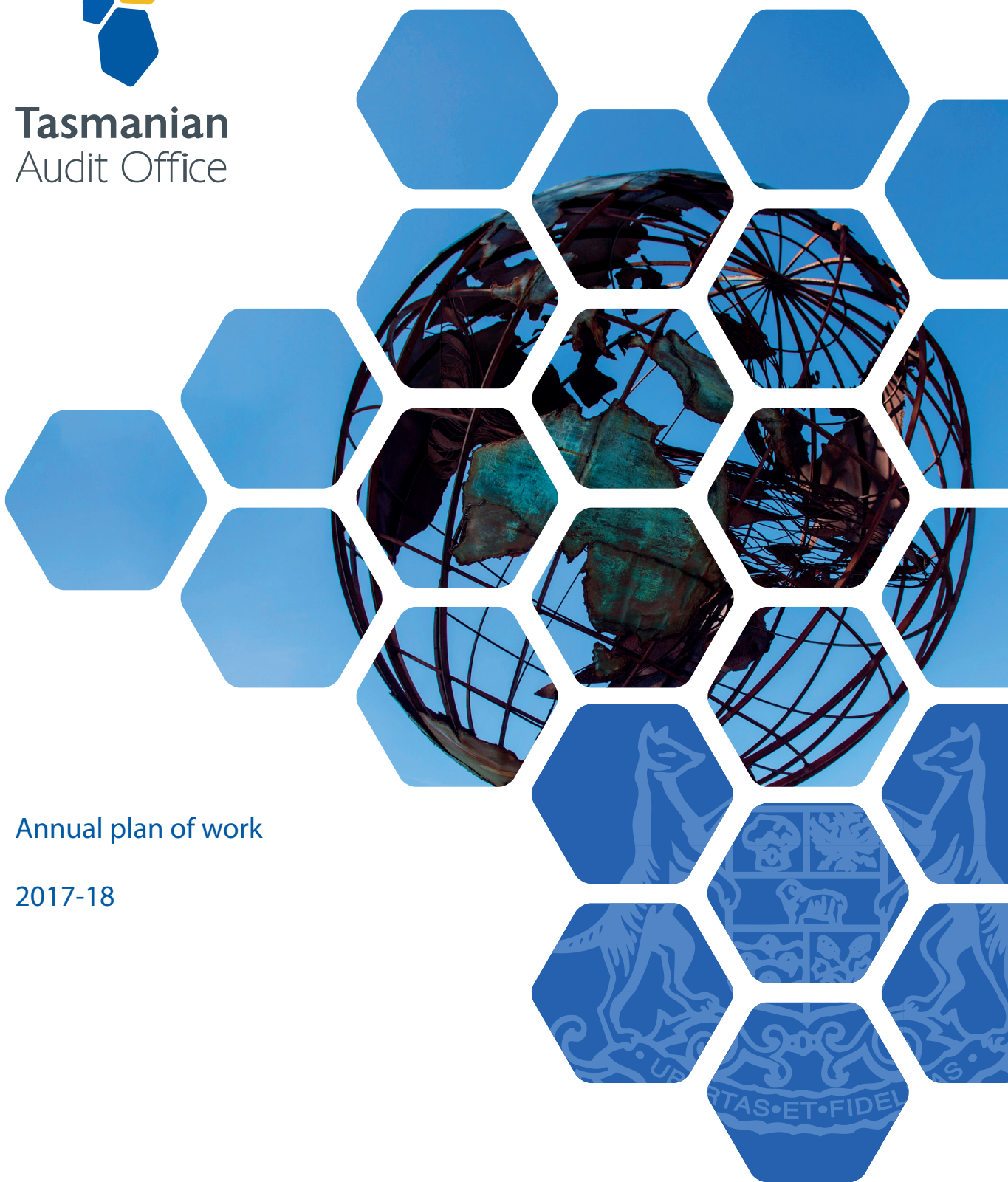




Tasmanian Audit Office



Annual plan of work

2017-18

June 2017

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.

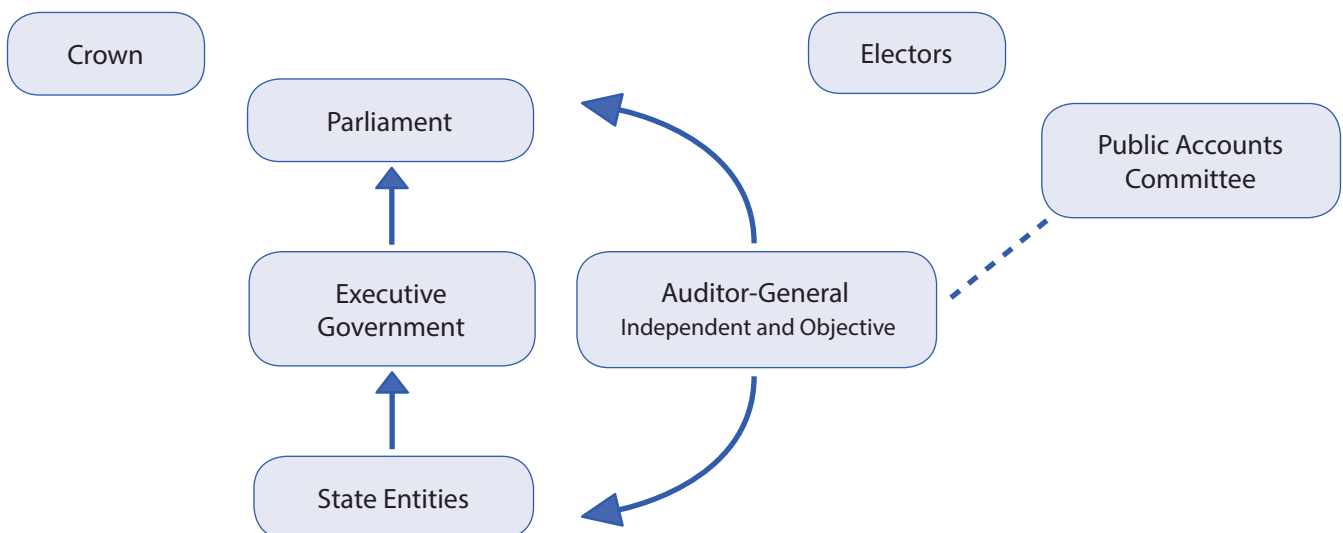
We can also carry out investigations but only relating to public money or to public property. In addition, the Auditor-General is now responsible for state service employer investigations.

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.



22 June 2017

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 2017-18 financial year.

Yours sincerely



Rod Whitehead
Auditor-General

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LIST OF ACRONYMS AND ABBREVIATIONS

Act	<i>Audit Act 2008</i>
Committee	Public Accounts Committee
DoE	Department of Education
DHHS	Department of Health and Human Services
DPAC	Department of Premier and Cabinet
DPFEM	Department of Police, Fire and Emergency Management
DPIPWE	Department of Primary Industries, Park, Water and Environment
DoJ	Department of Justice
Employer	<i>Minister administering the State Service Act 2000</i> (currently the Premier of Tasmania)
FMAA	<i>Financial Management and Audit Act 1990</i>
GGS	General Government Sector
ICT	Information and communications technology
IPSAM	Integrated Public Sector Audit Methodology
NGO	Non-Governmental Organisation
Office	Tasmanian Audit Office
Plan	Annual plan describing the Auditor- General's proposed work program for the following financial year
RHH	Royal Hobart Hospital
SSMO	State Service Management Office
State	Tasmania
State entities	A State entity as defined in Section 4 of the <i>Audit Act 2008</i>
State Growth	Department of State Growth
TasWater	Tasmanian Water and Sewerage Corporation Pty Ltd
THS	Tasmanian Health Service
TPS	Tasmanian Prison Service
TAFR	Treasurer's Annual Financial Report
TNVR	Targeted and Negotiated Voluntary Redundancy
Treasurer's Instructions	Instructions issued by the Treasurer under section 23 of the <i>Financial Management and Audit Act 1990</i> and section 114 of the <i>Government Business Enterprises Act 1995</i> .
Treasury	Department of Treasury and Finance

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INTRODUCTION

By 30 June each year, I am required to prepare and present to the Public Accounts Committee (Committee) an Annual Plan (Plan) that describes the proposed work program for the coming financial year (section 11 of the *Audit Act 2008* (the Act)). This provides the Tasmanian Parliament, the Tasmanian public sector and the community with an opportunity to understand our priorities and scrutinise our proposed work program for 2017–18 and 2018–19.

The Plan is a key accountability document for the Tasmanian Audit Office (Office). It is my statement of intent on what we will audit or examine during the forthcoming years and the reports we expect to table in Parliament.

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 relevance to the public sector and interest to Parliamentarians and members of the public.

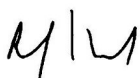
This year we have further developed and strengthened the methodology and criteria we use to guide our topic assessment and selection. These measures are designed to direct our efforts towards doing the right audits at the right time, and using our resources to make a difference in the community.

During 2017–18 we will commence audits examining the management of State roads, decision-making processes followed regarding expressions of interest for tourism investment opportunities in Tasmanian national parks, investments by the University of Tasmania (UTAS) in student accommodation and in managing UTAS' existing buildings, central government agency information and communications technology (ICT) strategy and investment, the Royal Hobart Hospital (RHH) redevelopment project and management of government concessions.

We will provide financial audit and assurance services to State entities and report the findings of those audits to 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 are undertaking an examination of the probity and propriety of purchases made by council general managers, mayors, councilors and aldermen. During 2017-18 we will conduct a similar examination focusing on credit card purchases by Ministers, Ministerial advisors and heads of agencies.

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.

Finally, I thank Parliamentarians, public sector staff and members of the community who have engaged with us to help formulate our 2017-18 audit program.



Rod Whitehead
Auditor-General

Table 1: Proposed reports to Parliament and other significant publications 2017-18 and 2018-19

2017-18	2018-19
Performance audits	
Formation of Tasmanian Water and Sewerage Corporation Pty Ltd (TasWater)	Decision-making process followed regarding expressions of interest, and tourism investment opportunities in national parks
Tasmania Prison Service (TPS)	Effectiveness and efficiency of investments by UTAS in student accommodation and in managing UTAS' existing buildings
High school attendance and student engagement	ICT strategy and investment ▲
Emergency medicine	RHH redevelopment project ▲
Management of State roads	Management of government concessions ▲
Follow up of audits not covered by the Committee ▲	Non-Governmental Organisation (NGO) grants in the human services sector
Short Audit Program – various topics ▲	Pre-construction management of significant projects by UTAS ▲
Financial audits	
Volume 1: Analysis of the Treasurer's Annual Financial Report, results of General Government Sector (GGS) entities and other non-GGS entities 2016–17	Volume 1: Analysis of the Treasurer's Annual Financial Report, results of GGS entities and other non-GGS entities 2017–18
Volume 2: Government Businesses 2016–17	Volume 2: Government Businesses 2017–18
Volume 3: Local Government Authorities 2016–17	Volume 3: Local Government Authorities 2017–18
Volume 4: State entities 31 December 2017, findings relating to 2016–17 audits and other matters	Volume 4: State entities 31 December 2018, findings relating to 2017–18 audits and other matters
Probity examinations	
Use of credit cards by local government council general managers and elected members	Contracts appointing general managers in local government
Use of credit cards by Ministers, Ministerial advisors and heads of agencies	
Audit of Employer functions and powers	
Appointment of Tasmanian State Service Senior Executive Officers, General Stream Bands 9 and 10 and Professional Stream Band 6 Positions	Effectiveness of performance management systems in the general government sector
Tasmanian Audit Office accountability reports	
Annual report 2016–17	Annual report 2017–18
Annual plan of work 2018–19	Annual plan of work 2019–20

Note: ▲ indicates a new report not in the previous annual plan.

OUR MANDATE

ROLE OF THE AUDITOR-GENERAL

The role of the Auditor-General is to provide independent assurance to the Tasmanian Parliament and the community on the performance and accountability of the Tasmanian public sector. We do this primarily by undertaking financial audits, performance audits and other examinations and investigations of public sector entities. The entities themselves are accountable to Parliament for their use of public resources and the powers conferred on them by Parliament.

GUIDING LEGISLATION

The Act is the principal piece of legislation governing and guiding the Auditor-General and the Office. It establishes the Auditor-General's mandate, provides the legal basis for his/her powers and identifies the Auditor-General's responsibilities.

The key responsibility of the Auditor-General is to audit the financial statements of State entities (listed in Appendix 1) and to report the results of those audits to Parliament. In addition, the Auditor-General must audit the Public Account Statements and any other statements prepared by the Treasurer in accordance with any written law.

The Act also 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
- examinations or investigations into any matter relating to the accounts or accounting and financial management information systems of the Treasurer, a State entity or a subsidiary of a State entity
- investigations into any matter relating to public money, other money, public property or other property
- examinations of the performance and exercise of the Employer's functions and powers under the *State Service Act 2000*.

Other audits can also be entered into by arrangement.

OUR FUNDING, OUTPUTS AND TARGETS

The resources allocated to the Office each year to undertake our audits and examinations and prepare our reports are determined through Tasmania's annual budget process. Under the State Budget framework, our resourcing is incorporated into one output group, Public Sector Management and Accountability. The services the Office must deliver to enable achievement of this Outcome are:

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

Performance measures for these outputs are published each year in the State Budget Papers and are reproduced in Table 2 on the following page. We report on achievement of these targets in our annual report.

More information on the planned outputs of our financial audits, performance audits and other examinations and audits is included in latter chapters in this Plan.

Table 2: Performance information

	Unit of Measure	2014-15 Actual	2015-16 Actual	2016-17 Target	2017-18 Target
All financial audit opinions to be issued within 45 days of receipt of final signed financial statements	%	92	97	100	100
Overall client satisfaction survey — Financial Audit	%	80	Nm	75	Nm
Parliamentarian general satisfaction index	%	97	Nm	75	Nm
Overall client satisfaction survey — Performance Audit	%	69	Nm	75	Nm
Number of Performance Audit reports tabled	#	6	6	7	7
Number of Statutory Reports on outcomes of financial audits	#	1	1	1	1
Average number of months performance Audits are completed within	Average months	10	9	9	9
Recommendations agreed and acted upon from performance audits	%	64	77	70	70
Number of 'employer' Performance Audits completed	#	1	1	1	1

Nm – not measured

COMMUNICATING OUR FINDINGS

The Act prescribes our reporting responsibilities, which include:

- the provision of audit reports, and any management letters, to the relevant State entity's responsible Minister and to the relevant accountable authority on completion of individual financial statement audits
- reporting to Parliament on or before 31 December in each year on the audit of the financial statements of State entities, and audited subsidiaries, in respect of the preceding financial year
- reporting, at the discretion of the Auditor-General, the outcomes of performance or compliance audits, examinations or investigations, to the Parliament, or the Committee or the Joint Committee.

In addition to the above requirements, we have a stakeholder engagement framework that aims to share the results of our audit findings and to encourage agencies to act on audit recommendations.

We engage through discussions, briefings and presentations with a broad range of stakeholders, including Members of Parliament, the Committee, heads of agencies, state entity executive management, chairs of boards and audit committees, mayors of councils and other integrity bodies.

We also communicate findings of audits through presentations, media releases, media interviews, submissions to inquiries and reviews, and lectures. We also provide information on our website (www.audit.tas.gov.au) — including full and summarised reports, presentations and audio summaries.

IMPROVING PUBLIC SECTOR PERFORMANCE

Through our audit work, we collect information, knowledge and experience that has relevance beyond solely acquitting our legislative responsibilities. While we have strict confidentiality provisions around audit evidence, there is some information that we are able to share that can be used by external stakeholders to help inform their own activities.

We have a unique perspective on the regulatory and policy framework governing the accountability of the Tasmanian public sector. We draw on our experience, expertise and research to contribute to the development of audit and accountability policy in the Tasmanian public sector, including reforms to legislation, regulation and standards. This takes the form of submissions to relevant Parliamentary or government inquiries, meetings with representatives of agencies developing policy on audit and accountability issues entities, and comments on exposure drafts of new accounting and auditing standards relevant to the Tasmanian public sector. These activities help to increase the impact of our audits, as they ensure that the audit function remains robust and relevant to the Tasmanian community.

ACCOUNTABILITY AND REPORTING PUBLICATIONS

The Act includes accountability and reporting requirements for the Office specifically, our Plan and our annual report.

The annual report contains our financial statements and a report of operations. The financial statements are audited by an independent auditor who is appointed by the the Governor, on the recommendation of the Treasurer. The financial statements of the Office are prepared in accordance with the Treasurer's Instructions issued under the provisions of the *Financial Management and Audit Act 1990* (FMAA) and applicable Australian Accounting Standards. The annual report includes an acquittal of our output performance measures established in the State Budget Papers and other key performance indicators.

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FACTORS SHAPING OUR AUDIT PROGRAM

A FOCUSED AND RELEVANT AUDIT PROGRAM

In developing this Plan, we have undertaken an environmental scan of topical issues in the state, national and global public sector environment and conducted extensive stakeholder consultation to identify and guide the development of our audit topics and areas of focus. This ensures that our audit program keeps up with the changing priorities and challenges of the Tasmanian public sector.

Environmental scanning

Environmental scanning is a year-round process that includes ongoing research as well as the identification of key risks and challenges for public-sector performance and accountability. It provides audit teams with an understanding of the particular context of that sector, as well as any relevant policy goals and service objectives set by the government of the day.

Our scanning includes consideration of media reports, relevant external publications, information gathered from audits, and the examination of underlying trends to identify public sector developments that may influence our audit program.

Examples of scanning activities include sourcing information from Parliamentary committees, other Auditor-General offices, integrity bodies, the Productivity Commission, various documentation — such as budget papers and annual reports — and agencies' strategies and structures.

We also use input from members of the community who have shared their concerns about public sector performance and accountability.

Stakeholder consultation

We consult widely to gather information and ideas for audit topics and to discuss the merits of, and approach to, potential audit topics. We seek input from Parliamentarians, Parliamentary committees, the public sector and other key stakeholders. This consultation helps us to refine our audit topics and areas of focus.

We analyse consultation feedback to identify recurring themes and instances of high relevance to our mandate. These are then fed into the planning process for consideration.

Public sector and other key sector stakeholders

Along with gathering information from the public sector, we consult heads of agencies, boards, audit committees and agency staff to help us understand the context of the information we have gathered and to assess the value of potential audit topics. We also consult other Tasmanian integrity bodies including the Integrity Commission and the Tasmanian Ombudsman.

Representatives from our Office also meet with representatives from industry, peak bodies, advocacy groups, community groups, unions and academics.

Parliamentarians

The interests of Parliamentarians are particularly relevant to our work, as they represent the interests of their communities. Throughout the year, we collect ideas and feedback from Parliamentarians on our work program through Parliamentary report tabling briefings, one-on-one meetings, surveys and correspondence.

Public Accounts Committee

Our key mechanism for consulting Parliament on our proposed audit program is through the Committee. The Act requires us to seek and consider the Committee's comments on our draft Plan. In addition, we are required to publish in the final Plan any changes to the draft Plan suggested by the Committee that the Auditor-General does not adopt.

The Committee has endorsed the draft Plan and advised it will complete its current schedule of following up of matters from previous Auditor-General reports before committing to the follow-up of further Auditor-General reports.

Input for future audit topics

We will continue to consult with key stakeholders, including audited agencies and their audit committees, as we develop audit topics for future annual plans. We also welcome ideas and input from the community on topics of interest for future years. Suggestions can be directed to the Auditor-General via post or on our website (www.audit.tas.gov.au/contact-us/)

DECIDING ON THE AUDIT PROGRAM

Our scanning, consultation and analysis led to the identification of a large range of possible audit topics for 2017–18 and future years. Each potential audit topic was assessed as part of the selection process and then the balance and coverage of the program was considered as a whole.

Assessing topics

Potential financial audit areas of focus are selected by considering how effectively they cover our legislative obligation to assess waste, probity and financial resource management, and address risks within the operating environment of the audited agency.

Potential performance audit topics are assessed based on a consideration of the following factors.

Significance - financial materiality

Financial materiality reflects the financial resources attributed to the audit topic — the value of the Tasmanian public sector assets, annual expenditure and annual revenue against a relevant financial base (such as the entity's net operating result or the relevant expenditure or revenue category).

Significance - material nature, influence or public interest

Materiality by nature recognises that an activity or program may have importance to perceptions of public administration and accountability by its very nature; i.e. even if it is not significant financially (fraud, abuse of authority, or waste may be 'material by nature' regardless of the amounts involved).

Influence recognises that an activity or program may have considerable influence or leverage beyond its own entity. These activities may be materially small but have a significant impact on other areas of the Tasmanian Public Sector or community. For example, a policy-setting body may be quite small but its influence can be extensive.

In considering the qualitative significance of a potential performance audit topic, we also take into account the impact of an error or irregularity on public accountability and the level of parliamentary and public interest in the outcome of the audit.

Risk to good management

Priority may be given to an area or activity where we consider there are higher risks to good management (i.e. to efficiency, effectiveness, or economy, as well as ethical and reputation risks). In considering risks, we consider financial, social and environmental risks. This will include an assessment of risk factors such as:

- nature, where the nature of the subject matter creates inherent risks, such as new and emerging programs, innovative approaches, development of complex or innovative ICT products
- history, where previous reviews or audits in the relevant area have identified weaknesses in controls, systems or approaches that appear ongoing or have widespread effects
- change, where the subject area has been subject to significant change, such as being given an expanded or markedly different role than in the past, or significant change of personnel, especially in leadership positions
- visibility, whereby risks tend to increase when activities are not open to public scrutiny. Visibility (transparency) refers to the extent to which the policy, guidelines, and processes effecting the activity or area are within the public domain.

Potential impact

The potential of a performance audit to promote public accountability and, through its recommendations, improvements in administration is an important consideration, whether the audit findings are positive or otherwise. Audit impact can be increased where recommendations arising from an audit are likely to have:

- significant positive impacts on agency performance
- broader implications outside the audited agencies
- whole-of-government applications.

Other review

If there have been previous reviews by competent authorities, the Auditor-General is less likely to initiate a performance audit on the same topic. Such reviews include internal and external audits and evaluations by bodies such as the Integrity Commission, Ombudsman, Commissioner for Children and Young People. In assessing this criterion, the Office considers the recentness, independence, coverage, and quality of any previous reviews, whether the outcomes were made public, and whether the agency implemented the agreed recommendations.

Auditability

Audit selection takes into account the auditability of the proposed topic, which is influenced by such matters as the complexity of the subject matter, and the availability of acceptable audit criteria, performance standards, or reliable information. Other factors considered include the availability of human and financial resources (e.g. audit staff, contractors, consultants or subject experts to act as advisers) and the likely duration of the potential audit.

Balance and coverage of the program

When finalising topic selection, we consider whether we have effectively covered our legislative obligations to review efficiency, effectiveness, economy and compliance with all relevant legislation and regulation and to consider waste, probity and resource management. We also consider the spread of activity across sectors and agencies, as well as ensuring that there is coordination between the financial audit and performance audit programs. Additionally, we consult with integrity bodies and agencies to minimise duplication across the broader integrity system.

We believe that this process has created a balanced, efficient and effective audit program for 2017–18 and 2018–19 that addresses our legislative obligations while remaining responsive to areas of public interest.

Our audit program is not static; it is 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 planned but not commenced in the one year will be 'rolled over' into the audit program of the following year. In some cases, following further consideration, audits may be removed from the program.

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FINANCIAL AUDIT WORK PROGRAM

OVERVIEW OF OUR FINANCIAL AUDIT PROGRAM

Key outputs from our financial audit program are summarised below.

Opinions on financial statements of State entities

The Auditor-General (including authorised delegates) issues audit opinions on whether the financial statements of State entities fairly present, or give a true and fair view of, their financial position and performance for the year, in accordance with applicable Australian Accounting Standards and the relevant legislative reporting framework.

Opinion on the Annual Financial Report of the State of Tasmania

The Treasurer's Annual Financial Report (TAFR) presents the consolidated financial position and performance of the Total State and the GGS. It also includes the Public Account statement prepared on a cash accounting basis, incorporating all transactions, be they operational or capital in nature, entered into by agencies from the Special Deposit and Trust Funds and Consolidated Fund. TAFR is a key accountability document for informing Parliament and the public. The Act requires the Auditor-General to express an opinion as to whether the TAFR is fairly presented in accordance with the FMAA and applicable Australian Accounting Standards.

Parliamentary reports on results of financial audits

At the conclusion of each audit cycle the Office tables a report in Parliament about the results of our audits of public sector entities' financial statements and our audit of the TAFR. Currently we do this by means of one report comprising four volumes as follows:

- Volume 1 — Analysis of the Treasurer's Annual Financial Report, results of GGS entities and other non-GGS entities
- Volume 2 — Government Businesses
- Volume 3 — Local Government Authorities
- Volume 4 — State entities (31 December year-end), findings relating to audits and other matters.

Our reports include comments on selected areas of focus, covering key elements of financial and asset management and governance.

We aim to table Volumes 1 to 3 by the last Parliamentary sitting period for the calendar year and Volume 4 by the end of April/early May of the following year. Where this is not achievable we table Volumes 1 to 3 as soon as is practicable after the last sitting period. Each tabling is followed by a presentation to Parliamentarians 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.

Probity examinations

Outcomes from probity examinations may be reported to the Parliament, the Committee or the Joint Committee. Outcomes from probity examinations may be reported and tabled as individual reports, or may be included in our reports to Parliament about the results of our audits of public-sector entities' financial statements.

Audits by arrangement

Under the Act we have the ability to conduct audits and provide other services of a kind commonly performed by auditors by arrangement. We undertake audits by arrangement covering:

- audits required by regulatory authorities particularly in the water and energy sectors
- audits of council special committees
- audits under the *Aged Care Act 1997* and the Accountability Principles 2014
- audit of the special purpose financial report of the Mersey Community Hospital
- grant acquittals.

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 these committees are kept up to date on developments in 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.

DELIVERING OUR AUDITS

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 have to submit their financial statements to the Auditor-General within 45 days after the end of each financial year (that is, 14 August for June balance date reporting and 14 February for December balance date reporting). The Office 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 signed financial statements are received prior to 14 August/February, our 45 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.

Financial audits are conducted by our staff or with the assistance of externally engaged firms. All audits conducted with the assistance of external firms are subject to project management and quality assurance by our staff and all audit opinions are issued by the Auditor-General or an Office authorised delegate.

Our audit portfolio management objective is to achieve a balanced allocation of higher-risk, material and/or strategic audits between our staff and externally engaged firms. This allocation takes into consideration our financial budgetary requirements and opportunities for our staff to develop their skills and experience. Our resourcing decisions also take into account the level of highly specialised technical skills or expertise required in an audit, which may not currently exist within our Office. In instances where it is not practical or viable to build this expertise internally, external specialists are contracted to provide this capability.

PLANNED FINANCIAL AUDIT OUTPUTS FOR 2017–18

We will continue to deliver a diverse range of financial audit and assurance services in 2017–18 pursuant to the Act. Table 3 provides an overview of those activities and any other applicable legislative frameworks.

Table 3: Financial audits and assurance activities expected to be conducted in 2017–18

2017-18	Number ¹
Financial statement audits	
<i>Financial Management and Audit Act 1990</i>	17
<i>Local Government Act 1993</i>	36
<i>Corporations Act 2001</i>	14
<i>Government Business Enterprises Act 1995</i>	7
Other legislation or reporting frameworks	45
Audits by arrangement	9
Total financial statement audits	128
Probity examination	
Reporting of outcomes from any probity examinations — not included in other Parliamentary reports	2
Parliamentary report	
<i>Audit Act 2008</i> — report on the results of financial audits	1
Other audits	
Audits by arrangement, including regulatory audits	7
Funding acquittals ²	76

1.The number of audits conducted varies each year due to changes in the number of public sector entities and the level of audit dispensation provided.

2.Based on 2015-16 data. Acquittals are only conducted if required under agreements related to specific funding programs.

Our financial audit program is dynamic, reflecting changes such as the creation of new entities and the cessation of others, including the impacts of machinery-of-government changes in the composition of portfolio departments and associated entities. As such, the number of audit and assurance activities we conduct can change throughout the year and over time in accordance with changes in the number of public sector entities.

PROBITY EXAMINATIONS

Probity examinations assess whether there has been any lack of probity or prudence in the management or application of public resources. Tables 4 and 5 provide further detail on current and future probity examinations.

Table 4: Probity examinations currently in progress.

Audit or examination	Background	State entities covered
Use of credit cards by council general managers and elected members	<p>Credit cards are used by most general managers and some elected members to purchase goods or services for official purposes. While credit cards enable some efficiency to be achieved, particularly for low value purchases, their misuse can expose councils to probity risk or potential fraud, attract considerable public interest and damage reputation.</p> <p>The objective of this examination is to assess how effectively councils manage and control the use of credit cards to ensure both probity and propriety. Only transactions for credit cards issued to general managers and elected members (mayors and councillors or aldermen) will be examined.</p>	All local government councils

Table 5: Probity examinations expected to commence in 2017–18 and 2018–19.

Audit or examination	Background	State entities covered
2017-18		
Use of credit cards by Ministers, Ministerial advisors and heads of agencies.	<p>This examination will assess the probity and propriety of purchases made on credit cards or Tasmanian Government Cards by Ministers, Ministerial advisors and heads of agencies.</p> <p>This examination follows on from our work examining the use of credit cards by council general managers, mayors, councillors and aldermen.</p>	GGS, Ministers and Ministerial advisers.
2018-19		
Contracts appointing general managers in local government	<p>This examination will assess recruitment processes, contractual and remuneration arrangements and performance assessment for general managers in local government.</p> <p>We are interested in this area as it is important there is consistency of practice across Tasmanian councils.</p>	Selected local government councils

PERFORMANCE AUDIT WORK PROGRAM

OVERVIEW OF OUR PERFORMANCE AUDIT PROGRAM

Under Part 4 of the Act the Auditor-General may carry out a range of examinations or investigations as defined by section 23. This includes examining the efficiency, effectiveness and economy of all or part of an entity's activities, or the activities of a number of entities, or examining the compliance of an entity with written laws or its own internal policies. These examinations are commonly referred to as performance audits.

Performance audits assess whether an entity is meeting its aims effectively, using its resources economically and efficiently, and complying with legislation. They typically extend beyond the examination of the financial affairs and transactions of the entity to encompass wider management issues of significance to the community. They can provide assurance about activities that are performed well or represent better practice, and also identify opportunities for further improvement.

DELIVERING OUR AUDITS

Performance audits are conducted in accordance with relevant standards issued by the Australian Auditing and Assurance Standards Board. These standards cover planning, conduct, evidence, communication, reporting and other elements of performance audits.

Our performance audits often involve complex issues and multiple agencies or other state entities. Thus, after we have consulted with stakeholders as part of the development of the annual plan, we will typically undertake more detailed planning and scoping to refine the criteria and lines of inquiry related to an audit. We normally do this by gathering and reviewing relevant documents as well as consulting with key stakeholders — including agencies, interest groups, academics and others — about the key issues. We then finalise the audit specification before commencing the conduct phase.

Performance audits can be conducted at any stage of a program's life cycle. In many instances, there is value in conducting an audit in the early, formative stages, particularly where a program addresses matters of public significance or involves a potential substantial investment by the state. The findings from an audit conducted during the formative stage provide an opportunity for assessing whether a program has been set up in a way that supports achievement of its intended outcomes. For example, the report of the Auditor-General No. 6 of 2013–14 examined aspects of governance and project management at the initial stages of the redevelopment of the RHH and made recommendations aimed at improving governance and project management for the remainder of the redevelopment.

In planning our performance audits, each audit is carefully scheduled following consideration of the optimal value its findings can generate, both for the program itself and for the broader community.

Our performance audits are typically delivered by our staff, however, we do periodically engage experts to advise our performance audit teams on complex and technical issues. We also use contractors to supplement our staff resources where required.

The outcomes of our performance audits are tabled in Parliament as they are completed.

Performance audit criteria

To reach conclusions against our audit objectives, we determine criteria against which to assess performance. We develop our audit criteria in accordance with relevant standards issued by the Australian Auditing and Assurance Standards Board and in consultation with the audited entities. While criteria are specific to the audit topic and scope, our criteria often share common areas of focus.

Figure 1: Types of criteria commonly included in performance audits

Economy	Efficiency	Effectiveness
<p>Definition: Acquisition of the appropriate quality and quantity of resources at the appropriate times and at the best cost.</p> <p>Examples:</p> <ul style="list-style-type: none"> • goods and services are procured for the best possible price • desired quality standards have been achieved within time and budget parameters. 	<p>Definition: The use of resources such that output is optimised for an given set of resource inputs, or input is minimised for any given quantity and quality of output.</p> <p>Examples:</p> <ul style="list-style-type: none"> • resources are used to maximise output of activity levels • controls and monitoring are used to track and manage resource use and improve efficiency. 	<p>Definition: The achievement of the objectives or other intended effects of activities at a program or entity level.</p> <p>Examples:</p> <ul style="list-style-type: none"> • the entity has achieved its stated objectives • the project has delivered the solution in accordance with the agreed specification.
Compliance		
<p>Definition: Compliance of an agency program with all relevant regulation, policies and rules.</p> <p>Examples:</p> <ul style="list-style-type: none"> • the entity can demonstrate compliance with objectives, functions and requirements of relevant legislation • the entity has systems and processes to monitor compliance and address instances of non-compliance. 		

Follow-up audits

As part of our performance audit program, we are also committed to conducting follow-up audits. These follow-up audits aim to monitor entity progress in implementing recommendations from previous performance audits and also verify that actions taken by entities have been effective in addressing the recommendations.

Nearing the end of a performance audit, a proposed draft of the report is provided to audited agencies. At this time, agencies are asked to provide a written response to the report and the recommendations made for inclusion in the published report.

The follow-up audits seek and assess evidence to verify agency responses to performance audit recommendations. The issues identified in the initial audit, as well as consideration of the risk and materiality of the subject matter will inform the selection of follow-up audits. The audit may review all recommendations and/or agencies, or a selection of them, from the original audit.

Short Audit Program

In addition to our usual comprehensive performance audit program, for 2017-18 the Office will add a Short Audit Program to our work program.

The purpose of this program is to supplement our in-depth audits with a suite of shorter audits undertaken and delivered within 1-3 months. It is intended that these audits be designed to allow the Office to respond quickly to emerging risks and issues where we can proactively add value by undertaking a more compact, targeted and focused audit. This will enable agencies to realise the benefits of our findings and recommendations more quickly for high impact/high visibility programs and decisions.

At this stage we have not determined the content of this program in order to allow maximum flexibility to respond as issues emerge and we are open to discussion and suggestions from our stakeholders.

This new work element will be trialled for 1-2 years to determine whether it indeed adds the value we anticipate and a review of the program will occur prior to submitting our next annual plan.

PLANNED PERFORMANCE AUDIT OUTPUTS FOR 2017–18

In 2017–18, we plan to deliver six performance audits.

Table 6: Performance audit reports expected to be tabled in 2017-18.

Audit project	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Formation of TasWater	●	●	■									
Tasmania Prison Service	●	●	●	■								
High school attendance and student engagement	●	●	●	●	●	●	●	●	●	■		
Emergency medicine	●	●	●	●	●	●	●	●	●	■		
Follow up audit "L"		▲	●	●	●	●	●	●	●	●	■	
Management of State roads			▲	●	●	●	●	●	●	●	●	■

Legend:

Audit in progress



Audit planned commencement



Audit planned completion and tabling



PERFORMANCE AUDITS IN PROGRESS

Table 7: Performance audits currently in progress.

Audit or examination	Background	State entities covered
Formation of TasWater	<p>The audit will examine the management and operation of water and sewerage infrastructure assets before and after the commencement of the Water and Sewerage Corporations Act 2008 and the Water and Sewerage Corporation Act 2012 (the restructures).</p> <p>The objective of the audit will be to assess the extent to which the benefits, as envisaged by the government in the 2008 and 2013 water and sewerage reforms, have been achieved. The audit will assess whether the restructures:</p> <ul style="list-style-type: none"> • delivered improved public health and environmental benefits • improved strategic asset management • delivered the expected financial benefits • provided improved customer service. 	TasWater, Owners' Representative Group
Tasmania Prison Service (TPS)	<p>The original focus of the performance audit, as outlined in our Annual Plan of Work 2016-17, was to ...review the management of Tasmanian prisons including security, reduction in recidivism and cost control/ efficiency considerations...</p> <p>However, the recent appointment of a Custodial Inspector, attached to the Office of the Ombudsman, will provide independent external scrutiny into all aspects of prisons and detention centres in Tasmania will also examine aspects of TPS that were within the scope of our intended audit. Accordingly, to avoid an overlap with the work of the Custodial Inspector, we have revised the scope of our audit to focus on the effectiveness and efficiency of TPS's financial management of its custodial facilities.</p> <p>The audit will focus on TPS financial management of its operations, with specific regard to:</p> <ul style="list-style-type: none"> • managing its custodial facilities efficiently • cost management, including monitoring, reporting and responding to variations in performance • human resources management • asset management. <p>The audit will also consider the costs associated with TPS and THS in providing prisoner health services.</p>	DoJ, TPS, THS
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>	DoE
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 Departments of Emergency Medicine • matters causing bed blockage in inpatient areas, such as patients awaiting aged care beds. 	DHHS, THS

1. Tasmanian Audit Office, Annual Plan of Work 2016-17, 2016, p. 17.

PERFORMANCE AUDITS EXPECTED TO COMMENCE IN 2017-18 AND 2018-19

Table 8: Performance audits expected to be commenced in 2017-18 and 2018-19.

Audit	Background	State entities covered
2017-18		
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>The topic was selected because the Department of State Growth (State Growth) is responsible for managing significant road networks throughout the State investing in excess of \$50 million 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
Follow up of audits not covered by the Committee ▲	<p>Follow up of special reports not covered by the Committee, including:</p> <ul style="list-style-type: none"> • Security of information and communications technology (Tabled: 26 March 2015) • Tasmanian Museum and Art Gallery: compliance with the National Standards for Museums and Galleries (Tabled: 26 March 2015) • Road management in local government (Tabled: 26 May 2015) • Number of public primary schools (Tabled: 26 May 2015) <p>Follow-up audits are conducted annually. Our objective is to assess the extent to which recommendations we made were implemented.</p>	State entities
Decision making process followed regarding expressions of interest for tourism investment opportunities in national parks	<p>This audit will assess governance arrangements and compliance with decisions made under expression of interest bid guidelines issued by the Department of Treasury and Finance (Treasury) and guidelines issued by Department of Primary Industries, Park, Water and Environment (DPIPWE) regarding investment opportunities in Tasmanian national parks.</p> <p>Our objective will be to assess whether there is effective whole-of-government oversight and coordination of expression of interest bids in Tasmania's national parks, whether governance arrangements ensure a clearly defined separation of duties and personnel between the assessment and approval functions and is there clarity and consistency in how regard is given to other relevant processes and approval requirements in related procurement policy documents (including 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>	State Growth, Office of the Coordinator-General, DPIPWE

Note: ▲ indicates a new audit not in the previous annual plan of work.

Audit	Background	State entities covered
Effectiveness and efficiency of investments by UTAS in student accommodation and in managing UTAS' existing buildings	<p>In recent years, UTAS has made a significant investment in the construction of student accommodation at Burnie, Launceston and Hobart and has expanded its 'footprint' into the respective central business districts. 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. This project was selected because, in a Tasmanian context, these investments are significant and involve a number of agencies.</p> <p>Consideration of impact e.g. governance of the project, economics of the project, consideration of social impacts in central business districts, project management risk.</p>	UTAS, State Growth and Hobart, Burnie and Launceston City Councils
ICT strategy and investment ▲	<p>ICT governance should focus on the delivery of business change at an affordable cost and with an acceptable level of risk. ICT governance is an integral part of enterprise governance. It consists of the leadership and organisational structures and processes that ensure an organisation's IT sustains and extends its strategies and objectives.</p> <p>This audit will examine the effectiveness of ICT governance across major agencies, including the effectiveness of ICT strategy and the extent to which legacy systems are being identified and managed for replacement.</p>	GGS, THS, Office of eGovernment
RHH redevelopment project ▲	<p>The RHH is being redeveloped at a cost of \$689 million to improve the delivery of healthcare for Tasmanians redevelopment project and it is the largest social infrastructure project ever undertaken by the State. The new RHH project is significant in terms of its scale, complexity, cost, the resources allocated and its importance in providing enhanced and sustainable health care services and outcomes to the public of Tasmania.</p> <p>In January 2014 we examined the effectiveness of the governance, project management and initial implementation of the RHH redevelopment project. This review will be the second review of the project, reflecting the ongoing nature of the project, and the key project lifecycle stages and milestones.</p> <p>The audit will focus on the project status and will review the arrangements established by the State to enable the project to be delivered on time, within budget and with the intended benefits realised as well as focusing on:</p> <ul style="list-style-type: none"> • risk management • budgetary and financial management • contract administration and management. 	DHHS, THS, RHH Redevelopment Steering Committee

Audit	Background	State entities covered
Management of government concessions ▲	<p>The State Government provides more than 90 rebates, concessions and subsidies. The concessions aim to achieve a balance in the standard of living and access to essential services for all members of the Tasmanian community. The concessions are mainly to individual members of the public to help them meet the cost of household bills and other essential services.</p> <p>The concessions, received as a discount or rebate, apply to goods and services such as power, water, transport, education, housing and health. A smaller number of minor value concessions are also directed at improving quality of lifestyle. The major recipients of State Government concessions are holders of pensioner health benefit cards, health care and health benefit cards, seniors cards, war widows and totally and permanently incapacitated pensioners. However, significant concessions are also received by others, for example students and children.</p> <p>The audit will examine whether a coordinated whole-of government approach to targeting, monitoring and evaluating concessions provided by government agencies exists and whether sufficient evidence has been retained to demonstrate that people were eligible for concessions.</p>	Selected State entities (excluding councils)
2018-19		
NGO grants in the human services sector	<p>This project will use the 'follow the dollar' powers of our Act 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. The audit will also assess the extent to which DHHS examiner NGO performance effectiveness.</p> <p>The audit was selected because of the growing trend to outsource health related services to the NGO sector with more than \$300 million invested in 2013–14.</p>	DHHS, selected NGOs
Pre-construction management of significant projects by UTAS ▲	<p>UTAS is proposing to undertake an ambitious program of significant building developments which include the \$96 million Hedberg Centre for creative industries and performing arts, the \$300 million Northern Campus relocation projects and the \$400 million science, technology, engineering and maths research and teaching facility on the corner of Argyle and Melville streets in Hobart.</p> <p>This project will examine how the University manages pre-construction activities, including the engagement and use of consultants and experts.</p>	UTAS
Effectiveness of structural changes to the health care network (previously titled 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 • Tasmanian Health Organisations • 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>	THS, DHHS

Audit	Background	State entities covered
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 and the skills of the people managing the contracts.</p> <p>Audit procedures will include identifying concerns expressed by the Solicitor-General in his 2014–15 annual report</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
Managing landfills	<p>Landfill sites, also referred to as ‘tips’ or ‘waste management sites’ or ‘refuse disposal sites’, are still the primary waste disposal mechanism and, if not managed effectively, could have negative environmental and public health consequences.</p> <p>The audit was selected because of public interest in how well councils, waste management joint authorities and the Environmental Protection Agency manage the risk of environmental damage and pollution control posed by allegedly substandard solid waste disposal practices.</p>	Councils, waste management joint authorities, DPIPWE
Managing public school infrastructure ▲	<p>School infrastructure, consisting primarily of school buildings, is essential for the achievement of educational outcomes. The management of school infrastructure encompasses the provision of a range of educational program and curriculum choices at dispersed sites, managing capital funding for building improvements equitably and according to priorities, ensuring appropriate standards of accommodation to support best practice in service delivery, optimising maintenance effort through strategic management and managing resources in accordance with statutory obligations, occupational health and safety, optimum service delivery and asset retention decisions.</p> <p>The objective of the audit would be to form an opinion on the effectiveness, efficiency and economy of the DoE’s planning for new school infrastructure and maintenance of existing school infrastructure which has a value exceeding \$1.1 billion.</p>	DoE

AUDITS OF EMPLOYER FUNCTIONS AND POWERS

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. The Office currently receives funding to enable it to undertake one audit per annum.

The Auditor-General may also conduct an investigation into the administration or management of the State Service under Section 18 of the State Service Act 2000 if requested to do so by the Employer (currently the Premier).

Table 9: Employer audits currently in progress.

Audit	Background	State entities covered
Appointment of Tasmanian State Service Senior Executive Officers, General Stream Bands 9 and 10 and Professional Stream Band 6 Positions	<p>The Government's commitment to an effectively led and efficient Tasmanian State Service is demonstrated by recruiting, developing and retaining a professional leadership cohort of highly skilled senior executives and permanent employees that undertake duties of a highly specialised nature or possess a high level expertise.</p> <p>This audit will assess practices followed in recruiting senior executives and Band 9 and 10 and Professional Band 6 and in addition to traditional recruitment practices, will include assessment of:</p> <ul style="list-style-type: none"> • the creation, determination and classification offices and positions • the recruitment and selection process, including advertising of the position and evaluation and selection • appointment, determination of remuneration and other conditions of employment • consecutive appointments, mobility and variation of duties • cost to fill vacant positions. 	DHHS, Department of Premier and Cabinet (DPAC), DIPWE and Department of Police, fire and Emergency Management (DPFEM)

Table 10: Employer audits expected to be commenced in 2017–18 and 2018-19.

Audit	Background	State entities covered
2017-18		
Effectiveness of performance management systems in the general government sector	<p>This audit will assess the effectiveness of the revised performance management framework introduced in 2014, and 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. • management of both poor and high performance. <p>This audit was selected because effective management of employees is essential to ensuring existence of an effective and cohesive work force with positive service delivery outcomes.</p>	DPAC, Treasury, State Growth and THS

Audit	Background	State entities covered
2018-19		
Departmental Targeted and Negotiated Voluntary Redundancy (TNVR) and Workplace Renewal Incentive Payments (WRIP)	<p>In 2015, the State Service Management Office (SSMO) undertook a review of TNVR and WRIP payments. This audit will examine the extent to which:</p> <ul style="list-style-type: none"> • recommendations made by SSMO were adopted and revised • guidelines issued by SSMO are complied with • re-profiling of positions eventuated under the WRIP program. 	DPAC, THS, TasTAFE and other agencies that offered WRIP and TNVR payments post the SSMO review
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>	DoJ, DPAC, State Growth

APPENDIX - STATE ENTITIES

State entities and entities controlled by State entities as at 30 June 2017 are detailed below.

Legend

PB - Pro-bona audit

FN - Foreign entity not audited by Tasmanian Audit Office

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 including:

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

Department of Justice

Asbestos Compensation Fund

Workcover Tasmania Board

Department of Police, Fire and Emergency Management including:

State Fire Commission

Department of Premier and Cabinet

ANZAC Day Trust ^{PB}

Department of Primary Industries, Parks, Water and Environment

Department of Treasury and Finance

Tasmanian Health Service

Government Business Enterprises

Forestry Tasmania (Sustainable Timber Tasmania from 1 July 2017) including:

- Newwood Holdings Pty Ltd
- Newwood Energy Pty Ltd
- Newwood Huon Pty Ltd
- Newwood Smithon Pty Ltd

Hydro-Electric Corporation including:

- AETV Pty Ltd
- Bell Bay Power Pty Ltd
- Bell Bay Three Pty Ltd
- Heemskirk Holdings Pty Ltd
- Hydro Tasmania Consulting (Holding) Pty Ltd
- Hydro Tasmania Consulting India Pte Ltd ^{FN}
- Hydro Tasmania Neusberg (Pty) Ltd ^{FN}
- Hydro Tasmania South Africa (Pty) Ltd ^{FN}
- HT Wind Developments Pty Ltd
- HT Wind New Zealand Pty Ltd
- HT Wind Operations Pty Ltd
- Lofty Ranges Power Pty Ltd
- Momentum Energy Pty Ltd
- RE Storage Project Holding Pty Ltd
- Woolnorth Bluff Point Holdings Pty Ltd
- Woolnorth Studland Bay Holdings Pty Ltd

Motor Accidents Insurance Board

Port Arthur Historic Site Management Authority

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 including:

- Flinders Island Ports Corporation Pty Ltd
- King Island Ports Corporation Pty Ltd

Tasmanian Railway Pty Ltd

Tasmanian Networks Pty Ltd including:

- Auroracom Pty Ltd
- Ezikey Group Pty Ltd

Tasracing Pty Ltd

TT Line Company Pty Ltd

Local Government Councils

Break O'Day Council

Brighton Council including:

Brighton Industrial and Housing Corporation Pty Ltd

Microwise Australia Pty Ltd

Burnie City Council including:

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

Geeveston Town Hall Company Ltd

Kentish Council

King Island Council

Kingborough Council including:

Kingborough Waste Service Pty Ltd

Latrobe Council

Launceston City Council including:

York Park and Inveresk Precinct Authority

Launceston Flood Authority

Meander Valley Council

Northern Midlands Council

Sorell Council

Southern Midlands Council including:

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 Tasmania Development Corporation Ltd
Southern Tasmanian Councils Association

Local Government Corporations

Tasmanian Water and Sewerage Corporation Pty Ltd

Other State Entities

Aboriginal Land Council of Tasmania
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
Macquarie Point Development Corporation
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
Private Forests Tasmania
Property Agents Board
Property Agents Trust
River Clyde Trust
Richmond Irrigation Trust
Royal Tasmanian Botanical Gardens
Solicitors' Trust
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 including:
 AMC Search Ltd
 Sense-Co Tasmania Pty Ltd
 Tasmania University Union
 University of Tasmania Foundation Inc. ^{PB}
 UTAS Holdings Pty Ltd
Wellington Park Management Trust

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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