



1999

PARLIAMENT OF TASMANIA

## **AUDITOR-GENERAL**

# **ANNUAL REPORT 1998-99**

*Presented to both Houses of Parliament in accordance with the provisions of Section 33b of the Tasmanian State Service Act 1984 and Section 27 of the Financial Management and Audit Act 1990*

By Authority:

**Government Printer, Tasmania**

**© Crown in Right of the State of Tasmania August 1999**

**This report is printed on recycled paper.**

**ISSN 1327 2586**

**Our Reference:** 00400/260  
**Your Reference:**

**Enquiries:** Dr A J McHugh  
**Telephone:** (03)6233 3093

21 September 1999

Mr P Alcock  
Clerk of the House  
House of Assembly  
HOBART

Dear Sir

It is requested that my Special Report No 30 The Year 2000 Coming Ready or not be tabled in the House of Assembly.

Yours faithfully

A handwritten signature in black ink, appearing to read 'A J McHugh'.

A J McHugh  
**AUDITOR-GENERAL**

---

# TABLE OF CONTENTS

---

PROFILE OF THE OFFICE .....	1
SERVICE DELIVERY.....	7
CORPORATE PLAN.....	9
FUTURE DIRECTIONS.....	15
ORGANISATION AND MANAGEMENT.....	17
LEGISLATION ADMINISTERED.....	19
MAJOR DOCUMENTS PRODUCED.....	19
CORPORATE SERVICES.....	21
HUMAN RESOURCE MANAGEMENT .....	23
PUBLIC ACCESS.....	33
MANAGEMENT POLICIES.....	35
EXTERNAL AND INTERNAL SCRUTINY .....	39
COMMENTARY ON FINANCIAL RESULTS.....	41
FINANCIAL STATEMENTS.....	43
APPENDICES .....	71
COMPLIANCE INDEX TO DISCLOSURE REQUIREMENTS: 1998-1999.....	77
ALPHABETICAL INDEX .....	81

---

---

## TABLE OF FIGURES

---

	<b>Page</b>
1. Audit Responsibilities of the Office	3
2. Number of Qualified Audit Reports Issued	4
3. Allocation of In-House Time for Financial Audits - 1999	8
4. Organisation Chart	17
5. Major Documents Produced	19
6. Staff Recruitment 1998-1999	23
7. Staff Recruitment and Turnover 1995-1999	23
8. % Total Permanent Employees by Gender for the period ended June 1995 to June 1999	24
9. Number of Permanent Employees by Gender by Salary Range (\$'000) - 30 June 1999	24
10. Permanent Employees by Age and Gender – 30 June 1999	25
11. Length of Employment of Permanent Employees with the Office as at 30 June 1999	25
12. Full-Time Equivalent Staff Numbers by Category 1995-1999	26
13. Sick Leave Statistics	26
14. Annual and Long Service Leave Statistics	26
15. Training Statistics - by Category for 1998-1999	27
16. Training Statistics 1995-1999	28
17. Workers' Compensation Statistics 1995-1999	31
18. Freedom of Information Statistics 1998-1999	33
19. Involvement with Committees 1998-1999	34
20. Staff Age Profile – Head Count – 1998-1999	73
21. Staff Salary Profile – Head Count (FTE Salary) 1998-1999	73
22. Staff Turnover – Head Count	74
23. Staff Movements – Head Count	74
24. Staff Awards – Full-Time Equivalents	74
25. Equal Employment – Head Count	74
26. Staff Recruitment – Head Count	75
27. Staff Category – Head Count	75
28. Staff Category – Full-Time Equivalent	75
29. Staff Category - Head Counts by Location	76

---

## PROFILE OF THE OFFICE

### CHARTER

The Office is part of the accountability mechanism whereby the Parliament holds the Government accountable for fulfilling its responsibilities.

The Government is obliged to account to taxpayers, through the Parliament, for its management of public funds. It must ensure that funds are properly raised, protected from loss and spent with maximum efficiency and effectiveness for the purposes approved by the Parliament. This duty to account is discharged in part by the production of annual financial statements. The information in these statements needs to be examined by a suitably qualified independent person to ensure that it is sound, accurate and complete.

The Auditor-General is responsible for ensuring that this is done.

### LEGISLATION

The *Financial Management and Audit Act 1990* is the main legislation governing the appointment, tenure, duties, responsibilities and authority of the Auditor-General. This Act provides the legal basis for the Auditor-General's access to all government information and the freedom to report findings arising from audits to Parliament.

The Auditor-General is responsible for audits under *the Financial Management and Audit Act 1990*, *Government Business Enterprises Act 1995* and other Tasmanian Acts. The Auditor-General also has responsibilities in respect of Commonwealth grants and payments to the State under Commonwealth legislation.

The Tasmanian Audit Office is a government department established to assist the Auditor-General in meeting the statutory responsibilities. The Auditor-General is the administrative head of the Office. In addition, the Auditor-General may engage private sector firms as his agents.

### AUDIT INDEPENDENCE

The Audit Office is not a part of the Government itself. This independence from the Executive Government of the day and the state service is vital if the Audit Office is to perform its work effectively and make independent and unbiased judgements.

The Auditor-General is an independent Officer appointed by the Governor.

The Auditor-General is not subject to control or direction either by the Parliament or the Government.

The independence of the Auditor-General is assured by wide powers assigned by legislation.

---

---

This independence ensures that findings which arise from a range of financial and wider performance audits are communicated regularly to the Parliament without interference, fear or favour.

## **THE AUDIT MANDATE**

The Auditor-General has a broad-scope mandate for comprehensive auditing which embodies the components generally referred to as financial audit, regularity audit and performance audit. The areas subject to examination under these audit components can include the management of financial, human and other resources.

This mandate provides the Auditor-General with a basis, not only for the provision of audit reports on the financial statements of public bodies, but also for bringing to the attention of Parliament cases of waste, mismanagement, non-compliance and fraud.

## **DESCRIPTION OF AUDIT TYPES**

The Auditor-General, when carrying out his audit responsibilities, conducts two types of audits, classified as financial audits and performance audits.

### **Financial Audits**

Any audit assignment that relates to forming an opinion on the annual financial statements of a public sector entity is a financial audit. These audits provide independent assurances to the Parliament and the community that the information presented in financial statements of public sector entities is presented fairly in accordance with Australian Accounting Standards.

Financial audits are conducted using a risk-based audit methodology which involves designing an audit program to address organisational risks and management controls. The financial audit methodology requires extensive use of audit software during the planning, testing and evaluation phases, together with the use of data analysis packages. These facilities ensure that the audits are conducted in the most efficient manner and that opinions formed on financial statements are provided on a timely basis.

---

As at 30 June, the Auditor-General had specific responsibility for issue of audit opinions for auditees as follows:-

	1995	1996	1997	1998	1999
Appropriations from the Public Account to Office of the Governor, Legislative Council, House of Assembly and Legislature-General.	4	4	4	4	4
Government Departments	13	13	13	13	9
Port Corporations	7	7	6	6	4
Local Government Authorities	29	29	29	29	29
Corporations Law Entities	1	1	3	10	8
Regional Health Boards which control public hospitals	3	3	3	-	-
Government Business Enterprises	20	20	20	19	17
Other public bodies including water, trading, registration, superannuation, marketing and other authorities.	45	44	36	38	32
<b>TOTAL</b>	<b>123</b>	<b>121</b>	<b>114</b>	<b>119</b>	<b>103</b>

The number of audits to be conducted is reduced as a result of Government reforms in respect of administrative arrangements. The following government departments were abolished during 1998-99:-

Primary Industry and Fisheries;  
 Environment and Land Management;  
 Justice;  
 Community and Health Services;  
 Education, Training, Community and Cultural Development;  
 Police and Public Safety;  
 Transport;  
 Vocational Education and Training;  
 Tasmanian Development and Resources;  
 Tourism Tasmania;  
 Workplace Standards Authority;

and replaced with the following departments:-

Health and Human Services;  
 Education;  
 Primary Industries, Water and Environment;  
 Justice and Industrial Relations;  
 Police;  
 Infrastructure, Energy and Resources; and



---

## State Development.

The existing departments of Premier and Cabinet and Treasury and Finance remained.

The following Government Business Enterprises were abolished:-

HEC Enterprises Corporation; and  
Metropolitan Transport Trust.

Also, some statutory authorities and public bodies have been subsumed into departments such as the Tasmanian Museum and Art Gallery into the Department of State Development.

The outcome of a financial statement audit is either an "unqualified" report or a "qualified" report. The auditor issues an unqualified report when the auditor forms the opinion that the financial statements present fairly the affairs and transactions of the auditee. In the case of a qualified report, the auditor forms the opinion that the auditee has not complied with one or more applicable Australian Accounting Standard or some other fundamental accounting principle.

The extent of qualified reports is shown in the following table:-

	1994-95	1995-96	1996-97	1997-98
Audit reports	136	135	127	119
Reports on special purpose grants	9	9	11	7
Reports to Insurance and Superannuation Commission	6	6	6	6
	151	150	144	132
Qualified audit reports	13	10	7	9
% of reports Qualified	8.6%	6.7%	4.9%	6.8%

## Performance Audits

A performance audit is an audit that deals with any aspects of an organisation's effectiveness, economy, efficiency or compliance with relevant legislation.

Performance audits extend beyond the examination of the financial affairs and transactions of a government agency to encompass issues of significance to the community such as health, safety and the environment.

The audit process begins with the planning phase which identifies the issues to be examined, timing, objectives, approach to be used and the resources required.

The next stage of an audit involves the systematic gathering, analysis and testing of information. The information is evaluated to develop conclusions and make constructive recommendations as required.

---

The results of all audit reviews are discussed with, and formally communicated to, senior management of audit clients. The audit process culminates in the presentation of an audit report to the audit client, with the more significant issues included in Auditor-General's Reports to the Parliament.

## **REPORTS TO PARLIAMENT**

The Reports highlight issues requiring the attention of the Parliament or the Government, and can also contain recommendations to assist audit clients to improve their management and increase their operational effectiveness.

The Auditor-General does not have the authority to implement recommendations made in Reports - that is the role of the Parliament or the Government.

---



---

## SERVICE DELIVERY

As previously discussed under the section 'The Audit Mandate' the Auditor-General has a broad responsibility. Under section 46 of the *Financial Management and Audit Act* the Auditor-General discharges this responsibility by appointing officers within the Office, or some other suitably qualified persons to carry out the whole or a part of an audit or investigation.

In 1998-99 the Auditor-General was responsible for issuing audit opinions for 103 auditees. The financial audits are categorised as follows:

- audits contracted out by the Auditor-General;
- local government contracts; and
- audits conducted by the staff of the Office.

### AUDITS CONTRACTED OUT

Five audits were contracted out, (1997-98, 6).

Fees for financial audits that have been contracted out for the 1998-99 audit cycle<sup>1</sup> represent 2.3% of the fees raised for that audit cycle (1997-98, 2.3%). These fees are paid in the subsequent financial year.

Audits that the Auditor-General contracts out require the contract auditors to undertake all facets of the field audit, subject to review by the Auditor-General. Draft audit reports and draft management letters are prepared by the contract auditor; the final reports are issued by the Auditor-General.

### LOCAL GOVERNMENT AUDITS

Section 85 of *Local Government Act 1993* provides:-

- "(1) The accounts and financial reports of a Council are subject to the *Financial Management and Audit Act 1990*.
- (2) The accounts and financial reports of the Council may be audited by private auditors with the approval of, and subject to any terms and conditions determined by the Auditor-General".

In consultation with the Minister for Local Government, terms and conditions have been developed whereby Councils may choose to use private sector auditors. Currently fifteen Councils have requested the Office to provide the audit service, eight have been secured through a tender process and six have been assigned to the private sector through a tender process.

---

<sup>1</sup> The audit cycle is the period between 1 November and 31 October, eg 1 November 1997 to 31 October 1998 in the 1998 audit cycle.

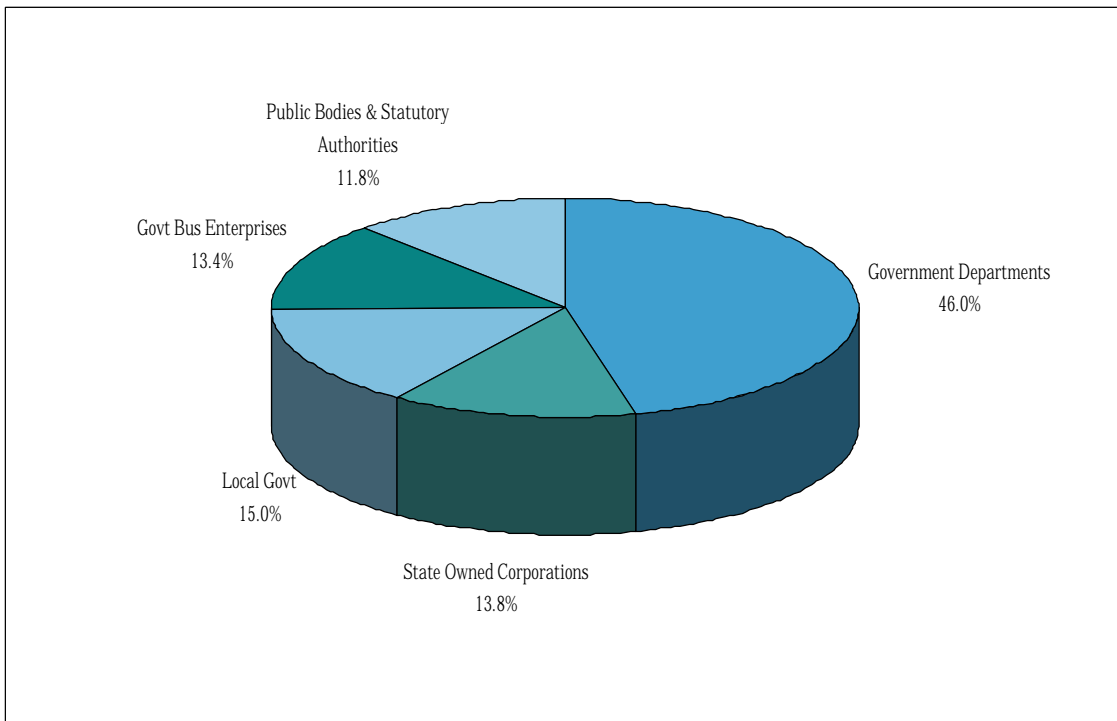
---

The scheme provides that the working papers of the private auditors are subject to review by the Office and for the report on the financial statements to be issued by the Auditor-General.

Audits conducted by the private sector	6
Audits conducted by the Tasmanian Audit Office	<u>23</u>
<b>Number of Councils</b>	<b>29</b>

## ALLOCATION OF IN-HOUSE TIME FOR FINANCIAL AUDITS

### Financial Audits for 1999 audit cycle



---

## CORPORATE PLAN

The Mission of the Office is to:-

Perform high quality, independent and cost effective audits, which add value to our clients.

Provide reports to Parliament that are fair, relevant, timely and of high quality.

The Office is funded for a single output group (Public Sector Management and Accountability) which comprises the following activities:

- financial audit services;
- reports to Parliament;
- performance audit services; and
- whole of government services.

The organisation chart is illustrated on page 17.

## OFFICE AS A WHOLE

Statistics and performance indicators for the Office as a whole are shown below:-

<b>Key Operating Statistics</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>
Organisations and activities audited	123	122	114	119	103
Employees (FTE over the year)	46.2	41.0	38.3	35.2	33.4

Staff numbers continued to fall (by natural attrition) as the Office attained greater efficiency in the delivery of administrative and audit services.

The reduction in organisations and activities is a result of the new administrative arrangements implemented by the Government. The composition of the audits is shown on page 8.

---

The following statistics are based on accrual accounting information unless otherwise stated.

<b>Key Financial Statistics</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Total operating income	3 455	3 424	3 060	3 097	2 860
Total operating expense	3 169	3 303	3 188	3 087	2 877
Change in Net Assets Resulting from Operations	436	121	(74)	(20)	(17)
Total Assets	2 437	2 556	2 325	2 211	2 175
Net Assets	1 650	1 789	1 615	1 495	1 378

A more detailed analysis of the financial affairs of the Office appears under the commentary on financial results for the year, later in this report.

Total operating income decreased as a result of work in progress being only 37% of audit fees revenue for the current audit cycle (\$2.161m) as at 30 June 1999 compared with 40% last year (\$2.370m). Total operating expenses declined as a result of decreases in overhead expenditure such as depreciation, information technology and contract audit fees.

Total assets declined as a result of the equity reduction payment of \$100 000 made to the Consolidated Fund. However, current assets also decreased because work in progress declined due to the reduction in audit staff numbers.

<b>Efficiency</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>
Audit costs per thousand dollars of state public sector transactions (Derived from benchmarking formula)	0.68	0.63	0.63	0.63	0.58

One measure of efficiency of the Office is the total cost of running the Office compared to total State public sector transactions ie revenues plus expenditures. The relevant statistic is derived from ABS publication Government Finance Statistics (ABS Catalogue No. 5512.0). Given that the ABS publication is not finalised until nine months after the end of the financial year the value of transactions is calculated by adjusting the previous years figure by CPI for the current year.

Corresponding benchmarking figures for WA and the ACT Audit Offices are shown below. Figures for 1998-99 are not yet available from these jurisdictions.

	1995-96	1996-97	1997-98	1998-99
Tasmania	0.63	0.63	0.63	0.58
Western Australia	0.59	0.63	0.59	n/a
ACT	0.67	0.73	0.77	n/a

These figures indicate that the efficiency of the Office when compared with the other jurisdictions is improving.

<b>Economy</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>
Average staff salary (\$ per FTE)	40 849	42 693	46 858	49 133	46 380
Average Accommodation cost per employee (net of sub-lease) (\$)	4 029	4 126	4 450	3 812	3 304
Average charge out rate (\$ per hr)	66.38	73.42	77.96	76.71	90.65

Average staff salary decreased because of new staff replacing those who retired or resigned, commenced at a lower salary.

Accommodation cost per employee increased between 1996 and 1997 due to the decrease in staff numbers. The lease arrangements make it relatively inflexible to economise on office space but the Office was successful in obtaining a tenant for a part of the leased space in Hobart from July 1997. This action improved this statistic for 1998. From April 1999, the Office has entered into a new five year lease arrangement with a decreased rental rate and a substantial rent free period. As a result the average accommodation cost has decreased.

The average charge out rate increased substantially this year as a result of a poor work in progress for the current audit cycle. The work in progress at 30 June 1999 is 37% compared to 40% for the previous year. Dividing the accrued costs for the year by the number of productive hours performed by staff derives the average charge out rate. For 1998-99 the accrued costs were \$2 702 777 (excludes capital charge and tax equivalence costs) and the productive hours were 29 813.



---

## OUTPUT 1

### PUBLIC SECTOR MANAGEMENT AND ACCOUNTABILITY

This output provides:-

- Performance audits of the economy, efficiency and effectiveness of selected aspects of Public Sector Entities activities;
- Reports presented to Parliament on the results of the audit of the Public Sector entities and any other significant items as they become apparent during the year; and
- The conducting of special investigations in the public interest.

The reports provide Parliament with independent assurance on the financial statements of Government Departments and Public Bodies, and information on significant matters relating to the financial performance of the entities. The reports include material non-compliance issues and relate any significant matter on the Public Account which requires the attention of Parliament.

#### Performance indicators

<b>Efficiency</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>
Performance Audit Reports	3	5	6	7	2
Other Reports to Parliament	3	3	3	3	3

The number of reports to Parliament was down in respect to previous years despite staffing being increased from 1.16 FTE's in 1997/98 to 1.71 FTE in 1998/99. The reason being for the last six months the Office has been heavily involved in a follow-up audit on Y2K readiness and a report on privatisation. The reports on these audits are due for release in September 1999. There were two performance audit reports (refer to page 19) as well as the Annual Report (Sept 1998), the report on the Public Account (Sept 1998) and the general report on Government Departments and Public Bodies (Dec 1998). These latter reports were all tabled in advance of the statutory deadlines.

The management of the public sector is evaluated by conducting financial attest and regularity audits of the Treasurer, government departments and public bodies.

#### Performance Indicators

<b>Effectiveness</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>
Auditee audit satisfaction index	n/a	3.04	3.09	2.95	3.05

---

The auditee survey results relate to the financial years 1994-95, 1995-96, 1996-97 and 1997-98 and were conducted approximately seven months after the end of each period for audits conducted by the Office.

An index was constructed of "Satisfaction" with the performance of the Office by the auditees. The index of 3.05 represents an average answer on a (strong disagreement) to (strong agreement) scale, corresponding to slightly higher than 3.00 which represents "agreement" with proposition that performance has been satisfactory.

<b>Efficiency</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>
Attest audit costs per thousand dollars of state public sector transactions (Derived from benchmarking formula)	0.61	0.56	0.55	0.55	0.49
Index of audit fees (real terms) (1993/94=100)	95.2	90.9	84.2	82.2	77.8
Audit reports certified by 31 October based on hours	68%	78%	84%	54%	66%
Average financial audit revenue per FTE (financial auditors)	78 814	89 508	81 868	94 645	105 980

### **Attest Audit Efficiency**

The attest audit costs per thousand dollars of state public sector transactions differs from the similar statistics on page 10 because they relate only to financial attest audit costs rather than the total costs of the office that include other activities. This statistic shows a considerable improvement in efficiency relative to previous years.

The estimated cost of the pure attest function (audit of financial statements) and the reporting to Parliament relative to total public sector transactions is 49 cents.

	<b>1995-96</b>	<b>1996-97</b>	<b>1997-98</b>	<b>1998-99</b>
Tasmania	0.56	0.55	0.55	0.49
Western Australia	0.31	0.33	0.34	n/a
ACT	0.34	0.38	0.46	n/a

The corresponding benchmarking figures for pure financial attest audit for West Australia and the ACT Audit Offices are shown in the table above. Figures for 1998-99 are not yet available from these jurisdictions. The variation between the figures quoted on page 11 for "audit costs" and the figure for financial attest costs is explained by the level of performance audit activity of each jurisdiction. For 1997-98, performance audit activity as a percentage of total activity for Tasmania was 13%, Western Australia 23%, and the ACT 36%.

### **Index of Audit Fees**

---

A further indication of efficiency in the broad sense is the index of audit fees. This index is calculated in real terms, i.e. dollar values are compared after adjustment for changes in the Consumer Price Index. The index demonstrates that the Auditor-General's policy of attempting to keep audit fee increases at CPI less 1% for each year since 1994 has been successful since the index has declined from 100.0 in 1994 to 77.8 in 1999.

### **Timeliness of Audits**

Most auditees have a requirement to report before the end of November in each year and to include auditee financial statements in these reports. As a service to auditees, the Office seeks to complete as many audits as possible one month before this deadline. The Office's target is 85% by hours. The result again this year was disappointing at 66% although an improvement over the previous year. My Report No 2 "Government Departments and Public Bodies for 1997-98" under Part 5.2 outlines my concerns in respect of the timeliness and quality of financial statements.

### **Financial Audit Revenue**

The financial audit revenue per FTE employee measures the revenue generating capacity of financial audit staff. The measure increase this year is due to the number of full-time equivalents decreasing and the audit fee revenue increasing in comparison to the previous year.

<b>Financial Budget (Cash)</b>	<b>Estimate \$'000</b>	<b>Actual \$'000</b>
Expenditure	2 711	2 641
Receipts	2 972	2 899

Budgeted cash expenditure of \$2.711m in 1998-99 was down substantially on the previous year (\$3.058m). The decrease was necessary in order to balance the corresponding reduction in anticipated cash receipts. The reduction in expenditure was achieved by several means including the use of temporary staff and the rationalisation of IT expenditure. Expenditure was slightly below budget balance as a result of the tight management of overhead expenses. These expenses were under budget by 5% whereas employee entitlements were under budget by 0.05%.

Budgeted receipts were down on the previous year due to reductions in financial audit fees. Actual receipts were less than anticipated because not all invoices raised were paid by the auditees as expected and as a result the debtors as at 30 June was \$133 000 compared to \$13 000 at 30 June 1998.

---

## FUTURE DIRECTIONS

In the last Annual Report I mentioned the review of the *Financial Management and Audit Act 1990* under competition policy principles. At that time a committee had produced a draft report. That report recommended that the existing legislative framework should be retained whereby the Auditor-General has complete discretion over the extent to which audits are conducted by his or her own staff or by contracted private sector auditors. The draft report noted the considerable costs and some risks inherent in alternative options. It went on to recommend that the Auditor-General should continue to utilise contracted private sector auditors and to monitor the degree of use of this resource against practice in other Australian states.

As at the end of June 1999, there was still no formal conclusion to the process. However in August 1999, following discussion of the issues, the Treasurer indicated in a letter to me that it was government policy that the

“total permanent resources of the Office should be maintained at their current level and that any resource savings flowing from the more efficient conduct of financial audits would be reinvested in the investigation of performance-related issues and other financial issues outside the financial audit activity as narrowly defined”.

I intend to abide by this policy and do not believe that it constitutes any impediment to the independence of the Office.

---



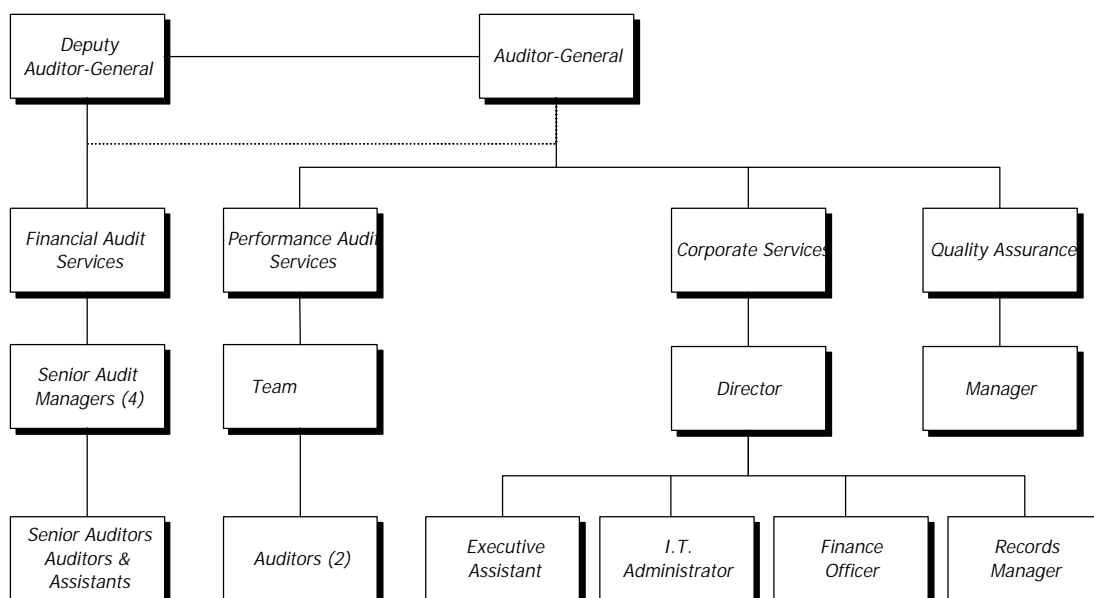
# ORGANISATION AND MANAGEMENT

## OVERVIEW

The structure of the Office changed significantly this year. The Auditor-General presides over an executive management team consisting of the Deputy Auditor-General and the Director of Corporate Services. The Performance Audit Services section increased in size and a Manager Quality Assurance was appointed.

The position of Deputy Auditor-General was filled on a permanent full-time basis and oversees the responsibility for financial audit services.

## ORGANISATION CHART



---

## KEY MANAGEMENT PERSONNEL

The key management personnel are listed below: -

### AUDITOR-GENERAL

**Dr A J McHugh** Bsc (Hons) (University of Sydney) PhD (University of Sydney)  
BA (Macquarie University) FCPA  
**Responsibilities:** Auditor-General and administrative head of the Tasmanian Audit Office

### DEPUTY AUDITOR-GENERAL

**D W R Baulch** FCPA  
**Responsibilities:** Provide policy advice to the Auditor-General. Manage staff of the financial audit section in accordance with contemporary audit practices.

### DIRECTOR CORPORATE SERVICES

**D J Strong**  
B Bus (University of Tasmania)  
ASA MACS PCP MAHRI  
**Responsibilities:** The Office's principal accounting officer, human resource manager and information resource manager (including records management and information technology).

---

## LEGISLATION ADMINISTERED

The Audit Office is responsible for the administration of the *Financial Management and Audit Act 1990* in so far as it relates to audit matters.

## MAJOR DOCUMENTS PRODUCED

	Copies Printed <sup>2</sup>	Production Cost \$	Printing Cost \$	Total Cost \$
<b>Performance Audit Reports</b>				
Special Report No 27 – Use of Motor Vehicles in Government Agencies	300	27 462	1 235	28 697
Special Report No 28 – Payment of Accounts in Government Agencies	300	48 738	1 235	49 973
		<b>76 200</b>	<b>2 470</b>	<b>78 670</b>
<b>Annual Reports as required by the Act</b>				
Annual Report of the Office	300	4 920	5 700	10 620
Report No 1 - Public Account <sup>1</sup>	300	677	665	1 342
Report No 2 – Government Departments and Public Bodies	300	88 369	5 805	94 174
		<b>93 966</b>	<b>12 170</b>	<b>106 136</b>
		<b>165 166</b>	<b>14 640</b>	<b>184 806</b>

All of the above reports can be accessed via the Office's Internet home page <http://www.audit.tas.gov.au/reports/index.html>

Note:

<sup>1</sup> The audit of the public account has in addition to the cost of reporting, an audit fee of \$79 920.

<sup>2</sup> Included in the number of copies printed is 100 for Parliamentary Papers





---

# **CORPORATE SERVICES**

## **OVERVIEW**

The Corporate Services Section is comprised of the following functional units:-

- Human Resource Management
- Computer Services and Support
- Finance and Administration
- Executive Support

There are 4.68 full-time equivalent staff employed.

## **OBJECTIVES**

### **Human Resource Management**

Provides support and advice to management and staff of the Tasmanian Audit Office on all issues concerning the management of people at work and delivers a range of services directed at providing the Tasmanian Audit Office with a highly skilled, motivated and productive workforce.

### **Computer Services and Support**

Provides IT related services to all areas of the Tasmanian Audit Office and also contributes to the development of policies, procedures and standards involving information technology issues.

### **Finance and Administration**

The principal responsibilities are:-

- preparation and on-going management of the Tasmanian Audit Office budget;
- payment of accounts and processing of receipts;
- payment of salaries and maintenance of the leave management system;
- records management and office communications; and
- provision of accommodation, equipment and office stationery.

The provision of payroll and leave accounting services is provided in conjunction with the REMUS consortium.

### **Executive Support**

Provides the Executive management of the Office with secretarial support and services.

---

---

## **Annual Report**

The section was able to meet its objective of producing the Office's annual report for 1997-98 by 31 July 1998. However, due to the State election in August 1988, the Office's report was not tabled until September 1998. A pleasing result was the Office being presented with an award for the "Best Annual Report for 1997-98" in the Tasmanian State Government Agency category for the Annual Reports Award from the Tasmanian Division of the Institute of Public Administration Australia.

## **Recycling**

The Office is committed to using recycled products, and providing materials for recycling to the Hobart City Council.

## **Support of Tasmanian Businesses**

The Office is committed to purchasing from Tasmanian businesses for the provision of goods and services where it is cost effective to do so. Currently it is estimated that 90% of the goods and services purchased by the Office are procured from Tasmanian businesses. During 1998-99 the Office did not award any contract in excess of \$50 000.

---

# HUMAN RESOURCE MANAGEMENT

## STAFFING INFORMATION

### STAFF RECRUITMENT

There were three permanent staff recruited during the year.

### STAFF RECRUITMENT AND TURNOVER

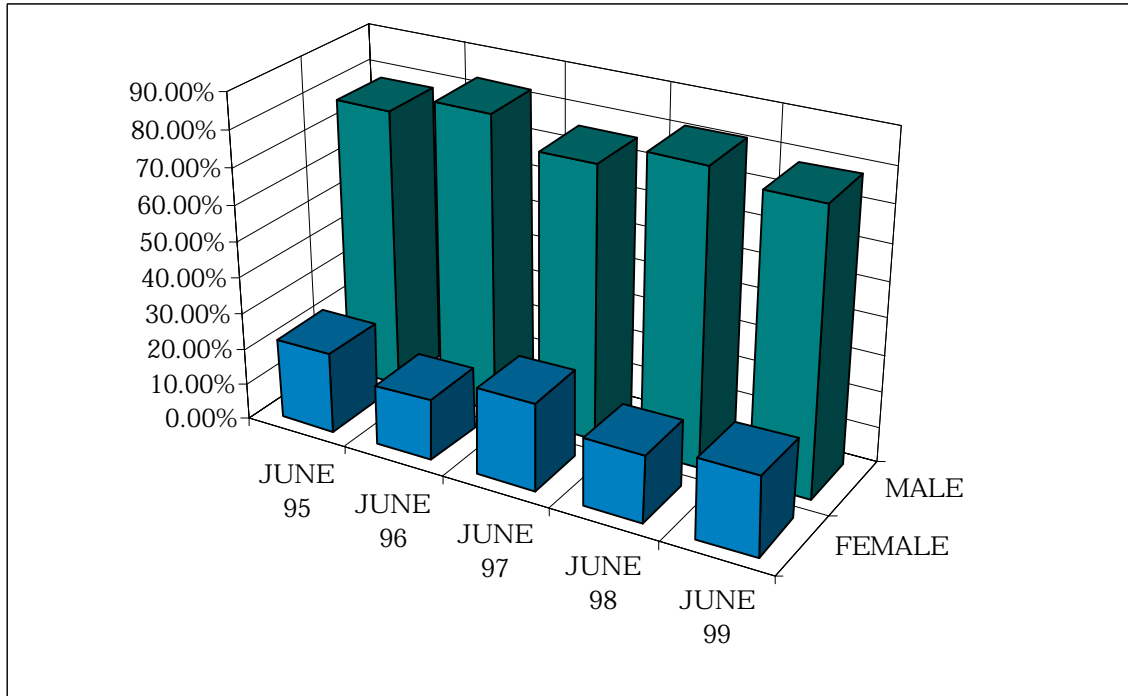
The rate of staff turnover in the Office has increased this year. The number of staff over the last five years has decreased by 12.5%.

Employment statistics are represented as head counts and are detailed below.

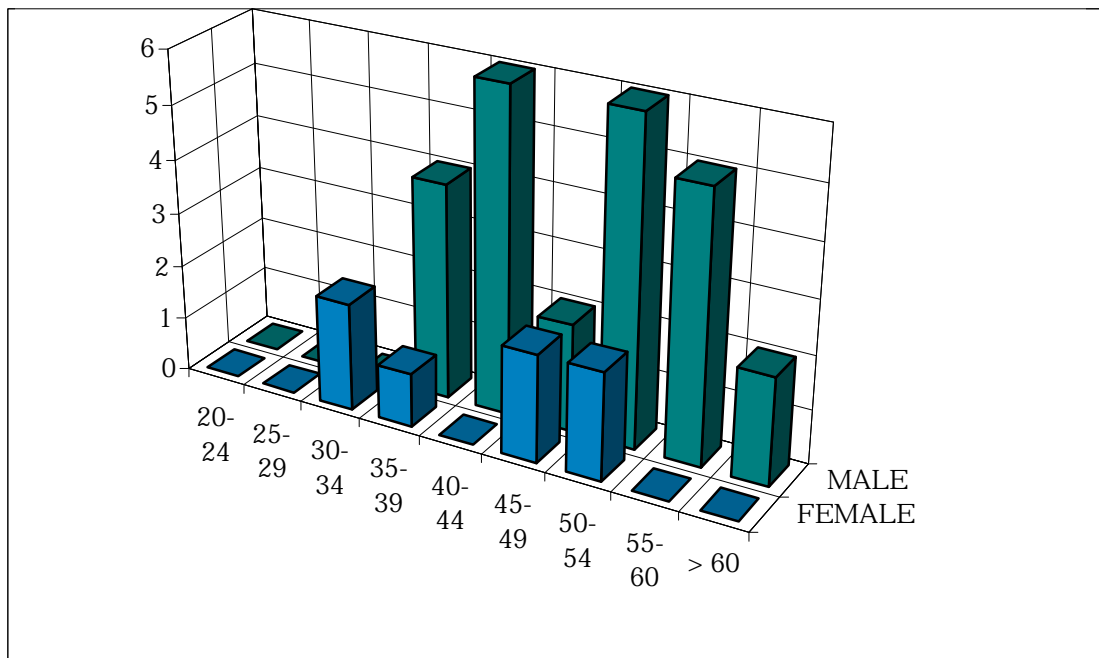
	1994-95	1995-96	1996-97	1997-98	1998-99
<b>Permanent Employees 1 July</b>	<b>48</b>	<b>43</b>	<b>39</b>	<b>34</b>	<b>32</b>
<b>Losses</b>					
Redundancy	-	-	-	-	-
Retirements	3	1	2	1	1
Resignations	3	4	3	2	2
Promotions	3	1	-	-	-
Deaths	-	-	-	-	-
	<b>-9</b>	<b>-6</b>	<b>-5</b>	<b>-3</b>	<b>-3</b>
<b>Gains</b>					
State Service	1	-	-	-	1
Non-State Service	2	-	-	1	2
Conversion from Temporary to Permanent	1	2	-	-	-
	<b>4</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>3</b>
<b>Total Permanent Employees</b>	<b>43</b>	<b>39</b>	<b>34</b>	<b>32</b>	<b>32</b>
Plus temporary employees	2	3	3	1	10
<b>Number Employed 30 June</b>	<b>45</b>	<b>42</b>	<b>37</b>	<b>33</b>	<b>42</b>
% change per year	<b>(10.0%)</b>	<b>(6.7%)</b>	<b>(11.9%)</b>	<b>(10.8%)</b>	<b>27.3%</b>

Temporary staff were recruited in April with the objective of reducing the audit backlog from November-December 1998. Forward projections of the staff required to conduct financial audits in the 1999-2000 audit cycle indicate that no more than 23 FTE will be required, hence it was not prudent or necessary to engage additional permanent staff.

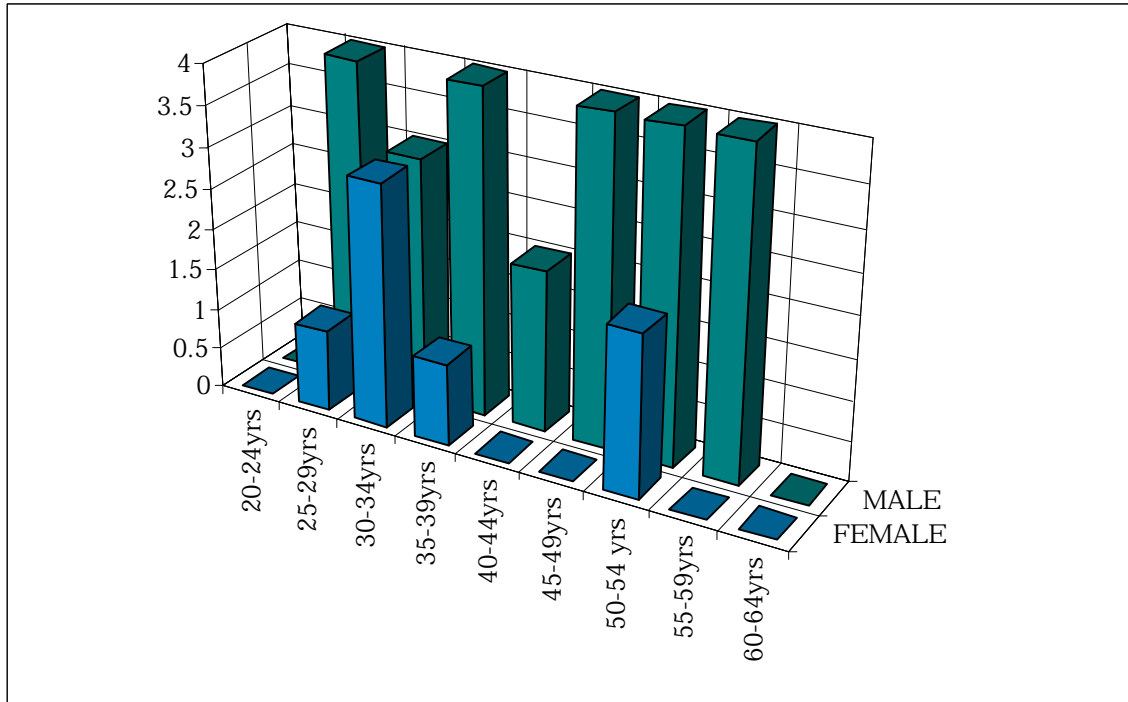
**% Total Permanent Employees by Gender for the Period June 95 To June 99**



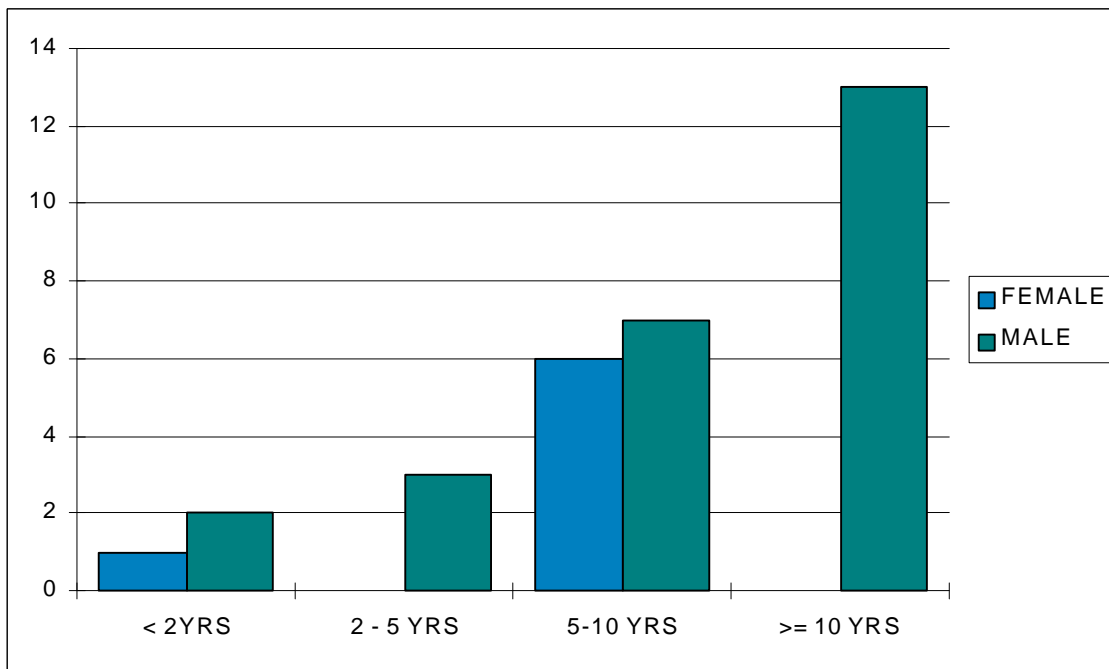
**Number of Permanent Employees by Gender by Salary Range (\$'000) as at 30 June 1999**



### Breakdown of Permanent Employees by Age and Gender as at 30 June 1999



### Length of Employment of Permanent Employees with the Office as at 30 June 1999



---

## STAFF BY CATEGORY

	June 95	June 96	June 97	June 98	June 99
Executive Management	6	5	5	3	3
Managers	5	5	5	5	5
Audit Staff	28	26	23	20	29
DP Support Staff	1	1	1	1	1
Administration Staff	4	4	2.68	2.68	2.68
	<b>44</b>	<b>41</b>	<b>36.36</b>	<b>31.68</b>	<b>40.68</b>
Average Staff for the year	46.17	40.96	38.31	35.23	33.36

## LEAVE MANAGEMENT

### SICK LEAVE

	1994- 95	1995- 96	1996- 97	1997- 98	1998- 99
Full Pay Sick Leave (Days)	252.0	127.1	158.9	256.8	285.8
Half Pay Sick Leave (Days)	0.0	0.0	0.0	0.0	7.0
No pay Sick Leave (Days)	53.0	0.0	0.0	0.0	2.0
Total Sick Leave Taken (Days)	305.0	127.9	158.9	256.8	294.8
Average Per Employee (Days)	6.6	3.1	4.2	7.3	8.8
Number of Officers who took leave in excess of 100 hours	4	1	0	4	5

---

---

## ANNUAL AND LONG SERVICE LEAVE

Details of the number of employees whose accrued leave credits exceed the statutory limit as at 30 June are as follows:

	1994- 95	1995- 96	1996- 97	1997- 98	1998- 99
Number of employees whose accrued annual leave credits is in excess of 40 working days as at 30 June	7	13	13	13	9
Number of employees whose accrued Long Service Leave balance is in excess of 100 working days as at 30 June	6	7	6	5	1

Employees are generally required to reduce their accrued annual leave credits to 20 working days or less as at 30 September in each year.

The Office has developed a strategy that will reduce annual leave balances to 20 days accrued as at 30 September 2002.

## STAFF DEVELOPMENT

### Eligible Training Courses and Staff Development Activities

The training statistics are provided below.

Training provided to staff in the year comprised:-

- in-house courses on audit methodology, changes to accounting and audit standards, audit software for planning and workpapers and in the use of specific audit techniques.
- external courses sponsored by the accounting profession and other training institutions.

	Hours
Training Management	38
Graduate Training	5
External Courses/Conferences	536
On Job Training Not Specific to a Client	390
In House Training Seminars	264
On Job Training Specific to Clients	454
<b>TOTAL</b>	<b>1 687</b>

---



	1994- 95	1995- 96	1996- 97	1997- 98	1998- 99
Number of days of training provided	536.2	292.6	204.2	157.3	224.9
Average number of days per employee	11.62	7.15	5.33	4.46	6.74

### **Study Assistance Policy**

The Office encourages staff members to further their professional development by undertaking appropriate courses of study, usually at the University.

Study assistance may involve employees receiving time off and/or financial assistance. Time off is granted subject to the Office's convenience and the nature and extent of the assistance is dependent on the benefit which the course of study is likely to bring to the Tasmanian State Service.

### **Continuing Professional Development**

The Office encourages staff members to commit themselves to continuing professional development.

Subject to prior approval, staff are allowed time off during working hours to attend seminars.

The Office's contribution towards the cost of CPD courses, seminars, etc (for fees, travel, accommodation and meals) is dependent on funds available and relevance of subjects to the Office's functions.

Graduates within the Office wishing to undertake CPD are reimbursed 50% of the fees involved upon successful completion of the Programme.

---

## **EQUAL EMPLOYMENT OPPORTUNITY POLICY**

### **EQUAL EMPLOYMENT OPPORTUNITY POLICY**

The Tasmanian Audit Office is committed to employment policies and practices which do not discriminate against individuals on the basis of sex, ethnic origin, marital status, physical disability, religion, political opinion or other characteristic.

The Tasmanian Audit Office has a commitment to:

- ensure fairness and equity in all employment practices, policies and conditions of service;
- ensure that all recruitment, promotion and selection procedures are non-discriminatory, including the representation of both men and women on selection panels, and the development of position descriptions and selection criteria which canvass the widest possible interpretation of skills and experience relevant to the functions of the Office;
- ensure employees, regardless of sex, marital status, ethnic origin and physical disability have equal access to staff development programmes, job rotation, inter-departmental working groups, secondments, work assignments and other procedures which may expand an employee's range of work experience and enhance career prospects; and
- ensure all conditions of service are applied fairly and equitably to all employees.

A committee of staff has the responsibility to oversight the implementation of the policy, prepare annual plans of issues to be addressed and to act as contact persons for staff with any grievances.

### **MANAGING CULTURAL DIVERSITY**

The Office has produced a draft document titled "Managing Cultural Diversity in Our Workplace" which deals with issues associated with maintaining a safe work environment for everyone and dealing with discrimination and harassment.

The document is due for release by the end of August 1999.

---

---

## **INDUSTRIAL DEMOCRACY**

A Consultative Committee exists to provide a forum for management and staff to exchange ideas and information, and consult on issues concerning both parties.

Membership of the Committee at 30 June 1998 was:-

Auditor-General;  
Director Corporate Services;  
Staff of the Office (5) ,and  
Representative of the Community and Public Sector Union  
(State Public Services Federation Tasmania).

Three meetings were held during the year.

Issues discussed at these meetings included:

Occupational, Health and Safety Issues;  
EEO Management Plan;  
Legislation Review of the Financial Management and Audit Act;  
State Service Wages Agreement;  
Consultant Management System;  
Training Evaluation Report;  
Ergonomic Assessment Report;  
Communication Techniques within the Office;  
Use of temporary employees;  
Travel;  
Debt Collection Policy;  
Internal Audit assistance;  
Contract Audits; and  
Accommodation.

During the year there were no days lost due to industrial disputes.

### **Appeals**

During the year, there were no appeals against decisions made by the Office.

---

---

## OCCUPATIONAL HEALTH AND SAFETY

The responsible officer for health and safety at the workplace is:-

David Strong  
Director Corporate Services

The Office's policies in relation to occupational health and safety and rehabilitation are set out in its OHS Policy and Procedures Manual.

### WORKERS COMPENSATION STATISTICS

	1994-95	1995-96	1996-97	1997-98	1998-99
Claims Lodged	0	1	0	1	-
Days Lost	0	0	0	14.25	-
Cost of Claims	0	0	0	\$1 197	\$3 154*
<b>Premium</b>	<b>\$12 660</b>	<b>\$10 752</b>	<b>\$14 856</b>	<b>\$12 397</b>	<b>\$10 066</b>

\* Relates to previous years claim.

As reported last year an ergonomic assessment has been completed and presented to the Auditor-General. The cost of the report was \$2 137.

As a result of this report several actions have been undertaken:-

- staff have been instructed on the correct use of an ergonomic chair and setting up their work environment;
- staff attended a seminar on back care; and
- new ergonomic chairs were purchased and other aids provided such as foot stools and a portable reading height table.

Some staff are having ongoing consultation in relation to back-related complaints and the Office is assisting with financing rehabilitation programs initially.

The total cost of the consultancy service was \$3 081 and \$235 has been spent on assisting staff on rehabilitation programs. The attendance for these programs occurs outside business hours.

---



# PUBLIC ACCESS

## FREEDOM OF INFORMATION

<b>FOI Contact Officer</b>	David Darby
<b>Location</b>	Level 5 144 Macquarie Street HOBART
<b>Telephone</b>	(03) 6233 2879

<b>Requests</b>	<b>Number</b>	<b>Outcome of Requests</b>	<b>Number</b>
Number Received	3	Full Access	-
Personal Information	-	Part Access	3
Amendment Personal Files	-	Denied Access	-
Requests Carried Over	-	Personal Files Amended	-
Awaiting Decision	-	Files Not Amended	-
Requests Decided	3	Not in Possession of Agency	-
Other	-	Requests Withdrawn	-
		Requests Transferred	-
<b>Decision Time</b>	<b>Number</b>	<b>Exemption Use</b>	<b>Number</b>
< 10 days	1	Cabinet (S24)	-
11 - 20 days		Other States (S26)	-
21 - 30 days	2	Internal Working (S27)	-
> 30 days		Law Enforcement (S28)	-
> 30 days - Negot. Ext.		Legal Proceedings (S29)	-
		Personal Privacy (S30)	-
		Trade Secrets (S31)	-
		Confidential (S33)	3
		State Economy (S35)	-
<b>Other Refusals</b>	<b>Number</b>	<b>Reviews</b>	<b>Number</b>
Prior to 1 Jan 1988	-	Internal	-
Otherwise Available	-	Upheld in Full	-
Voluminous Request	-	Upheld in Part	-
Not in Possession	-	External	1
		Upheld in Full	1
		Upheld in Part	-
<b>Fees and Charges</b>	<b>Number</b>	<b>Reasons</b>	<b>Number</b>
Waived or Reduced	3	Routine Request	-
Collected	-	Person Information	-
Total Calculated	-	General Public Interest	-
Estimate Only	-	MP	3

The following information is held by the Office:-

### Audit Working Papers and Files

This information is confidential to the Auditor-General. Any information in respect to an auditee should be sought directly from that auditee.

### Reports of the Auditor-General

Details are shown on page 19 of this Report of Reports issued by the Auditor-General.

---

## **INVOLVEMENT WITH COMMITTEES**

Committees on which staff of the Office have served during the year either as members or in an advisory capacity were as follows:-

### **Australasian Council of Auditors-General**

Member

Member of Executive Committee and Liaison Committee

### **Professional Committees**

Urgent Issues Group

Australian Society of Certified Practising Accountants

State President

National Council

National Council Audit Committee

National Council Nominating Committee

Divisional Council

Divisional Executive Committee

Divisional Investigation Committee

Network Committee

Institute of Public Administration Australia

Divisional Council Tasmania

Australasian Evaluation Society

Divisional Council

Regional Committee

Board and Executive Committee

### **Intra-Government/Public Bodies Committees**

Office for Multicultural and Ethnic Affairs

Ethnic Liaison Officer

EEO Committees

Changing Workplace Behaviour Policy Development Sub-committee

Contact Officers Committee

University of Tasmania Faculty of Business

Remus Consortium

Steering Committee

HR Reference Group

Training Consortium

Steering Committee

Information Technology Managers Group

Information Management Forum

Inter-Agency Evaluation Group for establishment of Probity

Auditor Panel

Tasmanian Women's Policy Network

---

---

# MANAGEMENT POLICIES

## ASSET MANAGEMENT

### ACCOMMODATION

The Office occupies Government owned or leased properties in Hobart and Launceston.

The Office has renewed the lease of the 5<sup>th</sup> floor in the TGIO Building, Macquarie Street, in its own right from April 1999 to April 2004.

### INFORMATION TECHNOLOGY

The Office is reliant upon information technology to carry out its business. The Office has a draft Information Technology Plan for 1999 and beyond.

This plan addresses the future IT infrastructure requirements of the Office in light of our future direction and government policy.

## RISK MANAGEMENT

The major risk exposures of the Office are associated with the conduct of audits.

To minimise these risks, audits are conducted in accordance with Australian Auditing Standards, which are issued jointly by the Australian Society of Certified Practising Accountants and the Institute of Chartered Accountants in Australia. The standards provide the fundamental benchmarks and quality assurance guidelines which must be followed by members of the accounting profession.

The Office minimises these risks by:-

- reviewing its audit methodology regularly;
- ensuring the review process as defined in the Audit Manual is performed;
- ensuring that an external quality assurance review is performed periodically on a selection of financial audit working papers.
- ensuring that a quality assurance review is performed periodically to evaluate the performance audits conducted.

The Office attempts to minimise the risk of injury to workers by reviewing work practices and the office environment.

The risk of information loss and equipment loss is minimised by ensuring disaster/recovery procedures are performed, and officers follow the code of conduct relating to securing computer equipment and information.

---



---

## **Y2K REVIEW**

The Office has undertaken a review of all systems which could be affected by the changeover to the 1<sup>st</sup> January 2000. As a result of this review the Office has developed a plan to replace or upgrade systems including hardware and software.

The first phase has been completed and to the best of the Office's knowledge the following services are unlikely to be affected as disclosed in the Government's Year 2000 Public Report:-

- financial audit services;
- whole of government, performance audit and special investigation services;
- accounts payable; and
- payroll.

The next phase is to upgrade and replace some internal systems and this phase is to be completed by 31 October 1999.

The Office has been negotiating with external parties to ensure services used by the Office will not be affected such as building services.

In the event the Office does have problems with the changeover to the 1<sup>st</sup> January 2000 the Office will implement its contingency plan for that particular eventuality.

The Office to the best of its knowledge will be sufficiently prepared for the 1<sup>st</sup> January 2000 changeover.

These statements are a Year 2000 disclosure statement for the purposes of the *Year 2000 Information Disclosure Act 1999*.

## **PRICING POLICIES**

The Office is dependent upon audit fees as the main source of revenue and a small budget appropriation for the Auditor-General's salary, Performance Audits, Reports to Parliament and Whole-of-Government Services.

Audit fees charged are determined by the Treasurer after consultation with the Auditor-General in accordance with Section 56 of *the Financial Management and Audit Act 1990*.

Fees are calculated on the basis of meeting the full cost of operating the Office. Individual fees are determined on a number of criteria which include size, history, risk, complexity, systems in place including internal controls, organisation and accounting changes and location.

### **TAO Charging Policy**

This policy covers a number of different types of work. Any proposed departures from the policy must be approved by the Auditor-General.

This policy is concerned with substantial commitments of time as it would be counter-productive to insist on charging for every small service provided by the Office. As a

---

guide, times of more than 20 hours represents a substantial amount of time that should be accounted for.

The aim is to seek recovery of full direct cost plus overheads where that is feasible in the circumstances.

Financial audits constitute most of the throughput of the Office. Each audit should recover the full cost of auditors, Managers and the Deputy Auditor-General and include a proportional amount of overheads.

If additional hours above allocated hours are traced to auditee causes, action is taken to review the excess.

Documents tabled in Parliament are supplied free of charge where stocks of a print run already exist. It may be necessary to seek recovery of costs if material needs to be photocopied in large numbers or reprinted.

All services provided to other Auditor-General offices are free of charge unless there is an external third party involved in the supply of the service, e.g. a training course delivered by a third party.

---



## EXTERNAL AND INTERNAL SCRUTINY

### External Review

There was no external review in this year.

### Survey of Auditees

The Office conducted its annual survey of auditees in April 1999 relating to the audit of the 1997-98 financial year. Some aspects of the survey are reported at page 12.

The survey results indicate that approximately one third of respondents might not use this Office if given choice of auditor. This statistic has declined from one in four last year.

While a measure of this dissatisfaction may be related to conflict over professional issues, the major factor relates to a perception that audit fees may be too high. Several respondents indicated a desire to market test the audit fee.

The Office has embarked on a program to improve audit service levels generally, to strengthen the audit relationship, and to provide improved value for money.

### INTERNAL AUDIT

No internal audit was undertaken this year

### CONSULTANTS ENGAGED DURING THE YEAR

The Office engaged the following consultants during the year:-

Consultant		Cost
Gillian Groom	Ergonomic Assessment Audit	\$2 137
Gillian Groom	Ongoing assessment and rehabilitation of staff	\$3 081
Invisic Pty Ltd	Implementation of the Offices Consulting Management System	\$187
CV Services International	Financial systems interfaces for the Treasury Financial And Reporting System	\$2 244

---

## EXTERNAL AUDIT

Under Section 45 of the *Financial Management and Audit Act 1990*, the Governor may appoint an independent Registered Company Auditor to perform an audit of the financial statements of the Tasmanian Audit Office. Deloitte Touche Tohmatsu, Chartered Accountants, Hobart, were appointed for a term of three years expiring on completion of the audit for the year ended 30 June 2000. Their Audit Report is attached to the financial statements contained in this Report.

---

---

## **COMMENTARY ON FINANCIAL RESULTS**

The financial statements appear on pages 43-67.

### **FINANCIAL STATEMENTS PREPARED ON A CASH BASIS**

The Special Deposit and Trust Fund account T644 records all the cash transactions of the Office.

The cash balance increased from \$854 000 at 30 June 1998 to \$1 012 000 at 30 June 1999.

Cash receipts were down on the previous year due to major reductions in some financial audit fees. Other receipts were relatively steady.

Cash payments were also down in total from \$3 038 000 to \$2 641 000. Employee entitlements were down by \$102 000 due to a lower number of full-time equivalent staff. There were corresponding reductions in staff on costs such as superannuation and payroll tax. Purchases of office equipment decreased by \$127 000 in particular for information technology equipment as 1998-99 corresponded to a low purchase year in the Office's three year purchase cycle for information technology equipment. Purchases of goods and services also decreased. The reduction of \$157 000 is mainly attributable to accommodation, contracting, travel and training costs being significantly lower than the previous year.

The Office made a further payment of \$100 000 to the Consolidated Fund as an equity reduction.

Further explanations for variances in these statements are set out in Note 4.

### **FINANCIAL STATEMENTS PREPARED ON AN ACCRUAL BASIS**

#### **Operating Statement**

Employee entitlements decreased by \$165 000 on an accrual basis due to a reduction in the full-time equivalent number of staff employed in the Office. Superannuation and payroll tax declined accordingly.

Accommodation expense decreased slightly due to a renegotiation of the lease of the Hobart Office. Information Technology expense increased by \$60 000 due to paying out software licence agreements for software no longer used by the Office.

User charges decreased by \$246 000 due to reduction in financial audit fees passed on to agencies.

The result for the year was a net decline in net assets of \$17 000.

---

---

## **Statement of Financial Position**

The Office is managed on the basis of attempting to achieve a break-even operating result or a small profit. Hence the non-cash expense for depreciation can lead to an increase in cash where the replacement of assets is not immediately required as was the case. Cash increased by \$158 000.

Receivables increased by \$120 000 due to auditees not paying the debts to the Office as expected.

Plant and equipment (net of accumulated depreciation) decreased by \$160 000 because the depreciation charge for the year (\$202 000) exceeded the cost of acquisitions (\$44 000) for the year.

The total liability (current plus non-current) for employee entitlements decreased because employees took more leave.

Equity ie the net worth of the Office decreased by \$117 000 as a result of the small loss for the year (\$17 000) and the return of equity (\$100 000) to the Consolidated Fund.

## **Statement of Cash Flows**

Employee entitlements and goods and services decreased in comparison to last year.

User charges and fees and the receipts from appropriation in total reduced in comparison to the previous year as a result of decreased fee revenue due to fee reductions, and outstanding debtors being \$120 000 higher compared to the previous year.

The equity reduction of \$100 000 in 1999 represents the last of three such payments to be made annually.

The sales tax/capital change increased in comparison to the previous year by \$52 000.

The cash balance at the end of the financial year although substantial, is only adequate to fund current liabilities and provide funds to meet employee salaries as they fall due.

## **Output Schedule**

This Statement recasts the Operating Statement into high level categories of expenses and revenues but is otherwise identical. It is drawn up on an accrual basis. All revenues and expenses contribute to the single output group described in Note 5.

---

# TASMANIAN AUDIT OFFICE



## FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 1999

---





# TASMANIAN AUDIT OFFICE

## FINANCIAL STATEMENTS

### CONTENTS

#### **PUBLIC ACCOUNT – CASH STATEMENTS**

##### Financial Summary

- Source of Funds
- Summary of Expenditure
- Explanation of significant variations

##### Consolidated Fund Transactions

- Explanation of significant variations

##### Special Deposits and Trust Fund Accounts

#### **PUBLIC ACCOUNT – ACCRUAL STATEMENTS**

- Operating Statement
- Statement of financial position
- Statement of cash flows
- Revenues and Expenses by Output Group

##### Notes to the financial statements

##### Certification of financial statements

##### Audit report

---



**PUBLIC ACCOUNT**  
**CASH STATEMENTS**  
**30 JUNE 1999**



# TASMANIAN AUDIT OFFICE

## Financial summary for the year ended 30 June 1999

### Source of Funds

	Note	1998 Actual \$'000	1999 Estimate \$'000	1999 Actual \$'000	Variation \$'000
<b>OPENING BALANCE</b>		<b>748</b>	<b>854</b>	<b>854</b>	
Consolidated Fund:					
Reserved by Law	4 (a)	196	209	204	5
<b>Total Consolidated Fund</b>		<b>196</b>	<b>209</b>	<b>204</b>	<b>5</b>
Other Receipts					
Proceeds from sale of assets	4 (e)	2	-	-	-
Operating revenue not paid into Consolidated Fund	4 (b)	3 046	2 763	2 695	68
<b>Total Other Receipts</b>		<b>3 048</b>	<b>2 763</b>	<b>2 695</b>	<b>68</b>
<b>TOTAL RECEIPTS</b>		<b>3 224</b>	<b>2 972</b>	<b>2 899</b>	<b>73</b>
<b>TOTAL SOURCE OF FUNDS</b>		<b>3 992</b>	<b>3 826</b>	<b>3 753</b>	<b>73</b>
Less					
Equity Reduction	4 (j)	100	100	100	-
Closing balance:					
Other		854	1 015	1 012	3
<b>TOTAL FUNDING OF OUTPUTS</b>		<b>3 038</b>	<b>2 711</b>	<b>2 641</b>	<b>70</b>

### Summary of Expenditure

#### OUTPUT GROUP 1

Public Management and Accountability					
1.1 Public Sector Management and Accountability	4 (c)	3 038	2 711	2 641	70
<b>TOTAL OUTPUT GROUP 1</b>		<b>3 038</b>	<b>2 711</b>	<b>2 641</b>	<b>70</b>
<b>TOTAL OUTPUT GROUPS</b>		<b>3 038</b>	<b>2 711</b>	<b>2 641</b>	<b>70</b>
<b>TOTAL EXPENDITURE</b>		<b>3 038</b>	<b>2 711</b>	<b>2 641</b>	<b>70</b>

---

TASMANIAN AUDIT OFFICE

Consolidated Fund Transactions for the year ended  
30 June 1999

	Note	1998 Actual \$'000	1999 Estimate \$'000	1999 Actual \$'000	Variation \$'000
<b>EXPENDITURE FROM THE CONSOLIDATED FUND TOWARDS THE COST OF PRODUCING OUTPUTS</b>					
Reserved by Law	4 (a)	196	209	204	5
<b>TOTAL EXPENDITURE</b>		<b>196</b>	<b>209</b>	<b>204</b>	<b>5</b>

---

---

# TASMANIAN AUDIT OFFICE

## Special Deposits and Trust Fund Statement of Receipts and Expenditure for the year ended 30 June 1999

T644 – Tasmanian Audit Office Operating Account  
To record transactions with the receipt and disbursement of funds for  
activities undertaken by the Tasmanian Audit Office

	Note	1998 Actual \$/000	1999 Actual \$/000
<b>OPENING BALANCE</b>		<b>748</b>	<b>854</b>
<b>RECEIPTS</b>			
Reserved by Law	4 (a)	196	204
Fees for Service	4 (d)	2 958	2 588
Proceeds from Sale of Equipment	4 (e)	2	-
Interest	4 (f)	26	36
Other		62	71
<b>TOTAL RECEIPTS</b>		<b>3 244</b>	<b>2 899</b>
<b>PAYMENTS</b>			
Employee Entitlements	4 (g)	1 726	1 622
Superannuation	4 (g)	186	169
Payroll Tax	4 (g)	118	106
Fringe Benefits Tax	4 (l)	37	8
Workers Compensation		13	10
Purchases of Office Equipment and Leasehold Improvements	4 (h)	171	44
Purchases of Goods and Services	4 (i)	665	508
Sales Tax Equivalent/Capital Charge	4 (k)	122	174
<b>TOTAL PAYMENTS</b>		<b>3 038</b>	<b>2 641</b>
<b>Closing Balance Prior to Equity Reduction</b>		954	1 112
<b>Equity Reduction</b>	4 (j)	100	100
<b>CLOSING BALANCE</b>		<b>854</b>	<b>1 012</b>
<b>CLOSING BALANCE CONSISTS OF:</b>			
Approved Carry Forward Funds		854	1 012
		<b>854</b>	<b>1 012</b>

---





**PUBLIC ACCOUNT**  
**ACCRUAL STATEMENTS**  
**30 JUNE 1999**



---

ASSEMBLY / ANNUAL STATEMENT

## TASMANIAN AUDIT OFFICE

### Operating Statement for the year ended 30 June 1998

	Note	1999 \$'000	1998 \$'000
<b>OPERATING EXPENSES</b>			
Employee entitlements	2 (e)	(1 591)	(1 756)
Superannuation and Payroll Tax	2 (f)	(275)	(321)
Depreciation	2 (d),6	(202)	(212)
Accommodation	2 (g)	(148)	(164)
Materials, Supplies & Services		(81)	(73)
Information Technology		(220)	(160)
Contract Auditors Fees		(73)	(144)
Travel and Transport		(60)	(72)
Training		(28)	(34)
Other		(199)	(151)
<b>TOTAL COST OF SERVICES</b>		<b>(2 877)</b>	<b>(3 087)</b>
<b>OPERATING REVENUE</b>			
User charges and fees	7	2 549	2 795
Other revenues	7	69	67
<b>TOTAL OPERATING REVENUE</b>		<b>2 618</b>	<b>2 862</b>
<b>NET COSTS OF SERVICES</b>		<b>(259)</b>	<b>(225)</b>
<b>REVENUES FROM GOVERNMENT</b>			
Recurrent Appropriation	3 (a)	204	196
Assumption of Liabilities	3 (b)	38	35
<b>TOTAL REVENUES FROM GOVERNMENT</b>		<b>242</b>	<b>231</b>
<b>NET REVENUES FROM DISPOSAL OF NON-CURRENT ASSETS</b>	7	-	4
<b>NET REVENUE FROM ABNORMAL ITEMS</b>	14	-	(30)
<b>CHANGE IN NET ASSETS RESULTING FROM OPERATIONS BEFORE INCOME TAX</b>		<b>(17)</b>	<b>(20)</b>
<b>INCOME TAX EXPENSE</b>		-	-
<b>CHANGE IN NET ASSETS RESULTING FROM OPERATIONS AFTER INCOME TAX</b>		<b>(17)</b>	<b>(20)</b>

---

---

## TASMANIAN AUDIT OFFICE

### Statement of Financial Position as at 30 June 1999

	Note	1999 \$'000	1998 \$'000
<b>CURRENT ASSETS</b>			
Cash on hand and deposit accounts		1 012	854
Receivables	2 (i),8	133	13
Work in Progress		766	933
Prepayments		77	64
<b>TOTAL CURRENT ASSETS</b>		<b>1 988</b>	<b>1 864</b>
<b>NON-CURRENT ASSETS</b>			
Plant, equipment and furniture	9	187	347
<b>TOTAL NON-CURRENT ASSETS</b>		<b>187</b>	<b>347</b>
<b>TOTAL ASSETS</b>		<b>2 175</b>	<b>2 211</b>
<b>CURRENT LIABILITIES</b>			
Payables		80	18
Employee entitlements	13	298	357
Other	2 (g),15	69	19
<b>TOTAL CURRENT LIABILITIES</b>		<b>447</b>	<b>394</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee entitlements	13	350	322
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>350</b>	<b>322</b>
<b>TOTAL LIABILITIES</b>		<b>797</b>	<b>716</b>
<b>EQUITY</b>	10	<b>1 378</b>	<b>1 495</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>2 175</b>	<b>2 211</b>

---

**TASMANIAN AUDIT OFFICE**

**Statement of Cash Flows for the year ended  
30 June 1999**

	Note	1999 \$'000 Inflows (Outflows)	1998 \$'000 Inflows (Outflows)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee Entitlements		(1 897)	(2 039)
Goods & Services		(526)	(667)
<b>Receipts</b>			
User charges and fees		2 588	2 936
Interest received		36	26
Other		33	41
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>234</b>	<b>297</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for the purchase of non-current assets	11	(44)	(171)
Receipts from the sale of non-current assets	7	-	6
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>(44)</b>	<b>(165)</b>
<b>CASH FLOWS FROM GOVERNMENT</b>			
<b>Receipts from appropriation</b>			
Reserved by Law	3 (a)	204	196
Assumption of Liabilities	3 (b)	38	-
<b>Payments to Government</b>			
Equity Reduction	4 (j)	(100)	(100)
Sales Tax / Capital Charge	4 (k)	(174)	(122)
<b>NET CASH PROVIDED BY GOVERNMENT</b>		<b>(32)</b>	<b>(26)</b>
Net increase (decrease in cash held)		158	106
Cash at the beginning of the year		854	748
<b>CASH AT THE END OF THE YEAR</b>		<b>1 012</b>	<b>854</b>

---

**TASMANIAN AUDIT OFFICE**

**Output Schedule**  
**Office's Expenses and Revenues prepared on an accrual basis**  
**for the year ended 30 June 1999**

<b>OUTPUT GROUP</b>	<b>1</b>	
	<b>1999</b>	<b>1998</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>EXPENSES AND REVENUES</b>		
<b>EXPENSES</b>		
Employee Costs	1 866	2 076
Depreciation	202	212
Materials, Supplies & Services	610	647
Other	199	182
<b>TOTAL</b>	<u>2 877</u>	<u>3 117</u>
<b>REVENUES</b>		
Government	242	231
User charges and fees	2 549	2 795
Other revenues	69	71
<b>TOTAL</b>	<u>2 860</u>	<u>3 097</u>
<b>REVENUE LESS EXPENSES</b>	<u>(17)</u>	<u>(20)</u>

The Office only has one output group.

---

---

# TASMANIAN AUDIT OFFICE

## Notes to and forming part of the financial statements for the year ended 30 June 1999

### 1. Objectives and Funding

The Office's objective is to provide independent audit assurance to Parliament concerning the financial statements of the Treasurer, Government Departments and Public bodies and the economy, efficiency and effectiveness of the operations of those entities'.

The Office is partially funded by Parliamentary appropriations for performance audits, special investigations and reports to Parliament. It provides all financial audit services on a fee-for-service basis and the fees charged are based on estimated times to perform the audits.

Fees are approved by the Treasurer.

The funding from audit fees and appropriations is credited to an operating account in the Special Deposits and Trust Fund and costs of operating the Office are met from those funds.

### 2. Significant Accounting Policies

#### (a) Basis of Accounting

The financial statements have been prepared in accordance with the Treasurer's Instructions issued under the provisions of the *Financial Management and Audit Act 1990*. For activities financed through the Public Account, selected statements have been prepared on a cash basis of accounting. These statements comprise a Summary of Financial Transactions, a Summary of Consolidated Fund Transactions and a statement for the Office's account in the Special Deposits and Trust Fund.

Other financial statements in respect of the total activities of the Office have been prepared on an accrual basis using historical cost in accordance with applicable Australian Accounting Standards, other mandatory professional reporting requirements and Treasurer's Instructions. Collectively these financial statements comprise the Office's general purpose financial report.

The Office is subject to payroll tax. From 1997-98 the Office has agreed to pay into the Consolidated Fund an amount equivalent to sales tax, income tax and a capital charge.

#### (b) Appropriations

Appropriations, whether recurrent, capital, special or other are recognised as revenues in the period in which the Office gains control of the appropriated funds.

---



---

**(c) Valuation of non-current assets**

The asset capitalisation threshold adopted by the Office is \$5 000. Assets valued at less than \$5 000 are charged to the Operating Statement in the year of purchase.

Assets are grouped on the basis of having a similar nature or function in the operations of the Office.

**(d) Depreciation of Non-Current Assets**

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their service potential.

Depreciation is provided for the following class of assets at the stated depreciation rates:

Office Equipment and Furniture, on a straight line basis (25%).

Information Technology, on a straight line basis (33% to 50%)

Leasehold Improvements, on a straight line basis (20%)

**(e) Employee Entitlements**

Liabilities for employee entitlements in respect of wages and salaries, annual leave, and other current employee entitlements are accrued at nominal amounts calculated on the basis of current wage and salary rates in accordance with employee conditions and awards.

Obligations to employees in respect of accumulated leave credits in lieu of overtime are included with employee entitlements.

A liability for long service leave is recognised. Entitlements in respect of service equal or greater than ten years are shown as a current liability where the employees have indicated their intention to take leave during the next twelve months. The remaining balance is classified as non-current and discounted accordingly.

Expected future payments are discounted using interest rates attaching, as at the reporting date, to the Commonwealth Government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

On-costs include payroll tax and employer superannuation contributions.

**(f) Superannuation**

Most employees of the Office contribute to the Retirement Benefits Fund (RBF) scheme that covers employees in the Tasmanian public sector.

A superannuation provision is maintained in the Special Deposits and Trust Fund for all Departments.

The Office's obligation in respect of superannuation is extinguished by the payment of the employer's contribution based on 11% of salaries for contributory members and the appropriate Superannuation Guarantee Charge in respect of non-contributors.

---

**(g) Leases**

The Office has entered into an operating lease agreement for accommodation for the period 24 April 1999 until 23 April 2004.

The Office received a lease incentive. In accordance with UIG 3 "Lessee Accounting for Lease Incentives Under a Non-Cancellable Operating Lease" the Office has recognised the lease incentive as a liability. The liability will be reduced by allocating lease rental payments between rental expense and reduction of the liability.

Equal instalments of the lease payments are charged to the Operating Statement over the lease term as this is representative of the pattern of benefits to be derived from the leased property.

**(h) Accounts Payable**

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether billed or not billed to the Office. Accounts payable are normally settled with 28 days.

**(i) Accounts Receivable**

Trade debtors to be settled within 30 days are carried at amounts due. The collectibility of debts is assessed at balance date and specific provision is made for any doubtful debts.

**3. Appropriations**

<b>(a) Reconciliation of Appropriations to Government Revenues</b>	<b>1999</b>	<b>1998</b>
	<b>\$'000</b>	<b>\$'000</b>
Total Appropriations	204	196
Other Government Revenues:		
Assumption of Liabilities	38	35
Total Government Revenues	242	231

**(b) Assumption of Liabilities**

Under the commercialisation agreement where the Office incurs additional cost in respect of the accrual liabilities for employee entitlements as at 30 June 1993, the Consolidated Fund meets the pre 30 June 1993 amount.

During the reporting period, the Government agreed to settle the Office's obligations in respect of the following items:

Employee Entitlements		
Long Service Leave	38	35

---

#### **4. Explanation of Material Variances**

- (a)** The Auditor-General's salary increased. The salary is determined by averaging the salaries of the Auditors-General of South Australia and Western Australia.
  - (b)** Receipts for audit fees decreased due to auditees not paying invoiced audit fees and as a result outstanding debtors at year end are greater than expected.
  - (c)** With respect to the actual result for 1998-99 against the estimate for 1998-99 employee entitlements vary from the estimate by only 0.5% and goods and services were under estimate for the balance of the variance. With respect to the variance for actuals between 1998-99 and 1997-98 both employee entitlements and goods and services there was a significant decrease as a result of less staff and tight management of overhead costs.
  - (d)** Fees for Service includes funding from Finance-General. The variance from the previous year is due to the provision of additional audit services last year and an increase in receivables this year.
  - (e)** No equipment was sold this year.
  - (f)** The interest revenue increased as a result of a higher average monthly cash balance.
  - (g)** As previously stated in Note 4(c) there was a decrease in staff numbers compared to the previous year which resulted in a significant reduction in employee entitlement costs.
  - (h)** The Office has an Information Technology replacement policy that is based on a three year roll-over of obsolete equipment. The current year 1998-99 corresponded with the bottom of the purchasing cycle ie very few purchases. Also last year the Office purchased additional equipment to replace in-house management systems.
  - (i)** As previously stated in Note 4(c) office overheads were reduced which lead to significant reductions in costs associated with accommodation, travel, training and contracting.
  - (j)** The Office has agreed to pay \$100 000 per annum to the Consolidated Fund as a reduction in equity for three years commencing 1996-97.
  - (k)** The Office is required to pay an amount equivalent to sales tax, income tax and a capital charge into the Consolidated Fund.
  - (l)** The Office was required to pay additional FBT in the previous year as a result of an audit by the Australian Taxation Office.
-

## 5. Outputs of the Office

The Office has only one output group "Public Sector Management and Accountability" of which the objective is:

"To provide independent audit assurance to Parliament concerning the financial statements of the Treasurer, Government Departments and other public bodies and the economy, efficiency and effectiveness of the operations of those entities".

### Key Performance Measures

Issue of audit reports to auditees by 31 October of the relevant audit cycle (percentage completion weighted by audit hours).

Tabling of the Office's report on the Public Account and report on Ministerial Portfolios comprising Government Departments, Government Business Enterprises and statutory authorities in Parliament by the prescribed tabling dates.

The Office conducts performance audits of the economy, efficiency, and effectiveness of selected aspects of public sector entities' activities.

	<b>1999</b>	<b>1998</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Key Performance Indicators</b>		
Percentage of financial audits completed by 31 October	66%	54%
Reports tabled within prescribed time frames	Yes	Yes
Aggregate cost of performance audits at least equal to funding from appropriation	236	233

## 6. Depreciation Expense

Depreciation expense for the reporting period was charged in respect of:

Computer Equipment	143	146
Office Equipment and Furniture	24	28
Leasehold Improvements	35	38
	202	212

<b>7. Revenues</b>	<b>1999</b>	<b>1998</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Audit Revenue</i>		
Financial Audit Fees Raised	2 351	2 537
Add Work in Progress (30 June)	766	933
	<u>3 117</u>	<u>3 470</u>
Less Work in Progress (1 July)	(933)	(1 041)
<b>Financial Audit Fees Revenue</b>	<b>2 184</b>	<b>2 429</b>
Fees for Whole of Government Services	365	366
<b>User charges and fees</b>	<b>2 549</b>	<b>2 795</b>

Work in Progress is measured by the actual hours spent to date on the audit multiplied by the appropriate charge out rate per employee category.

*Proceeds from Sales of Goods and Services*

Proceeds from the sale of goods and services are not required to be paid into the Consolidated Fund.

*Net Revenues from Disposal of Non-Current Assets*

Proceeds from the disposal of Computer Equipment	-	6
Less: Written down value of Computer Equipment	-	2
	<u>-</u>	<u>4</u>

**8. Receivables**

Audit Fees and Charges Outstanding	124	-
Sundry Debtors	9	13
	<u>133</u>	<u>13</u>

Debts written off as non-collectable	-	5
--------------------------------------	---	---

**9. Non-Current Assets  
Plant, Equipment and Furniture**

Computer Equipment	698	655
(Accumulated Depreciation)	(531)	(388)
	<u>167</u>	<u>267</u>

Office Equipment & Furniture and Leasehold Improvements	300	300
(Accumulated Depreciation)	(280)	(220)
	<u>20</u>	<u>80</u>

<b>Total</b>	<b>187</b>	<b>347</b>
--------------	------------	------------

---

**10. Equity and Changes in Equity****1999**      **1998**  
**\$'000**      **\$'000**

Equity represents the residual interest in the net assets of the Office.

**Opening Equity****1 495**      **1 615**

Less Equity Reduction

(100)      (100)**1 395**      **1 515**

Change in Net Assets Resulting from Operations

(17)      (20)

Equity at the end of the reporting period

**1 378**      **1 495****11. Purchase of Non-Current Assets**

Computer Equipment

44      152

Office Equipment and Leasehold Improvements

-      19**44**      **171****12. Reconciliation of Net Cash used in Operating Activities to Net Cost of Services**

For the purposes of the statement of cash flows, "cash" includes cash on hand and deposit accounts.

**Net Cost of Services****(259)**      **(225)**

Abnormal Items

-      (30)

Sales Tax / Capital Charge

174      122

*Items not involving Cash*

Depreciation

202      212

Employee Entitlements

(31)      38

(Increase)/Decrease in Receivables

(120)      45

(Increase)/Decrease in Work in Progress

167      108

(Increase)/Decrease in Other Non Current Assets

(13)      24

Increase/(Decrease) in Revenue in Advance

(8)      (7)

(Decrease) Increase in Payables

120      10**Net Cash used in Operating Activities****234**      **297**

---

---

**13. Employee Entitlements****1999**      **1998**  
**\$'000**      **\$'000****Current**

Accrued Salary and Related Salary Payments	40	47
In Lieu of Overtime	7	1
Annual Leave	229	242
Long Service Leave	22	67
	<hr/>	<hr/>
	298	357

**Non-Current**

Long Service Leave	350	322
	<hr/>	<hr/>
	350	322

**14. Abnormal Items****1997-98**

The Office was required to pay additional fringe benefits tax as a result of an external audit. This amounted to \$25 177. A bad debt was written off during the year (\$5 000).

**15. Operating Lease Commitments**

At the reporting date, the Office had the following obligations under non-cancellable operating leases (these obligations are not recognised as liabilities):

Not later than 1 year	56	129
Later than 1 year and not later than 2 years	102	-
Later than 2 years and not later than 5 years	306	-
	<hr/>	<hr/>
	464	129

Lease Incentive Liability	58	
---------------------------	----	--

Prepaid Rent	46	
--------------	----	--

**16. Auditor's Remuneration**

Amounts paid, or due and payable to the independent auditor	4	4
---	---	---

---

---

## CERTIFICATION OF THE FINANCIAL STATEMENTS

The accompanying financial statements of the Tasmanian Audit Office are in agreement with the relevant accounts and records and have been prepared in compliance with Treasurer's Instructions issued under the provisions of the *Financial Management and Audit Act 1990* to present fairly the financial transactions for the year ended 30 June 1999 and the financial position as at end of the year.

At the date of signing I am not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



A J McHugh  
**AUDITOR-GENERAL**

15 July 1999

---







## Scope

We have audited the financial report of Tasmanian Audit Office for the year ended 30 June 1999, being Public Account – Cash Statements comprising Financial Summary Consolidated Fund Transactions and Special Deposits and Public Account – Accrual Statements comprising Operating Statement, Statement of Financial Position, Statement of Cash Flows and Notes to the Financial Statements. The Auditor General is responsible for the preparation and presentation of the financial statements and the information they contain. We have conducted an independent audit of those financial statements in order to express an opinion on them to the Treasurer.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements, Financial Management and Audit Act 1990 and Treasurer's instructions so as to present a view which is consistent with our understanding of the Tasmanian Audit Office's financial position and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

## Audit Opinion

In our opinion, the financial report of the Tasmanian Audit Office presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements and the Tasmanian Audit Office's financial position as at 30 June 1999 and of its performance for the year ended on that date.

*Deloitte Touche Tohmatsu*  
**DELOITTE TOUCHE TOHMATSU**

**L. T. Cox**  
**Partner**  
**Chartered Accountants**

Hobart, 24 August 1999







## APPENDIX 1 – ADDITIONAL HUMAN RESOURCE STATISTICS

### STAFF AGE PROFILE - HEAD COUNTS

	30 June 1997		30 June 1998		30 June 1999	
	Male	Female	Male	Female	Male	Female
15-19 years	0	0	0	0	0	0
20-24 years	2	2	0	0	1	0
25-29 years	5	2	7	2	5	1
30-34 years	1	2	2	2	4	5
35-39 years	6	0	4	0	4	1
40-44 years	2	1	2	0	3	0
45-49 years	3	2	3	2	5	1
50-54 years	7	0	4	0	5	2
55-59 years	3	0	5	0	5	0
60-99 years	0	0	0	0	0	0
<b>TOTALS</b>	<b>29</b>	<b>8</b>	<b>27</b>	<b>6</b>	<b>32</b>	<b>10</b>
<b>AVERAGE AGE</b>	<b>41.42</b>	<b>35</b>	<b>41.96</b>	<b>37.28</b>	<b>42.07</b>	<b>37.47</b>

### STAFF SALARY PROFILE - HEAD COUNTS (FTE SALARY)

	30 June 1997		30 June 1998		30 June 1999	
	Male	Female	Male	Female	Male	Female
< \$19 000	0	0	0	0	0	0
\$19 001 - \$23 000	0	0	0	0	0	0
\$23 001 - \$27 000	0	0	0	0	0	1
\$27 001 - \$31 000	0	3	0	1	4	2
\$31 001 - \$35 000	2	1	0	1	0	2
\$35 001 - \$40 000	6	1	9	1	6	1
\$40 001 - \$45 000	4	1	3	1	7	0
\$45 001 - \$50 000	7	2	7	2	2	2
\$50 001 - \$55 000	5	0	0	0	6	2
\$55 001 - \$60 000	0	0	5	0	5	
\$60 001 >	5	0	3	0	2	
<b>TOTALS</b>	<b>29</b>	<b>8</b>	<b>27</b>	<b>6</b>	<b>32</b>	<b>10</b>
<b>AVERAGE SALARY*</b>	<b>49 635*</b>	<b>36 446</b>	<b>51 128*</b>	<b>40 488</b>	<b>49 194</b>	<b>37 792</b>

\* includes the Auditor-General

---

## STAFF TURNOVER - HEAD COUNTS

	30 June 1997		30 June 1998		30 June 1999	
	Male	Female	Male	Female	Male	Female
Redundancy	0	0	0	0	0	0
Retirements	2	0	1	0	1	0
Promotions to other agencies	0	0	1	1	2	0
Deaths	0	0	0	0	0	0
Resignations	3	0	0	0	0	0
End of temporary appointment	2	0	2	1	0	0
<b>TOTALS</b>	<b>7</b>	<b>0</b>	<b>4</b>	<b>2</b>	<b>3</b>	<b>0</b>

## STAFF MOVEMENTS - HEAD COUNTS

	30 June 1997		30 June 1998		30 June 1999	
	Male	Female	Male	Female	Male	Female
Secondments	0	0	1	0	1	0
Leave without pay	0	1	1	0	2	2
<b>TOTALS</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>3</b>	<b>2</b>

## STAFF AWARDS - FULL-TIME EQUIVALENTS

	30 June 1997		30 June 1998		30 June 1999	
	Male	Female	Male	Female	Male	Female
Clerical Officers	4	2.36	4	1.68	3	2.34
Professional Officers	21	5	21	4	21.26	4.78
Contract	4	0	2	0	2	0
<b>TOTALS</b>	<b>29</b>	<b>7.36</b>	<b>27</b>	<b>5.68</b>	<b>26.26</b>	<b>7.12</b>

## EQUAL EMPLOYMENT - HEAD COUNTS

	30 June 1997		30 June 1998		30 June 1999	
	Male	Female	Male	Female	Male	Female
Disabilities	1	0	1	0	1	0
Aboriginal & Torres Strait Islanders	0	0	0	0	0	0
Non English Speaking Background	1	0	1	0	2	2
<b>TOTALS</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>3</b>	<b>2</b>

---

## STAFF RECRUITMENT - HEAD COUNTS

	30 June 1997		30 June 1998		30 June 1999	
	Male	Female	Male	Female	Male	Female
From within State Service	0	0	0	0	0	1
Non-State Service	1	1	0	0	2	0
<b>TOTALS</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>1</b>

## STAFF CATEGORIES - HEAD COUNTS

	30 June 1997		30 June 1998		30 June 1999	
	Male	Female	Male	Female	Male	Female
Prescribed	1	0	1	0	2	0
Permanent Full-Time	27	5	25	5	23	6
Permanent Part-Time	0	2	0	1	0	1
Full-Time Temporary - S38(1)(a)	1	1	0	0	0	0
Part-Time Temporary - S38(1)(a)	0	0	0	0	0	0
Full-Time Temporary - S38(1)(b)	0	0	1	0	7	3
Part-Time Temporary - S38(1)(b)	0	0	0	0	0	0
<b>TOTALS</b>	<b>29</b>	<b>8</b>	<b>27</b>	<b>6</b>	<b>32</b>	<b>10</b>

## STAFF CATEGORIES - FULL-TIME EQUIVALENTS

	30 June 1997		30 June 1998		30 June 1999	
	Male	Female	Male	Female	Male	Female
Prescribed	1	0	1	0	2	0
Permanent Full Time	27	5	25	5	22.56	5.53
Permanent Part Time	0	1.36	0	0.68	0	1
Full-time temporary - S38(1)(a)	1	1	0	0	0	0
Part-time temporary - S38(1)(a)	0	0	0	0	0	0
Full-time temporary - S38(1)(b)	0	0	1	0	1.70	0.59
Part-time temporary - S38(1)(b)	0	0	0	0	0	0
<b>TOTALS</b>	<b>29</b>	<b>7.36</b>	<b>27</b>	<b>5.68</b>	<b>26.26</b>	<b>7.12</b>



---

**STAFF CATEGORIES - HEAD COUNTS BY LOCATION**

	30 June 1997		30 June 1998		30 June 1999	
	Male	Female	Male	Female	Male	Female
Hobart	25	4	25	4	28	8
Launceston	4	4	2	2	4	2
<b>TOTALS</b>	<b>29</b>	<b>8</b>	<b>27</b>	<b>6</b>	<b>33</b>	<b>10</b>

---

---

# COMPLIANCE INDEX TO DISCLOSURE REQUIREMENTS: 1998-1999

This index has been prepared to facilitate identification of compliance with statutory disclosure requirements: Financial Management and Audit Act 1990 (FMAA) and Treasurer's Instructions (TI), the Tasmanian State Service Act 1984 (TSS) including Statutory Rule No. 123 of 1990 Tasmanian State Service (Agency Reporting) Regulations (TSS(AR)R) and other contemporary reporting practices.

REFERENCE	DESCRIPTION	PAGE
<b>AIDS TO ACCESS</b>		
	Table of Contents	i
	Alphabetical index	81
<b>OVERVIEW</b>		
TSS(AR)R3(a)(i)	Overall mission and objectives of the Office including its strategic plan and related programs.	9
FMAAs.27(1)(a) TSSs.33AB(1)(a)	A report on the performance of the functions and powers of the Auditor-General under any written law.	7-15
FMAAs.27(1)(b)subject to s.27(2)TSSs.33AB(1)(b)	A report by any statutory office holder employed in or attached to the Office except where required to report under any other Act.	7-15
TSS(AR)r3(a)(v)	Major initiatives taken to develop and give effect to Government policy	15
T1701(1)(b) TSS(AR)R3(a)(iv)	Details of major changes affecting programs, objectives or organisational structure	17
<b>STATUTORY/NON-STATUTORY BODIES AND COMPANIES</b>		
	A list of statutory and non-statutory bodies	N/A
	A list of names of companies	N/A
<b>LEGISLATION ADMINISTERED AND MAJOR DOCUMENTS PRODUCED</b>		
TSS(AR)R3(e)	A list of legislation administered by the Office	19
TSS(AR)R3(d)(i)	A list of major documents or publications produced	19
<b>ORGANISATIONAL STRUCTURE</b>		
TSS(AR)R3(a)(ii)	Organisation Chart as at the end of the reporting year	17
TSS(AR)R3(a)(iii)	Details of relationship between corporate and program structure	9,17
<b>PERFORMANCE INFORMATION</b>		
T1701(1)(a) & (e)	Performance information on sub-programs of the Office	12-14

---

---

## HUMAN RESOURCE MANAGEMENT

TSS(AR)Re(c)(i)	Staffing information as at 30 June.	23-26
	Total number of Full Time Equivalent (FTE) employees	73-76
	Total number of persons employed (head count)	23
	Total number of persons employed under applicable legislation	
	• by classification	74
	• by award or agreement	74
	• by occupational category (standard title)	26
	• by age profile	73
	• by employment authority - office holder, temporary, contract, non-State service	75
	• by employment category - full-time, part-time, casual	75
	• by gender	73
	• by location	76
	• recruited and separated (ons and offs)	23
	• on secondment to and from other agencies or organisations	74
	• on leave without pay	74
	Total number of equal opportunity employees (ie employees with disabilities, Aboriginal and Torres Strait Islanders, people from non-English speaking backgrounds) under the same data categories as above	74
	Employee separations by category	23
	Sick leave days taken - full pay, half pay, no pay	26
	Average sick days per FTE	26
	Long service leave: number of employees whose credits exceed statutory limits	27
	Annual leave: number of employees whose credits exceed statutory limits (ie twice annual entitlements)	27

---

**HUMAN RESOURCE MANAGEMENT (cont)**

	Workers' compensations:	31
	<ul style="list-style-type: none"> <li>• by nature of injury or illness</li> <li>• by number of cases</li> <li>• by days lost</li> <li>• by cost</li> </ul>	
	Average salary cost per FTE	73
TSS(AR)R3(c)(ii)	Eligible training courses and staff development activities	27-28
TSS(AR)R3(c)(iii)	Equal Employment Opportunity	29
TSS(AR)R3(c)(iv)	Industrial democracy plans with outline of process available for appeals against decisions by the Office	30
TSS(AR)R3(d)(iii)		
TSS(AR)R3(c)(v)	Occupational health and safety strategies	31

**ASSET MANAGEMENT, RISK POLICIES**

TI 701(1)(d)(i) & (ii)	Major capital projects	N/A
TI 701(1)(g)	Asset management policies, strategies and initiatives	35
TI 701(1)(c)	Pricing policies of goods and services	36
TI 701(1)(f)	Risk management policies, activities or initiatives	35

**EXTERNAL/INTERNAL SCRUTINY**

	Consultants engaged during the period	39
	A list of titles and publishing dates of reports by any internal or external body.	19

**PUBLIC ACCESS AND AWARENESS OF SERVICES PROVIDED**

TSS(AR)R3(d)(ii)	A list of contact officers and points of public access	Inside Cover
TSS(AR)R3(d)(i)	Activities undertaken to develop community awareness of the services the Office provides	N/A
	Freedom of Information details	33

**FINANCIAL STATEMENTS**

TI701(1)(h) & (j)	Financial statements of the Office including statements of any public body not required to report under any other Act, together with the audit opinion on those statements..	41-69
-------------------	--	-------

N/A not applicable



---

# ALPHABETICAL INDEX

## A

Asset Management, 35  
Audits Contracted Out, 7  
Audit Independence, 1  
Audit Mandate, 2  
Audit Report, 69  
Audit Types, 2

## C

Charter, 1  
Compliance Index to Disclosure Requirements, 77  
Commentary on Financial Results, 41  
Consultants Engaged, 39  
Contracting, 7  
Corporate Plan, 9  
Corporate Services, 21

## E

Equal Employment Opportunity, 29  
External Audit, 40, 69  
External Review, 39

## F

Financial Audits, 2,  
Financial Statements, 43-67  
Freedom of Information, 33  
Future Directions, 15

## H

Human Resource Management, 23-32  
Human Resource Statistics, 23-32, 73-76

## I

Industrial Democracy, 30  
Internal Audit, 39  
Involvement with Committees, 34

## K

Key Management Personnel, 18

---

---

## **L**

Leave Management, 26  
Legislation Administered, 19  
Legislation, Governing, 1  
Legislation, Review of, 15  
Local Government Audits, 7

## **M**

Major Documents Produced, 19  
Management Policies, 35  
Managing Cultural Diversity, 29  
Mission Statement, 9

## **N**

National Competition Policy, 15

## **O**

Occupational Health and Safety, 31  
Organisation and Management, 17  
Organisation Chart, 17  
Outputs, 12

## **P**

Performance Audits, 4,10  
Performance of the Office, 9  
Pricing Policies, 36  
Profile of the Office, 1  
Public Access, 33  
Public Sector Management and Accountability, 12

## **Q**

Qualified Audit Reports, 4

## **R**

Reports to Parliament, 5  
Risk Management, 35

## **S**

Service Delivery, 7  
Staff Development, 27  
Survey of Auditees, 39

---

---

## **W**

Workers Compensation Statistics, 31

## **Y**

Y2K Review, 36

---