



**Tasmanian**  
Audit Office



**Report of the Auditor-General  
No. II of 2015-16**

**Compliance with legislation**

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.

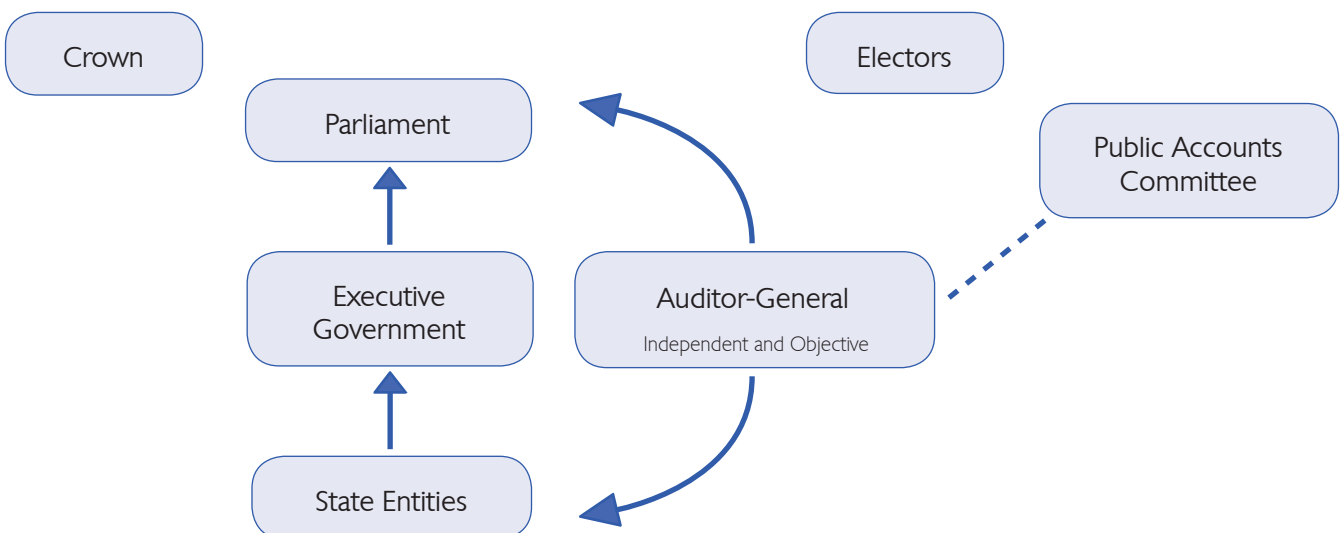
We can also carry out investigations but only relating to public money or to public property. In addition, the Auditor-General is now responsible for state service employer investigations.

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.



2016

No. 13



2016

PARLIAMENT OF TASMANIA

**REPORT OF THE  
AUDITOR-GENERAL  
No. 11 of 2015–16**

**Compliance with legislation**

**June 2016**

*Presented to both Houses of Parliament in accordance with the provisions of the Audit Act 2008*

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This report, and other Auditor-General reports, can be accessed via our home page (<http://www.audit.tas.gov.au>).

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21 June 2016

President  
Legislative Council  
HOBART

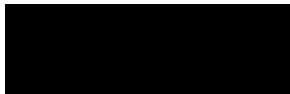
Speaker  
House of Assembly  
HOBART

Dear Mr President  
Dear Madam Speaker

**REPORT OF THE AUDITOR-GENERAL**  
**No.11 of 2015–16: Compliance with legislation**

This report has been prepared consequent to examinations conducted under section 23 of *the Audit Act 2008*. The objective of the audit was to express an opinion as to whether or not entities were complying with the implementation and administration of legislation and supporting regulations.

Yours sincerely



Rod Whitehead  
**AUDITOR-GENERAL**



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## Foreword

Public sector entities are subject to differing and wide-ranging legislation and regulation depending on the nature and type of entity established. Compliance with the law is a matter to be taken seriously. The consequences often go far beyond the obvious downsides of breaking the law — fines and penalties— to more intangible side effects such as unwelcome publicity, wasted time and the attendant impacts on staff morale.

Conversely, significant benefits can accrue to those entities who ‘manage’ their compliance responsibilities and can demonstrate they are good corporate citizens. Ensuring compliance, however, does not come without a cost. Entities need to plan and manage their compliance obligations — and this process must be able to withstand external scrutiny.

My office has undertaken this audit to assess whether selected government departments and local government councils have implemented procedures to address statutory requirements of a sample of Tasmanian legislation. The audit was selected because legislative compliance is mandatory and an impartial assessment would provide a level of assurance to parliament as to the extent of compliance.

In summary, our audit identified that most departments and councils were complying with their legislative responsibilities. However there were some departments where the level of non-compliance was higher than expected. We also identified some instances where no systems or processes were evident to ensure compliance was achieved.

I thank those Tasmanian Audit Office staff and all agency and council representatives who assisted in the conduct of this audit.

Rod Whitehead

Auditor-General

21 June 2016

## List of acronyms and abbreviations

DHHS	Department of Health and Human Services
DoE	Department of Education
DPaC	Department of Premier and Cabinet
DPFEM	Department of Police, Fire and Emergency Management
DPIPWE	Department of Primary Industries, Parks, Water and Environment
Justice	Department of Justice
State Growth	Department of State Growth
TI	Treasurer's Instruction
Treasury	Department of Treasury and Finance

## **Executive summary**

## Executive summary

### *Background*

The public sector, which is controlled by the executive arm of government, is required to adhere and enforce laws passed by parliament. There are approximately 2281 enacted Acts of parliament (excluding amendments) that are implemented and administered by state entities. Because of the vast array of legislation currently enacted there is a risk that state entities may not comply with all applicable legislation.

### *Audit objective*

The audit objective was to express an opinion as to whether or not entities were complying with the implementation and administration of legislation and supporting regulations.

### *Audit scope*

The audit covered the enforcement of selected legislation and supporting regulations by:

- local government councils
- government departments.

We also restricted our examination to the period from January 2011 (previous five years).

### *Audit criteria*

We developed two audit criteria, namely whether entities had:

- complied with the legislation and supporting regulations, when last relevant
- maintained systems to ensure ongoing compliance.

### *Detailed audit conclusions*

#### *Had entities complied with the legislation and supporting regulations, when last relevant?*

Councils fully complied with 95 per cent and departments with 91 per cent of our sampled legislation.

#### *Did entities have systems to ensure ongoing compliance?*

With few exceptions both departments and councils had effective systems to ensure ongoing compliance with their legislative responsibilities with:

- councils achieving 92 per cent
- departments achieving 89 per cent.

Effective compliance systems generally involved defined responsibilities, the inclusion of review history and next review date on policy documents, use of registers and use of automated reminders.

### *Overall conclusion*

In undertaking this audit, we considered what was an acceptable level of compliance. Some would argue that 100 per cent compliance was appropriate, but we recognise that this may not always be achievable due to the:

- level of awareness of legislative requirements
- level of resources available to entities to ensure compliance
- adequacy of systems in place to ensure compliance.

This still leaves the question unanswered. The response may depend on a number of factors such as the consequences of non-compliance and the risk tolerance of entities in dealing with the adverse outcomes of non-compliance.

It is not for us to suggest that anything less than 100 per cent compliance is appropriate. Our expectation is that all entities should examine the systems and processes they have in place to ensure compliance. They should also periodically conduct assessments on the adequacy of those systems to ensure they remain fit for purpose and achieve the overall objective of ensuring compliance with all legislation.



**Audit Act 2008 section 30 — Submissions and comments received**

## Audit Act 2008 section 30 — Submissions and comments received

### *Introduction*

In accordance with section 30(2) of the *Audit Act 2008* (the Act), a copy of this Report was provided to local government councils and government departments.

A summary of findings, with a request for submissions or comments, was also provided to all Ministers.

Submissions and comments that we receive are not subject to the audit nor the evidentiary standards required in reaching an audit conclusion. Responsibility for the accuracy, fairness and balance of these comments rests solely with those who provided the response. However, views were considered in reaching audit conclusions.

Section 30(3) of the Act requires that this Report include any submissions or comments made under section 30(2) or a fair summary of them. Submissions received are included in full below.

### **Councils**

#### **Circular Head Council**

The asset renewal funding ratio is the percentage of forecast renewal expenditure for 2014/15 in Council's Strategic Asset Management Plan (SAMP) that was actually funded in its 2014/15 Annual plan and budget.

Circular Head didn't have a SAMP to forecast renewal spend at the time of setting the 2014/15 budget; Council's first cut asset Management plans (adopted 2011) were also deemed to be outdated and insufficient to provide a meaningful basis for calculation of the Asset Renewal funding ratio at this time.

Council adopted its first SAMP on June 2015, as such we are comfortable that the matter has been addressed and the ratio can be expressed for financial years post 2014/15 and indeed forecast for the coming ten year period via integration with Council's Long Term Financial Plan.

***Tony Smart***  
*General Manager*



### Devonport City Council

Council is of the view that the findings of the draft Report in relation to compliance in local government is appropriate.

Ensuring compliance with legislative requirements is something that all levels of government should strive for and Council endorses the Tasmanian Audit Office expectations and conclusions included within the Report.

**Paul West**

*General Manager*

### City of Launceston

We note the findings and are currently reviewing our processes to ensure that review dates for the *Dog Control Act* do not lapse.

**Robert Dobrzynski**

*General Manager*

### Glenorchy City Council

The two by-laws that Glenorchy City Council have at present are managed by the respective technical parts of the business: namely, Animal Management for the Animal Management By-Law (1 of 2014) and Environmental Health for the Environment and Health By-Law (1 of 2010). As the by-laws reach the end of their sunset periods (nominally 18 months out), Legal and Governance engage with the business to assess whether there is a future need to have a by-law or whether due to legislative changes, changes to service level expectations, alternatives to the by-law etc. the by-law may be left to extinguish. Upon advisement, the draft changes are collated and forwarded to external legal advisers for further refinement as necessary. Council then follows the steps as succinctly outlined in the Making By-Laws (2) — Good Practice Guidelines as prepared by the Department of Premier and Cabinet (Local Government Division).

To further enhance our management of compliance, Council will be purchasing Governance Software so that risk, compliance, and delegations management becomes fully integrated.

**Peter Brooks**

*General Manager*

### Tasman Council

It is pleasing to note that Tasman Council achieved compliance in each of the subject areas that were selected for the audit. Council will continue to monitor and improve our organisational processes to ensure that we have sufficient systems in place to ensure compliance with our legislative requirements.

**Melissa Geard**

*Acting General Manager*

### Sorell Council

[Section] 1.2 discloses that Sorell Council were not [fully] compliant by non-disclosure of asset renewal funding ratios in the 2015 financial statements. As has already been discussed with the Tasmanian Audit Office, Sorell Council did disclose asset renewal funding ratios. However at the direction of the Tasmanian Audit Office, these ratios were removed. It should be noted that Sorell Council were only non-compliant in this disclosure at the direction of the Tasmanian Audit Office and not because information was not available, provided or correct. Sorell Council does and did have in place all requirements to meet the Local Government (Management Indicators) Order 2014.

**Robert Higgins**

*General Manager*

### Auditor-General's comment

*In Report of the Auditor-General No. 6 of 2015–16, Volume 3: Local Government Authorities and Tasmanian Water and Sewerage Corporation Pty Ltd 2014–15 it was reported that 24 of the 29 councils fully complied and five partially complied with the Management Indicators Order. A number of councils were unable to disclose the asset renewal funding ratio in their 2014–15 financial statements due to the absence of, or currency of, their long-term asset management plans. This would have followed consultation between the council and the Tasmanian Audit Office during the completion of the 2014–15 audit. I understand Councils are updating their long-term asset management plans to facilitate compliance with Ministerial Orders.*

### Waratah-Wynyard Council

Thank you for the opportunity to respond to the recently completed compliance audit which examined whether entities such as Councils are complying with the implementation and administration of legislation and supporting regulations.

It is the Council's view that the audit has provided an appropriately balanced assessment of what constitutes reasonable compliance with the legislation examined and the findings are accepted on this basis.

The Council can confirm that it is progressing towards the development and implementation of an effective system to ensure compliance with the requirement to review its Dog Management Policy every five years through the Policy Review Project and IT Review Project which are both currently being completed.

**Michael Stretton**  
*General Manager*

### West Coast Council

Table 2: Findings — Systems for ongoing Council compliance

West Coast Council acknowledges the area of improvement involving evidence that a system and review date were not available at time of audit.

During the course of the audit, Council has implemented a register to ensure the review of all policies and Bylaws. The register review is scheduled twice yearly in January and June.

West Coast Council will be fully compliant with Management indicators upon the completion of the asset management plans (scheduled for completion before the end of the 2016 calendar year).

**Dirk Dowling**  
*General Manager*

### **Departments**

#### Department of Education

The Department supports the overall conclusion outlined by the Tasmanian Audit Office and appreciates the external review of our systems that are in place to ensure compliance with our legislative objectives and requirements. In respect of the specific exceptions identified:

- (a) The Office of Tasmanian Assessment Standards and Certification, which is independent to the Department of Education, has advised they have addressed the finding that related to compliance with their legislation; and
- (b) As reflected in the report a revised Taxation Management Policy will shortly be submitted to the Executive for approval.

#### **Robert Williams**

*Deputy Secretary*

#### Department of Justice

Thank you for your letter of 3 June 2016 seeking management response to the abovementioned audit.

The Department of Justice is aware that it is not fully compliant with regulation 26 of the *Corrections Regulations 2008*.

However, there are a number of issues which would impact the Department if it were to fully comply with this regulation.

From a technical perspective, the custodial information system can be programmed to remove data according to specifications set by the Department in line with the Corrections Regulations, however careful consideration needs to be given to the impact the removal of those records may have on:

- the Department's ability to meet its reporting obligations;
- the Department's information sharing arrangements;
- the safe, secure management of the prison and prisoners' individual risks and needs, particularly where a prisoner has a history of suicide or self-harm risks or exhibits patterns of dangerous behaviour while in prison.

Consideration also needs to be given to records which may be later required as evidence and those relating to prisoners released to parole with unexpired sentences.

Given that the current Corrections Regulations were introduced in 1998, the Department will need to assess the Regulations

relating to the destruction of prisoner/detainee records against contemporary correctional practice to determine whether any changes are required.

The Department will give consideration to the impacts of fully implementing regulation 26 of the *Corrections Regulations 2008*.

***Simon Overland***  
*Secretary*

Department of Police, Fire and Emergency Management

Thank you for your letter of 3 June 2016 seeking comments on the draft Report to Parliament about the abovementioned compliance audit.

I note that the Department of Police, Fire and Emergency Management (DPFEM) is 100% compliant against all sections tested and I do not consider it necessary to make any further comments.

A copy of the draft report will be provided to the DPFEM Audit Committee for noting and thank you for providing an opportunity to submit comments prior to publication.

***D L Hine***  
*Secretary*

Department of Premier and Cabinet

Thank you for the opportunity to respond to your findings with respect to how well my Department is complying with legislation. Your Office has determined that my Department does not comply with two pieces of legislation, and I provide the following comments on the findings.

Treasurer's Instruction (TI) 1402 (2)

Since we received your draft report, officers in my Department have undertaken further research into the definition of 'contracts' under this TI. Through discussions we've confirmed that TI 1402 includes all funding agreements (including where the Crown is the grantee) and property leases. This is in addition to other non-procurement contracts valued over \$2 million, such as purchase agreements and licences.

As a result, we have determined that we have not published all funding agreements valued over \$2 million based on this broader definition of a "contract". However, I note that the

Department of Treasury and Finance have a webpage on their procurement website to publish contracts in accordance with TI 1402 based on a narrower definition of “contracts”.

So we agree with your assessment that my Department has not complied with this TI requirement based on the broader definition of a “contract”, even though the definition we relied on is in common use elsewhere.

In response to your findings for compliance and systems, from 1 July 2016 my Department will publish on [www.dpac.tas.gov.au](http://www.dpac.tas.gov.au) all funding agreements valued over \$2 million. We are currently developing a webpage to facilitate this action.

It is understood that Treasury will be undertaking a review of this TI and when a revised TI is issued we will undertake the necessary actions to comply with the prescribed reporting requirements.

Until that occurs we will comply with the current reporting requirements as detailed above.

#### Treasurer’s Instructions (TI) 1001 (6)

With respect to this Treasurer’s Instruction that deals with maintaining a log of taxation issues, we consider this a low risk area for my Department because when it comes to major taxation related matters on a whole of government level these are usually coordinated by the Department of Treasury and Finance.

While I agree my Department does not have a formal taxation issues log in accordance with the TI, its non-existence in that form has not impacted on our operations.

My Department is currently implementing a new risk management system. We have included, as a component of that system, a compliance register to record compliance requirements. This will give us the ability to monitor compliance by providing on-line access to decision-makers like me. This access will allow me and my senior executive to know whether actions have or have not been undertaken. This system will be implemented once the risk management system is fully operational and at this stage it is expected that the compliance register will be operational by 31 December 2016.

**Greg Johannes**  
*Secretary*

## Department of Primary Industries, Parks, Water and Environment

The Department is committed to ensuring that its processes are continually updated to meet all legislative requirements, consistent with the expectations and conclusions reached in the Report. As one of the entities with the largest sample of legislation selected for examination, I am pleased to see the high level of compliance by the Department with the legislation examined and acknowledgement of the Department's implementation of effective systems to ensure ongoing compliance.

While the Department notes the findings of the Report in regard to the tested legislation, it does consider that the compliance requirements and outcomes for the *Biological Control Act 1986* (the Act) are not clear as it relates to historical activity and does not appear to have generated any required activity for well over a decade. The lack of a legislative compliance monitoring system in this regard is however noted and is being addressed, with the Act to be assigned the responsibility of a new Branch in early 2016. The Act is also under consideration as part of a wider legislative review currently underway and may become part of a single Biosecurity Act encompassing a range of existing biosecurity-related statutes. Under a single new Act, it is proposed that administrative arrangements will be streamlined and clarified to address some of these issues.

Thank you for the opportunity to provide comment.

**John Whittington**  
Secretary

## Department of State Growth

Thank you for the opportunity to provide a response to the findings contained in the draft report in relation to the recent Compliance with legislation audit.

State Growth accepts the findings in the report and is committed to improving compliance with legislation.

I would like to acknowledge the hard work undertaken by staff of State Growth in striving to ensure processes and systems meet compliance requirements.

The finding regarding the preparation of an annual corporate plan by the Board of Private Forests Tasmania in accordance

with section 19D (1)-(2) of the *Private Forests Act 1994* has been referred to the Board for its attention.

In relation to the finding about partial compliance with TI 1001(6) – maintenance of a taxation issues log, the Department maintains a taxation issues log within its record management system, where papers, analyses, advice received and related correspondence are filed. These files record all the information that the Treasurer’s Instruction mandates, hence the Department’s view that compliance with TI 1001 was achieved. In response to the Auditor-General’s opinion is partially compliant with TI 1001(6), a register format of recording taxation issues will be implemented.

Once again thank you for the opportunity to provide a response the draft report.

**Kim Evans**  
*Secretary*

Department of Treasury and Finance

Thank you for providing the Department of Treasury and Finance with a copy of the draft Report for the above compliance audit.

I note the findings contained in the draft Report and while I do not have any specific comment to make, I do however, note the draft Report's overall conclusion that all entities should examine the systems and processes they have in place to ensure compliance, and should periodically assess the adequacy of those systems to ensure they achieve the overall objective of ensuring compliance with legislation.

Thank you once again for the opportunity to comment on the draft Report.

**Tony Ferrall**  
*Secretary*



## **Introduction**

## Introduction

### *Background*

Legislation is the mechanism by which laws are made, amended and repealed in Australia. Legislation can only be enacted through an Act of parliament. Australia follows the Westminster system of parliamentary supremacy, where legislation legally passed by a parliament must be complied with.

Tasmania, as a state of the Commonwealth of Australia, has had responsible government since 1856, with the power to pass legislation and make laws governing Tasmania. Today, the Tasmanian Parliament is a bi-cameral legislature that annually passes numerous pieces of legislation.

The public sector, which is controlled by the executive arm of government, is required to adhere and enforce laws passed by parliament. There are approximately 2281 enacted Acts of parliament (excluding amendments) that are implemented and administered by government entities. Because of the vast array of legislation currently enacted there is a risk that state entities may not comply with all applicable legislation.

### *Audit objective*

The audit objective was to express an opinion as to whether or not entities were complying with the implementation and administration of legislation and supporting regulations.

### *Audit criteria*

We developed two audit criteria, namely whether entities had:

- complied with the legislation and supporting regulations, when last relevant
- maintained systems to ensure ongoing compliance.

### *Audit scope*

The audit covered the enforcement of selected legislation and supporting regulations by:

- local government councils
- government departments.

We also restricted our examination to the period from January 2011 (previous five years).

### *Audit approach*

To make our selection of legislation, we:

- scanned all current pieces of Tasmanian legislation (2281 Acts)
- identified suitable pieces of legislation with requirements (approximately 700 Acts)
- identified approximately 1000 relevant sections (from 31 669 sections)
- selected 200 sections, from which to draw a final sample
- assessed each individual section for suitability, replacing those found to be unsuitable
- settled on approximately 130 sections after undertaking a refinement process.

The main criterion was the existence of a clear and testable direction to a state entity.

We identified responsible entities by using the *Administrative Arrangements Order 2015*, the legislation itself or other sources. Note that our sampling approach made no attempt to select similar numbers of requirements for entities. Therefore, some entities had more requirements than others (e.g. Department of Justice and the Department of Primary Industries, Parks, Water and Environment).

Once the sample and auditees were identified we distributed questionnaires and then assessed the results based on the information contained in the questionnaires together with supporting evidence. Typically, this involved examination of policies and procedures, registers, annual reports, websites, databases and meeting minutes.

We highlight that at the entity level, samples were not sufficiently large or random to allow us to reliably assess each entity's overall level of compliance.

### *Timing*

Planning for this review began in November 2015 with fieldwork completed in May 2016. The report was finalised in June 2016.

### *Resources*

The audit plan recommended 1000 hours and a budget, excluding production costs, of \$158 370. Total hours were 1039, which was over budget. Actual costs, excluding production, were \$142 752, which was within our budget.

*Why this audit was selected*

The audit was selected to provide parliament with assurance that state entities were complying with applicable legislation.

## **1 Local government**

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# 1 Local government

## 1.1 Background

Local government in Tasmania is comprised of 29 councils, each responsible for a separate municipal area. Each council is governed by elected councillors and a mayor. However, a council-appointed general manager oversees the day-to-day running of the council and its employees. Collectively, the 29 councils employ over 4500 people across the state.

All councils are subject to the *Local Government Act 1993*, which governs the operation of local government in Tasmania. It defines a council's role as one of:

- providing for the health, safety and welfare of the community
- representing the interests of the community
- providing for the peace, order and good government of the municipal area.

In discharging this role, councils perform a range of services, including but not limited to:

- road construction and maintenance
- waste management
- planning and building services
- the provision and maintenance of public and community spaces and facilities.

In addition to the *Local Government Act 1993*, there are many other pieces of legislation and sub-ordinate legislation that councils must abide by or enforce. Our audit focused on:

- *Local Government Act 1993*
- *Local Government (Management Indicators) Order 2014*
- *Building Act 2000*
- *Dog Control Act 2000*.

We limited our compliance testing to a single section from each piece of legislation that we considered best represented the legislation's requirements of councils.

All councils were tested against the same requirements, with each council sent a questionnaire asking it to 'self-assess' whether it had:

- complied with the selected legislation (Section 1.2)

- systems in place to ensure ongoing compliance (Section 1.3).

Follow-up procedures were undertaken to confirm the accuracy of assertions made by councils.

## 1.2 *Were councils complying with legislation?*

### **Our expectation:**

Our expectation was that councils would be complying with and administering all applicable legislation and regulations.

Our findings are outlined in Table 1.

**Table 1: Findings — Compliance by councils<sup>1</sup>**

Act/Section	Requirement	Compliance		
		Yes	No	Partial*
<i>Dog Control Act 2000 s 7(1)</i>	Develop and implement a dog management policy	29	0	0
<i>Local Government (Management Indicators) Order 2014 s 5 (a)-(c)</i>	Financial statements are to include the following asset management indicators: (a) asset consumption ratio (b) asset renewal funding ratio (c) asset sustainability ratio	24	0	5
<i>Building Act 2000 s 18</i>	Councils are to: (a) ensure owners are informed of their duties (b) be aware of building and plumbing work, and use of buildings (c) institute proceedings for non-compliance	29	0	0
<i>Local Government Act 1993 s 155</i>	Review by-laws every ten years <sup>2</sup>	21	0	0
<b>TOTALS</b>		<b>103</b>	<b>0</b>	<b>5</b>
		<b>95%</b>	<b>0%</b>	<b>5%</b>

\* Partial compliance represents those instances where a council demonstrated substantial compliance with most elements of the legislative requirement, but failed to meet all elements.

<sup>1</sup> A complete listing of our assessment of all councils against the above is contained in Appendix 1.

<sup>2</sup> Eight councils did not have any by-laws.

We found:

- 95 per cent total compliance
- five per cent partial compliance.

No instances of non-compliance were noted for the *Dog Control Act 2000* and the *Building Act 2000*. We also found that all 21 councils with by-laws had kept them up-to-date.

Five councils had failed to disclose an asset renewal funding ratio in their 2015 financial statements in accordance with the *Local Government (Management Indicators) Order 2014*<sup>3</sup>. The ratio is one of three required asset management indicators, which are required to form part of a council's audited annual financial statements<sup>4</sup>.

### 1.3 *Do councils have systems to ensure ongoing compliance?*

#### **Our expectation:**

Effective controls are needed to ensure that compliance obligations are met and that instances of non-compliance are prevented or detected and corrected<sup>5</sup>. Such controls should, where possible, be embedded into normal organisational processes<sup>6</sup>.

We expected that there would be systems to ensure that entities were prompted to comply with legislation whenever it became relevant. Examples might include compliance calendars and prompts built into records management systems.

Our findings are outlined in Table 2.

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<sup>3</sup> Partially non-complying councils included: Break O'Day, Circular Head, King Island, Sorell and West Coast councils.

<sup>4</sup> These indicators were also examined as part of: Tasmanian Audit Office, *Report of the Auditor-General No. 6 of 2015–16, Auditor-General's Report on the Financial Statements of State Entities, Volume 3 Local Government Authorities and Tasmanian Water and Sewerage Corporation Pty Ltd 2014–15*, TAO, Hobart, 2015, p 78.

<sup>5</sup> Standards Australia, *AS/ISO 19600:2015 Compliance management systems - Guidelines*, Sydney, 2015, p 19.

<sup>6</sup> *ibid.*



**Table 2: Findings — Systems for ongoing council compliance**

Act/Section	Requirement	System for ongoing compliance	
		Yes	No
<i>Dog Control Act 2000 s 7</i>	Review the policy every five years	22	7
<i>Local Government (Management Indicators) Order 2014 s 5(a)-(c)</i>	Financial statements are to include the following asset management indicators: (a) Asset consumption ratio (b) Asset renewal funding ratio (c) Asset sustainability ratio	29	0
<i>Building Act 2000 s 18</i>	Councils are to: (a) ensure owners are informed of their duties (b) be aware of building and plumbing work, and use of buildings (c) institute proceedings for non-compliance	29	0
<i>Local Government Act 1993 s 155</i>	Review by-laws every 10 years <sup>7</sup>	19	2
<b>TOTALS</b>		<b>99</b>	<b>9</b>
		<b>92%</b>	<b>8%</b>

We found 92 per cent had implemented compliance systems, with just eight per cent not having a satisfactory system in place.

Exceptions noted:

*Dog Control Act 2000*

- George Town, King Island, Waratah Wynyard and West Coast councils were unable to provide evidence of a system and their reviews were overdue.
- Launceston City, Derwent Valley, Glenorchy City and Kingborough councils had systems to ensure review, but review dates were overdue.
- While review dates were not overdue for Central Highlands, Sorell and Southern Midlands; they were

<sup>7</sup> Eight councils did not have by-laws.

unable to provide evidence of a system for ensuring regular review.

During the course of the audit we noted that:

- Central Highlands Council had subsequently implemented a system to ensure review of its dog control policy
- Southern Midlands and Waratah Wynyard councils were in the process of implementing a system to ensure the timely future review of their dog control policies.

*Local Government Act 1993*

By-laws typically include expiry dates, which should be reviewed prior to lapsing, even though not required by the *Local Government Act*. However, neither Glenorchy City or Sorell councils, maintained a formal system for reviewing their by-laws

We noted that Glenorchy had subsequently implemented a system for reviewing by-laws.

#### *1.4 Conclusion*

Councils fully complied with 95 per cent of sampled legislation.

For 92 per cent of our sample, councils had systems in place to ensure ongoing compliance with legislative requirements.

Effective compliance systems generally involved defined responsibilities, inclusion of review history and next review date on policy documents, use of registers and use of automated reminders.

## **2 Government departments**

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## 2 Government departments

### 2.1 Background

There are nine departments in Tasmania with a total workforce of 27 529<sup>8</sup>. Departments are responsible for many of the services that we expect government to provide, including: health, education, policing and ambulance and fire fighting. Like local government, departments carry out many of their functions in accordance with legislation and subordinate legislation.

We tested departments' compliance against selection of legislation drawn from the hundreds of Acts currently in force. We did not test compliance with all of the selected sections. Instead, as with local government, we limited our compliance testing to a single section and ensured they had systems in place for continuing compliance.

All departments were also tested against a number of sections drawn from the *Financial Management and Audit Act 1990*.

In this Chapter, we sought to answer two questions. Whether departments had:

- complied with the selected legislation (Section 2.2)
- systems in place to ensure ongoing compliance (Section 2.3).

### 2.2 Were departments complying with legislation?

#### **Our expectation:**

Our expectation was that departments would be complying with and administering all applicable legislation and regulations.

Our findings are outlined in Table 3.

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<sup>8</sup> Department of Premier and Cabinet, *The Tasmanian State Annual Report 2014–15*, Hobart, viewed 13 May 2016, [www.dpac.tas.gov.au](http://www.dpac.tas.gov.au). Workforce figure includes the three regional Tasmanian Health Organisations, which from 1 July 2015 merged to form the Tasmanian Health Service.

**Table 3: Findings — Compliance by departments<sup>9</sup>**

Department	Requirements <sup>10</sup>	Compliance		
		Yes	No	Partial*
Department of Education (DoE)	8	7	0	1
Department of Health and Human Services (DHHS)	8	8	0	0
Department of Justice (Justice)	37	36	0	1
Department of Police, Fire and Emergency Management (DPFEM)	8	8	0	0
Department of Premier and Cabinet (DPaC)	6	4	1	1
Department of Primary Industries, Parks, Water and Environment (DPIPWE)	29	24	3	2
Department of State Growth (State Growth)	12	10	1	1
Department of Treasury and Finance (Treasury)	8	8	0	0
<b>TOTALS</b>	<b>116</b>	<b>105</b>	<b>5</b>	<b>6</b>
		<b>91%</b>	<b>4%</b>	<b>5%</b>

\* Partial compliance represents those instances where a department demonstrated substantial compliance with most elements of the legislative requirement, but failed to satisfy all elements.

<sup>9</sup> A complete listing of our assessment of departments against all the legislation is contained in Appendix 2.

<sup>10</sup> Note our sampling approach made no attempt to select similar numbers of requirements for entities and there are in fact many more selected requirements for some entities (e.g. DPIPWE and Justice).

We found:

- 91 per cent total compliance
- five per cent partial compliance.
- four per cent of the legislation tested was not complied with at all.

The following comments are made where individual departments were found to not be fully compliant with the tested legislation<sup>11</sup>.

#### *Department of Education*

DoE was found to be partially compliant with TI 1001 *Taxation Management Framework* (6) (TI 1001(6)), which requires departments to maintain a taxation log<sup>12</sup>. While DoE retained documentation of taxation issues and rulings within its information management system it did not maintain a log, including a description of issues and an assessment of the level of risk, as required by the instruction.

We were advised that DoE had in place a draft revised taxation policy that would satisfy TI 1001 (6).

#### *Department of Justice*

Justice was found to be partially compliant with regulation 26 of the *Corrections Regulations 2008*. This regulation requires certain collected data to be destroyed as soon as practicable after the release or acquittal of a prisoner or detainee without conviction. However, due to limitations with the existing custodial information system, some records maintained outside the system were not being destroyed.

#### *Department of Premier and Cabinet*

DPaC was not compliant with TI 1402 (2)<sup>13</sup>, as not all relevant contracts were disclosed on the department's website.

We also found that DPaC was only partially compliant with TI 1001 (6). While DPaC documented issues by cluster within its record management system, it did not maintain a log, including a description of issues and an assessment of the level of risk, as required by the instruction.

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<sup>11</sup> DHHS, DPFEM and Treasury were found to be compliant with all sections tested.

<sup>12</sup> TI 1001 (6) requires that agencies develop and maintain a Taxation Issues Log. The log should record details of material taxation issues including a description of the taxation issue and the agency's assessment of the level of risk.

<sup>13</sup> TI 1402 *Disclosure of Government Contracts valued at more than \$2 million*.

*Department of Primary Industries, Parks, Water  
and the Environment*

DPIPWE was not compliant with section 15(1), 24(1) and 38 of the *Biological Control Act 1986*, which mirrors equivalent Commonwealth legislation<sup>14</sup>. The legislation formed part of a nationally agreed approach to biological control. Historically, it was created to address issues relating to biological agents for control of pest plant species. Until recently, Tasmania operated on the understanding that any national declarations negated the need for it to enact its own legislation. At the time of this audit, DPIPWE was clarifying what mechanism was required to ensure agents approved for use in Australia also met the requirements of the *Biological Control Act 1986*.

DPIPWE was also only partially compliant with section 15 of the *Royal Tasmanian Botanical Gardens Act 2002*. This section requires the submission of a business plan by the Botanical Gardens Board by 31 March annually. Although parts (2) and (3) were met, the plan was not submitted until after 31 March 2015, which was not in accordance with part (1). Similarly, the Tasmanian Beef Industry (Research and Development) Trust<sup>15</sup> did not finalise its annual report by the required date.

*Department of State Growth*

State Growth was not compliant with the *Private Forests Act 1994*, which required the Board of Private Forests Tasmania to prepare an annual corporate plan.

State Growth was given a partial rating for compliance with TI 1001 (6) — taxation log. While issues were documented by cluster within its record management system, it did not maintain a log including a description of issues and an assessment of the level of risk, as required by the instruction.

**2.3** *Do departments have systems to ensure ongoing compliance?*

**Our expectation:**

Effective controls are needed to ensure that compliance obligations are met and that instances of non-compliance are

<sup>14</sup> The Commonwealth's legislation was also enacted as the *Biological Control Act 1984*.

<sup>15</sup> Section 12 (1) of the *Tasmanian Beef Industry (Research and Development) Trust Act 1990* requires the Trust to provide to the Minister a comprehensive annual report by 30 September each year. While the requirements of the report were met in 2015, the reporting deadline was not.

prevented or detected and corrected<sup>16</sup>. Such controls should, where possible, be embedded into normal organisational processes<sup>17</sup>.

We expected that there would be systems to ensure that entities were prompted to comply with legislation whenever it became relevant. Examples might include compliance calendars and prompts built into records management systems.

Our findings are outlined in Table 4.

**Table 4: Findings — Systems for ongoing department compliance**

Department	Requirements <sup>18</sup>	System for ongoing compliance	
		Yes	No
DoE	8	6	2
DHHS	6	6	0
Justice	26	25	1
DPFEM	8	8	0
DPaC	6	4	2
DPIPWE	29	25	4
State Growth	12	10	2
Treasury	8	8	0
<b>TOTALS</b>	<b>103</b>	<b>92</b>	<b>11</b>
		<b>89%</b>	<b>11%</b>

We found 89 per cent of our sample confirmed implementation of compliance systems, with 11 per cent not having a satisfactory system in place.

The following comments relate to those departments found not to have systems ensuring compliance.

<sup>16</sup> Standards Australia, *AS/ISO 19600:2015 Compliance management systems — Guidelines*, Sydney, 2015, p 19.

<sup>17</sup> *ibid.*

<sup>18</sup> We noted during the course of the audit that a system for ongoing compliance was not relevant to all requirements tested. Accordingly, the number of requirements noted in Table 3 may be different to that noted in Table 4.



### *Department of Education*

Our testing indicated that DoE maintained systems for six of the eight requirements.

DoE was unable to provide evidence of an effective system to ensure compliance with:

- TI 1001 (6) — maintenance of a taxation issues log
- Section 24(1) of the *Office of Tasmanian Assessment, Standards and Certification Act 2003* — annual report on the operations of the Office of Tasmanian Assessment, Standards and Certification.

However, we were advised of systems that were either awaiting approval, or had been implemented subsequent to our testing in both cases.

### *Department of Justice*

Our testing indicated that Justice maintained systems for 25 of the 26 requirements.

Justice was unable to provide evidence of an effective system to ensure compliance with regulation 26 of the *Corrections Regulations Act 2008* — requirements related to the destruction of data.

### *Department of Premier and Cabinet*

Our testing indicated that DPaC maintained systems for four of the six requirements.

DPaC was unable to provide evidence of an effective system to ensure compliance with:

- TI 1001 (6) — maintenance of a taxation issues log
- TI 1402 (2) — disclosure on the agency's website of contracts valued at over \$2 million other than those resulting from a procurement process.

### *Department of Primary Industries, Parks, Water and the Environment*

Our testing indicated that DPIPWE maintained systems for 25 of the 29 requirements.

DPIPWE was unable to provide evidence of an effective system to ensure compliance with:

- Section 12 (1) of the *Tasmanian Beef Industry (Research and Development) Trust Act 1990* — annual reporting requirements

- Section 15 (1), 24 (1) and 38 of the *Biological Control Act 1986* — declaration of agent organisms.

With regard to the *Tasmanian Beef Industry (Research and Development) Trust Act 1990*, we noted that this was the first year the reporting requirement applied and the Trust was undertaking action to ensure a system was implemented before the 2015–16 annual reporting process.

#### *Department of State Growth*

Our testing indicated that State Growth maintained systems for ten of the 12 requirements.

State Growth was unable to provide evidence of an effective system to ensure compliance with:

- TI 1001 (6) — maintenance of a taxation issues log
- Section 19D (1) (2) of the *Private Forests Act 1994* — preparation of an annual corporate plan.

## 2.4 *Conclusion*

Departments fully complied with 91 per cent of sampled legislation.

For 89 per cent of our sample, departments had systems in place to ensure ongoing compliance with legislative requirements.

While a wide variety of compliance systems were observed within departments, effective mechanisms generally involved defined responsibilities, checklists and workflow items, use of registers and use of automated reminders.

## **Independent auditor's conclusion**

## Independent auditor's conclusion

This independent conclusion is addressed to the President of the Legislative Council and to the Speaker of the House of Assembly. It relates to my compliance audit on whether or not entities were complying with legislation and supporting regulations.

### *Audit objective*

The audit objective was to form conclusions on to whether or not entities were complying with the implementation and administration of legislation and supporting regulations.

### *Audit scope*

The audit covered the enforcement of selected legislation and supporting regulations by:

- local government councils
- government departments.

We also restricted our examination to the period from January 2011 (previous five years).

### *Management responsibility*

The General Managers for the 29 councils and Secretaries for the eight departments were responsible for ensuring entities were complying with the implementation and administration of legislation and supporting regulations.

### *Auditor-General's responsibility*

In the context of this compliance audit, my responsibility was to express a conclusion on the compliance of councils and departments with complying with the implementation and administration of legislation and supporting regulations.

I conducted my audit in accordance with Australian Auditing Standard ASAE 3100 Compliance engagements, which required me to comply with relevant ethical requirements relating to audit engagements. I planned and performed the audit to obtain reasonable assurance that all entities were complying with the implementation and administration of legislation and supporting regulations

My work involved obtaining evidence that entities:

- complied with the legislation and supporting regulations, when last relevant
- maintained systems to ensure ongoing compliance.

*Auditor-General's conclusion*

Based on the audit objective and scope and for reasons outlined in this Report, it is my conclusion that:

- councils fully complied with 95 per cent and departments with 91 per cent of our sampled legislation.
- with few exceptions both departments and councils had effective systems to ensure ongoing compliance with their legislative responsibilities with:
  - councils achieving 92 per cent
  - departments achieving 89 per cent.

While we did not make any recommendations, it is my expectation that all entities should examine the systems and processes they have in place to ensure compliance. They should also periodically conduct assessments on the adequacy of those systems to ensure they remain fit for purpose and achieve the overall objective of ensuring compliance with all legislation

Rod Whitehead  
Auditor-General  
21 June 2016



## **Recent reports**

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## Recent reports

<b>Tabled</b>	<b>No.</b>	<b>Title</b>
Mar	No. 8 of 2014–15	Security of information and communications technology (ICT) infrastructure
Mar	No. 9 of 2014–15	Tasmanian Museum and Art Gallery: compliance with the National Standards for Australian Museums and Galleries
May	No. 10 of 2014–15	Number of public primary schools
May	No. 11 of 2014–15	Road management in local government
June	No. 12 of 2014–15	Financial Statements of State entities, Volume 5 — State entities 30 June and 31 December 2014, findings relating to 2013–14 audits and other matters
July	No. 1 of 2015–16	Absenteeism in the State Service
August	No. 2 of 2015–16	Capital works programming and management
October	No. 3 of 2015–16	Vehicle fleet usage and management in other state entities
October	No. 4 of 2015–16	Follow up of four reports published since June 2011
November	No. 5 of 2015–16	Financial Statements of State entities, Volume 2 — Government Businesses 2014–15
November	No. 6 of 2015–16	Financial Statements of State entities, Volume 3 — Local Government Authorities and Tasmanian Water and Sewerage Corporation Pty Ltd 2014–15
December	No. 7 of 2015–16	Financial Statements of State entities, Volume 1 — Analysis of the Treasurer's Annual Financial Report, General Government Sector Entities and the Retirement Benefits Fund 2014–15
February	No. 8 of 2015–16	Provision of social housing
February	No. 9 of 2015–16	Funding of Common Ground Tasmania
May	No. 10 of 2015–16	Financial Statements of State entities, Volume 4 — State entities 30 June and 31 December 2015 findings relating to 2014–15 audits and other matters



## **Current projects**

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## Current projects

The table below contains details of performance and compliance audits that the Auditor-General is conducting and relates them to the *Annual Plan of Work 2015–16* that is available on our website.

<b>Title</b>	<b>Audit objective is to...</b>	<b><i>Annual Plan of Work</i> reference</b>
<b>Tasmanian Forests Intergovernmental Agreement</b>	... assess the effectiveness of the state's administration of projects listed for implementation by the Tasmanian Government, under the Tasmanian Forests Intergovernmental Agreement 2011 and 2013.	Page 19 Topic No. 1
<b>Ambulance emergency services</b>	... form an opinion of the effectiveness and efficiency of Ambulance Tasmania's provision of emergency and urgent responses.	Page 19 Topic No. 2
<b>Management of national parks</b>	... form an opinion on how effectively the Parks and Wildlife Service manage the state's national parks by reference to the adequacy of planning processes and planning implementation.	Page 21 Topic No. 7
<b>Government support for sporting and other events</b>	... express an opinion on whether supported events are cost effective for Tasmania and funded in accordance with applicable government policy.	Page 21 Topic No. 1
<b>Follow up audit</b>	... measure the extent to which audit clients implemented recommendations contained in four reports of the Auditor-General tabled between September 2011 and June 2014.	Page 24 Topic No. 9

## **Appendix 1 Local government**

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## Appendix 1 Local government

Appendix 1 shows our assessment of each individual council against the selected pieces of legislation.

Where compliance with a requirement was deemed not relevant to a council we did not include them in Tables 1 and 2 in the body of the report. Therefore, the number of requirements listed below may differ from the number of findings listed in Tables 1 and 2.

### Key

Yes	✓
No	✗
Partial	▲
Not applicable	◇

**Table 5: Requirements tested — Local government**

#### Break O'Day Council

Act	Section	Compliance	System
<i>Dog Control Act 2000</i>	7 (1)	✓	✓
<i>Local Government (Management Indicators) Order 2014</i>	5 (a)-(c)	▲	✓
<i>Building Act 2000</i>	18 (a)-(c)	✓	✓
<i>Local Government Act 1993</i>	155	✓	✓

#### Brighton Council

Act	Section	Compliance	System
<i>Dog Control Act 2000</i>	7 (1)	✓	✓
<i>Local Government (Management Indicators) Order 2014</i>	5 (a)-(c)	✓	✓
<i>Building Act 2000</i>	18 (a)-(c)	✓	✓
<i>Local Government Act 1993</i>	155	✓	✓

#### Burnie City Council

Act	Section	Compliance	System
<i>Dog Control Act 2000</i>	7 (1)	✓	✓
<i>Local Government (Management Indicators) Order 2014</i>	5 (a)-(c)	✓	✓
<i>Building Act 2000</i>	18 (a)-(c)	✓	✓
<i>Local Government Act 1993</i>	155	✓	✓

#### Central Coast Council

Act	Section	Compliance	System
<i>Dog Control Act 2000</i>	7 (1)	✓	✓
<i>Local Government (Management Indicators) Order 2014</i>	5 (a)-(c)	✓	✓
<i>Building Act 2000</i>	18 (a)-(c)	✓	✓
<i>Local Government Act 1993</i>	155	◇	◇

#### Central Highlands Council

Act	Section	Compliance	System
<i>Dog Control Act 2000</i>	7 (1)	✓	✗
<i>Local Government (Management Indicators) Order 2014</i>	5 (a)-(c)	✓	✓
<i>Building Act 2000</i>	18 (a)-(c)	✓	✓
<i>Local Government Act 1993</i>	155	✓	✓

#### Circular Head Council

Act	Section	Compliance	System
<i>Dog Control Act 2000</i>	7 (1)	✓	✓
<i>Local Government (Management Indicators) Order 2014</i>	5 (a)-(c)	▲	✓
<i>Building Act 2000</i>	18 (a)-(c)	✓	✓
<i>Local Government Act 1993</i>	155	◇	◇

**City of Hobart**

Act	Section	Compliance	System
<i>Dog Control Act 2000</i>	7 (1)	✓	✓
<i>Local Government (Management Indicators) Order 2014</i>	5 (a)-(c)	✓	✓
<i>Building Act 2000</i>	18 (a)-(c)	✓	✓
<i>Local Government Act 1993</i>	155	✓	✓

**Clarence City Council**

Act	Section	Compliance	System
<i>Dog Control Act 2000</i>	7 (1)	✓	✓
<i>Local Government (Management Indicators) Order 2014</i>	5 (a)-(c)	✓	✓
<i>Building Act 2000</i>	18 (a)-(c)	✓	✓
<i>Local Government Act 1993</i>	155	✓	✓

**Derwent Valley Council**

Act	Section	Compliance	System
<i>Dog Control Act 2000</i>	7 (1)	✓	✓
<i>Local Government (Management Indicators) Order 2014</i>	5 (a)-(c)	✓	✓
<i>Building Act 2000</i>	18 (a)-(c)	✓	✓
<i>Local Government Act 1993</i>	155	✓	✓

**Devonport City Council**

Act	Section	Compliance	System
<i>Dog Control Act 2000</i>	7 (1)	✓	✓
<i>Local Government (Management Indicators) Order 2014</i>	5 (a)-(c)	✓	✓
<i>Building Act 2000</i>	18 (a)-(c)	✓	✓
<i>Local Government Act 1993</i>	155	✓	✓

**Dorset Council**

Act	Section	Compliance	System
<i>Dog Control Act 2000</i>	7 (1)	✓	✓
<i>Local Government (Management Indicators) Order 2014</i>	5 (a)-(c)	✓	✓
<i>Building Act 2000</i>	18 (a)-(c)	✓	✓
<i>Local Government Act 1993</i>	155	◇	◇

**Flinders Island Council**

Act	Section	Compliance	System
<i>Dog Control Act 2000</i>	7 (1)	✓	✓
<i>Local Government (Management Indicators) Order 2014</i>	5 (a)-(c)	✓	✓
<i>Building Act 2000</i>	18 (a)-(c)	✓	✓
<i>Local Government Act 1993</i>	155	◇	◇

**George Town Council**

Act	Section	Compliance	System
<i>Dog Control Act 2000</i>	7 (1)	✓	✗
<i>Local Government (Management Indicators) Order 2014</i>	5 (a)-(c)	✓	✓
<i>Building Act 2000</i>	18 (a)-(c)	✓	✓
<i>Local Government Act 1993</i>	155	◇	◇

**Glamorgan Spring Bay Council**

Act	Section	Compliance	System
<i>Dog Control Act 2000</i>	7 (1)	✓	✓
<i>Local Government (Management Indicators) Order 2014</i>	5 (a)-(c)	✓	✓
<i>Building Act 2000</i>	18 (a)-(c)	✓	✓
<i>Local Government Act 1993</i>	155	✓	✓

**Glenorchy City Council**

<b>Act</b>	<b>Section</b>	<b>Compliance</b>	<b>System</b>
<i>Dog Control Act 2000</i>	7 (1)	✓	✓
<i>Local Government (Management Indicators) Order 2014</i>	5 (a)-(c)	✓	✓
<i>Building Act 2000</i>	18 (a)-(c)	✓	✓
<i>Local Government Act 1993</i>	155	✓	✗

**Huon Valley Council**

<b>Act</b>	<b>Section</b>	<b>Compliance</b>	<b>System</b>
<i>Dog Control Act 2000</i>	7 (1)	✓	✓
<i>Local Government (Management Indicators) Order 2014</i>	5 (a)-(c)	✓	✓
<i>Building Act 2000</i>	18 (a)-(c)	✓	✓
<i>Local Government Act 1993</i>	155	✓	✓

**Kentish Council**

<b>Act</b>	<b>Section</b>	<b>Compliance</b>	<b>System</b>
<i>Dog Control Act 2000</i>	7 (1)	✓	✓
<i>Local Government (Management Indicators) Order 2014</i>	5 (a)-(c)	✓	✓
<i>Building Act 2000</i>	18 (a)-(c)	✓	✓
<i>Local Government Act 1993</i>	155	✓	✓

**Kingborough Council**

<b>Act</b>	<b>Section</b>	<b>Compliance</b>	<b>System</b>
<i>Dog Control Act 2000</i>	7 (1)	✓	✓
<i>Local Government (Management Indicators) Order 2014</i>	5 (a)-(c)	✓	✓
<i>Building Act 2000</i>	18 (a)-(c)	✓	✓
<i>Local Government Act 1993</i>	155	✓	✓

**King Island Council**

<b>Act</b>	<b>Section</b>	<b>Compliance</b>	<b>System</b>
<i>Dog Control Act 2000</i>	7 (1)	✓	✗
<i>Local Government (Management Indicators) Order 2014</i>	5 (a)-(c)	▲	✓
<i>Building Act 2000</i>	18 (a)-(c)	✓	✓
<i>Local Government Act 1993</i>	155	✓	✓

**Latrobe Council**

<b>Act</b>	<b>Section</b>	<b>Compliance</b>	<b>System</b>
<i>Dog Control Act 2000</i>	7 (1)	✓	✓
<i>Local Government (Management Indicators) Order 2014</i>	5 (a)-(c)	✓	✓
<i>Building Act 2000</i>	18 (a)-(c)	✓	✓
<i>Local Government Act 1993</i>	155	✓	✓

**Launceston City Council**

<b>Act</b>	<b>Section</b>	<b>Compliance</b>	<b>System</b>
<i>Dog Control Act 2000</i>	7 (1)	✓	✓
<i>Local Government (Management Indicators) Order 2014</i>	5 (a)-(c)	✓	✓
<i>Building Act 2000</i>	18 (a)-(c)	✓	✓
<i>Local Government Act 1993</i>	155	✓	✓

**Meander Valley Council**

<b>Act</b>	<b>Section</b>	<b>Compliance</b>	<b>System</b>
<i>Dog Control Act 2000</i>	7 (1)	✓	✓
<i>Local Government (Management Indicators) Order 2014</i>	5 (a)-(c)	✓	✓
<i>Building Act 2000</i>	18 (a)-(c)	✓	✓
<i>Local Government Act 1993</i>	155	✓	✓

**Northern Midlands Council**

Act	Section	Compliance	System
<i>Dog Control Act 2000</i>	7 (1)	✓	✓
<i>Local Government (Management Indicators) Order 2014</i>	5 (a)-(c)	✓	✓
<i>Building Act 2000</i>	18 (a)-(c)	✓	✓
<i>Local Government Act 1993</i>	155	✓	✓

**Sorell Council**

Act	Section	Compliance	System
<i>Dog Control Act 2000</i>	7 (1)	✓	✗
<i>Local Government (Management Indicators) Order 2014</i>	5 (a)-(c)	▲	✓
<i>Building Act 2000</i>	18 (a)-(c)	✓	✓
<i>Local Government Act 1993</i>	155	✓	✗

**Southern Midlands Council**

Act	Section	Compliance	System
<i>Dog Control Act 2000</i>	7 (1)	✓	✗
<i>Local Government (Management Indicators) Order 2014</i>	5 (a)-(c)	✓	✓
<i>Building Act 2000</i>	18 (a)-(c)	✓	✓
<i>Local Government Act 1993</i>	155	◇	◇

**Tasman Council**

Act	Section	Compliance	System
<i>Dog Control Act 2000</i>	7 (1)	✓	✓
<i>Local Government (Management Indicators) Order 2014</i>	5 (a)-(c)	✓	✓
<i>Building Act 2000</i>	18 (a)-(c)	✓	✓
<i>Local Government Act 1993</i>	155	◇	◇

**Waratah-Wynyard Council**

Act	Section	Compliance	System
<i>Dog Control Act 2000</i>	7 (1)	✓	✗
<i>Local Government (Management Indicators) Order 2014</i>	5 (a)-(c)	✓	✓
<i>Building Act 2000</i>	18 (a)-(c)	✓	✓
<i>Local Government Act 1993</i>	155	✓	✓

**West Coast Council**

Act	Section	Compliance	System
<i>Dog Control Act 2000</i>	7 (1)	✓	✗
<i>Local Government (Management Indicators) Order 2014</i>	5 (a)-(c)	▲	✓
<i>Building Act 2000</i>	18 (a)-(c)	✓	✓
<i>Local Government Act 1993</i>	155	✓	✓

**West Tamar Council**

Act	Section	Compliance	System
<i>Dog Control Act 2000</i>	7 (1)	✓	✓
<i>Local Government (Management Indicators) Order 2014</i>	5 (a)-(c)	✓	✓
<i>Building Act 2000</i>	18 (a)-(c)	✓	✓
<i>Local Government Act 1993</i>	155	✓	✓





## **Appendix 2 Government departments**

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## Appendix 2 Government departments

Appendix 2 shows our assessment of each individual department against the selected pieces of legislation.

Where compliance with a requirement was deemed not relevant to a department we did not include them in Tables 3 and 4 in the body of the report. Therefore, the number of requirements listed below may differ from the number of findings listed in Tables 3 and 4.

### Key

Yes	✓
No	✗
Partial	▲
Not applicable	◇

**Table 6: Requirements tested — Government departments**

#### Department of Education

Act/Regulation	Section/ No.	Compliance	System
<i>Archives Act 1983</i>	8 (5)	✓	✓
<i>Child Care Act 2001</i>	64 (1)-(2)	✓	✓
<i>Education Act 1994</i>	88 (2)	✓	✓
<i>Financial Management and Audit Act 1990</i>	10 (2)	✓	✓
<i>Financial Management and Audit Act 1990</i>	23 (4) TI 1001 (6)	▲	✗
<i>Financial Management and Audit Act 1990</i>	23 (4) TI 1119 (3)(a)	✓	✓
<i>Financial Management and Audit Act 1990</i>	23 (4) TI 1402 (2)	◇	◇
<i>Office of Tasmanian Assessment, Standards and Certification Act 2003</i>	21 (1)	✓	✓
<i>Office of Tasmanian Assessment, Standards and Certification Act 2003</i>	24 (1)	✓	✗

#### Department of Health and Human Services

Act/Regulation	Section/No.	Compliance	System
<i>Adoption Act 1988</i>	91 (1)-(2)	✓	◇
<i>Ambulance Service Act 1982</i>	27	✓	✓
<i>Disability Services Act 2011</i>	7 (3)-(10)	✓	◇
<i>Financial Management and Audit Act 1990</i>	10 (2)	✓	✓
<i>Financial Management and Audit Act 1990</i>	23 (4) TI 1001 (6)	✓	✓
<i>Financial Management and Audit Act 1990</i>	23 (4) TI 1119 (3)(a)	✓	✓
<i>Financial Management and Audit Act 1990</i>	23 (4) TI 1402 (2)	◇	◇
<i>Health Service Establishments Regulations 2011</i>	11	✓	✓
<i>Public Health Act 1997</i>	137	✓	✓

#### Department of Justice

Act/Regulation	Section/No.	Compliance	System
<i>Anti-Discrimination Act 1998</i>	10 (1)	✓	✓
<i>Anti-Discrimination Act 1998</i>	79 (1)-(2)	✓	✓
<i>Births, Deaths and Marriages Registration Act 1999</i>	40	✓	✓
<i>Commissioner for Corporate Affairs Act 1980</i>	6D (1)	✓	✓
<i>Conveyancing Act 2004</i>	7 (a)-(b)	✓	◇
<i>Conveyancing Act 2004</i>	44 (1)	✓	◇

<i>Coroners Act 1995</i>	29 (1)	✓	◇
<i>Coroners Act 1995</i>	32 (1)	✓	◇
<i>Coroners Act 1995</i>	46 (1)	✓	◇
<i>Coroners Act 1995</i>	69 (1)	✓	✓
<i>Corrections Act 1997</i>	64 (1)(a)-(b)	✓	✓
<i>Corrections Act 1997</i>	34F (1)-(2)	✓	✓
<i>Corrections Act 1997</i>	87A (1)	✓	✓
<i>Corrections Regulations 2008</i>	26 (a)-(b)	▲	✗
<i>Corrections Regulations 2008</i>	4 (1)	✓	◇
<i>Corrections Regulations 2008</i>	13 (1)	✓	✓
<i>Dangerous Goods (Road and Rail Transport) Regulations 2010</i>	31 (1)	✓	◇
<i>Director of Public Prosecutions Act 1973</i>	15 (1)	✓	✓
<i>Financial Management and Audit Act 1990</i>	10 (2)	✓	✓
<i>Financial Management and Audit Act 1990</i>	23 (4) TI 1001 (6)	✓	✓
<i>Financial Management and Audit Act 1990</i>	23 (4) TI 1119 (3)(a)	✓	✓
<i>Financial Management and Audit Act 1990</i>	23 (4) TI 1402 (2)	◇	◇
<i>Guardianship and Administration Act 1995</i>	66 (1)	✓	✓
<i>Industrial Relations Act 1984</i>	61ZE (1)	✓	✓
<i>Juries Act 2003</i>	19 (1)	✓	✓
<i>Land Use Planning and Approvals Act 1993</i>	12 (5)	✓	◇
<i>Magistrates Court (Civil Division) Rules 1998</i>	97 (2)	✓	✓
<i>Monetary Penalties Enforcement Act 2005</i>	121	✓	✓
<i>Ombudsman Act 1978</i>	23 (1)(a)-(b)	✓	◇
<i>Parole Orders (Transfer) Act 1983</i>	8 (1)(a)-(b)	✓	✓
<i>Public Land (Administration and Forests) Act 1991</i>	21 (1)	✓	◇
<i>Registration to Work with Vulnerable People Act 2013</i>	21 (a)-(c)	✓	✓
<i>Residential Tenancy Act 1997</i>	48S (1)	✓	✓
<i>Resource Management and Planning Appeal Tribunal Regulations 2014</i>	4	✓	✓
<i>Right to Information Act 2009</i>	53 (1)(a)	✓	✓
<i>Security-sensitive Dangerous Substances Act 2005</i>	14 (1)	✓	✓
<i>Tasmanian Planning Commission Act 1997</i>	19 (1)	✓	✓
<i>Workers Rehabilitation and Compensation Act 1988</i>	22 (2)	✓	◇

#### **Department of Police, Fire and Emergency Management**

<b>Act/Regulation</b>	<b>Section/No.</b>	<b>Compliance</b>	<b>System</b>
<i>Community Protection (Offender Reporting) Act 2005</i>	43 (1)	✓	✓
<i>Emergency Management Act 2006</i>	32 (1)	✓	✓
<i>Financial Management and Audit Act 1990</i>	10 (2)	✓	✓
<i>Financial Management and Audit Act 1990</i>	23 (4) TI 1001 (6)	✓	✓
<i>Financial Management and Audit Act 1990</i>	23 (4) TI 1119 (3)(a)	✓	✓
<i>Financial Management and Audit Act 1990</i>	23 (4) TI 1402 (2)	✓	✓
<i>Firearms Act 1996</i>	30	✓	✓
<i>Firearms Act 1996</i>	34	✓	✓

**Department of Premier and Cabinet**

<b>Act/Regulation</b>	<b>Section/No.</b>	<b>Compliance</b>	<b>System</b>
<i>Climate Change (Greenhouse Gas Emissions) Regulations 2012</i>	5	✓	✓
<i>Financial Management and Audit Act 1990</i>	10 (2)	✓	✓
<i>Financial Management and Audit Act 1990</i>	23 (4) TI 1001 (6)	▲	×
<i>Financial Management and Audit Act 1990</i>	23 (4) TI 1119 (3)(a)	✓	✓
<i>Financial Management and Audit Act 1990</i>	23 (4) TI 1402 (2)	×	×
<i>State Service Act 2000</i>	10 (3)-(4)	✓	✓

**Department of Primary Industries, Parks, Water and the Environment**

<b>Act/Regulation</b>	<b>Section/No.</b>	<b>Compliance</b>	<b>System</b>
<i>Animal (Brands and Movement) Act 1984</i>	6	✓	✓
<i>Animal Farming (Registration) Act 1994</i>	16	✓	✓
<i>Biological Control Act 1986</i>	15 (1)	×	×
<i>Biological Control Act 1986</i>	24 (1)	×	×
<i>Biological Control Act 1986</i>	38	×	×
<i>Dairy Industry Act 1994</i>	8E (1)	✓	✓
<i>Environmental Management and Pollution Control (Controlled Waste Tracking) Regulations 2010</i>	5	✓	✓
<i>Environmental Management and Pollution Control Act 1994</i>	22	✓	✓
<i>Financial Management and Audit Act 1990</i>	10 (2)	✓	✓
<i>Financial Management and Audit Act 1990</i>	23 (4) TI 1001 (6)	✓	✓
<i>Financial Management and Audit Act 1990</i>	23 (4) TI 1119 (3)(a)	✓	✓
<i>Financial Management and Audit Act 1990</i>	23 (4) TI 1402 (2)	◇	◇
<i>Fisheries (Commercial Dive) Rules 2011</i>	11	✓	✓
<i>Fisheries (Rock Lobster) Rules 2011</i>	86	✓	✓
<i>Fishing (Licence Ownership and Interest) Registration Act 2001</i>	9 (2)(a)-(d)	✓	✓
<i>Fruit and Nut Industry (Research, Development and Extension Trust Fund) Act 2012</i>	5 (3)	✓	✓
<i>Historic Cultural Heritage Act 1995</i>	13	✓	✓
<i>Inland Fisheries Act 1995</i>	196 (1)	✓	✓
<i>Land Titles Act 1980</i>	35 (5)	✓	✓
<i>Living Marine Resources Management Act 1995</i>	20 (2)	✓	✓
<i>Nature Conservation Act 2002</i>	38	✓	✓
<i>Powers of Attorney Act 2000</i>	11 (3)	✓	✓
<i>Royal Tasmanian Botanical Gardens Act 2002</i>	15 (1-3)	▲	✓
<i>Strata Titles Act 1998</i>	69 (3)	✓	✓
<i>Surveyors Act 2002</i>	8B (1)	✓	✓
<i>Surveyors Act 2002</i>	13	✓	✓
<i>Tasmanian Beef Industry (Research and Development) Trust Act 1990</i>	12 (1)	▲	×
<i>Valuation of Land (Tender Committee) Regulations 2012</i>	7	✓	✓
<i>Water Management Act 1999</i>	18 (a)-(b)	✓	✓
<i>Wellington Park Act 1993</i>	24 (1)	✓	✓

**Department of State Growth**

<b>Act/Regulation</b>	<b>Section/No.</b>	<b>Compliance</b>	<b>System</b>
<i>Building and Construction Industry Training Fund Act 1990</i>	40 (1)-(2)	✓	✓
<i>Financial Management and Audit Act 1990</i>	10 (2)	✓	✓
<i>Financial Management and Audit Act 1990</i>	23 (4) TI 1001 (6)	▲	✗
<i>Financial Management and Audit Act 1990</i>	23 (4) TI 1119 (3)(a)	✓	✓
<i>Financial Management and Audit Act 1990</i>	23 (4) TI 1402 (2)	◇	◇
<i>Macquarie Point Development Corporation Act 2012</i>	12 (1)(a) & (3)	✓	✓
<i>Marine and Safety Authority Act 1997</i>	38B (2)-(4)	✓	✓
<i>Mineral Resources Development Act 1995</i>	28 (1)-(2)	✓	✓
<i>Mineral Resources Regulations 2006</i>	17 (1)	✓	✓
<i>Private Forests Act 1994</i>	19D (1)-(2)	✗	✗
<i>Taxi and Hire Vehicle Industries (Review of Decisions) Regulations 2010</i>	5 (1)-(2)	✓	✓
<i>Vehicle and Traffic Act 1999</i>	7 (1)-(2)(a)-(b)	✓	✓
<i>Vehicle and Traffic Act 1999</i>	14 (1)(a)-(b) & (4)	✓	✓

**Department of Treasury and Finance**

<b>Act/Regulation</b>	<b>Section/No.</b>	<b>Compliance</b>	<b>System</b>
<i>Duties Act 2001</i>	183	✓	✓
<i>Financial Management and Audit Act 1990</i>	10 (2)	✓	✓
<i>Financial Management and Audit Act 1990</i>	23 (4) TI 1001 (6)	✓	✓
<i>Financial Management and Audit Act 1990</i>	23 (4) TI 1119 (3)(a)	✓	✓
<i>Financial Management and Audit Act 1990</i>	23 (4) TI 1402 (2)	✓	✓
<i>Government Business Enterprises Act 1995</i>	16 (1)(a)	✓	✓
<i>Government Business Enterprises Act 1995</i>	39 (1)	✓	✓
<i>Government Business Enterprises Act 1995</i>	84 (1)	✓	✓



## 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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