016

Chair

Public Accounts Committee

HOBART

President

Legislative Council

HOBART

Speaker

House of Assembly

HOBART

Dear Chair, Mr President and Madam Speaker,

In accordance with section 11 of the *Audit Act 2008*, I submit my annual plan of work for the 2016-17 financial year.

Yours sincerely

Rod Whitehead

Auditor-General

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FOREWORD

I am pleased to present my Annual Plan of Work (the Plan) for 2016–17.

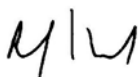
The Plan is a key accountability document for the Tasmanian Audit Office (Office). It is my statement of intent to the Tasmanian Parliament and the Tasmanian public on what we will scrutinise during the forthcoming year in our role of holding the Tasmanian public sector to account. It covers the reports we propose to deliver in 2016–17 together with the topics we are considering for future years.

In developing the Plan we continuously monitor issues and developments across the public sector and we consult extensively with relevant stakeholders throughout the year. In exercising my discretionary power to undertake audits, I am conscious that our audit reports need to be of interest to Parliamentarians and the public. During 2016–17 we will commence audits examining Tasmanian prisons, high school attendance and student engagement, gambling deterrence, formation of Tasmanian Water & Sewerage Corporation Pty Ltd, emergency medicine and management of State roads.

We will provide financial auditing and assurance services to State entities and report the findings of those audits to the Tasmanian Parliament. We will continue, as part of our financial audit work, to conduct cross-sector and other reviews of a waste or probity nature. Following media reports regarding the use of credit cards and expense reimbursements by councils over the past year, we will undertake a project examining the probity and propriety of purchases made by council general managers, mayors, councilors and aldermen during 2016–17.

As in past years, we have set ourselves an ambitious schedule of work. I am confident that the talented, experienced and dedicated staff of the Office will strive to deliver on the commitment that we have outlined in the Plan.

Senior staff in the Office, my predecessor Mike Blake, and a number of external stakeholders contributed to the development of this plan for which I thank them. I also thank the Public Accounts Committee for their observations about this plan and their past and on-going support for the Office.



Rod Whitehead
Auditor-General
24 June 2016

OUR MANDATE

KEY LEGISLATION

The Auditor-General's role is governed by the *Audit Act 2008* (the Act). It sets out the Auditor-General's functions, mandate and powers and governs the means by which the Auditor-General and the Office undertake attest, performance and other audits and investigations and report to Parliament.

The Act provides the Auditor-General with access to all information required in the conduct of audits and the freedom to report, subject to certain public interest tests, findings from audits to the Parliament, or the Public Accounts Committee or the Joint Standing Committee on Integrity. The Auditor-General is not subject to control or direction by either Parliament or the government.

The Act requires the Treasurer and accountable authorities to submit financial statements for audit within specified timeframes. Accountable authorities include all State entities as defined in the Act and listed in Appendix 1.

Combined these entities earn approximately \$10.72 billion revenue, incur about \$10.23 billion expenditure and hold total assets in excess of \$44.02 billion.

AUDIT ACTIVITY – AUDITS OF FINANCIAL STATEMENTS

Under the Act, the Auditor-General must undertake audits of financial statements of State entities and issue audit reports outlining their compliance with relevant accounting standards and legislation. The Auditor-General must also carry out audits of the Public Account Statements and any other statements required to be prepared by the Treasurer in accordance with any written law. Audits are carried out in accordance with Australian Auditing Standards.

Whilst not a legislative requirement, when conducting audits of financial statements, regard is had to whether there has been any lack of probity or prudence in the management or application of public resources.

Other audits can also be entered into by arrangement.

The Office's financial statement audit program is managed by its Financial Audit Services (FAS) unit with details of the 2016-17 program outlined from page 12.

AUDIT ACTIVITY – ACQUITTAL AUDITS, AUDITS OF REGULATORY INFORMATION NOTICES AND OF REGULATORY FINANCIAL STATEMENTS

FAS also carries out audits of numerous grant acquittal financial statements, financial assistance under both State and National Disaster Relief and Recovery Arrangements, when applicable, regulatory financial statements, Regulatory Information Notices issued by the Australian Energy Regulator and Australian Financial Services Licence returns.

AUDIT ACTIVITY – PERFORMANCE AUDITS

The Act provides the Auditor-General with the authority to undertake:

- performance audits examining the efficiency, effectiveness and economy of a State entity, a number of State entities, or a part of a State entity or a subsidiary of a State entity
- compliance audits examining compliance by a State entity, or a subsidiary of a State entity, with written laws or its own internal policies.

Other audits can also be entered in by arrangement.

The Office's performance audit program is managed by its Performance Audit Services (PAS) unit with details of the 2016-17 program outlined from page 15.

AUDIT ACTIVITY – EXAMINATIONS AND INVESTIGATIONS

The Act provides the Auditor-General with the authority to undertake:

- examinations or investigations into any matter relating to the accounts of the Treasurer, a State entity or a subsidiary of a State entity
- examinations or investigations into any matter relating to public money, other money, public property or other property.

Examinations and investigations can be assigned by the Auditor-General to either of the Financial or Performance audit units.

AUDIT ACTIVITY – STATE SERVICE AUDITS

The Act provides the Auditor-General with the authority to examine the performance and exercise of the Employer's functions and powers under the *State Service Act 2000*.

Audit work to be carried out relating to these arrangements is outlined from page 26 in this Plan these audits are referred to as 'State Service' audits.

AUDIT ACTIVITY – STANDARDS

The Act requires the Auditor-General to have regard to Australian Auditing and Assurance Standards when conducting audits, reviews or investigations. The Office applies methodologies and manuals aimed at ensuring compliance with these standards.

AUDIT ACTIVITY – REPORTING

The Act outlines the Auditor-General's reporting responsibilities which are:

- On completion of individual financial statement audits, audit reports, and any management letters, must be issued to the relevant State entity's responsible Minister and to the relevant accountable authority.
- On or before 31 December in each year, the Auditor-General is to report to Parliament on the audit of the financial statements of State entities, and audited subsidiaries, in respect of the preceding financial year. As will be seen from this Plan, this requirement is satisfied by the submission of one report comprising four volumes.
- Outcomes from any probity type audits conducted in line with the FAS program outlined from page 12 are, generally, included in volume 4 as are details of acquittal audits carried out.
- Following completion of performance or compliance audits, examinations or investigations, the Auditor-General may report to the Parliament, or the Public Accounts Committee or the Joint Standing Committee on Integrity. It would be unusual for the Auditor-General to report other than to the Parliament. This reporting requirement will be satisfied by the completion of up to seven performance audits and one 'State Service' audit in 2016-17.

AUDIT ACTIVITY – QUALITY ASSURANCE

To assure audit quality, the Director, Technical and Quality carries out, or initiates, reviews of audit files aimed at ensuring compliance with auditing and assurance standards and continuous improvement with outcomes reported to the Auditor-General and discussed by the Strategic Executive Management Group. These reviews can result in procedural enhancements and organised training aimed at overcoming any shortcomings identified.

THE PROVISION OF ASSURANCE AND LINKAGE WITH THE OFFICE'S PURPOSE

The primary outcome of the audit function is the provision of independent assurance. This links directly with the Office's Purpose which is to:

Provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public Sector.

The Office assists the Auditor-General to provide an independent view of the financial and operational performance of State entities.

INDEPENDENCE

Fundamental to the assurance provided to Parliament is that the Auditor-General, Office staff and contractors are, at all times, independent of State entities being audited. Independence is achieved by a number of mechanisms including:

- Inclusion of section 10 in the Act which authorises, and requires, the Auditor-General to act independently in relation to the performance of the functions of the Auditor-General and, subject to this Act and other written laws, the Auditor-General has complete discretion in the performance of those functions. In addition, section 10 provides that the Auditor-General is not subject to direction regarding the conduct of audits, matters to be reported and audit priorities.
- Explicit limitations in the Act regarding the role of the Auditor-General. That is, financial statements audits, performance (including ‘State Service’ audits) and compliance audits and examinations and investigations. The Auditor-General cannot, for example, provide advisory or internal audit services. However, the Auditor-General can carry out audits by arrangement and, as referred to on page 3, carries out probity audits, acquittal audits and audits required by regulatory authorities particularly in the water and energy sectors.
- Explicit limitations in the Act regarding to whom the Auditor-General must report. In the main, reporting is to the Parliament although management letters arising from audits are forwarded to the relevant Minister and to accountable authorities and/or to regulatory authorities and other Commonwealth entities. Significant matters in management letters are included in reports to Parliament.
- Annual declarations to the Auditor-General by all Office staff confirming their independence. Where potential conflicts are noted, staff are not allocated to relevant audits.
- Confirmation when planning audits that no independence risks exist. Where an independence risk exists, the risk is appropriately managed or staff are reallocated. Independence is also reaffirmed at the conclusion of audits.
- Explicit limitations in arrangements with audit contractors under which they cannot accept other engagements with audit clients to which they have been appointed. Exceptions to this are permitted at the discretion of the Auditor-General.

ETHICAL REQUIREMENTS

Whilst undertaking audit activities all staff are required to comply with any specific legislative requirements (e.g. confidentiality) or Office policies (e.g. Code of Conduct, Conflicts of Interest, Gifts and Benefits) regarding their behaviour and conduct in the performance of their duties. Staff also comply with the ethical requirements of relevant professional bodies.

Key ethical requirements are:

- public interest
- independence
- integrity
- objectivity
- professional competence and due care
- confidentiality and professional behaviour.

PROFESSIONAL SCEPTICISM

In planning and performing audits, auditors exercise professional judgment and maintain an attitude of professional scepticism, recognising that circumstances may exist which cause a financial report or information examined when conducting performance or other audits to be materially misstated.

WHO MAY WORK FOR THE AUDITOR-GENERAL?

Section 33 of the Act enables the Auditor-General to appoint persons employed by the Office to carry out audits or parts thereof or to appoint other persons to do this. In practice the Auditor-General appoints both staff and other persons with relevant audit skills to carry out audits.

OUR OUTCOME AND OUTPUTS

OUR OUTCOME AND OUTPUTS – PUBLIC SECTOR MANAGEMENT AND ACCOUNTABILITY

The Budget process has identified one outcome supported by two outputs that are consistent with our vision and purpose. The outcome is:

Parliament and Community are well informed and value the Tasmanian Audit Office as a source of independent audit advice and assurance on the performance and accountability of the Tasmanian Public Sector.

The outputs we must deliver to enable achievement of our outcome are:

- **Parliamentary Reports and Services** – Independent assessment of the performance of selected Tasmanian public sector activities including scope for improving economy and efficiency, and administrative effectiveness.
- **Audit Assurance** – Independent assurance of Tasmanian public sector financial reporting, administration, control and accountability.

We achieve our outputs by:

- each financial-year conducting audits of financial statements of approximately 170 public sector entities and of the Public Account Statements, the General Government Financial Statements and the Total State Financial Statements
- carrying audits aimed at assessing probity and or waste in State entities
- preparing one report, comprising four volumes, to Parliament annually detailing outcomes from financial audits, acquittal audits and probity/waste type assignments
- conducting audits of efficiency and effectiveness, compliance and special investigations to enable us to table up to seven reports in Parliament annually
- conducting audits, reviews or investigations of employer functions to enable the Auditor-General to complete at least one ‘State Service’ performance audit annually
- managing our Office activities effectively and efficiently.

STRATEGIC PLANNING

The Office has operated under a strategic plan covering the period from 1 January 2012 to 31 December 2015. In 2014 the 2012-2015 plan was revisited and a supplementary plan prepared. The supplementary plan did not replace the original plan and the Office continued to be accountable under both plans.

Copies of the 2012-2015 plans are available on the publications page of our website at:

www.audit.tas.gov.au/media/Supplementary-TAO-Strategic-Plan-2012-15.pdf

www.audit.tas.gov.au/media/Strategic-Plan-2012-2015.pdf

An assessment of the achievement of the 2012-2015 strategic plan and preparation of a five year strategic plan covering the period from 2016 to 2020 will be undertaken during 2016. The assessment of achievements and development of the new strategic plan were delayed due to the timing of the appointment of the new Auditor-General.

INPUT FROM THE PUBLIC ACCOUNTS COMMITTEE (THE COMMITTEE)

Consistent with the formal Statement of Understanding entered into between this Committee and the Auditor-General, we meet regularly primarily to:

- provide briefings on tabled audit reports. This is done to assist the Committee with its program following up these reports
- when applicable, report to the Committee on audit work referred by the Committee to the Auditor-General
- update the Committee regarding progress of our audit programs and where relevant progress on projects referred
- in addition, as part of developing this 2016-17 plan of work, we work-shopped with the Committee, in November 2015, our proposed work plan covering probity, performance and compliance audits and “State Service” audits
- discuss proposed future audit work. In this regard, it is our normal practice to outline the contents of our proposed annual plan of work prior to its submission in accordance with section 11(1) of the Act. This was done on 16 March 2016.

The Committee considered this proposed work program and on 27 May 2016 returned it to us with their comments in accordance with section 11(3) of the Act. Commentary provided by the Committee is dealt with on page 29 of this annual plan of work.

This opportunity is taken to acknowledge and appreciate the input and ongoing support from the Committee in the development of this plan of work and in the work of this Office generally.

NEW INITIATIVES IN 2016-17

These include:

FAS:

- will be piloting the new long-form audit report at selected State entities. A long-form audit report will record identified key risk areas, how we responded to them and what we found
- following a successful trial, will implement the use of computer assisted audit techniques and automated lead schedules to deliver greater efficiencies throughout the audit process
- continue implementation of a decision to limit audit fee increases for the 2015, and now also the 2016, audit cycles to between zero and 70% of inflation
- will, with assistance from CSS, commence and continue support for the Fiji Auditor-General's Office under a three-year twinning arrangement part funded under a contract with the Department of Foreign Affairs and Trade. Funding will not cover staff time which will be provided by FAS, primarily, and CSS.

OAG

- following an external quality assurance review of the Office by the Australasian Council of Auditors-General (ACAG), we will follow-up and respond to any recommendations for improvement.

CSS

- ongoing discussions with the Treasurer and Treasury on improvements to the Act
- ongoing improvements to the Office's website to include audio bites in relation to our reports and a regular blog from senior staff members on a variety of relevant topics
- implementation or revision of various policy frameworks including diversity, grievance, selection and recruitment and learning and development
- full compliance with the *Workplace Health and Safety Act 2012*
- implementation of up to date publications software for the production of the Office's reports
- new contract for the provision of internal audit services
- provision and assistance in relation to the Fiji project noted above under FAS.

RISKS AND PRESSURES FACING THE OFFICE

The Office faces a number of emerging/possible risks which it may need to be ready to respond to. Some matters noted here are already known while others are not definitive. These developments could impact both our FAS and PAS work programs:

- re-organisation of the Retirement Benefits Fund Board
- changes emanating from the Financial Management Bill relating to eliminating separate reporting by entities that are also included in departmental financial statements, for example Housing Tasmania, Tasmania Development and Resources
- potential local government reform
- potential implications on the Office of any changes to the role of the Integrity Commission
- the ongoing need to ensure internal resources, in particular human resources, are adequate to deliver financial and performance audit programs.

The Office continues to closely monitor these developments in particular possible implications for our critical mass and ability to respond to requests for audits.

As part of developing the 2016-17 budget and annual plan of work, the Office identified the following area of risk:

- Following change to the *State Service Act 2000* (SS Act) in February 2013, the Auditor-General agreed to carry out one 'State Employer' type audit or review annually with a series of possible annual projects included in the Office's annual plan of work. To facilitate this, during 2013-14 the Office was provided funding for the following functions:
 - conduct an annual review or audit of the State Service Employer report prepared by the Secretary, Department of Premier and Cabinet (DPAC)
 - investigations referred by the Employer under the SS Act which the Auditor-General agrees to conduct and/or
 - own-motion investigations, audits or reviews initiated by the Auditor-General.

In 2014-15 the funding for these functions was reduced to \$105,000 per annum due to budget decreases with an associated elimination of the requirement to conduct an annual review of the State Service Employer report. During the 2014-15 year, it became apparent that the funding provided of \$105,000 was only just sufficient to conduct one audit/review under the SS Act per year. The Office is currently investigating all avenues to increase the level of funding for these projects.

FINANCIAL AUDIT PROGRAM

The Act provides the Auditor-General with the mandate to carry out audits of the financial statements of the Treasurer and of all State entities and report to Parliament on matters arising from those audits. FAS assists the Auditor-General in fulfilling the obligation of forming an opinion on financial statements and reporting to the Parliament.

The aim of an annual financial audit is to enhance the degree of confidence in the financial statements by expressing an opinion on whether they are presented fairly, or give a true and fair view, in accordance with the applicable financial reporting framework. Under the Act, State entities shall within 45 days (that is, 14 August for June balance date reporting and 14 February for December balance date reporting) after the end of each financial year, submit to the Auditor-General their financial statements. The Auditor-General must then audit the financial statements and issue an audit report outlining compliance with relevant legislation and accounting standards within 45 days of their receipt. Where financial statements are received prior to 14 August/February, our within 45 days completion obligation commences from the date of receipt.

Financial audits are performed in accordance with Australian Auditing and Assurance Standards issued by the Australian Auditing and Assurance Standards Board. Whilst not a legislative requirement, when conducting annual financial audits, we give regard to probity considerations related to the management or use of public resources.

In conducting financial audits, we use an electronic financial audit methodology known as IPSAM (Integrated Public Sector Audit Methodology). IPSAM was specifically designed for the management of audits in the public sector environment and includes:

- reviewing the probity of matters associated with the management or use of public resources
- assessing compliance with relevant acts, regulations, Government policies and other prescribed requirements
- reporting to Parliament on matters arising from audits or relating to the Auditor-General's other activities in accordance with relevant legislation.

In addition to the financial statement audits of approximately 170 State entities, we also perform audits by arrangement, approximately 80 grant acquittal audits and audits or reviews of historical information called for by regulatory authorities.

Following the completion of financial audits, we must report to Parliament on outcomes of those audits. Currently we do this by means of one report to Parliament comprising four volumes as follows:

- Volume 1 - Analysis of the Treasurer's Annual Financial Report, results of General Government Sector entities, other non-GGS entities including the Retirement Benefit Fund
- Volume 2 - Government Businesses
- Volume 3 - Local Government Authorities, Joint Authorities and Tasmanian Water and Sewerage Corporation Pty Ltd (including financial sustainability and comparative analysis)
- Volume 4 - Other State entities (30 June and 31 December balance dates).

Where relevant these Volumes include outcomes from audits of probity/waste type projects.

To ensure that our reports are timely, we aim to table Volumes 1 to 3 by the last Parliamentary sitting period for the year and Volume 4 by the end of April/early May of the following year.

Where this is not achievable we will ensure Volumes 1 to 3 are at least tabled as soon as is practicable after the last sitting period. Each tabling is followed by a presentation to members of Parliament to provide them with a summary of the volume being tabled and to highlight any matters of importance. Where reports are finalised and tabled out of session, we will continue to offer presentations to members of Parliament in both the North and South of the State.

Our aim is to ensure our reports are relevant and a practical source of information for Members of Parliament and the public.

Information Sessions

We will continue to facilitate information sessions for:

- members of audit committees and senior executives in State entities. These are aimed at ensuring audit committees are kept up to date on developments in this important aspect of governance, fostering better understanding of the relationship between audit committees and ourselves and provides an opportunity for exchange of ideas and networking
- our audit clients to ensure they are kept aware of relevant changes in financial reporting requirements and other recent developments impacting financial management and auditing. These sessions are aimed at corporate, accounting and internal audit staff.

FAS probity/waste type project work

From time to time, as part of our financial audit work, we conduct cross-sector and other reviews to gauge the performance of the public sector in relation to selected issues. We have assessed the public sector environment and applied our internal methodology to select an audit project to be completed during 2016-17. Identified audit projects that may be undertaken in subsequent financial years are also detailed in the table below. These prospective audits are not static; they are subject to review periodically. Changes in, or delays to, the program can arise primarily from identification of higher priority topics, reviews undertaken by State entities and other third parties and resource constraints. For 2017-18 and subsequent years, while each project is numbered, the order of completion may change.

No.	Topic	Themes	Public Sector Bodies
Projects under way			
1	Probity review of fuel cards in all General Government Sector entities.	In January 2016, there were in excess of 3 000 fuel cards issued to Departments and used to purchase fuel for their light passenger and commercial vehicle fleets. The use of government vehicles, including the consumption of fuel, is subject to considerations such as appropriate standards of probity, propriety and accountability. The objective of this review is to examine the probity and propriety of the use of fuel cards and to determine the effectiveness of controls built into fuel cards and transaction reporting and monitoring aimed at preventing and/or detecting fraudulent or incorrect use. The review will cover transactions during the 2015 calendar year. This project was selected because of advice received indicating fuel cards may not be being well used.	All General Government Sector entities including the State Fire Commission.
Projects expected to commence in 2016-17			
1	Use of credit cards by council general managers, mayors, councilors and aldermen.	Credit cards are used by most general managers and some mayors, councilors and alderman for a range of purchases. This project would look at the probity and propriety of such purchases. This audit was selected because of public concerns in 2015 related to practices at a city council and whether such issues exist in other councils.	Councils to be selected.

No.	Topic	Themes	Public Sector Bodies
Expected to commence in 2017-18 and subsequent years			
1	Departmental Targeted and Negotiated Voluntary Redundancy (TNVR) and Workplace Renewal Incentive Payments (WRIP) – follow-up of review carried out by State Service Management Office (SSMO) in 2015.	It had originally been our intention to carry out an audit of these two programs but it was put on hold when the SSMO project was underway. Our focus will now be following up the extent to which recommendations made by SSMO were adopted and revised guidelines issued by SSMO are complied with. We will also examine the extent to which, assuming this is still an objective of the WRIP program, re-profiling eventuated. The revised audit objective will be to examine the extent to which the recommendations of the SSMO report have been taken up.	DPAC, Tasmanian Health Service (THS), TasTAFE and other agencies that offered WRIP and TNVR payments post the SSMO review.
2	Use of credit cards by Ministers, Ministerial advisors and departmental Secretaries.	Similar to councils, this project would look at the probity and propriety of purchases made. This audit was selected because it extends and complements other work we have done or plan to do in relation to credit cards.	Agencies to be selected.
3	Contracts appointing General Managers in local government.	The project will examine recruitment processes as well as contractual and remuneration arrangements. We are interested in this area as it is important that there is consistency of practice across Tasmanian councils.	Selected councils.
4	Probity of buy-local arrangements and timely payment of accounts by government businesses.	For some time now government has placed emphasis ensuring local businesses are given opportunities to participate in government procurements. In addition, timely payment of accounts has been subject to a Treasurer's Instruction for government agencies and the underlying principles have relevance to government businesses. This audit was selected because of concerns about application of the Buy Local Policy.	Selected government businesses.

PERFORMANCE AND COMPLIANCE AUDIT PROGRAM

Under Part 4 of the Act the Auditor-General may carry out examinations or investigations as defined by section 23. The PAS Business Unit is responsible for managing and conducting what is termed performance and compliance audits. The results of these audits are tabled in Parliament as they are completed. In carrying out its functions PAS applies procedures outlined in its internally generated audit manual which is compliant with Australian Auditing and Assurance Standards with working papers prepared by application of a modified IPSAM.

We have assessed the public sector environment and applied our internal methodology to select performance and compliance audit projects to be completed from 1 July 2016. These are detailed in the table below. However, prospective performance and compliance audits are not static; they are subject to review periodically. Changes in, or delays to, the program can arise primarily from identification of higher priority topics, reviews undertaken by State entities or other third parties and resource constraints. Normally, audits not commenced in 2016-17 will be 'rolled over' into the 2017-16 program although in some cases, following further consideration, projects are removed.

The table below shows likely completion dates for audit projects currently under way and likely project commencement dates for those audit projects to be commenced during 2016-17.

Audit project	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Funding forestry agreements	Light Blue	Dark Blue										
Management of national parks	Light Blue	Light Blue	Dark Blue									
Ambulance services	Light Blue	Light Blue	Dark Blue									
Event funding	Light Blue	Light Blue	Light Blue	Dark Blue								
Follow up of special reports not covered by the Committee	Light Blue	Light Blue	Light Blue	Light Blue	Dark Blue							
Tasmanian prisons	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Dark Blue	
High school attendance and student engagement			Red	Red	Red	Red	Red	Red	Red	Red	Red	Dark Blue
Gambling deterrence and revenue				Red	Red	Red	Red	Red	Red	Red	Red	Red
Formation of TasWater				Red	Red	Red	Red	Red	Red	Red	Red	Red
Emergency medicine											Red	Red
Management of State roads												Red

Legend

2015-16 projects (in progress)

2016-17 projects (commencing month indicated)

Likely project completion



The following table provides further details on current and future projects. While the audits noted below may have been numbered in an initial order of completion, this may change depending on resource availability and other factors.

No.	Topic	Themes	Public Sector Bodies
Projects currently under way			
1	Funding forestry agreements.	<p>The objective of this audit is to assess the effectiveness of the state's administration of projects listed for implementation by the Tasmanian Government, under the <i>Tasmanian Forests Intergovernmental Agreement 2011 and 2013</i>.</p> <p>This audit will examine administration of a selection of Tasmanian Forest Intergovernmental Agreements (TFIGA) projects, listed for implementation by the Tasmanian Government, in either version of TFIGA (2011) and (2013), as it pertains to Department of State Growth (State Growth) or its predecessor agencies, Department of Treasury and Finance (Treasury), Department of Primary Industries, Parks, Water and Environment (DPIPWE) or its predecessor agencies, Forestry Tasmania (FT) and any other relevant state entities. We have selected eight projects for testing.</p> <p>The audit was selected for two reasons:</p> <ul style="list-style-type: none"> • a request made by the Public Accounts Committee and • of problems reported in other jurisdictions with such things as seeming errors made in payments to encourage operators to exit the industry sector. 	State Growth, Treasury, DPIPWE and Forestry Tasmania.
2	Management of national parks.	<p>The objective of the audit is to form an opinion on how effectively (PWS) manages the State's national parks by reference to the adequacy of:</p> <ul style="list-style-type: none"> • planning processes • plan implementation. <p>The audit was selected because as major public assets, Tasmania's national parks are important economically as well as being emblematic of what the state has to offer residents and visitors.</p>	DPIPWE.
3	Event funding.	<p>The audits aims to express an opinion on whether supported events are cost effective for Tasmania and funded in accordance with applicable government policy.</p> <p>The audit was selected because of public perceptions of vote buying and reported scepticism as to the supposed benefits of such investment decisions.</p>	State Growth, DPAC, Department of Health and Human Services (DHHS).

No.	Topic	Themes	Public Sector Bodies
4	Ambulance services.	<p>Review the performance (responsiveness and other quality factors) of ambulance services in Tasmania. Recent relevant audits have been done in New South Wales, Queensland and Western Australia.</p> <p>The audit was selected because it would be useful to determine how well Tasmanian Ambulance Service (TAS) compares with comparable jurisdictions and to ascertain the State's performance over time.</p>	TAS.
5	Follow up of special reports not covered by the Committee.	<p>Follow up of special reports not covered by the Committee, including:</p> <ul style="list-style-type: none"> • Tourism Tasmania: is it effective? (Tabled: 1 September 2011) • The assessment of land-use planning applications (Tabled: 27 March 2012) • Hospital bed management and primary preventive health (Tabled: 28 May 2013) • Teaching quality in Tasmanian public high schools (Tabled: 26 June 2014). <p>Follow-up audits are conducted annually. Our objective is to assess the extent to which recommendations we made were implemented.</p>	State entities.
Projects expected to commence in 2016-17			
1	Tasmanian prisons.	<p>Review the management of Tasmanian prisons including security, reduction in recidivism and cost control/efficiency considerations. Also, explore the impact of prisoner release program run by non-governmental organisations (NGOs) such as Bethlehem House.</p> <p>The audit was selected because crime and crime reduction measures are costly to the community and there is a high degree of public interest.</p>	Department of Justice.

No.	Topic	Themes	Public Sector Bodies
2	High school attendance and student engagement.	<p>Establish the extent to which children fail to attend high school (and, whether schools are funded for non-attending students). The audit will also examine student engagement in classes and departmental and school monitoring and responses to lack of engagement.</p> <p>The audit was selected because of widespread concern about Tasmania's poor performance with retention rates. Many commentators see education as a key to improving the state's economic and social life.</p> <p>The Committee suggested we broaden this to include all schools, not just high schools. This will be considered when the audit scope is developed.</p>	Department of Education (DoE), High Schools.
3	Gambling deterrence and revenue.	<p>Determine whether all due revenue is received; is there legal compliance and the effectiveness of deterrence measures funded from gambling revenue.</p> <p>The State collects approximately \$90m annually from gambling activities, which include gaming machines, keno, casino, interactive gaming and wagering. <i>The Gaming Control Act 1993</i> requires people who work in the industry to help minimise the harm associated with gaming activities, including Responsible Conduct of Gaming. In addition, some gambling revenue is used to regulate gambling and to carry out research into deterrence measures.</p> <p>The audit was selected because of public concerns about the reach of gambling and the negative impacts that it has on the lives of many Tasmanians. Also relevant is that the agreement with the Federal group expires in 2018 with an audit prior to that date potentially informing future agreements.</p>	Treasury.
4	Formation of TasWater.	<p>Assess the extent to which the 2008 envisaged benefits for establishing the four former water entities (including water quality) have been achieved. In 2008 three water companies and a common services entity were set up to address problems with provision of water and sewerage services by local government but in 2013, the water companies were merged into TasWater.</p> <p>The audit was selected because changes to the way that water management has been undertaken in Tasmania have heightened public scepticism about what has actually been happening.</p>	TasWater, Owners' Representative Group.

No.	Topic	Themes	Public Sector Bodies
5	Emergency medicine.	<p>Review effectiveness and efficiency of provision of emergency health care at the four major hospitals and in other areas not served by a major hospital.</p> <p>The audit was selected because media coverage of alleged bottlenecks in emergency departments has generated concern over the adequacy of existing services.</p> <p>The Committee also requested that this audit consider:</p> <ul style="list-style-type: none"> • the occurrence and frequency of ambulance ramping affecting access to service in the Department(s) of Emergency Medicine and • matters causing bed blockage in inpatient areas, such as patients awaiting aged care beds. 	DHHS, THS.
6	Management of State roads.	<p>The audit will look at:</p> <ul style="list-style-type: none"> • detection and correction of maintenance problems • planning for upgrades and new roads (including linkages with the rail network) • monitoring and reporting • efficiency. <p>It was selected because State Growth is responsible for managing significant road networks throughout the State investing in excess of \$50m annually.</p> <p>The Committee also requested that this audit consider expanding the scope to also include the scrutiny of tendering processes to consider value for money in terms of time taken to complete road upgrades/ maintenance and the impact of public disruption on productivity.</p>	State Growth.

No.	Topic	Themes	Public Sector Bodies
Projects expected to commence in 2017-18 and subsequent years			
1	NGO grants in the human services sector.	<p>This project will use the ‘follow the dollar’ powers of the <i>Audit Act 2008</i> to examine outcomes from grant programs. It will also address compliance with reporting responsibilities. NGOs selected will include both very small and, in a Tasmanian context, very large NGOs engaged by DHHS.</p> <p>The audit was selected because of the growing trend to outsource health related services to the NGO sector with more than \$300m invested in 2013-14.</p>	DHHS.
2	Freight costs imposed by Government Business.	<p>The audit will focus on the components of freight costs imposed by Government Businesses including Tasmanian Ports Corporation Pty Ltd (TasPorts), Tasmanian Railway Pty Ltd (TasRail) and TT-Line Company Pty Ltd (TT-Line) and other relevant State entities with a particular focus on Bass Strait Island freight costs and perceived discrepancies between charges for freight to and from the Bass Strait Islands, as imposed by TasPorts, and those freight charges imposed on Tasmanian mainland producers.</p> <p>This audit was requested by the Committee when responding to the 2015-16 Annual Plan of Work at which time we noted our intention to “carry out a scoping exercise aimed at understanding the issues noted and develop an audit plan for discussion with the Committee prior to initiating any work”.</p> <p>This scoping exercise has still to be completed.</p>	Tasports, TasRail, TT-Line and other relevant State entities.

No.	Topic	Themes	Public Sector Bodies
3	Management of recurrent contracts.	<p>Review management of recurrent contracts. Examples of such contracts include public and school bus services, IT consultancies, waste disposal, shipping/ferrying, debt collection and specialist medical services. The audit would examine processes for defining service levels and breach remedies, monitoring performance and renewal of contracts.</p> <p>Audit procedures will include identifying concerns expressed by the Solicitor-General in his 2014-15 annual report http://www.crownlaw.tas.gov.au/solicitorgeneral/annualreport</p> <p>The audit was selected because there may be potential gains in service delivery of cost containment in properly managing services that government acquires from private sector providers.</p>	State entities based on contracts selected for audit.
4	Decision making process followed regarding unsolicited bids, and tourism investment opportunities in national parks.	<p>This audit will assess compliance with decisions made under unsolicited bids guidelines issued by Treasury and guidelines issued by DPIPWE regarding investment opportunities in national parks.</p> <p>Our objective will be to ensure compliance with relevant guidelines and Treasurer's Instructions. We will also assess the extent to which advice was provided by Crown Law and/or the Solicitor-General and the extent to which that advice was taken up or not.</p> <p>This audit was selected because by 2016-17 it is expected that decisions will have been made as a result of these two initiatives both of which are likely to have long-term consequences for Tasmania.</p>	Treasury, DPIPWE.
5	Financial information systems.	Annual project assessing successful implementation of new financial information systems and/or the effectiveness of system based and application based internal controls.	Selected State entities.

No.	Topic	Themes	Public Sector Bodies
6	Back office costs / Implementation of savings measures.	<p>Determine the extent to which cuts of back-office staff impacted on agencies' ability to function properly. Some concerns have been expressed that reductions in back office staffing may have left agencies too lean to adequately provide corporate support to their agencies. On the other hand, a performance audit by the Victorian Auditor-General found substantial differences between agencies in the manner and level of innovation of responses.</p> <p>The audit was selected because of public concerns that government cost cutting and claimed 'efficiency dividends' could be pursued to the point where service delivery suffers.</p>	Departments, in particular State Growth and THS.
7	Managing landfills.	<p>Determine how well landfill waste disposal is managed in Tasmania. Tasmanians generate about 1.2 tonnes of waste per capita annually. Landfill sites, also referred to as 'tips', are still the primary waste disposal mechanism and, if not managed effectively, could have negative environmental and public health consequences. At our last check, only one major 'tip' met EPA standards.</p> <p>The audit was selected because the planned Copping landfill project stimulated public interest in how well councils manage the risk of environmental damage and pollution control posed by allegedly substandard solid waste disposal practices.</p>	Councils, DPIPW.
8	Mental health services.	<p>Review the effectiveness and efficiency of service provision to people with mental illnesses and their carers. The audit would look at whether individual plans have been developed for clients and the extent to which those plans have been implemented. The audit is likely to be complex because of the wide variety of mental health illnesses and services provided and the delivery of some of those services via NGOs.</p> <p>The audit was selected because of public interest. With around 20 per cent of people expected to experience mental health problems at some point in their lives, it is an issue that profoundly affects society.</p>	DHHS, THS.

No.	Topic	Themes	Public Sector Bodies
9	Effectiveness of governance arrangements at State Growth.	<p>State Growth was established with effect from 1 July 2014. In the main it took over the activities of the former Departments of Infrastructure, Energy and Resources and Economic Development, Tourism and the Arts along with Skills Tasmania.</p> <p>It is now a complex agency with the Secretary reporting to eight Ministers and the organisational chart includes two positions – the CEO of Infrastructure Tasmania and that of the Coordinator-General – but who report directly to a Minister, not through the Secretary.</p> <p>This audit will examine the effectiveness of State Growth’s governance and accountability arrangements.</p> <p>This audit was selected in view of the complexity of these arrangements and our interest in assessing how they work.</p>	State Growth, Coordinator-General, Infrastructure Tasmania.
10	Effectiveness of governance arrangements at THS.	<p>In the last 10 years there have been significant structural changes in health including the establishment of:</p> <ul style="list-style-type: none"> • Area health services, followed by • Tasmanian Health Organisations and currently • THS. <p>The audit will evaluate reasons for each of these changes, documentation or business cases supporting each model and the extent to which the current structure is achieving stated objectives.</p> <p>This audit was selected because health is a significant draw on available public funds and successive governments have tried varying governance models seemingly with little success.</p>	DHHS, THS.

No.	Topic	Themes	Public Sector Bodies
11	Concurrent audit.	<p>At a meeting of the ACAG in November 2015 it was agreed that ACAG would pursue concurrent audits in the following three areas:</p> <ul style="list-style-type: none"> • mental health – specific/defined topic to be finalised, perhaps suicide prevention? • emergency management • family violence. <p>ACAG representatives were appointed to research these subject matters and to determine relevant audit criteria. Once this is completed, the Office will decide whether or not to participate.</p>	To be determined once project finalised and decision made whether or not to proceed.
12	Effectiveness and efficiency of investments of University of Tasmania (UTAS) in student accommodation and in managing UTAS' existing buildings.	<p>In recent years the UTAS has made/ is making significant investment in the construction of student accommodation at Burnie, Launceston and Hobart and expanding its 'footprint' into respective central business districts.</p> <p>These arrangements have included various land exchanges and related transactions impacting government, UTAS and councils.</p> <p>The audit would examine the quality of business cases, decision-making (including procurement) and monitoring arrangements as well as post completion evaluation. The audit will also assess any impacts on existing UTAS facilities including leasing arrangements.</p> <p>This project was selected because, in a Tasmanian context, these investments are significant involving multiple agencies.</p>	UTAS, State Growth and Hobart, Burnie and Launceston City Councils.

No.	Topic	Themes	Public Sector Bodies
13	Effectiveness of governance arrangements at UTAS.	<p>UTAS has existed for more than 125 years, having celebrated its 125th anniversary in 2015, and experienced significant growth over that period in particular in recent years. It is now a major business with activities throughout Tasmania and internationally.</p> <p>At the same time, corporate governance arrangements in Australia have evolved especially in the past 10 years. While more conventional corporate governance arrangements may or may not have relevance to universities, this audit is aimed at assessing the extent to which UTAS' governance and accountability arrangements have kept pace with reforms in governance generally. The audit will include governance arrangements as these relate to subsidiary entities and other entities through which academic, including research, functions are provided.</p> <p>This audit was selected in view of the changes experienced by UTAS and the complexity of its current arrangements.</p>	UTAS.
14	Random breath testing (RBT).	<p>Review the approaches used by Tasmania Police to deter and detect motorists driving under the influence of alcohol and drugs (audit would be similar in nature to the November 2009 audit of speed detection devices).</p> <p>The audit was selected because RBT is a vital element of government efforts to improve road safety.</p>	Department of Police, Fire and Emergency Management (DPFEM).

AUDITS AND INVESTIGATIONS OF THE STATE'S EMPLOYER FUNCTIONS UNDER THE STATE SERVICE ACT 2000

Under section 18 of the *State Service Act 2000*, the Employer, as defined under that Act but currently the Premier, may request the Auditor-General to conduct an investigation into any matter which relates to the administration or management of the State Service under Part 4 of that Act.

Under section 23(1)(g) of the Act, the Auditor-General may examine the performance and exercise of the Employer's functions and powers under this Act.

These provisions provide the Auditor-General with the discretionary mandate to respond to requests from the Employer and/or to initiate audits or investigations.

In determining the selection of audits or investigations to be completed the public sector environment has been assessed resulting in projects detailed in the table below. However, prospective audits or investigations are not static; they are subject to review periodically. Changes in, or delays to, the program can arise primarily from identification of higher priority topics, reviews undertaken by the Employer, requests from the Employer and resource constraints. Normally, audits or investigations not commenced in 2015-16 will be 'rolled over' into the 2016-17 program.

While the audits noted below may have been numbered in an initial order of completion, this may change depending on resource availability and other factors.

No.	Topic	Themes	Public Sector Bodies
Projects currently under way			
1	Workforce planning in the general-government sector, workforce profiling and demographic influences.	<p>This audit will assess how well these three elements of workforce management are understood, documented, planned and managed.</p> <p>The project was selected because of the ageing of the public sector workforce and the need to ensure appropriate planning for service delivery in future.</p>	All departments and State Fire Commission.
Project expected to commence in 2016-17			
1	Recruitment of Tasmanian State Service Senior Executive Service (SES).	<p>This audit will assess practices followed in recruiting members of the SES and in addition to traditional recruitment practices, will include assessment of:</p> <ul style="list-style-type: none"> • how remuneration packages are set and whether or not these are competitive • effectiveness of professional development arrangements • the extent to which members of the SES rotate between agencies. <p>This project was selected following a recent recruitment audit but which did not examine these arrangements as they relate to the SES.</p>	DPAC, all departments, the THS and TasTAFE.

No.	Topic	Themes	Public Sector Bodies
Projects expected to commence in 2017-18 and subsequent years			
1	Effectiveness of performance management systems in the general government sector.	<p>A revised performance management framework was introduced in 2014. This audit will assess implementation and effectiveness. Management of poor and high performance will be included.</p> <p>This project will include:</p> <ul style="list-style-type: none"> assessing how performance management systems provide for development opportunities including the fairness, access and equity in staff access to professional learning across the State and whether or not resourcing is adequate to meet demand and expectations approaches adopted by agencies to manage internal promotions based on advance assessment points or at other points. <p>This audit was selected because effective management of employees is essential to ensuring existence of a happy and cohesive work force with positive service delivery outcomes.</p>	DPAC, Treasury, State Growth and THS.
2	Compliance with workplace health and safety laws.	<p>Tasmania's workplace health and safety laws were phased in over a period commencing in 2014 with the expectation that all agencies would be fully compliant by 31 December 2016.</p> <p>Safe workplaces are essential in all agencies and this audit would assess compliance with selected aspects of the new laws.</p> <p>This project was selected because 2016-17 is sufficiently post implementation for an assessment to be made as to compliance by workplaces with its provisions.</p>	Mix of government departments, government businesses, TasWater and Councils.
3	Public sector recruitment.	<p>This audit will have the same focus as the project completed in 2013-14 but will focus on doctors, school principals and very senior positions within departments. Our work will also examine how long people recruited remain in the position taken.</p> <p>It was selected because this group was excluded from the first audit findings from which suggested a separate audit covering this group was warranted.</p>	THS, DPIPWE, DoE, TasTAFE and Justice.

No.	Topic	Themes	Public Sector Bodies
4	Redeployment arrangements.	<p>This audit will assess compliance with established redeployment rules (employment directions) and effectiveness thereof including vacancy control. It will assess how agencies identify who or what is surplus and how redeployees are managed.</p> <p>This project was selected based on information provided to the effect that redeployees may not be being well managed and that a 'centralised approach' to this might work better than the current management at an agency level.</p>	Justice, DPAC, State Growth.
5	Management of workers compensation arrangements.	<p>This audit will assess how effectively the general government sector is managing this sector's workers compensation arrangements and whether or not this is occurring in compliance with relevant legislation.</p> <p>This project was originally selected as a component of the audit of absenteeism but removed from the scope of that audit at that time because it was seen as a project in its own right and due to changes being implemented by the sector at that time.</p>	DHHS, DoE, Treasury, DPFEM.
6	Controls around recruitments and separations.	<p>This audit will examine the effectiveness of internal controls applied by State entities over staff recruitment and separations.</p> <p>The audit was selected because the State is a significant employer with numerous recruitments and separations occurring regularly. The audit will also assist identify good practices that some sector in the Tasmanian public sector may apply which others may benefit from.</p>	Mix of departments, councils, UTAS and government businesses.

RESPONSES FROM THE PUBLIC ACCOUNTS COMMITTEE AND ACTIONS TAKEN

Section 11 of the Act requires the Auditor-General to submit a draft annual plan of work (the plan) to the Committee by no later than 31 March each year. The Committee must consider the plan and may comment on it to the Auditor-General. Any comment must be provided by no later than 31 May.

Comments Provided by the Committee

The Committee received the Audit Office's draft Plan of Work 2016-17 on 31 March 2016 for consideration and comment in accordance with section 11 of the *Audit Act 2008*.

Following consideration of the proposed Plan of Work the Committee made the following comments:

- the draft Plan of Work represents a heavy schedule for the Office and
- in view of this the Committee requested that in finalising the plan the audit Office consider whether there is a need to include a more detailed schedule of the prioritisation of the proposed Plan of Works.

Auditor-General's response

The Office has noted the Committee's comments. A table summarising the prioritisation of projects for 2016-17 has been included on page 15. This table details the planned completion month for audit projects currently under way and planned commencement dates for audit projects to be commenced during 2016-17.

Identified audit projects that may be undertaken in subsequent financial years are also detailed in the table on pages 20 to 25. These prospective audits are not static; they are subject to review periodically. Changes in, or delays to, the program can arise primarily from identification of higher priority topics, reviews undertaken by State entities or other third parties and resource constraints. For 2017-18 and subsequent years, while each project is numbered, the order of completion may change.

APPENDIX I - STATE ENTITIES

STATE ENTITIES – EFFECTIVE AT 30 JUNE 2016

Executive and Legislature

Office of the Governor
House of Assembly
Legislative Council
Legislature-General

MINISTERIAL DEPARTMENTS (INCLUDING ADMINISTERED ACTIVITIES)

Department of State Growth including:

Abt Railway Ministerial Corporation
Tasmania Development and Resources
Tasmanian Museum and Art Gallery

Department of Education

Australian Vocational Education and Training Management Information Statistical Standard (AVETMIS)**
Office of Tasmanian Assessment, Standards and Certification
Schools Registration Board of Tasmania*

Department of Health and Human Services including:

Ambulance Tasmania
Housing Tasmania
Tasmanian Affordable Housing Limited #
Tasmanian State Pool Account

Tasmanian Health Service

Aged care financial report **
Mersey Community Hospital **

Department of Justice

Department of Police, Fire and Emergency Management # including
State Fire Commission

Department of Premier and Cabinet including

Tasmanian Early Years Foundation

Department of Primary Industries, Parks, Water and Environment

Tasmanian Wilderness World Heritage Area **

Department of Treasury and Finance including

Finance General

Treasurer's Annual Financial Report

General Government Sector Financial Statements
Public Account Statements
Total State Sector Financial Statements

GOVERNMENT BUSINESS ENTERPRISES

Forestry Tasmania

Newood Holdings Pty Ltd*

Newood Energy Pty Ltd*

Newood Huon Pty Ltd*

Newood Smithon Pty Ltd*

Hydro-Electric Corporation #

AETV Pty Ltd *

Bell Bay Power Pty Ltd *

Bell Bay Three Pty Ltd *

Entura Hydro Tasmania India Pvt Ltd *

Hydro Tasmania Consulting (Holding) Pty Ltd *

Hydro Tasmania South Africa (Pty) Ltd *

HT Wind Developments Pty Ltd *

HT Wind Operations Pty Ltd *

Lofty Ranges Power Pty Ltd *

Momentum Energy Pty Ltd #

RE Storage Holding Pty Ltd *

Macquarie Point Development Corporation

Motor Accidents Insurance Board #

Port Arthur Historic Site Management Authority

Private Forests Tasmania

Public Trustee

Tasmanian Public Finance Corporation #

STATE OWNED COMPANIES

Aurora Energy Pty Ltd

Metro Tasmania Pty Ltd

Metro Coaches (Tas) Pty Ltd *

Tasmanian Irrigation Pty Ltd

Tasmanian Ports Corporation Pty Ltd

Flinders Island Ports Corporation Pty Ltd *

King Island Ports Corporation Pty Ltd *

Tasmanian Railway Pty Ltd

Tasmanian Networks Pty Ltd

Auroracom Pty Ltd *

Ezikey Group Pty Ltd *

Tasracing Pty Ltd

TT Line Company Pty Ltd

LOCAL GOVERNMENT COUNCILS

Break O'Day Council
Brighton Council
 Brighton Industrial and Housing Corporation Pty Ltd
 Microwise Australia Pty Ltd
Burnie City Council
 Burnie Airport Corporation Unit Trust
 Tas Communications Unit Trust
Central Coast Council
Central Highlands Council
Circular Head Council
Clarence City Council
Derwent Valley Council
Devonport City Council
Dorset Council
Flinders Council
George Town Council
Glamorgan Spring Bay Council #
Glenorchy City Council
Hobart City Council
Huon Valley Council
Kentish Council
King Island Council #
Kingborough Council
 Kingborough Waste Service Pty Ltd ★
Latrobe Council #
Launceston City Council
 York Park and Inveresk Precinct Authority
 Launceston Flood Authority
Meander Valley Council
Northern Midlands Council
Sorell Council
Southern Midlands Council
 Heritage Building Solutions Pty Ltd ★
 Heritage Education and Skills Centre Pty Ltd ★
Tasman Council
Waratah-Wynyard Council
West Coast Council #
West Tamar Council

LOCAL GOVERNMENT AUTHORITIES

Copping Refuse Disposal Site Joint Authority #
Cradle Coast Authority #
Dulverton Regional Waste Management Authority
Local Government Association of Tasmania
Northern Tasmanian Regional Development Board Inc.
Southern Tasmanian Councils Association
Southern Waste Strategy Authority

LOCAL GOVERNMENT CORPORATIONS

Tasmanian Water and Sewerage Corporation Pty Ltd

OTHER STATE ENTITIES

Aboriginal Land Council of Tasmania
Asbestos Compensation Fund
Board of Architects of Tasmania ★
Brittons Swamp District Water Board ★
Brittons Swamp Drainage Trust ★
Council of Law Reporting
Egg Lagoon Drainage Trust ★
Elizabeth Macquarie Irrigation Trust ★
Forest Practices Authority
Forthside Irrigation Water Trust ★
Integrity Commission
Inland Fisheries Service
Lake Nowhere-Else Dam / Whitemark Creek Irrigation Trust ★
Lawrenny Irrigation Trust ★
Legal Aid Commission of Tasmania
Legal Profession Board
Lower Georges River Works Trust ★
Marine and Safety Tasmania
Mowbray Swamp Drainage Trust ★
National Trust of Australia (Tasmania)
Office of the Director of Public Prosecutions
Office of the Ombudsman and Health Complaints Commissioner
Property Agents Board
Property Agents Trust
River Clyde Trust
Retirement Benefits Fund Board #
 RBF Financial Planning Pty Ltd #
 RBF Direct Property Pty Ltd ★
 RBF Property Pty Ltd ★
Richmond Irrigation Trust ★
Royal Tasmanian Botanical Gardens
Solicitors' Trust
State Fire Commission

Tasmanian Beef Industry (Research and Development) Trust
Tasmanian Building and Construction Industry Training Board
Tasmanian Community Fund
Tasmanian Dairy Industry Authority
Tasmanian Economic Regulator
Tasmanian Heritage Council
Tasmanian Pharmacy Authority *
Tasmanian Timber Promotion Board * **
TasTAFE
Teachers Registration Board
Theatre Royal Management Board
The Nominal Insurer
Togari Drainage Trust *
Tourism Tasmania
University of Tasmania
 AMC Search Ltd
 Sense-Co Tasmania Pty Ltd *
 UTASAT Pty Ltd *
 UTAS Holdings Pty Ltd *
 Higher Education Research Data Collection **
Wellington Park Management Trust
Workcover Tasmania Board

HONORARY AUDITS

University of Tasmania Foundations Inc.
ANZAC Day Trust

AUDITS BY ARRANGEMENT

Natural Resource Management - North

Audits outsourced to external audit services provider

* Audits Dispensed with

** Grant Acquittal

AUDIT MANDATE AND STANDARDS APPLIED

Mandate

Section 17(1) of the *Audit Act 2008* states that:

‘An accountable authority other than the Auditor-General, as soon as possible and within 45 days after the end of each financial year, is to prepare and forward to the Auditor-General a copy of the financial statements for that financial year which are complete in all material respects.’

Under the provisions of section 18, the Auditor-General:

- (1) is to audit the financial statements and any other information submitted by a State entity or an audited subsidiary of a State entity under section 17(1).’

Under the provisions of section 19, the Auditor-General:

- (1) is to prepare and sign an opinion on an audit carried out under section 18(1) in accordance with requirements determined by the Australian Auditing and Assurance Standards
- (2) is to provide the opinion prepared and signed under subsection (1), and any formal communication of audit findings that is required to be prepared in accordance with the Australian Auditing and Assurance Standards, to the State entity’s appropriate Minister and provide a copy to the relevant accountable authority.’

Standards Applied

Section 31 specifies that:

‘The Auditor-General is to perform the audits required by this or any other Act in such a manner as the Auditor-General thinks fit having regard to –

- (a) the character and effectiveness of the internal control and internal audit of the relevant State entity or audited subsidiary of a State entity; and
- (b) the Australian Auditing and Assurance Standards.’

The auditing standards referred to are Australian Auditing Standards as issued by the Australian Auditing and Assurance Standards Board.



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