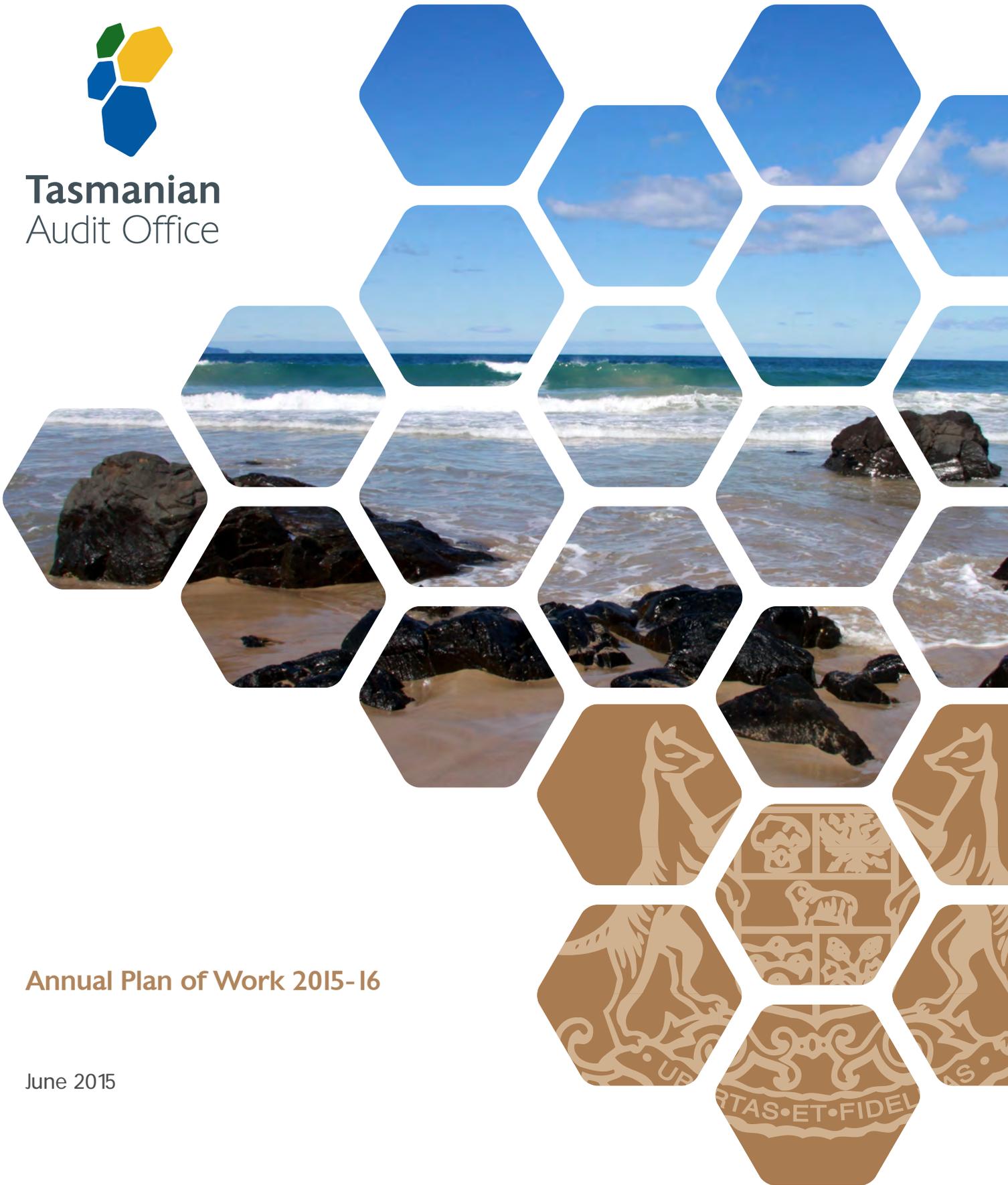




**Tasmanian**  
Audit Office



## Annual Plan of Work 2015-16

June 2015

## 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.

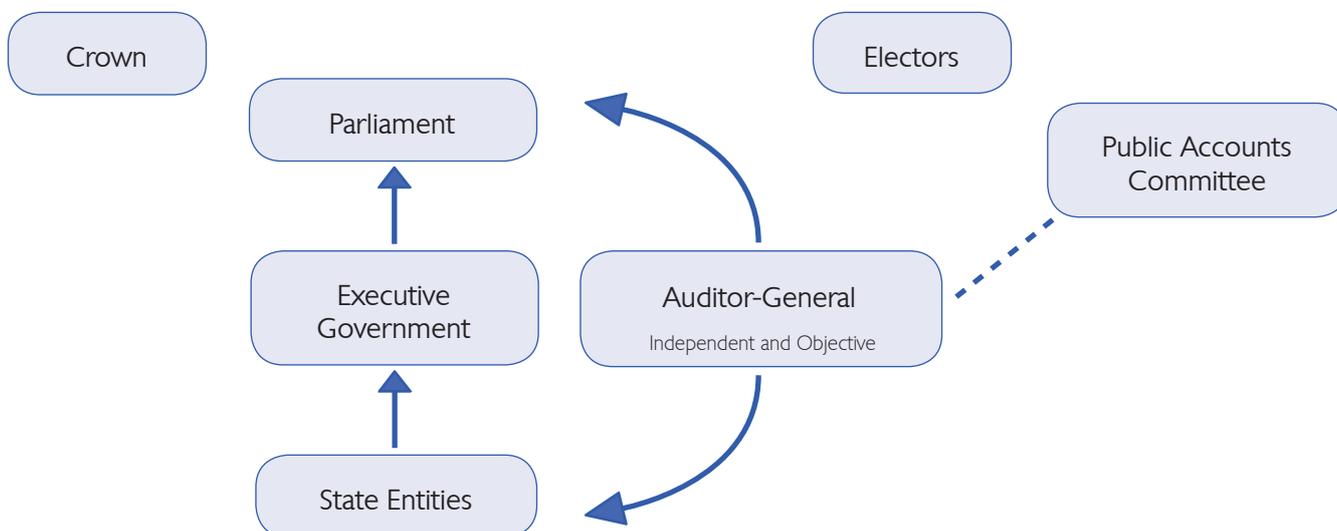
We can also carry out investigations but only relating to public money or to public property. In addition, the Auditor-General is now responsible for state service employer investigations.

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.





26 June 2015

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 2015-16 financial-year.

Yours sincerely

H M Blake

Auditor-General

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## FOREWORD

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It has been suggested to me that this plan of work is ambitious. That is deliberately so for a number of reasons including:

- One of our values is continuous improvement both internally and externally. An ambitious plan facilitates continuous improvement both for us and our audit clients.
- The need to stretch our thinking and challenge client management in areas relevant to informing Parliament about the performance of the public sector.
- Consistency with our strategic pillars of being relevant, independent and reputable, adaptable and sustainable.
- The need for us to be:
  - true to our public sector audit mandate by continuing to include projects aimed at waste, duplication or probity
  - responsive to audit matters referred to us from time to time.

However, there was a risk to the program from the cumulative effect of budget reductions since 2010 which was brought to the attention of government with a request for additional funds made commencing initially in 2015-16 with progressive increases in the forward estimates. This was responded to by the provision of an additional \$50,000 per annum commencing in 2015-16 which goes some way to resolving the identified shortfall.

Additions to the plan this year include a discussion on risks and pressures facing the Office. This was deliberate in view of the significant change taking place in our public sector including local government and government businesses. Change is now a constant and it is incumbent on us to anticipate this, influence that change where possible, be nimble in responding and participate as relevant.

Senior staff in my Office, and a number of external stakeholders, contributed to the development of this plan for which I thank them. I look forward to working with my staff to deliver this plan of work for the benefit of the Parliament, our audit clients and the community.

Finally, my thanks to the Public Accounts Committee for their observations about this plan and their past and on-going support for my Office.



**H M Blake**  
**Auditor-General**  
**26 June 2015**

## OUR MANDATE

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### KEY LEGISLATION

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

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

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

Combined these entities earn approximately \$10.96 billion revenue, incur about \$10.94 billion expenditure and hold total assets in excess of \$43.48 billion.

### AUDIT ACTIVITY – AUDITS OF FINANCIAL STATEMENTS

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

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

Other audits can also be entered into by arrangement.

The Office's financial statement audit program is managed by its Financial Audit Services (FAS) unit with details of the 2015-16 program outlined from page 13.

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

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

### AUDIT ACTIVITY – PERFORMANCE AUDITS

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

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

Other audits can also be entered in by arrangement.

The Office's performance audit program is managed by its Performance Audit Services (PAS) unit with details of the 2015-16 program outlined from page 16.

## AUDIT ACTIVITY – EXAMINATIONS AND INVESTIGATIONS

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

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

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

## AUDIT ACTIVITY – STATE SERVICE AUDITS

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

Audit work to be carried out relating to these arrangements is managed by the Auditor-General with details provided from page 25. In this Plan these audits are referred to as 'State Service' audits.

## AUDIT ACTIVITY – STANDARDS

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

## AUDIT ACTIVITY – REPORTING

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

- on completion of individual financial statement audits, audit reports, and any management letters, must be issued to the State entity's responsible Minister and to the relevant accountable authority
- on or before 31 December in each year, the Auditor-General is to report to Parliament on the audit of the financial statements of State entities, and audited subsidiaries, in respect of the preceding financial year. As will be seen from this Plan, this requirement is satisfied by the submission of one report comprising five volumes
- following completion of performance or compliance audits, examinations or investigations, the Auditor-General may report to the Parliament, or the Public Accounts Committee or the Joint Standing Committee on Integrity. It would be unusual for the Auditor-General to report other than to the Parliament. This reporting requirement will be satisfied by the completion of at least seven performance audits and one 'State Service' audit in 2015-16.

## AUDIT ACTIVITY – QUALITY ASSURANCE

To assure audit quality, the Director Technical and Quality carries out reviews of audit files aimed at ensuring compliance with auditing and assurance standards and continuous improvement with outcomes reported to the Auditor-General. These reviews result in organised training aimed at overcoming any weaknesses identified.

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

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

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

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

## INDEPENDENCE

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

- Inclusion of section 10 in the Act which authorises, and requires, the Auditor-General to act independently in relation to the performance of the functions of the Auditor-General and, subject to this Act and other written laws, the Auditor-General has complete discretion in the performance of those functions. In addition, section 10 provides that the Auditor-General is not subject to direction regarding the conduct of audits, matters to be reported and audit priorities.
- Explicit limitations in the Act regarding the role of the Auditor-General. That is, financial statements audits, performance and compliance audits and examinations and investigations. The Auditor-General cannot, for example, provide advisory or internal audit services. However, the Auditor-General can carry out audits by arrangement and, as referred to on page 2, carries out acquittal audits and audits required by regulatory authorities particularly in the water and energy sectors.
- Explicit limitations in the Act regarding to whom the Auditor-General must report. In the main, reporting is to the Parliament although management letters arising from audits are forwarded to the relevant Minister and to accountable authorities and/or to regulatory authorities and other Commonwealth entities. Significant matters in management letters are included in reports to Parliament.
- Annual declarations to the Auditor-General by all Office staff confirming their independence. Where exceptions are noted, staff are not allocated to relevant audits.
- Confirmation when planning audits that no independence risks exist. Where an independence risk exists, staff are reallocated.
- Explicit limitations in arrangements with audit contractors under which they cannot accept engagements with audit clients other than the audit to which they have been appointed. Exceptions to this are permitted at the discretion of the Auditor-General.

## ETHICAL REQUIREMENTS

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

Key ethical requirements are:

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

## PROFESSIONAL SCEPTICISM

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

## WHO MAY WORK FOR THE AUDITOR-GENERAL?

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

# OUR OUTCOME AND OUTPUTS

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## OUR OUTCOME AND OUTPUTS – PUBLIC SECTOR MANAGEMENT AND ACCOUNTABILITY

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

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

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

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

We achieve our outputs by:

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

## STRATEGIC PLANNING

The Office currently operates under a strategic plan developed for the period 2012-15. Our plans are regularly reviewed to assess progress and relevance. In 2014 we revisited our 2012-15 plan resulting in a revision and issue of a supplementary plan covering this period. The supplementary plan is summarised here with our strategic planning framework outlined in Appendix 2.

### SUPPLEMENTARY STRATEGIC PLAN 2012-15

This supplementary plan does not replace the original plan with the Office to be accountable for both and runs concurrently.

Progress against TAO's current four year strategic plan covering the period 1 January 2012 to 31 December 2015 was reviewed in December 2013. That review assessed progress against all strategies and activities outlined and resulted in:

- confirmation of our vision, purpose, outcomes and outputs and our values.
- replacement of our critical success factors with the following four pillars:
  - Sustainable - we adopt practices that will enable us to continue to do what we do without adverse effect on our finances, people, the environment or society
  - Independent and Reputable - we preserve our independence and reputation to ensure that we maintain the confidence of our stakeholders and clients
  - Adaptable - we are nimble and responsive in the face of an ever-changing environment and take advantage of opportunities as they arise
  - Relevant - we remain contemporary, competitive and customer focused to meet the needs of our staff, stakeholders, clients and mandate.
- Inclusion of a new element termed 'organisational capacity' - relevant organisational capacity underpins our strategic plan without which achievement of our goals would be impossible.

Achievement of all four pillars is essential to achievement of our vision. Each pillar is defined and measures to assess performance developed with application effective from 1 July 2014.

Essentially this means that while this supplementary strategic plan introduces changes, our overall objectives remain the same. However, our measures of success will change and be more closely aligned to our vision.

### LINKING STRATEGY AND RISK

Our current headline risks, and their link to the most relevant pillar/s, are detailed in the table below:

Headline Risk	Pillar
Issuance of an inappropriate audit opinion/ Parliamentary report (covers both Financial and Performance Audits)	Relevant, Adaptable, Independent and Reputable
Inappropriate governance and risk management structures and processes	Relevant, Sustainable, Adaptable
Inappropriate or unauthorised use of Client information and/or audit work papers and findings	Independent and Reputable
Inadequate Business Continuity Plan or Disaster Recovery Plan	Sustainable

Headline Risk	Pillar
Loss of key resources (key person dependency)/inability to maintain appropriate staff levels	Sustainable
Injury or harm to employees	Relevant, Sustainable
Financial sustainability	Sustainable, Adaptable, Independent and Reputable
Financial fraud	Independent and Reputable, Sustainable
Inadequate or ineffective internal systems and processes leading to loss of productivity	Relevant, Sustainable
Poor stakeholder and client engagement or relationship management practices	Independent and Reputable, Relevant

A copy of the full supplementary plan is on the publications page of our website at: [www.audit.tas.gov.au/about-us/strategic-plan/](http://www.audit.tas.gov.au/about-us/strategic-plan/).

## INPUT FROM THE PUBLIC ACCOUNTS COMMITTEE (the Committee)

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

- Provide briefings on tabled audit reports. This is done to assist the Committee with its program following up these reports.
- Report to the Committee on audit work referred by the Committee to the Auditor-General.
- Update the Committee regarding progress of our audit programs and where relevant progress on projects referred.
- Discuss proposed future audit work. In this regard, it is our normal practice to meet with the Committee to outline the contents of our proposed annual plan of work prior to its submission in accordance with section 11(1) of the Act. This was done on 18 March 2015.

The Committee considered this proposed work program and on 28 May 2015 returned it to us with their comments in accordance with section 11(3) of the Act. Commentary provided by the Committee is dealt with on page 28 of this annual plan of work.

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

## NEW INITIATIVES IN 2015-16

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New initiatives in 2015-16 include:

- FAS is currently trialling computer assisted audit techniques software and automated lead schedules to deliver greater efficiencies throughout the audit process. If successful, these will be rolled-out during 2015-16.
- FAS has implemented version 4 of its Integrated public sector audit methodology (IPSAM). This version increases our focus on auditing the most appropriate assertions and having done so, on audit risk.
- Plans are underway for the Office to move to new premises probably in June/July 2015. This change will result in lower floor space and resulting lower rental costs providing the ability for the Office to meet operational budgets in the short to medium term.
- A decision to limit audit fee increases for the 2015 audit cycle to between zero and 70% of inflation.
- Ongoing discussions with the Treasurer and Treasury on improvements to the Audit Act.
- Ongoing improvements to the Office's website to include audio bites in relation to our reports and a regular blog from senior staff members on a variety of relevant topics.

## RISKS AND PRESSURES FACING THE OFFICE

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

- the establishment of the Department of State Growth and of Tasmanian Networks Pty Ltd
- on-going operation of Aurora Energy Pty Ltd as a stand-alone energy retailer
- restructures involving changes to a number of governance boards around the State
- possible re-organisation of the Retirement Benefits Fund Board although at the time of preparing this plan it was unlikely that changes will occur prior to 30 June 2016
- restructure of the Health system with the existing three THOs being merged into a new single Tasmanian Health Service with effect from 1 July 2015
- potential local government reform
- potential implications on the Office of any changes to the role of the Integrity Commission.

The Office continues to closely monitor these developments in particular possible implications for our critical mass and ability to respond to requests for audits. In addition, the Office has recently conducted a four year detailed budget analysis. This modelling has identified two current activities that are not specifically funded but which are presently paid for through the current allocation of appropriation for performance audit activities and reports to Parliament. These are probity/cross sector reviews and referral investigations. The Office's recent budget submission has requested that these activities be considered for additional funding. The recent State budget provided partial funding.

## FINANCIAL AUDIT PROGRAM

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

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

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

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

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

In addition to the financial statement audits of approximately 170 State entities, we also perform audits by arrangement, approximately 100 grant acquittal audits and audits or reviews of historical information called for by regulatory authorities.

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

- Volume 1 - Analysis of the Treasurer's Annual Financial Report
- Volume 2 - General Government Sector and Other State entities
- Volume 3 - Government Businesses
- Volume 4 - Local Government Authorities, Joint Authorities and Tasmanian Water and Sewerage Corporation Pty Ltd (including financial sustainability and comparative analysis)
- Volume 5 - Other State entities (30 June and 31 December balance dates).

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

To ensure that our reports are timely, we aim to table Volumes 1 to 4 by the last Parliamentary sitting period for the year and Volume 5 by the end of April of the following year. Where this is not achievable we will ensure Volumes 1 to 4 are at least tabled as soon as is practicable after the last sitting period. Each tabling is followed by a presentation to members of Parliament to provide them with a summary of the volume being tabled and to highlight any matters of importance. Where reports are finalised and tabled out of session, we will continue to offer presentations to members of Parliament in both the North and South of the State.

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

## INFORMATION SESSIONS

We will continue to facilitate information sessions for:

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

## FAS PROBITY/WASTE TYPE PROJECT WORK

From time to time, as part of our financial audit work, we conduct cross-sector and other reviews to gauge the performance of the public sector in relation to selected issues. We have assessed the public sector environment and applied our internal methodology to select potential audit projects to be completed from 1 July 2014. These are detailed in the table below. However, prospective audits are not static; they are subject to review periodically. Changes in, or delays to, the program can arise primarily from identification of higher priority topics, reviews undertaken by State entities and other third parties and resource constraints. Normally, audits not commenced in 2014-15 will be 'rolled over' into future years. While each project is numbered, the order of completion may change.

No.	Topic	Themes	Public Sector Bodies
Projects currently under way (as at 26 June 2015)			
1	Key performance indicators – focussing on departmental efficiency indicators	<p>Tasmania's output based budgeting framework requires budget agencies to include in budgets relevant and appropriate KPIs and then to report outcomes in annual reports. Review of budget papers and annual reports indicate limited reporting of indicators of efficiency. A status report was provided in Report of the Auditor-General volume 5 for 2014-15 and included reference to this project being broadened to include local government.</p> <p>This project is part of an ongoing program aimed by the Auditor-General at lifting the level of information about efficiency provided publicly by our agencies.</p>	All service delivery departments and selected local government councils

No.	Topic	Themes	Public Sector Bodies
Projects expected to commence in 2015-16 or later			
1	Departmental voluntary redundancy and Workplace Renewal Incentive Payments	<p>Testing of selection of voluntary redundancy and Workplace Renewal Incentive Payments made during the 2014-15 financial year to ensure compliance with Government guidelines.</p> <p>This audit was selected following concerns raised with the Office of inconsistencies between departments in applying guidelines established to manage these payments. However, the final scope will depend on the outcome of a similar audit initiated by the Head of the State Service.</p>	All government departments
2	Review use by selected agencies of the government fuel card	<p>The government fuel card is issued to drivers, on occasions including volunteers, of government plated and personal use vehicles. Fuel is a major cost and needs to be well managed.</p> <p>This project was selected because of advice received indicating fuel cards may not be being well used.</p>	Selected government departments focusing on those with high numbers of fuel cards in use
3	Review of agency grant programs to ensure these are being made in compliance with Treasurer's Instruction 709 Grant Management Framework	<p>Some departments provide a number of grants to community and other organisations under various arrangements. In general there is a requirement that these grants are made compliant with TI 709.</p> <p>This audit was selected following concerns that grants may be being provided outside of established control frameworks.</p>	Departments involved in grant programs
4	Research how councils spend funding provided for public open space and how this is reported to the community	<p>Councils generate and/or are provided with funding aimed at development of public open space. This project will assess the extent to which funds generated are being spent for intended purposes.</p> <p>This project was selected following advice provided to the effect that councils may not be sending funds for intended purposes.</p>	All councils who receive or generate funding for public open space

## PERFORMANCE AND COMPLIANCE AUDIT PROGRAM

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

We have assessed the public sector environment and applied our internal methodology to select performance and compliance audit projects to be completed from 1 July 2015. These are detailed in the table below. However, prospective performance and compliance audits are not static; they are subject to review periodically. Changes in, or delays to, the program can arise primarily from identification of higher priority topics, reviews undertaken by State entities and other third parties and resource constraints. Normally, audits not commenced in 2015-16 will be 'rolled over' into the 2016-17 program although in some case, following further consideration, projects are removed.

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

No.	Topic	Themes	Public Sector Bodies
Projects currently under way (as at 26 June 2015)			
1	Capital works programming and management	<p>This project will look at the effectiveness of Treasury's capital works budgeting processes including their assessment of the impacts of how projects selected will enhance investment in Tasmania, improve service delivery, manage aging infrastructure and enhance efficiency.</p> <p>Consideration will also be given to:</p> <ul style="list-style-type: none"> <li>the relevance of infrastructure constructed in the 1960s and 1970s to service delivery today</li> <li>the life-cycle of infrastructure and associated maintenance costs.</li> </ul> <p>The project will include IT projects.</p> <p>Capital works incurred by governments can have a significant impact on related economies. Our interest with this audit was how and why capital works are prioritised and the extent to which there is any backlog as it relates to existing public infrastructure.</p>	Department of Treasury and Finance and Multi Agency

No.	Topic	Themes	Public Sector Bodies
2	<p>Follow up of:</p> <ul style="list-style-type: none"> <li>• Inquiry and audit related to fire management</li> <li>• ANAO report into the Mersey Community Hospital</li> <li>• Reports about reporting key performance indicators with a focus on efficiency</li> </ul>	<p>Follow up on implementation of recommendations of the 2013 Tasmanian Bushfires Inquiry, as well as the recommendations of our own report on Bushfire Management (SR 99).</p> <p>Follow-up recommendations made by the Commonwealth Auditor-General in his August 2013 report into Administration of the Agreements for the Management, Operation and Funding of the Mersey Community Hospital.</p> <p>Actions taken by departments as a result of our reports about reporting key performance indicators.</p> <p>Follow-up audits are conducted annually. Our objective is to assess the extent to which recommendations we made were implemented.</p>	<p>SFC, DPEM, FT, DPIPWE, DPAC and DSG</p> <p>DHHS and THO NW and/or the proposed THS</p> <p>All departments and THOs and/or the proposed THS</p>
3	NGO grants in the human services sector	<p>This project will use the 'follow the dollar' powers of the <i>Audit Act 2008</i> to examine outcomes from grant programs. It will also address compliance with reporting responsibilities. NGOs selected will include both very small and, in a Tasmanian context, very large NGOs engaged by DHHS.</p> <p>The audit was selected because of the growing trend to outsource health related services to the NGO sector with more than \$300m invested in 2013-14.</p>	DHHS

No.	Topic	Themes	Public Sector Bodies
4	Vehicle fleet usage and management in government businesses and UTAS	<p>This audit will leverage off the similar audit carried out at government departments and has two components both of which involve reviewing the efficiency and effectiveness of the use of motor vehicles, and testing compliance with applicable guidelines by:</p> <ul style="list-style-type: none"> <li>• government businesses, UTAS and the RBF</li> <li>• Police and SFC with the focus to include management of vehicle workshops.</li> </ul> <p>This audit was selected for two reasons:</p> <ul style="list-style-type: none"> <li>• as a benchmark by comparing the efficiency effectiveness of fleet management practices adopted by non-departmental entities and</li> </ul> <p>We wanted to compare practices adopted by two entities responsible for emergency services and which run vehicle workshops.</p>	Multi government businesses (include Hydro Tasmania, University of Tasmania and the Retirement Benefits Fund), Police and the State Fire Commission
5	Provision of social housing	<p>This audit would look at the effectiveness of various approaches to helping people under 'housing stress' including use and maintenance of housing stock, rental assistance and partnerships/cooperation with the private sector.</p> <p>An audit of public housing was completed in 2005 and followed up in 2007. This audit was added to our program following requests from parliamentarians and because of changes in public housing services in recent years including greater involvement by the NGO sector and by local government.</p>	Department of Health and Human Services, Housing Tasmania and selected non-government organisations

No.	Topic	Themes	Public Sector Bodies
Projects expected to commence in 2015-16			
1	Tasmanian Forests Intergovernmental Agreement	<p>The scope would include selected programs and/or projects funded from the Tasmanian Forests Intergovernmental Agreement.</p> <p>The audit would examine the effectiveness of DSG's and other selected State entities' administration of those programs and projects. It would include audit of assessment and approval of funding applications, compliance with the program/project requirements and monitoring and reporting of performance.</p> <p>The audit was selected for two reasons:</p> <ul style="list-style-type: none"> <li>• a request made by the Public Accounts Committee and</li> <li>• of problems reported in other jurisdictions with such things as seeming errors made in payments to encourage operators to exit the industry sector.</li> </ul>	DSG
2	Ambulance Services	<p>Review the performance (responsiveness and other quality factors) of Ambulance Services in Tasmania. Recent relevant audits have been done in NSW, Qld and WA.</p> <p>The audit was selected because it would be useful to determine how well Tasmanian ambulance services compare with comparable jurisdictions and to ascertain the state's performance over time.</p>	TAS
3	Compliance with legislation	<p>Test whether responsible agencies have implemented procedures to address statutory requirements of a sample of Tasmanian legislation.</p> <p>The audit was selected because legislative compliance is mandatory and an impartial assessment would provide a level of assurance.</p>	Selection of departments, councils

No.	Topic	Themes	Public Sector Bodies
4	Tasmanian prisons	<p>Review the management of Tasmanian prisons including security, reduction in recidivism and cost control/ efficiency considerations. Also, explore the impact of prisoner release program run by NGOs such as Bethlehem House.</p> <p>The audit was selected because crime and crime reduction measures are costly to the community and there is a high degree of public interest.</p>	DoJ
5	Emergency medicine	<p>Review effectiveness and efficiency of provision of emergency health care at the four major hospitals and in other areas not served by a major hospital, including:</p> <ul style="list-style-type: none"> <li>• the occurrence and frequency of Ambulance ramping affecting access to service in the Department of Emergency Medicine; and</li> <li>• matters causing bed blockage in inpatient areas, such as patients awaiting aged care beds.</li> </ul> <p>The audit was selected because media coverage of alleged bottlenecks in emergency departments has generated concern over the adequacy of existing services.</p>	DHHS, THOs and/or the proposed THS
6	TasWater	<p>Assess the extent to which the 2008 envisaged benefits of merger (including water quality) have been achieved. In 2008 three water companies were set up to address problems with provision of water services by local government but in 2013, the water companies were merged into TasWater.</p> <p>The audit was selected because changes to the way that water management has been undertaken in Tasmania have heightened public scepticism about what has actually been happening.</p>	TasWater

No.	Topic	Themes	Public Sector Bodies
7	Management of national parks	<p>Focus on the department's own planning processes including:</p> <ul style="list-style-type: none"> <li>• what programs and actions have been planned</li> <li>• why those programs and actions were selected</li> <li>• setting of performance indicators and monitoring of performance.</li> </ul> <p>The audit was selected because as major public assets, Tasmania's national parks are important economically as well as being emblematic of what the state has to offer residents and visitors.</p>	DPIPWE
Projects expected to commence in 2016–17 or later			
1	Government support for sporting and other events	<p>Focus on the economic and social benefits to the state from government support for sporting and other special events, including AFL games.</p> <p>The audit was selected because of public perceptions of vote buying and reported scepticism as to the supposed benefits of such investment decisions.</p>	DSG, DPAC
2	Mental health services	<p>Review the effectiveness and efficiency of service provision to people with mental illnesses and their carers. The audit would look at whether individual plans have been developed for clients and the extent to which those plans have been implemented. The audit is likely to be complex because of the wide variety of mental health illnesses and services provided and the delivery of some of those services via NGOs. It is noted that mental health services were taken over by THOs from July 2013.</p> <p>The audit was selected because of public interest. With around 20 per cent of people expected to experience mental health problems at some point in their lives, it is an issue that profoundly affects society.</p>	DHHS, THOs and/or the proposed THS

No.	Topic	Themes	Public Sector Bodies
3	High school attendance and student engagement	<p>Establish the extent to which children fail to attend high school (and, whether schools are funded for non-attending students). The audit will also examine student engagement in classes and departmental and school monitoring and responses to lack of engagement.</p> <p>The audit was selected because of widespread concern about Tasmania's poor performance with retention rates. Many commentators see education as a key to improving the state's economic and social life.</p>	DoE, high schools
4	Gambling deterrence and revenue	<p>Determine whether all due revenue is received; is there legal compliance and the effectiveness of deterrence measures funded from gambling revenue.</p> <p>The state collects approximately \$90m annually from gambling activities, which include gaming machines, keno, casino, interactive gaming and wagering. The <i>Gaming Control Act 1993</i> requires people who work in the industry to help minimise the harm associated with gaming activities, including Responsible Conduct of Gaming. In addition, some gambling revenue is used to regulate gambling and to carry out research into deterrence measures.</p> <p>The audit was selected because of public concerns about the reach of gambling and the negative impacts that it has on the lives of many Tasmanians. Also relevant is that the agreement with the Federal group expires in 2018 with an audit prior to that date potentially informing future agreements.</p>	Treasury
5	Management of recurrent contracts	<p>Review management of small recurrent contracts. Examples of such contracts include public and school bus services, IT consultancies, waste disposal, shipping/ferrying, debt collection and specialist medical services. The audit would examine processes for defining service levels and breach remedies, monitoring performance and renewal of contracts.</p> <p>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

No.	Topic	Themes	Public Sector Bodies
6	Back office costs / Implementation of savings measures	<p>Determine the extent to which cuts of back-office staff impacted on agencies' ability to function properly. Some concerns have been expressed that reductions in back office staffing may have left agencies too lean to adequately provide corporate support to their agencies. On the other hand, a performance audit by the Victorian Auditor-General found substantial differences between agencies in the manner and level of innovation of responses.</p> <p>The audit was selected because of public concerns that government cost cutting and claimed 'efficiency dividends' could be pursued to the point where service delivery suffers.</p>	Departments, THOs or the proposed THS
7	Random breath testing (RBT)	<p>Review the approaches used by Tasmania Police to deter and detect motorists driving under the influence of alcohol and drugs (audit would be similar in nature to the November 2009 audit of speed detection devices).</p> <p>The audit was selected because RBT is a vital element of government efforts to improve road safety.</p>	DPEM
8	Managing landfills	<p>Determine how well landfill waste disposal is managed in Tasmania. Tasmanians generate about 1.2 tonnes of waste per capita annually. Landfill sites, also referred to as 'tips', are still the primary waste disposal mechanism and, if not managed effectively, could have negative environmental and public health consequences. At our last check, only one major 'tip' met EPA standards.</p> <p>The audit was selected because the planned Copping landfill project stimulated public interest in how well councils manage the risk of environmental damage and pollution control posed by allegedly substandard solid waste disposal practices.</p>	Councils, DPIPWE

No.	Topic	Themes	Public Sector Bodies
9	Follow up of special reports not covered by the Public Accounts Committee	<p>Follow up of special reports not covered by the PAC, including:</p> <ul style="list-style-type: none"> <li>• Tourism Tasmania: is it effective? (tabled September 2011)</li> <li>• Police responses to serious crime (tabled February 2014)</li> <li>• Compliance with the Alcohol, Tobacco and Other Drugs Plan 2008–13 (tabled May 2014)</li> <li>• Quality of Metro Services (tabled June 2014)</li> <li>• Teaching Quality in Public High Schools (June 2014).</li> </ul> <p>Follow-up audits are conducted annually. Our objective is to assess the extent to which recommendations we made were implemented.</p>	State entities
10	Management of State Roads	<p>The audit will look at:</p> <ul style="list-style-type: none"> <li>• detection and correction of maintenance problems</li> <li>• planning for upgrades and new roads (including linkages with the rail network)</li> <li>• monitoring and reporting</li> <li>• efficiency.</li> <li>• scrutiny of tendering processes aimed at considering value for money in terms of time taken to complete road upgrades/ maintenance and the impact of public disruption on productivity.</li> </ul> <p>It was selected because DSG is responsible for managing significant road networks throughout the State investing in excess of \$50m annually.</p>	DSG
11	Concurrent audit	Possible concurrent audit with other audit offices. Topic has not yet been agreed.	To be determined

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

Under section 18 of the *State Service Act 2012*, the Employer, as defined under that Act but currently the Premier, may request the Auditor-General to conduct an investigation into any matter which relates to the administration or management of the State Service under Part 4 of that Act.

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

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

In determining the selection of audits or investigations to be completed the public sector environment has been assessed resulting in projects detailed in the table below. However, prospective audits or investigations are not static; they are subject to review periodically. Changes in, or delays to, the program can arise primarily from identification of higher priority topics, reviews undertaken by the Employer, requests from the Employer and resource constraints. Normally, audits or investigations not commenced in 2014-15 will be 'rolled over' into the 2015-16 program. While each project is numbered, the order of completion may change.

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

No.	Topic	Themes	Public Sector Bodies
Projects expected to commence in 2014-15 (under way)			
1	Absentee management (this audit was originally titled Absentee management including management of workers compensation claims. When scoping this project it was decided to deal with workers compensation as a separate project – refer project 5 on page 27)	<p>This audit will examine costs associated with management of absenteeism and how this is being managed. The audit will establish reasons for absenteeism and benchmark:</p> <ul style="list-style-type: none"> <li>award conditions regarding the types of leave permitted</li> <li>approaches adopted by departments with those introduced by government businesses as it relates to sick leave</li> <li>the time it takes for employees absent to return to work and analysing inhibiting factors, if any.</li> </ul> <p>This audit was selected based on advice received that government departments experience high levels of absenteeism and workers compensation claims.</p>	DOJ, DOE, DPEM, THO S and TasTAFE

No.	Topic	Themes	Public Sector Bodies
Projects expected to commence in 2015-16 and later years			
1	Succession planning in the general-government sector, workforce profiling and demographic influences	<p>This audit will assess how well these three elements of workforce management are understood, documented, planned and managed.</p> <p>The project was selected because of the ageing of the public sector workforce and the need to ensure appropriate planning for service delivery in future.</p>	DPAC, DHHS, THS, Treasury
2	Effectiveness of performance management systems in the general government sector	<p>A revised performance management framework was introduced in 2014. This audit will assess implementation and effectiveness. Management of poor and high performance will be included.</p> <p>This project will include:</p> <ul style="list-style-type: none"> <li>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</li> <li>approaches adopted by agencies to manage internal promotions based on advance assessment points or at other points.</li> </ul> <p>This audit was selected because effective management of employees is essential to ensuring existence of a happy and cohesive work force with positive service delivery outcomes.</p>	DPAC, Treasury, DSG and THO NW and/or the proposed THS
3	Public sector recruitment	<p>This audit will have the same focus as the project completed in 2013-14 but will focus on doctors, school principals and very senior positions within departments. Our work will also examine how long people recruited remain in the position taken.</p> <p>It was selected because this group was excluded from the first audit findings from which suggested a separate audit covering this group was warranted.</p>	THS, DPIPWE, DoE, TasTAFE and Justice

No.	Topic	Themes	Public Sector Bodies
4	Redeployment arrangements	<p>This audit will assess compliance with established redeployment rules (employment directions) and effectiveness thereof including vacancy control. It will assess how agencies identify who or what is surplus and how redeployees are managed.</p> <p>This project was selected based on information provided to the effect that redeployees may not be being well managed and that a 'centralised approach' to this might work better than the current management at an agency level.</p>	Justice, DPAC, DSG
5	Management of workers compensation arrangements	<p>This audit will assess how effectively the general government sector is managing this sector's workers compensation arrangements and whether or not this is occurring in compliance with relevant legislation.</p> <p>This project was originally selected as a component of the audit of absenteeism but removed from the scope of that audit at that time because it was seen as a project in its own right and due to changes being implemented by the sector at that time.</p>	DHHS, DoE, Treasury, DPEM

# RESPONSES FROM THE PUBLIC ACCOUNTS COMMITTEE AND ACTIONS TAKEN

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Section 11 of the Audit Act required the Auditor-General to submit a draft annual plan of work (the plan) to the Public Accounts Committee (the Committee) by no later than 31 March each year. This was done on 26 March 2015. The Committee must consider the plan and may comment on it to the Auditor-General. Any comment must be provided by no later than 31 May.

## COMMENTS PROVIDED BY THE PAC

The Committee has considered the proposed Plan of Work and makes the following comments:

### Projects expected to commence in 2015-16

#### **No.5 Emergency Medicine**

That the Auditor-General in undertaking this audit consider:

- the occurrence and frequency of Ambulance ramping affecting access to service in the Department of Emergency Medicine; and
- matters causing bed blockage in inpatient areas, such as patients awaiting aged care beds.

### Projects expected to commence in 2016-17 or later

#### **No.10 Management of State Roads**

That the Auditor-General in undertaking 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.

### Proposed projects

An audit of the components of freight costs imposed by Government Businesses including Tasmanian Ports Corporation Pty Ltd (TasPorts), Tasmanian Railway Pty Ltd and TT-Line Company Pty Ltd and other relevant State entities with a particular focus on Bass Strait Island freight costs and perceived discrepancies between charges for freight to and from the Bass Strait Islands, as imposed by TasPorts, and those freight charges imposed on Tasmanian mainland producers.

### Auditor-General's response

The Office has noted the PAC's comments and projects as requested.

Requests for projects No. 5 and No. 10 have been included in the plan of work, refer to pages 20 and 24. Regarding proposed projects, we will carry out a scoping exercise aimed at understanding the issues noted and develop an audit plan for discussion with the Committee prior to initiating any audit work.

# APPENDIX I - STATE ENTITIES

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## STATE ENTITIES – EFFECTIVE AT 30 JUNE 2015

### 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
- Intelligent Island\*\*
- Tasmania Development and Resources
- Tasmanian Museum and Art Gallery

Department of Education

- Australian Vocational Education and Training Management Information Statistical Standard (AVETMIS)\*\*

Department of Health and Human Services including

- Aged care financial report\*\*
- Ambulance Tasmania
- Housing Tasmania
- Mersey Community Hospital\*\*
- Tasmanian Affordable Housing Limited
- Tasmanian Health Organisation North (Tasmanian Health Service with effect from 1 July)
- Tasmanian Health Organisation North West
- Tasmanian Health Organisation South
- Tasmanian State Pool Account

Department of Justice

Department of Police and Emergency Management

Department of Premier and Cabinet including

- Tasmanian Early Years Foundation

Department of Primary Industries, Parks, Water and Environment

Department of Treasury and Finance including

- Finance General

Treasurer's Annual Financial Report

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

## **GOVERNMENT BUSINESS ENTERPRISES**

Forestry Tasmania

Newood Holdings Pty Ltd\*

Newood Energy Pty Ltd\*

Newood Huon Pty Ltd\*

Newood Smithon Pty Ltd\*

Hydro-Electric Corporation benefit of wind farms

AETV Pty Ltd

Bell Bay Power Pty Ltd\*

Bell Bay Three Pty Ltd\*

Entura Hydro Tasmania India Pvt Ltd\*

Hydro Tasmania Consulting (Holding) Pty Ltd\*

Hydro Tasmania South Africa (Pty) Ltd\*

HT Wind Developments Pty Ltd\*

HT Wind Operations Pty Ltd\*

Lofty Ranges Power Pty Ltd\*

Momentum Energy Pty Ltd

RE Storage Holding Pty Ltd\*

Macquarie Point Development Authority

Motor Accidents Insurance Board

Port Arthur Historic Site Management Authority

Private Forests Tasmania

Public Trustee

Tasmanian Public Finance Corporation

## **STATE OWNED COMPANIES**

Aurora Energy Pty Ltd

Metro Tasmania Pty Ltd

Metro Coaches (Tas) Pty Ltd\*

Tasmanian Irrigation Pty Ltd

Tasmanian Ports Corporation Pty Ltd

Flinders Island Ports Corporation Pty Ltd\*

King Island Ports Corporation Pty Ltd\*

Tasmanian Railway Pty Ltd

Tasmanian Networks Pty Ltd

Auracom Pty Ltd\*

Ezikey Group Pty Ltd \*

Tasracing Pty Ltd

TT Line Company Pty Ltd

## **LOCAL GOVERNMENT COUNCILS**

Break O'Day Council

Brighton Council

Brighton Industrial and Housing Corporation Pty Ltd

Microwise Australia Pty Ltd

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

## **LOCAL GOVERNMENT AUTHORITIES**

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

## LOCAL GOVERNMENT CORPORATIONS

Tasmanian Water and Sewerage Corporation Pty Ltd

## OTHER STATE ENTITIES

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

Tasmanian Pharmacy Authority\*

Tasmanian Qualifications Authority

Tasmanian Timber Promotion Board\*

Tasmanian Wilderness World Heritage Area\*\*

TasTAFE

Teachers Registration Board

Theatre Royal Management Board

The Nominal Insurer

Togari Drainage Trust\*

Tourism Tasmania

University of Tasmania

    AMC Search Ltd

    Sense-Co Tasmania Pty Ltd\*

    UTASAT Pty Ltd\*

    UTAS Holdings Pty Ltd\*

    Higher Education Research Data Collection\*\*

Wellington Park Management Trust

Workcover Tasmania Board

## **HONORARY AUDITS**

University of Tasmania Foundation Inc.

## **AUDITS BY ARRANGEMENT**

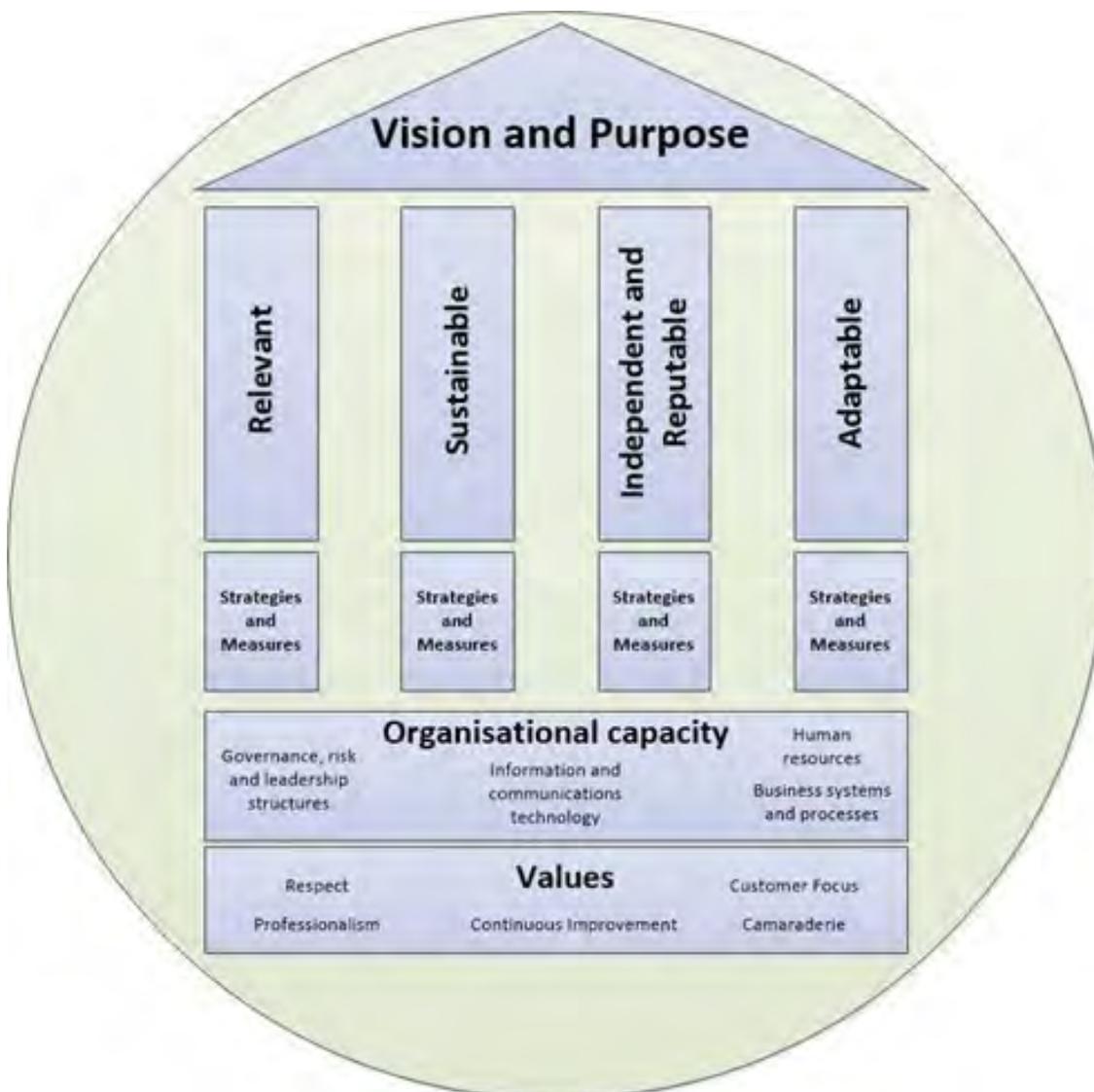
Natural Resource Management - North

\* Audits Dispensed with

\*\* Grant Acquittal

## APPENDIX 2 - OUR STRATEGIC PLANNING FRAMEWORK

Our strategic planning framework is summarised in the following diagram



### THE PILLARS

#### Relevant

We remain contemporary, competitive and customer focused to meet the needs of our staff, stakeholders, clients and mandate.

#### Sustainable

We adopt practices that will enable us to continue to do what we do without adverse effect on our finances, people, the environment or society.

#### Independent and Reputable

We preserve our independence and reputation to ensure that we maintain the confidence of our stakeholders and clients.

#### Adaptable

We are nimble and responsive in the face of an ever-changing environment and take advantage of opportunities as they arise.

## ORGANISATIONAL CAPACITY

Relevant organisational capacity underpins our strategic plan without which achievement of our goals would be impossible. Existing organisational capacity is based on our governance and leadership structures, systems and processes in particular our:

- legislative mandate
- financial and human resources
- business systems and processes
- information and communications technology
- management of risk.

These factors are constantly under review with strategies and actions taken to improve capacity when necessary.

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## 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.



## Tasmanian Audit Office

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